

SIR JOHN SOANE'S MUSEUM

Registered Charity No. 313609

**THE ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR 1 APRIL 2016 TO 31 MARCH 2017**

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THE ANNUAL REPORT

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External Auditor

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



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HISTORY, AIMS AND OBJECTIVES OF THE MUSEUM

History of the Museum

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

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

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

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

The **1833 Act** was superseded in 1969 by **The Charities (Sir John Soane's Museum) Order (1969 No.468)**, revised in **1996, 2003, 2011 and 2012**.

Aims and Objectives of the Museum

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

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

The Trustees' main objectives are as follows:

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

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

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

3. To encourage the public to appreciate and explore all aspects of the Museum and its manifold collections, and of Sir John Soane, his life and works, whether as visitors or at a distance.

4. To inspire curiosity and creativity by means of an imaginative programme of events so that the Soane remains a 'living' museum.

5. To provide opportunities for education in its broadest sense in all aspects of architecture and the history of art, doing honour to Soane's intention to develop his House and Museum as 'an Academy for the Study of Architecture'.

6. To ensure that the Museum's staff, administration and finances are effectively managed.

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

Public Benefit

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

Relationship between the Charity and Related Parties

Sir John Soane's Museum is an executive NDPB whose parent body is the Department for Culture, Media and Sport (DCMS). DCMS is regarded as a related party. Details of related party transactions are contained in note 22 to the Accounts.

REVIEW OF THE YEAR

THE DIRECTOR'S INTRODUCTION

The year just ended was a momentous one for the Museum. Last September, we celebrated the completion of our seven-year project, *Opening Up the Soane* (OUTS), with the unveiling of new spaces that have enhanced our visitor offer by thirty-three per cent. Now, for the first time, we also have full disabled access to the public areas of the Museum. We were fortunate in our collaborators for OUTS, and I would like to acknowledge the sterling work of the following: Julian Harrap Architects, especially Lyall Thow; Fullers Builders; and our project managers Fanshawe LLP, in particular Rupert Symmons and Alexandra Cooper. On our side, Helen Dorey ably led the team, assisted by Liam McCull, Jane Wilkinson, and all who work with them. To put this in a larger context, OUTS represented the culmination of restoration and conservation work within the Soane, which began with my predecessor Peter Thornton and was continued by his successors, most notably Tim Knox, who conceived of OUTS in 2007.

Last summer, the Soane also successfully completed the *Catalyst: Endowment* campaign which is vested with Sir John Soane's Museum Trust, and sponsored by the Heritage Lottery Fund (HLF), which required us to raise £4 million to secure a matching grant of £2 million from the HLF. This was a remarkable achievement for a museum of our size, but it is also a testimonial of the esteem and support which we enjoy among our patrons and the public at large. It was heartening that the overwhelming majority of donations towards *Catalyst* came from the United Kingdom, and I would like to acknowledge our gratitude to everyone and every foundation that helped with this challenge and to our former Director of Development Anh Nguyen and her department for bringing it to a successful conclusion. Finally, thanks to a generous grant of £1 million from the Department for Culture, Media, and Sport (DCMS), the Museum was able to build upon the work of OUTS to upgrade our wifi system and software as well as continuing essential work on wayfinding, digital projects and conservation. The Museum now has a proper platform on which to pivot towards a more outwardly engaging set of programmes.

Another important innovation of the year has been the rerouting of visitor flow through the buildings. This was prompted by the need to rationalise the steady increase in the number of visitors (up 1.8% last year, at 121,504). Starting in September 2016, daily visits now begin in No. 12, where guests can leave belongings in the cloakroom before moving to the Breakfast Room. There, specially trained members of our commercial team offer them a revamped Short Guide with a plan of the whole Museum - a novelty for the Soane - before proceeding downstairs to enter the main part of the Museum through the newly reopened Kitchens and refurbished Crypt. Visitors are now encouraged to explore the Soane, floor by floor, before leaving through the shop in No. 12. The result has been a smoother flow of visitors throughout the buildings and a virtual disappearance of the queues outside. Much of the brunt of this change has been borne by our Visitor Assistants, who have handled the transition with their usual grace and good humour. We are also indebted to Katie Weston, our Volunteer Manager, and our flourishing system of

Volunteers, now numbering over one hundred, without whom we would find it difficult to make our expanded visitor offering available to the public.

During the course of this year, we were able to make some key appointments to the staff, notably in Exhibitions and Education. These two activities have now been fused into one department under Owen Hopkins, who joined us from the Royal Academy as Senior Curator for Exhibitions and Education. We have also created a full-time position of Learning Manager for Schools, Families, and Communities, and the first holder of this position is Dr Emma Miles. Both have already made a mark on this crucial aspect of our programming, and our outreach to local schools and the community has expanded significantly.

This has also been a notable year for Soane Museum Enterprises and our Shop. These were led by Xanthe Arvanitakis, who also greatly expanded our number of licensees during her time with us. Xanthe left us in February 2017, but we have found an excellent successor in Adam Thow, who brings with him extensive experience in the commercial world from the South Bank and Barbican Centre. The Shop had a ten per cent increase in custom, despite a dip in visitor numbers over the summer, ending the financial year with turnover of £306,569. Our new online shop was launched in May of last year and won an award as Best Online Shop (turnover under £1 million) from the Association of Cultural Enterprises in March 2017. We also witnessed robust growth in venue-hire income, especially with filming for the major Hollywood film *Transformers 5*, which provided an object lesson in developing new protocols for filming. We were greatly assisted in this by advice from the National Trust, and we now have guidelines for such projects in the future. The experience of filming by such a large professional location crew has been an invaluable experience for our Conservation Department under Jane Wilkinson. Conservation have also begun more active monitoring of the effects of light and vibration within the Museum so that we can monitor the impact of a steadily rising number of visitors. We benefited greatly from permission to close for one week after New Year 2017 for extensive deep cleaning of parts of the collection, and we are grateful to the DCMS for allowing us to do this. We hope to make this a regular feature of our conservation programme.

The Soane's finances continue to be robust, and thanks to the Capital Works grant from the DCMS, we were able to upgrade the software for monitoring activities across the board. This will enable each department head to view their budgets on a day-to-day basis, adding clarity to their decisions. In addition, we have been able to hire a part-time Human Resources Officer, Christine White, who has proved invaluable in reviewing personnel files and contracts. Our performance indicators (listed on p.38) show a positive profile.

Finally, I would like to thank Guy Elliott, Chairman, and all the Trustees of Sir John Soane's Museum for their support and encouragement to me and all the staff during the year just ended. It is an honour and a privilege to serve as Director and to work alongside such dedicated and inspiring colleagues.

Bruce Boucher, Director

THE BUILDINGS

Opening up the Soane Project (OUTS)

Phase 2 of OUTS, the restoration of the Private Apartments (completed last year) won a RIBA London award on 3 May 2016 and subsequently won a RIBA National Award as an outstanding conservation project.

A few final items of work relating to Phase 2 were completed. James Cook (Odd Chair Company) delivered the replica sofa for Mrs Soane's Morning Room (manufactured to match surviving descriptions). The Odd Chair Company also made a replica mirror frame for the No. 12 Breakfast Room (the original is now in the Model Room). This was gessoed and gilded by Clare Kooy-Lister and fitted with new mirror glass. In early 2017 the Odd Chair Company delivered two replica bookcases, copies of originals that have returned to the Private Apartments, for the same room.

Fullers Builders completed the Phase 3 building works in the Catacombs, Lobby to the Breakfast Room, Apollo Recess, Foyle Space and new Link Passage on time and under budget: the site was formally handed over on 30 June 2016.

Conservation of works of art for the Phase 3 areas was carried out by our own team and by Taylor Pearce Restoration and Rupert Harris Conservation (metalwork specialists). Restored casts, marbles and bronzes returned in July and August 2016. Helen Dorey oversaw the installation of almost 150 works of art by Taylor Pearce Restoration with the assistance of John Bridges; the vast majority required decisions to be made on site about fixings and precise locations; many had to be installed high up on newly installed shelves and brackets and all had to be secured ingeniously to prevent theft or damage. Arlington Conservation completed the restoration of Soane's 'Pamphlet cupboard' for the Lobby to the Breakfast Room.

As a result of Phase 3 the Lobby to the Breakfast Room, Catacombs, Basement West Corridor and Apollo Recess all now appear as they did at the time of Soane's death and striking light effects have been reinstated - one unexpected consequence is that the statue of Apollo now stands bathed in golden light - as if he is in the sun (the result of blocking up the opening in the wall behind him). The new Link Passage, designed by Julian Harrap Architects, is the first new building at the Soane since the 19th century and completes full disabled access to the Museum. Phase 3 also provides at basement level a new 'Catacombs store' and covered access to our works of art store in the 'West Chamber'. The former 'New Picture Room' at the back of No. 12 has been converted into a flexible exhibition space renamed 'The Foyle Space'. It was fitted out with a rae-light system (picture rails incorporating a lighting system). Later in the year this was supplemented with a flexible yet discreet lighting system for the centre of the room with the lights mounted on a new flat metal ring which hangs within the opening to its dome - this was designed by Hoare Lee lighting.

The completion of Phase 3 was marked with an OUTS exhibition in the new Foyle Space devised by Helen Dorey working with the designer Charles Marsden-Smedley (see p.27).

After several years serving as the builders' site offices the original Kitchens were handed back to the Museum at the end of Phase 3. They were re-decorated in their original colours by Fullers Builders and Helen Dorey and Jane Wilkinson reinstated their original furniture and set up an arrangement of Soane's china and glass on the dresser. The Kitchens opened to the public for the first time, with other restored Phase 3 areas, in September 2016.

A number of oral history interviews were carried out by Helen Dorey and Sue Palmer; they are being transcribed by a volunteer.

The first phase of *Explore Soane* – the first step towards a virtual Soane Museum, funded through the OUTS project – was completed on time and launched in late January 2017. It has been very well received. The Museum, in partnership with UK-based creative studio ScanLAB Projects, has used the latest in 3D scanning technology to create a perfect online digital replica of parts of the Museum, accessible through a newly-launched website – *explore.soane.org*. Currently two rooms can be discovered in detail: the Model Room and the Sepulchral Chamber. Selected objects within these spaces, such as cork and plaster models of the Temple of Vesta outside Rome and the sarcophagus of Seti 1st, can be explored from all angles in great detail. As part of the project, online resources for schools have also been created (see p.25).

Julia Holberry completed an evaluation report on the entire OUTS project which was submitted to the Heritage Lottery Fund with the final claim in December 2016.

Jonathan Crane, an independent film maker is reviewing film footage from OUTS to formulate a proposal for a film on the project.

CAPITAL WORKS PROJECT

Just before the start of the year the Museum was awarded an exceptional £1,000,000 Capital Works grant by DCMS to be spent in the financial year 2016-17.

A capital works project covering conservation, building maintenance, information technology (see p.29) and visitor services (see p.30) was devised and project managed by Helen Dorey, Liam McCull, Toby Voss and Xanthe Arvanitakis with the help of Fanshawe (Rupert Symmons and Alexandra Cooper).

The building/security projects completed were as follows (the majority carried out by Fullers Builders):

- The Mess Room (used by Visitor Assistants, Volunteers and as a catering kitchen) was overhauled with new wall units and other equipment.
- Saskia Huning refinished the floors in the Colonnade, Dome and Monk's Parlour.

- The metal railings to the front steps of Nos. 12 and 13 have been strengthened.
- The No.13 Front cellars were cleaned and repointed so they are drier and now provide useful storage.
- The showcases in the Soane Gallery were overhauled by their manufacturers, Goppion, to correct problems with their airtightness. Jo Tinworth oversaw this process working with our environmental consultant Bob Hayes.
- CCTV was upgraded around the Museum.
- A new remote control lock was fitted to the No.14 front gate to control access from the street via the new staff/contractor route.
- All wireless fire devices were upgraded and now meet the latest British standard.
- The central heating system has been upgraded to be sensitive to relative humidity rather than temperature. The Museum has been divided into zones that will be controlled by relative humidity sensors in the spaces. This was a major project.
- Fullers decorated a number of staff offices on the 3rd and 4th floors as well as the basement hall of No. 12 and the Art Room (No.14 basement). Hare & Humphreys redecorated the Soanean red walls of the Seminar Room (No.14 ground floor).
- Bespoke shelving was installed in six offices and new office furniture purchased for the Director, Office Manager, Enterprises team and Finance/HR with new chairs throughout the staff offices.
- The carpet on the main No. 12 staircase was re-laid with new underlay to prolong its life.
- Brass eyelets for stair rods were reinstated on the main staircase of No. 14 and a new sisal mix carpet laid.
- New sisal rugs were laid in the staff offices and Common Room (3rd and 4th floors) to protect the wooden floors.

Conservation

- The Conservation Team completed the conservation of 27 framed works from the No.13 Breakfast Room with the help of Clare Kooy Lister (specialist frame conservator) and Lorraine Bryant (paper conservator). The frames, restored and with their gilding cleaned and repaired, look spectacular and Lorraine's careful cleaning of the drawings themselves has transformed their appearance. A particular highlight is the restored watercolour of Eliza Soane's tomb, hanging above the bookcase.
- Lucy Sims completed a review of all UV filtering film and blinds on windows, renewing them throughout the Museum as necessary.
- A range of new ladders and other emergency equipment was purchased.

The Museum is very grateful to Fanshawe (Rupert Symmons and Alex Cooper) for their help as Project Managers for the Capital Works. Project meetings were held once a month throughout the Project, attended alternately by Orna, Lady Turner and Alderman Vincent Keaveny on behalf of the Trustees. The full £1 million grant was claimed from DCMS and all planned work completed.

Following the completion of OUTS and the Capital Works programme the curatorial and conservation team has been working on future plans and will be drawing up a 5-year Collections Care Plan in the next six months.

OTHER BUILDING AND MAINTENANCE WORK

The Museum closed for a week in January 2017, with the permission of DCMS, for the first time to enable vital general maintenance and conservation works to be carried out.

During the week the following projects were completed:

- The Conservation Team carried out deep cleans in the No.13 Breakfast Room and the Picture Room Recess.
- Inaccessible works of art from the Picture Room Recess were photographed for *Collections Online* during this process

Jane Wilkinson also planned and managed the following work carried out by various freelance specialists (Taylor Pearce, Debbie Russell and Saskia Huning):

- Cleaning and re-varnishing and polishing of the Picture Room floor.
- Removal of last vestiges of old linoleum and varnish and application of a new finish to the uncovered original floorboards in the Library-Dining Room – this has transformed the appearance of this key interior.
- Cleaning and polishing of the floor in the North Drawing Room.
- Cleaning of stone flagstones in the No. 13 Entrance Hall.
- Cleaning of the marble fireplaces in the Library and Dining Room.

During the year the five-year cyclical electrical survey of the three buildings was also completed and indicates no urgent repairs are needed. Minor remedial work is required which will be carried out over the next year

Fire Safety and Security

All fire and security systems and equipment have received their annual tests and inspections and all certificates are up to date.

As part of the Capital Works grant (see p.14) all the wireless heat and smoke detectors were upgraded to the new British Standard frequency during the course of the year.

The Museum Fire Risk Assessment was reviewed at the end of Phase 3 of OUTS in June 2016 and again in November 2016 after the changes to visitor entry and routes around the Museum (see p.33).

First-Aid Training

Ten members of staff had first-aid training to ensure sufficient cover by trained staff at all times.

Green Housekeeping

The Museum recycles all paper, cardboard, glass, light bulbs, batteries, printer cartridges and electrical equipment.

A significant portion of the Museum's electricity supply is provided by an array of photovoltaic panels placed on the roof of No. 13.

THE COLLECTIONS

The Museum has 'Accredited Museum' status which requires re-assessment every few years. An application for its renewal was compiled by Helen Dorey and submitted to Arts Council England in September 2016. At the time of publishing this Annual Report we still await a response from the Arts Council.

WORKS OF ART

John Bridges and Helen Dorey continued to work on the development of digital drawings of the sequence of objects with M numbers (those in all the rear parts of the Museum) to determine Soane's original arrangements and help us to re-instate them and get objects in store back on display in their original positions wherever possible. The original arrangements in the Museum Corridor are now finalised (M1-M100) and necessary adjustments to the hang will be made in 2017-18.

Digital drawings of the original picture arrangement in the No.13 Breakfast Room to assist with the re-hanging of newly-conserved pictures and frames were completed. The hanging was carried out by JPW Ltd at the end of March 2017.

Two significant objects (a headless torso and a medieval crowned head) shown in period views of the basement and thought lost have been identified amongst items logged as having no original inventory number. The torso is now back in its original position; the head will follow soon.

In March 2017 A.C. Cooper Ltd delivered more than 1,000 digitised images of Soane works of art (all the pictures they have taken here since 1947) These will be gradually checked and uploaded to our Collections Management System (CMS). The digitisation was funded from the Capital Works grant (see p.14).

THE RESEARCH LIBRARY AND ARCHIVE

Acquisitions

In July 2016 Professor Pierre du Prey, architectural historian, kindly gave the Museum a packet of his correspondence with Sir John Summerson and Dorothy Stroud and subsequent Directors which in particular throws new light on the running of the Museum in the 1960s and 1970s.

In the spring of 2017 we were pleased to receive from Professor David Bindman the gift of two small watercolour sketches in the hand of architectural draughtsman William Capon (1757-1827) showing Adam interiors at 23 Arlington Street, London.

Visitors

There were 205 visitors to the Library during the year (216 last year). In addition the Library hosted a number of group visits by students and others.

The two Sir John Soane's Museum Foundation Soane Scholars from the USA hosted by the Museum this year were Sheila Moloney from the Bard Graduate Center, New York, working on the Picturesque, the English Landscape Garden and the Architecture of John Soane, and Marrikka Trotter working on a PhD on Architecture and Geology at Harvard University and looking in particular at Soane's volumes of newspaper cuttings.

Cataloguing of the Drawings Collection

Dr Frances Sands continued her work of cataloguing the 8,000 drawings in Soane's collection from the office of Robert and James Adam when time allowed from her numerous other duties as Curator of Drawings and Books. She was supported by the volunteer to the Adam project, Anna McAlaney. Fundraising to recruit a trainee Adam cataloguer was under way at the end of 2016-17.

Frances Sands also curated the exhibition *Robert Adam's London* and wrote the accompanying book of the same title (see pp.27 and 28).

Jill Lever, working part-time, continued to catalogue Soane projects on a chronological basis. At the end of the year funding was secured from the Mercers' Company and the Pilgrim Trust for a two-year project, 'Religion and the Law' to employ and train two early career graduates to catalogue Soane's drawings for the Law Courts at Westminster and for his three London churches. Recruitment for the first year was under way at the end of March 2017.

The project to digitise all 30,000 drawings in Soane's collection, generously funded by the Leon Levy Foundation and managed by Sue Palmer, Archivist and Head of Library Services, was completed in January 2017. Rupert Craven, working part-time, completed the upload of all the Adam images to the Collections Management System and was making steady progress with the Soane images at the end of the year.

The project, ongoing since 2009, to rehouse the entire drawings collection in new conservation-grade folders was completed during the year using money from the Capital Works grant (see p.14). Fran Sands began work on a conservation triage of all the Soane drawings. She also attended a training day on historic book bindings at Cambridge University in June 2016.

A new Library Volunteer, James Healey, was recruited in August 2016, to work one day a week supervising visitors to the Research Library and compiling an inventory of the library information files.

Volunteer Dorothy Hirsch continued her work on converting the card catalogue of modern reference books into an electronic resource.

CONSERVATION

Conservation of the Fabric of the Building and the Collections

In collaboration with the Deputy Director, Jane Wilkinson, the Head of Conservation, assisted by the two part-time Assistant Conservators Lucy Sims and Christian Kile, continued to manage the day-to-day care of the collection and the Museum interiors, undertaking a range of tasks as these arose over the year. Apart from the conservation of individual objects and the care of the fabric of the building, the Conservators supervised the protection and movement of museum objects when required. The Head of Conservation liaised with and managed work undertaken by freelance conservators working in the Museum.

Early in the year Helen Lloyd of the National Trust completed her report on the conservation implications of *Opening Up the Soane* (OUTS) (an update of the report produced at the start of the project). It considers many aspects of conservation such as investment in cleaning/staffing levels, the implications of changing opening hours on light exposure, and visitor services (timed tickets, tours and the impact of events). It has been used as the basis for an action plan which will see light levels in the Museum monitored for a year and individual light plans drawn up for each of the historic interiors. A key recommendation of her report was that the heating system should be upgraded by introducing automatic controls to maintain stable levels of relative humidity (RH). During the year Green Building Design working with Julian Harrap Architects began work on a complete survey of the system which will lead to proposals for the implementation of recommendations by heating consultant Bob Hayes.

OUTS Phase Three

The Conservators conserved over 90 objects for the Lobby to the Breakfast Room, and the Head of Conservation worked with freelance stone conservators to re-instate areas in the Basement including the Catacombs. At the end of the project the West Chamber storage space was cleaned and rationalised.

Capital Works Project

For the work of the Conservators relating to this project see p.15.

January Closed Week

For the work of the Conservators relating to this project see p.16.

Working with Volunteers

Volunteers working with the department during the year included Lucia Noor Melita, Melissa-Jane Hobbs, Theo Borgvin-Weiss, Alexandros Moukas, Carlos Bujan and Jacqueline Laurence.

Preventative Conservation

Environmental monitoring using Hanwell data loggers to record temperature and relative humidity continued. The Assistant Conservators also managed a programme of Integrated Pest Management (IPM) throughout all three Museum buildings. In the spring of 2017 Christian Kile and Lorraine Bryant prepared and introduced Dosimeters, a system to monitor light levels, into the Museum rooms. Christian and Jane also installed a vibration monitor in the Picture Room planes to enable the department to assess the cumulative risk on works of art from opening the planes.

Emergency Plan

The ongoing development of the emergency plan continued, with Lucy Sims managing work on the plan itself. Monthly key team meetings and training continued to be organised by the Conservators and they also regularly attended the local salvage group meetings. Christian Kile attended the English Heritage Salvage Course so that there are now four members of the Key Team with this valuable training.

Conservation for Exhibitions and Loans

When required the Conservation team undertook to give advice on loans from the collection and preparation for exhibitions. In particular, they advised on the installation of an exhibition in the Kitchens, *Below Stairs* and also on the installation of the Marc Quinn show, *Drawn From Life* which was installed throughout the Museum (see p.28). Lorraine Bryant, freelance consultant paper conservator, prepared, conserved, mounted and framed works for two exhibitions in the Soane Gallery, *Adam's London* and *Lansdowne Legacy*. She also prepared loans for an exhibition at the Yale Center for British Art, *Enlightened Princesses* (see p.21).

Support to Museum Departments

The Conservators continued to advise the Enterprises Department on best practice and the protection of the collections during revenue-generating events, the biggest and most challenging of which was the shooting of the film *Transformers 5* in September 2016 (see p.31). Advice was taken from two conservators who specialise in filming in historic buildings, Carole Milner and Helen Smith, who were recommended by Helen Lloyd of

the National Trust. With their help the Conservators worked with the Deputy Director and the Enterprises Department to draw up a film protocol for the Museum rooms. They also advised colleagues in other departments including Education and the Volunteer Programme.

Conservation by external Conservators

Over the course of the year Arlington Conservation dismantled the Dance Cabinet (L110) and began its restoration. One end of the cabinet was discovered to have a later board dropped in to a rebate where there was originally a mirror – this will be reinstated. The cabinet returned to the Museum at the end of May 2017.

A Dressing Table (XF24) which belonged to the first Curator, George Bailey was conserved by Bill Ratcliffe, a student on the Buckingham University postgraduate conservation course, and returned to the Museum in July 2016.

In September 2016 Taylor Pierce Restoration conserved a Roman marble sundial (M1254), cleaning it and reversing an old repair prior to its loan to an exhibition (see this page below).

In February 2017 David Newall completed an overhaul of the workings of the Astronomical Clock (L66).

In March 2017 Dana Norris completed the conservation of the Cawdor vase (L101), surface cleaning it and repairing its cracked but original base.

LOANS

A Roman marble sundial (M1254) was lent to an exhibition entitled *Time and Cosmos in Greco-Roman Antiquity* at the Institute for the Study of the Ancient World New York which opened on 19 October 2016 and was due to close on 23 April 2017.

Two drawings by William Kent, designs for a hermitage in Richmond Gardens and a library for Queen Caroline at St James's Palace, were lent to the exhibition *Enlightened Princesses: Caroline, Augusta, Charlotte and the Shaping of the Modern World* at the Yale Center for British Art, New Haven which opened on 3 February 2017 and was due to close on 30 April 2017.

VISITORS, EDUCATION AND INTERPRETATION

VISITORS TO THE MUSEUM

The total number of visitors to the Museum during the year, excluding those to private functions, was 121,504, an increase of 1.8% on last year's figure of 119,361. 3,772 people attended the monthly Evening Candlelit Opening (2,802 last year).

150 groups visited the Museum (excluding education groups or private tours). Although this is a slight decrease on last year's figure of 161 groups, the groups were larger and consisted of 2,902 people in total (2,681 last year). Of these groups, 37 received an introductory talk by a member of the curatorial team or a Visitor Assistant.

The majority of the groups were from the UK (117) and USA (20). Further groups came from France (2), Denmark (2) Sweden (2), Norway (1), Italy (1), Slovenia (1), Austria (1), Germany (1), Switzerland (1) and Egypt (1).

The Highlights tours have continued to be popular with a total of 2,763 tickets sold, 75% having been booked online (2,837 and 85% last year).

EDUCATION ACTIVITIES

Overview

2016-17 has seen the Education department expand significantly both in terms of staffing and activity. Provision for schools and families grew from August 2016 onwards with a comprehensive range of weekly activities for children related to our Shakespeare exhibition during the summer holidays and an increase in the number of available school booking slots from September. The community programme was reinstated in 2017, and continues to bring in new audiences. The range of activities available for adults expanded with a new programme of events.

Departmental highlights from 2016-17:

- The Soane's 2016 summer holiday offer to families linked to our exhibition '*The Cloud-Capped Towers*': *Shakespeare in Soane's Architectural Imagination*. This was the first time the Museum had trialled a weekly family offer and showed the potential for regular family activities.
- The programme of *Robert Adam's London* events and activities sold out across all lectures and tours, bringing people from across the country to engage with the Museum's collection and specialist knowledge.
- As part of *Explore Soane* (see p.14), freelancer Edward Lawless produced some excellent downloadable school resources aimed at teachers and pupils visiting the Soane website. The resources are themed around topics of interest inspired by the 3D digital archive produced for the Museum by ScanLAB Projects.

Education Team

There were a number of staff changes over the summer of 2016. Claire Kirk, who had been developing the public programme for adults on a freelance basis since October 2015, left in July 2016 to become the Community Arts and Learning Programmer for the Pitzhanger Manor House Trust. Tara Sutin took over from Claire in September as Learning Manager: Public Programmes, returning to the Museum after having previously been in post as Volunteer Manager.

Jennie Saunders, who had been covering the Museum's offer for schools and families, left in October 2016, prompted by the arrival of Emma Miles in the now permanent Museum role of Learning Manager: Schools, Families and Communities. This new position combines the former Learning Manager: Schools and Families (previously held by Cynthia Adobea-Aidoo) with an additional focus on developing community partnerships, increasing accessibility and diversifying the Museum's audiences.

Owen Hopkins joined the Museum in November 2016, managing the team in the newly created role of Senior Curator of Exhibitions and Education.

We are extremely grateful to our team of education freelancers, who continue to play a key role in supporting education programmes, both for our schools work and in creating workshops for family audiences. We currently have nine freelance educators who work with us regularly on our schools programme, alongside architects and other specialists who contribute to our informal learning and families programmes.

Funding

The Learning Manager post for Schools, Families and Communities is generously supported by the Worshipful Company of Leathersellers. We are currently in our third year of 50% funding. The Leathersellers received their second update regarding 2015-16 in December 2016 and reported that they were very happy with the department's achievements in this period.

The *Building Explorers* after-school club is currently in its first year of a two-year funding agreement with the Alan Baxter design consultancy. This funding provides for freelancer time in planning and running the club, and has allowed scope for offsite trips. Alan Baxter has also offered further funding for the Architectural Drawing Club for the year 2017-18.

Patron Elizabeth Mellows will be funding the new 'Second Saturdays at the Soane' drop-in events for children and families, which will begin in April 2017.

The London Art History Society have offered funding for The Arts Award, which will allow us to accredit the participation of children and young people in our programmes, as well as offering further training to our staff and freelance team.

Schools Education

In 2016-17 1,805 school pupils either visited the Museum or enjoyed an outreach activity at school. This compares to 2,458 pupils the previous year. Removing the outreach statistic from the overall total shows that 1,358 pupils visited the Museum with their schools in 2016-17, compared to 1,362 last year. This is an excellent figure considering that until October 2016 the schools programme was supported by a 0.2 (one day a week) temporary post for six months of this period; thank you to Jennie Saunders for her hard

work in sustaining the programme. From September 2016 onwards the number of time slots allocated to schools was extended from two to three sessions, providing the opportunity for a further boost to numbers.

As reported last year we decided to reduce our outreach offer for schools in order to increase capacity elsewhere during the period where staffing levels were reduced. We continue to offer two sessions, *Light* and *Bridges*, with figures showing that 447 pupils engaged in outreach activities this year, compared to 1,096 pupils last year and 892 in 2014-15. We plan to expand the scope of our outreach work over future years.

Colleges and Universities

As part of re-establishing the Communities strand of our work, we worked with ESOL students and their teachers from Uxbridge College. 80 students who were new to learning English visited the Museum over four sessions, and we developed a tour and activity designed to introduce the Museum in a way that was accessible, whilst also supporting students' language learning. We hope to continue developing our offer for ESOL students, as well as making resources available to ESOL visitors via our website.

In January 2017, we worked with New York University on a professional development programme for academics and PhD students across different disciplines. The focus of the session was on drawing as a form of knowledge creation, and we combined a tour of the Museum with a workshop from artist and arts-in-health scholar Dr Jayne Lloyd. We also organised tours and visits to our Research Library for Architectural students from Newcastle University, The Royal Drawing School, University College London and Central St Martins (100 students in total).

Informal Learning for Children and Families

This programme includes:

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

178 children and young people have participated in family or informal learning activities at the Museum this year. Over the summer of 2016, the Museum trialled an extended offer for children and families linked to the Shakespeare exhibition, with five family drop-in sessions and four paid workshops.

As of December 2016, we have fully reinstated the families programme, with a ticketed workshop every Wednesday and a family drop-in every Thursday during the school holidays. As of April 2017, we will be running additional family drop-in sessions on the

second Saturday of every month, using funding secured by the Development team to provide further opportunities for children and families to engage with the Museum.

As part of *Explore Soane* (see p.14) a range of new downloadable family trails have been developed. These have been trialled to excellent reviews from families visiting the Museum, and will now be made available to download via the website.

Building Explorers after-school club continues to deepen our engagement with our local primary schools. This is the third year that the club has been led by freelancer Jennie Saunders. The club runs weekly over the academic year for children from our three closest Westminster and Camden primary schools.

YAC and *NAC* continue to be extremely popular architecture clubs, led by Emma Miles and freelancer Rosie Fuller. The clubs run once a month over the academic year. This year the *YACs* are investigating the theme of Regency Architecture and the *NACs* are designing their own homes.

AD 15-18, the department's popular architecture drawing course for students, ran over six sessions from November 2016 to April 2017 (a change in dates for this year only due to the course tutor's availability). Benedict O'Looney, an architect and draughtsman, once again led the course. Fourteen students attended the sessions, which were held in a range of locations, including the London Transport Museum, Peckham Rye station and St Bride's Church.

Communities

Our Communities work this year has concentrated on accessibility at the Museum, reviewing our current policies and making plans to re-establish tours for blind/partially sighted and deaf/hard of hearing visitors. We had staff training in May 2017 and are working with our new Head of Operations, Joanna Healey, to continue developing our policies and tour offers.

We have also worked with Jewish Care to provide an outreach session for older people living with dementia and their carers, visiting the Memory Way café in Golders Green to give a talk which used images and our handling collection to tell the story of the Museum.

Adults and Public Programme

As reported last year, the 2016-17 adult offer focused largely on the temporary exhibition programme as well as events linked to London Festival of Architecture, International Museums Day, London Craft Week and London Design Festival. This range of events was aimed at an interested and professional audience, encouraging them to engage more deeply with the Museum.

From May 2016 to October 2016 *'The Cloud-Capped Towers'* public programme attracted 58 adults to three events. Especially popular were the Shakespeare First Folio Performances where twenty student actors from the Original Shakespeare Company performed iconic scenes from *Macbeth*, *Twelfth Night*, *Romeo and Juliet*, *A Midsummer's Night Dream* and *The Merchant of Venice* in five Museum spaces.

The events programme linked to *Robert Adam's London*, November 2016 – March 2017 was enormously successful, selling out in all three lectures, drawings and exhibition tours and in the curator-led walking tour *Walking Adam's London*. Overall, the programme attracted 191 participants, with a majority coming from outside London especially for the events.

Finally, this year's programmes for adults were concluded with a series of talks entitled *Style: In Defence*. Over the course of six weeks, 204 participants came to see the case being made for High Tech, Brutalism, Arts and Crafts, Metabolism, No Style and Parametricism.

Across all programmes 495 adults took part in 23 Museum programmes in 2016-17. This represents a 47% decrease on last year, when 930 adults took part in 32 events.

EXHIBITIONS

Four exhibitions were held in the Soane Gallery during the year. Two further exhibitions were held, one in the newly restored Foyle Space, formerly the New Picture Room and one in Soane's Kitchens.

'The cloud-capped towers': Shakespeare in Soane's Architectural Imagination
21 April 2016 - 8 October 2016, Soane Gallery

This exhibition coincided with the 400th anniversary of the death of William Shakespeare *'The cloud-capped towers': Shakespeare in Soane's Architectural Imagination* drew on Soane's extensive Shakespeare collections, supplemented by important loans from the Garrick Club, to examine the eighteenth-century Shakespearean revival, and the way Soane and his family participated in it. Whilst Soane's fascination with Shakespeare is evident throughout his house-museum, this was the first time the various elements have been drawn together to provide a cohesive study of the way Shakespeare influenced Soane.

The exhibition was guest-curated by Professor Alison Shell of the Department of English at University College London, working with the Museum's curatorial team. A book of essays accompanied the show with contributions from Professor Shell, Emmeline Leary, Dr Stephanie Coane, Honorary Librarian, and Dr Frances Sands, Curator of Books and Drawings.

Lansdowne Legacy: the development of the Lansdowne Gallery

20 October 2016 – 12 November 2016, Soane Gallery

This ‘pop-up’ exhibition was guest curated by Dr Elizabeth Angelicoussis, with support from Frances Sands, Curator of Drawings and Books.

Robert Adam’s London

30 November 2016 – 11 March 2017, Soane Gallery

This exhibition celebrated Robert Adam, commonly thought of as an architect of the country house, as an urban architect. It reviewed the most significant London commissions received by the Adam office and drew heavily on the Museum’s Adam drawings collection as well as including the loan of Willison’s portrait of Robert Adam from the National Portrait Gallery and a torchère from Kenwood House. There was also a large-scale facsimile of Horwood’s 1792-99 map of London, annotated to plot Adam’s various projects across the city, creating an ‘in-exhibition’ trail. The exhibition was curated by Dr Frances Sands, Curator of Books and Drawings, who also wrote the accompanying book of the same title.

Opening Up The Soane

12 September 2016 - 31 January 2017, Foyle Space

This exhibition was both a record and a celebration of the *Opening up the Soane* (OUTS) project, the culmination of thirty years of research and seven years of restoration work. The project was led by Helen Dorey, Deputy Director, who also curated the exhibition. The project had three aims: to reinstate and open more of Soane’s house and Museum to the public with a particular focus on restoring a group of ‘lost’ Soane interiors, effects and arrangements, dismantled since his death in defiance of his wishes; to make improvements to the historic fabric of the Museum in order to preserve it for future generations, increasing the Museum’s capacity by 33%; and to enable more and diverse visitors to benefit through greater participation, audience development, better interpretation, a much larger temporary exhibition gallery and full disability access and a new Soane shop.

The design model for the Link Passage, presented to the Museum by Julian Harrap Architects, was also included in the exhibition. For the duration of the exhibition visitors could also enter the new passage and look out over the No.12 courtyard.

Below Stairs

12 September 2016 - 28 January 2017, the Old Kitchens

Below Stairs officially marked Sir John Soane’s Museum’s participation in the London Design Festival, but was also a way of highlighting the restoration of Sir John Soane’s Kitchens at the end of Phase 3 of *Opening Up the Soane*, the first time that the Kitchens had been open to the public since Soane’s death in 1837. Five contemporary designers each produced a piece of work which responded to the Museum’s historic Kitchens. The

introduction of modern pieces to an historic space invited the visitor to reconsider how those spaces were used in Soane's time and how the purpose, form and function of everyday objects has both fundamentally changed - or not - over the last 200 years. Participants were Edward Barber and Jay Osgerby, Martino Gamper, Jasper Morrison, Tasha Marks and Paul Cocksedge.

The show was guest-curated by Rachael Barraclough, assisted by Zoe Wilkinson and with the generous support of Victoria de Rothschild.

Marc Quinn: Drawn from Life

28 March 2017 – 23 September 2017, Soane Gallery and Museum

This exhibition of twelve new sculptures by the leading British artist Marc Quinn opened at the very end of the period covered by this Annual Report, the first time that this new body of work – entitled *All About Love* – had been exhibited publicly anywhere in the world. The new works emerged from Quinn's interests in the idea of the fragment – a subject that has great resonance with the Museum. Each of the twelve sculptures, which were displayed throughout the Museum, was created from casts of Quinn and his muse, a dancer, in a series of embraces. A display in the Soane Gallery explored the processes involved in producing the sculptures. The exhibition was accompanied by a book of the same title and a free leaflet showing the locations of the pieces.

A report on this exhibition, which was generously funded by Christian Levett, will appear in the Annual Report for 2017-18.

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

PUBLICATIONS

'*The cloud-capped towers*': *Shakespeare in Soane's Architectural Imagination* was published in April 2016 to accompany the exhibition of the same title (see p.26).

Issue No.4 of the Museum's magazine *The SOANE* was published in April 2016.

The *Annual Review* for 2015-16 was published in October 2016 and sent out to all patrons, supporters and stakeholders.

A new short *Museum Guide* was published in March 2017.

Marc Quinn: Drawn from Life was published in March 2017 to accompany the exhibition of the same title (see this page above).

In addition the following book was published in partnership with an external publisher:

Frances Sands, *Robert Adam's London*, by Archaeopress Ltd, in November 2016 to accompany the exhibition of the same title (see p.27).

At Home with the Soanes. Upstairs Downstairs in 19th Century London by Sue Palmer, published by Pimpernel Press was awarded the Best General Publication (turnover under £1 million) award by the Association of Cultural Enterprises (ACE) in their 2017 Best Product Awards in March 2017.

SERVICES

Information technology

The Capital Works project grant (see p.14) allowed the Museum to make some significant improvements to its technical architecture and IT equipment during the year. Under the guidance of a temporary freelance IT project manager (Toby Voss), the Museum tendered for a new IT Support service provider and duly appointed the Correct Group in August 2016. Being a larger organisation, they have specialist resources which have facilitated a number of improvements:

- Implementation of a high speed dedicated internet connection which means the Museum can start to use modern cloud-based systems efficiently – examples include the new HR system (Cezanne) and resilient email (Office 365)
- Off-site backups for all Museum data removing single point of failure of onsite server room
- New desktop infrastructure replacing non-fit-for-purpose equipment and allowing flexible and mobile working
- Robust firewall and managed switches which give us the flexibility to provide managed access for people and organisations into our network while blocking any potential threats
- Implementation of a new Digital Asset Management System (DAMS) integrated into our current Collections Management System (CMS) (see p.30) to improve the management of the thousands of images currently managed manually
- Incremental improvements to our finance, retail and website systems

The combination of the investments made and the improved security architecture have allowed us to apply for and receive the Cyber Essentials accreditation that is required by our key stakeholders.

Website

The website continues to perform strongly and is meeting the aims identified in the review and refresh in 2015. The biggest development this year was the integration of the online Soane Shop into the main soane.org website. This has improved the online visitor experience and has resulted in increased sales. This year we also made full use of the charitable Google Ad grant, which now accounts for 17% of traffic to the website.

Collections Management System

Following the successful implementation of Collections Online in autumn 2015, work continued to develop the publicly available Collections catalogue information. A programme of data cleaning has ensured that where possible all Works of Art and Antiquities records conform to an agreed minimum record standard. Alongside this, a comprehensive programme of Artists' name cleaning has ensured consistency across all Works of Art and Antiquities and Drawings collection records.

The integration of the Collections Management System (Collections Index+) with the Museum's new Digital Asset Management System (Asset Index+) has also been successfully achieved by the CMS project team working with freelancers Ananda Rutherford and Tania Adams and a number of resulting enhancements to Collections Index+ and Collections Online identified and actioned.

Commercial Activities

Soane Museum Enterprises

This year has been a transformational year for the Commercial and Visitor Services team. The completion of *Opening up the Soane* (OUTS) and the additional programme of enhancements funded by the Capital Works grant awarded by DCMS (see p.14) has resulted in:

- 1 New visitor route, interpretation, signage and messaging
The introduction of a new route, signage, wayfinding, interpretation and staff uniforms. We also introduced new guidebook sellers in December 2016 to welcome all our visitors in the No. 12 Breakfast Room. Now one in five of our visitors is buying our guidebook which is generating new income and improving our visitors' experience of the Museum.
- 2 September 2016 programme of activity
We programmed our London Design Festival exhibition *Below Stairs* (see p.27) to launch at the opening of OUTS Phase 3, celebrating Soane's Kitchens with the installation of several contemporary pieces. We also previewed our new homeware range developed in collaboration with Helen Strevens. Finally we launched our two new licensees Atkey & Co. at Decorex and Hyde Park Mouldings at Chesney's in New York.
- 3 Retail visual merchandising
The Capital Works grant funded a new print and object display wall, central display table incorporating storage, cabinet lighting and blinds for our Shop.

The Enterprises Team welcomed Ashley Wilde-Evans in July 2016 who joined as our Corporate and Events Assistant to support Diana West who returned from maternity leave in January 2017.

The operation of our trading company would not be possible without the ongoing *pro bono* legal support of Morrison Foerster. Thanks are also due to Urquhart-Dykes and Lord, chartered patent attorneys, who have also provided support *pro bono*.

Soane Shop (including online)

We had a positive start to this year with consistent expected visitor numbers but our visitor numbers dropped over the summer of 2016. However, we picked up again in the autumn and we have ended the financial year with £306,569, a 10% increase compared to last year. Despite the challenging summer the Soane Shop has continued to thrive with an increase in spend per visitor to £2.45, a 21p increase on last year, along with a 1% increase in conversion.

The new online shop, launched in May 2016, has seen a phenomenal growth in income. The new e-commerce platform is not only more visual and intuitive but also works across all devices. We were delighted when our online shop was awarded Best Online Shop (turnover under £1million) by the Association of Cultural Enterprises in March 2017.

We have reviewed and updated all aspects of our core products including our Hogarth and Grave ranges as well as introducing our Fanny the Dog tea set.

'The cloud-capped towers': Shakespeare in Soane's Architectural Imagination, opened on 21 April 2016. We produced a small but beautiful range with a catalogue, bespoke jewellery and additional books.

The launch of Phase 3 of *Opening up the Soane* in September 2016 provided a great opportunity to generate public interest and therefore footfall. We launched *Below Stairs*, our London Design Festival contemporary installation simultaneously, which generated further press interest.

Books continue to be our biggest category and we have continued to enhance our core guidebook offer. We introduced a new plan to support the new visitor route and have since combined our Short Description and Plan into a single Soane Museum Guide which will better support our visitors' needs in finding their way as well as providing information on the rooms and key objects. This was introduced in March 2017.

Entertaining at the Soane

We have had an extraordinary year with growth in all areas of venue hire but in particular in filming and location. The location team for the blockbuster franchise *Transformers 5* approached the Museum to film several scenes at the Museum and outside in Lincoln's Inn Fields. It was a superb experience for our team but also generated unexpected additional income. This case study has enabled us to develop a comprehensive filming offer to market in the future.

We also hosted a LFW (London Fashion Week) AW17 launch. The launch involved a photoshoot, props and lighting, as well as a separate space for makeup and dressing of the models. An event of this scale had never been held in the Museum before. This successful launch had great media coverage and we are using it to promote the Museum as a fashion/product launch venue.

Private tours have continued to grow and have proved an excellent way of expanding our pool of corporate clients.

Our occasional ticketed Friday Lates events have continued to be very popular and successful and this is a format which we will continue to develop in 2017-18. We hosted Lates to support the Brontë at the Soane exhibition, Halloween, Christmas and Valentine's Day. Thanks are due to Fentimans who sponsored the drinks for the Valentine's Day event and to Professor Steve Cross and his group of scientist speakers talking about the 'Science of Love'.

We continue to grow our supplier relationships to include more florists, lighting and music partners which have the potential to increase our income from commission. We are also looking to expand our catering contractors list to introduce higher-end options to our clients.

Inspired by Soane: Brand Licensing

Retail license partnerships

This year we discovered HMS Studio, founded by designer and architect Helen Strevens, during a visit to *Maison & Objet*. We have since commissioned Strevens to produce a series of ceramic works inspired by the Museum. We will look to distribute the range to high-end retailers, with a further goal of gaining US distribution in similar retail institutions.

We are also forging a new partnership with Chisel & Mouse who utilise 3D technology to create intricate, delicate models and cityscapes.

Product license partnerships

We have successfully added Gainsborough as a new licensing partner. Their collection will be launched in September 2017 on the Museum's stand at Decorex International. The collection they are refining is a mix of fabrics for walls and upholstery.

We continue to work with our 10 interior product licensees to promote their ranges through our year-round UK and US marketing activity. Our licensees cover a full range of products from lighting to fireplaces and include: Adelphi Wallcoverings, Atkey & Co., Chesney's, Haddonstone, Hector Finch, Hyde Park Mouldings, Jonathan Burden, Locker & Riley, the Odd Chair Company and Surface View.

Visitor Services and Volunteer Team

Visitor Numbers

This year we have met our forecasted visitor numbers, and finished the year at 121,504 (1.8% increase). Saturdays continue to be our busiest day, regularly reaching our capacity.

Staff Update

We were delighted to welcome Katie Weston as our new Volunteer Manager in May 2016. We also congratulate Markand Patel on his promotion to Visitor Services Manager and were delighted to welcome Jo Healey back to the Museum as Head of Operations to lead our visitor services and volunteer team as we continue to develop our offer.

Xanthe Arvanitakis, Director of Commercial and Operations, left the Museum in February 2017 and was succeeded in March 2017 by Adam Thow.

Developing our visitor offer

We have transformed our visitor offer, with over 33% more space open to the public from beautiful jewel-like spaces filled with objects to Soane's Kitchens. The launch of the final phase of *Opening up the Soane* also provided an opportunity to benchmark our offer and survey our visitors and staff. We worked with a way-finding partner, Thomas Matthews, and introduced a new visitor route, signage and wayfinding. The wayfinding system was also used to produce a more user-friendly museum guide. We also introduced new uniforms for our visitor services team to help our visitors to identify our staff as they navigate round the Museum.

This new route is now fully embedded and has had overwhelmingly glowing feedback from our visitors; we maintain our high rating on Tripadvisor.

Volunteer Programme

Our volunteer programme continues to grow and develop. In the past year, 68 new Volunteer Visitor Assistants attended an induction session, of whom 64 went on to become active volunteers.

Back of House volunteers continue to be very active across all our departments. We have launched a new conservation book cleaning project involving two volunteers as part of our 'Conservation in Action' offer. We are also continuing to work with education and development, to define new volunteer roles and seek funding support.

DEVELOPMENT AND COMMUNICATIONS

The greatest achievement for the Department last year was the successful completion of the Heritage Lottery Fund's (HLF) *Catalyst: Endowment* initiative. Thanks to the terrific generosity of our donors we were able to raise the full £4 million needed to unlock £2 million of matching funds from the HLF. We would like to thank all of our Trustees, who contributed towards this effort, as well as the many donors and members of our Patrons

group, across the country and in the United States. We now have an endowment of over £6 million, which is vested with the Sir John Soane's Museum Trust for growth and charitable disbursement in favour of the Museum. For a museum of our size, this will have a significant impact on our ability to fund some of our core activities in the coming years.

Donors to the *Catalyst: Endowment* were thanked by the Chairman and Director and acknowledged in the Museum's *Annual Review*. There was a special 'thank you' dinner for major benefactors on Tuesday 8 November 2016 at Two Temple Place.

As ever, we work hard to develop and strengthen our three membership schemes – Friends of the Soane (£40 per annum), Patrons' Circle (£1,500 per annum) and the Consols Office (£10,000 per annum) – to generate unrestricted income for the Museum to support our core work. Activities for the Consols Office included a private visit to the Watts Gallery, at the invitation of our generous sponsor Debby Brice, hosted by the Director Perdita Hunt and Chairman Richard Dormont, and an exclusive preview of the Marc Quinn exhibition *Drawn from Life*. For our Patrons, the very active event programme contributed strongly to their involvement in the community of our supporters whose continuing commitment is so important to the Museum. It included an exclusive tour of Syon House, private visits to major exhibitions such as *Beyond Caravaggio* at the National Gallery, and a wide series of events at the Museum itself, including a musical evening with members of the Academy of St Martin-in-the-Fields and talks on *Palladio's Domestic Architecture* by our Director, and on the reinterpretation of his father's famous apartment at Albany by the architect-designer Ashley Hicks.

The Museum is most grateful to the Mercers' Company and the Pilgrim Trust for providing funds for two one-year fixed-term trainee posts to catalogue Soane's drawings for the Law Courts at Westminster and his London churches. Other highlights included funding from the Alan Baxter Charitable Trust to support our Architectural Drawing Club for three years and from the Finnis Scott Foundation to restore the frame of the portrait of Soane by Sir Thomas Lawrence. The Museum's major contemporary exhibition *Marc Quinn: Drawn from Life* was financed by Christian Levett and the *Catalyst: Endowment* Fund.

We were also extremely active in a highly successful programme of public communication, with two of the biggest press campaigns we have ever undertaken, both of which reflected most positively on the Museum.

The first was for the completion of *Opening Up the Soane* (OUTS) in September 2016. The press view was at the time the best attended the Museum had ever held, with 35 journalists in attendance. We enjoyed significant national coverage including in the *Telegraph*, the *Financial Times*, *The Times*, *Metro* and on BBC Radio 4. We were also covered by many online publications such as *Mail Online*, *Daily Express*, *Londonist*, *Dezeen* and the *Art Newspaper*.

The second was for the *Drawn from Life* exhibition. This formally opened at the end of the Museum's financial year in March 2017, and much of its impact will be recorded in the current 2017-18 year. A fuller report will appear in next year's Annual Report, but its success was primarily due to intense publicity and communication activity preceding its opening. The exceptionally positive results included extensive coverage in – among other publications – the *Guardian*, *Evening Standard* and *Time Out*. There were major headline reviews in the *Sunday Times*, *Observer*, *Daily Telegraph* and elsewhere, and online audio-visuals on *You Tube* and the *Financial Times*, who commissioned a special film. Other exhibitions also enjoyed significant coverage, particularly *Charlotte Brontë at the Soane* (closed 7 May 2016, reported on in last year's Annual Report) and *Robert Adam's London*.

In February 2017 Brunswick Arts were appointed to assist the Museum with all press activity for the following year.

We continued to grow our audiences on our three social media accounts – Instagram, Facebook and Twitter – and ended the year with 25,000 followers. Our marketing effort via e-news was also well received throughout the year.

Maxwell Blowfield deserves special mention for his contribution to the success of our communications activity, as does Anh Nguyen, who also masterminded the *Catalyst* appeal. Anh left the role of Director of Development and Communications in April of this year, but we are delighted to confirm that she will be succeeded as Director in September by Willa Beckett, currently Director of Development at the Royal Drawing School. We were also sad to lose Cara Hepburn as Patrons Manager in April of this year. She has been very ably replaced by Kezia Evans.

FINANCE AND PERFORMANCE

Finance

The Consolidated Statement of Financial Activities shows that the Group generated Net Income of £761 from Unrestricted Funds in 2016-17, a satisfactory outcome compared with the Net Expenditure of £46,208 in 2015-16. On a Consolidated Funds basis, taking into account Restricted and Endowment Funds, there was net increase in Total Funds, after all expenditure, of £210,807 (2015-16: £1,413,069). The principal reasons for this difference between the two years were:

- (a) A reduction in Total Income of £102,579 to £3,803,647, due primarily to lower receipts from Restricted Donations related to the OUTS Project (down by £1,240,992), and the £60,000 fall in Unrestricted Grant-in-Aid from DCMS offset by receipt of an exceptional £971,000 grant from DCMS for Capital Works, higher income from Trading Activities and other Unrestricted Grants and Donations, including a grant of £75,000 from Sir John Soane's Museum Trust; and

- (b) An increase in Total Expenditure of £1,102,104 due primarily to a donation of £1,000,000 from its Masterplan Fund and Capital Fund for Enabling Works transferred to the matched Catalyst Endowment Fund of Sir John Soane's Museum Trust.

Most of this increase in Funds was reflected in Restricted Funds i.e. £210,319 (2015-16: £1,461,971). The balance was reflected in changes in Total Unrestricted Funds (the General and Designated Funds) and the Endowment Funds, further details of which are provided in the notes to the accounts.

Following the successful closure during 2016-17 of the Catalyst Endowment Fund appeal, the final expenditures on the OUTS Project and the completion of the Capital Works programme funded by the grant from DCMS, the balance of income and expenditure in coming years will be less affected by exceptional or extraordinary factors, thereby reducing the difference in changes between the Unrestricted and Total Net Income.

The Consolidated Statement of Financial Activities shows that in 2016-17: 37% (2015-16: 35%) of Unrestricted expenditure was incurred to raise funds, 19% (2015-16: 18%) on refurbishing and maintenance of the buildings, 14% (2015-16: 12%) on the care and conservation of the Museum's collections and 30% (2015-16: 35%) on providing services to visitors. These figures, however, include consolidation of the Museum's trading subsidiary, Soane Museum Enterprises Limited - excluding these gives a more representative view of the Museum's Unrestricted expenditure: 23% (2015-16: 22%) was incurred to raise funds, 23% (2015-16: 21%) on refurbishing and maintenance of the buildings, 17% (2015-16: 14%) on the care and conservation of the Museum's collections and 37% (2015-16: 42%) on providing services to visitors. The differences between the two years are mainly due to changes in the Museum's priorities and activity levels, and to continued careful attention to operational cost efficiencies and to other overheads, as reflected in the overall satisfactory outcome of Unrestricted Net Income in 2016-17.

The Balance Sheet shows that the Group's Net Assets increased from £10,192,559 to £10,403,366 due primarily to further expenditure of £1,617,152 on Fixed Assets (OUTS Project Phase 3 and Capital Works) offset by a decrease in Cash at Bank of £1,207,771.

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

Performance

The relationship between the Museum and its sponsoring body, DCMS, is set out in a spending review allocation letter. Following the 2015 Comprehensive Spending Review, the Museum's Resource Grant-in-Aid has been fixed in cash terms at its 2015-16 level of £983,000 for the period 2016-17 to 2019-20.

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

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

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

The Museum is also focussed on strengthening its long-term financial sustainability by seeking to significantly increase its non-DCMS income through its trading subsidiary, Soane Museum Enterprises Limited, and through an Endowment Fund managed by the independent charitable company, Sir John Soane's Museum Trust.

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

Performance indicators

	2016-17	2015-16
Total charitable giving****	£962,614	£2,129,180
Ratio of charitable giving to DCMS Grant-in-aid****	49%	199%
Number of visits to the Museum (excluding virtual visits)	121,504	119,361
Number of unique website visits***	411,809	427,972
Number of visits by children under 16	6,075	3,497
Number of overseas visits	59,536	48,807
Number of facilitated and self-directed visits to the museum by visitors under 18 in formal education	1,406	1,147
Number of instances of visitors under 18 participating in on site organised activities**	178	642
% of visitors who would recommend a visit*	95%	92%
Admissions income (gross income)	£72,514	£54,526
Trading income (net profit)	£272,485	£237,826
Number of UK loan venues	0	1

*The figure for 2015-16 in last year's Annual Report was incorrectly stated as 78%. This has now been corrected.

**The decrease in this figure is owing to staffing changes and vacancies during 2016-17 in the Education Team resulting in the organisation of significantly fewer events. We now have a fully staffed Team and have re-established the programme for 2017-18, with two activities every holiday and a new series of drop-in events on the second Saturday of every month. Already, we have had over 100 under 18s participating in events at the museum over the Easter 2017 period alone, which would indicate that this figure will be at a much higher level for 2017-18.

***The fall in visits is due to the reconfiguration and consolidation of the Museum websites during 2016-17.

****See under Finance pp35-36 for explanation of figures.

Sickness Absence

The average staff sickness rate for 2016-17 was 3.48 days (2015-16: 4.61 days). However, this includes staff members being away on long-term sick leave, i.e. more than 5 continuous days. When these long-term cases are excluded the average staff sickness rate was 2.40 days per person (2015-16: 3.02 days).

Company Directorships and Other Significant Interests

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

Public Expenditure System (PES) Disclosure

In 2016-17, there was no spend on consultancy and contingent labour nor any instances where tax assurance of off-payroll engagements was required to be disclosed.

Data Loss and Information Management

The Museum has suffered no protected personal data incidents during 2016-17 or prior years, and has made no reports to the Information Commissioner's Office.

Reserves Policy

The Museum seeks to establish a prudent level of unrestricted free reserves (General Fund) to meet the financial implications of unforeseen events in the future. At their last formal review in 2014-15, the Trustees resolved that the minimum level of unrestricted reserves to be held as a designated strategic reserve was £250,000 and that this would be subject to regular review.

At the end of March 2017, unrestricted free reserves (General Fund) for the Group stood at £369,564. The Trustees regard this level to be a prudent response to the changing economic climate and increased risks of a drop in donated income and downturn in commercial activity. The current continued uncertainty in these areas suggests that reserves are needed to safeguard the Museum as a going concern through a turbulent period, as well as to guarantee operational cash-flow capability.

At the end of March 2017, the other specific reserves i.e. unrestricted Designated Fund, Restricted Funds and Endowment Fund, stood at £2,573,577, £7,452,492 and £7,733 respectively.

Payment Terms

The Museum pays invoices in accordance with agreed terms of contract, aiming to pay all undisputed invoices within thirty days of receipt, achieved in 84% of cases (2015-16: 84%).

Five-Year Summary

<u>Year ended 31 March</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Incoming resources	3,804	3,906	2,770	3,404	2,461
Resources expended	(3,593)	(2,490)	(2,371)	(2,216)	(2,372)
Investment gains or (losses)	(0)	(3)	5	1	(2)
Net increase in funds	211	1,413	404	1,189	87
	(a)	(a)	(a)	(a)	(a)
Total funds (b)	10,403	10,192	8,779	8,375	7,187

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

(b) figures adjusted for rounding differences

REMUNERATION REPORT

Remuneration Policy

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

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

Compensation for loss of office

There were no 'exit packages' awarded to staff leaving during the year (2015-16: six amounting to a total of £77,373 as shown in table below).

2015-16 Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	Nil	2	2
£10,000 - £25,000	Nil	4	4
Total number of exit packages	Nil	6	6
Total cost /£	Nil	77,373	77,373

NB: Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure.

Employees

Most employees are members of the Civil Service Pension Scheme arrangements with associated redundancy and early retirement conditions. Further details are given in Note 21 of the Financial Statements.

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

Performance assessment

When determining staff performance bonuses for 2016-17, the Remuneration Committee took account of:

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

Policy on duration of contracts, notice periods and termination payments

The notice period for curatorial staff is three months and for Visitor Assistants one month.

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

The following details for the Director/Acting Director are subject to audit:

Officials	Salary (£'000)		Bonus payments (£'000)		Benefits in kind (to nearest £100)		Pension benefits (£'000) ¹		Total (£'000)	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Bruce Boucher	65-70	N/A	5-10	N/A	5,000	N/A	27	N/A	105-110	N/A
Helen Dorey	5-10	35-40	0-5	0-5	0	0	(21)-(22)	(12)-(13)	(10)-(15)	25-30

NB: There are no comparative figures for Bruce Boucher for 2015-16 as he was appointed Director during 2016-17.

Bruce Boucher was appointed as Director on 16 May 2016. His FTE salary as Director was £75,000-£80,000. He received £5,000 benefits in kind and £5,000-£10,000 performance-related bonus during the year.

Helen Dorey, the Deputy Director and Inspectress was promoted to Acting Director from 19 September 2015 to 15 May 2016. Her FTE salary as Acting Director was £55,000-£60,000. She received no benefits in kind and £0-£5,000 performance-related bonus during the year.

The Director and Acting Director are members of the Civil Service Pension Scheme arrangements. For Bruce Boucher, Director from 16 May 2016 to 31 March 2017, the Museum paid £16,805 to the Scheme. For Helen Dorey, Acting Director during the period from 1 April 2016 to 15 May 2016 the Museum paid £1,262 to the Scheme.

¹ The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decrease due to a transfer of pension rights.

Pension Entitlements of the Director/Acting Director

	Accrued pension at pension age as at 31/3/17, and related lump sum	Real increase in pension, and related lump sum at pension age	CETV at 31/3/17	CETV at 31/3/16	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Bruce Boucher	0-5	0-2.5	0	0	-5
Helen Dorey	65-75	(0)-(0)	345	362	(18)

Note: CETV – CASH EQUIVALENT TRANSFER VALUE

The CETV is a payment which would be made by the pension scheme to secure pension benefits in another pension scheme if the employee left the scheme and chose to transfer the pension benefits accrued in the former scheme to a new scheme. The CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by the employee at the date shown. The benefits valued are their accrued benefits and any spouse's contingent pension payable from the scheme. The 'real increase in CETV' shows the increase in CETV funded by the Museum. It does not include the increase in accrued pension due to inflation, or contributions by the Director. It uses common market-valuation factors for the start and end of the period. CETVs are calculated within guidelines prescribed by the Institute and Faculty of Actuaries.

Pay multiple

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The FTE banded remuneration of the highest-paid director in the Museum at the financial year end was £85,000-£90,000. This was 3.7 (2015-16: 2.7) times the median remuneration of the workforce, which was £23,750 (2015-16: £23,553). The pay multiple has increased from 2.7 to 3.7 owing to higher FTE remuneration level paid to the new Director in 2016-17.

In 2016-17, no employees (2015-16: Nil) received remuneration in excess of the highest-paid director. Total remuneration bands ranged from £15,000 to £90,000 (2015-16: £15,000 to £65,000) Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

TRUSTEES

The Trustees, who hold overall responsibility for the Museum, are not remunerated. Expenses paid to them are disclosed in Note 6(d) to the Financial Statements.

Guy Elliott
Chairman of Trustees

Bruce Boucher
Director and Accounting Officer

Date: 10 July 2017

STATEMENT OF TRUSTEES' AND ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the Government Resource and Accounts Act 2000, the Secretary of State for Culture, Media and Sport with the consent of the Treasury has directed the Trustees of the Museum to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Museum and of its net resource outturn, application of resources, changes in funds and cash flows for the financial year.

In preparing the accounts, the Trustees and Accounting Officer are required to comply with the requirements of the Government Financial Reporting Manual (FRM) and in particular to:

- observe the Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards and statements of recommended practice have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Museum will continue in operation.

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

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

The Accounting Officer confirms that the annual report and accounts as a whole is fair, balanced and understandable and that he takes personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

Guy Elliott
Chairman of Trustees

Bruce Boucher
Director and Accounting Officer

Date: 10 July 2017

GOVERNANCE STATEMENT

1. Scope of responsibility

The Board of Trustees and the Accounting Officer have responsibility for maintaining a sound system of internal control that supports the achievements, policies, aims and objectives of the Museum, whilst safeguarding the public funds and assets for which they are personally responsible in accordance with the responsibilities assigned to them in 'Managing Public Money'. The Museum has a four-year funding agreement with the DCMS, of which 2016-17 was the first year. The Museum supplies regular financial information and returns against agreed performance indicators demonstrating its contribution to the delivery of DCMS's Departmental strategic objectives.

2 Governance Framework

2.1 Structure

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

A group of four staff reporting to the Director forms the Senior Management Team (SMT) which meets every two weeks and comprises the Deputy Director, the Development and Communications Director, the Director of Commercial and Operations and the Finance and HR Director.

2.2 Board of Trustees

The Board of Trustees meets on a quarterly basis to review performance and consider plans and the overall strategic direction of the Museum. The Trustees appoint their own Chairman, to serve for a period of five years. They are supported by five committees, specifically:

- The Audit and Risk Committee meets on a quarterly basis and is responsible for the issues of risk control and governance. They also review the Annual Report and Accounts. In addition, they review the reports of the External Auditor (National Audit Office) and the Internal Auditor (currently TRMB Ltd). Their annual work plans and reports and their recommendations are reviewed by the Committee.

The Risk Register is regularly reviewed and updated by the Committee and recommended to the Board of Trustees for approval on an annual basis.

- The Finance Committee meets on a quarterly basis and is responsible for reviewing the Museum's financial position and budgets. They also review the finances in relation to any major capital projects. Performance and financial information provided for the Board is regularly reviewed for its effectiveness by the Committee.
- The Remuneration Committee meets at least annually and reviews the Director's pay and performance, as well as staff pay and performance, and makes recommendations for awards to the Board of Trustees as appropriate.
- The Buildings Committee is convened whenever the Museum undertakes major capital works to the buildings at Nos 12, 13 and 14 Lincoln's Inn Fields. As part of the OUTFS Project and the Capital Works Project, the Buildings Committee representatives attended the respective Project Board meetings on a monthly basis.
- The Exhibitions and Public Programming Committee was formed to work with the Museum's Director and senior staff to formulate the future Exhibitions and Public Programme.
- Soane Museum Enterprises Limited is a wholly-owned trading subsidiary of the Museum. The Board of Soane Museum Enterprises Limited meets on a regular basis.

Attendance at Board meetings and at the Audit and Risk and the Finance Committees is reported to the Board on an annual basis and is considered to be important.

It is intended that at least one member of the Buildings Committee attends the monthly OUTFS and Capital Works Project board meetings. During 2016-17, at least one member of the Buildings Committee was present at all meetings.

Individual attendance of Trustees at the meetings of the Board of Trustees, Finance Committee and Audit and Risk Committee are listed below. The numbers in brackets represent the number of meetings each member attended against the number of meetings they had the opportunity to attend:

Board of Trustees meetings:

Guy Elliott (Chairman) (4/4), Molly Borthwick (3/4), Sir David Chipperfield (3/4), Katrin Henkel (3/4), Nicola Johnson (4/4), Basil Postan (4/4), Orna, Lady Turner (4/4), Alderman Vincent Keaveny (4/4).

Audit and Risk Committee meetings:

Orna, Lady Turner (3/4), Guy Elliott (4/4), Basil Postan (4/4), Alderman Vincent Keaveny (Chair) (4/4)

Finance Committee meetings:

Orna, Lady Turner (Chair) (5/5), Guy Elliott (5/5), Basil Postan (5/5), Alderman Vincent Keaveny (5/5)

Soane Museum Enterprises Limited Board meetings:

Orna, Lady Turner (Chair) (2/2), Xanthe Arvanitakis (2/2), Helen Dorey (2/2), Jayant Gohil (2/2), Bruce Boucher (1/2), Elizabeth Phillips (2/2), Anthony Vernon (2/2)

The Trustees were actively involved in the process of recruitment and evaluation of the selection of Bruce Boucher as Director. A headhunting firm was employed to support in screening both internal and external candidates.

The Board's effectiveness was reviewed during the year through an external facilitator. It was concluded that the Museum has an exceptionally experienced and talented Board that takes its stewardship of the Museum's resources very seriously. Given the changed environment in which all charities are operating, the Board is committed to ensuring the Museum's governance arrangements meet what are considered to be good practice - as enshrined in the Good Governance Code.

3. Risk management

3.1 Overview

The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of policies, aims and objectives, to evaluate the likelihood of those risks being realised and their impact should they occur, and to manage them efficiently, effectively and economically.

The system of internal control has been in place for the year ended 31 March 2017 and up to the date of approval of the Annual Report and Accounts, and accords with Treasury guidance. The Board has gained assurance that the quality of the information it receives is sound through its challenge of the information presented.

3.2 Responsibility

The Accounting Officer and Chairman of the Board of Trustees have overall joint responsibility for the Museum's risk management framework. The SMT coordinates the management of risk across the work of the Museum, with feedback from the Internal Auditor. The Museum's Risk Register is kept up to date and is reviewed at least bi-annually by the Audit and Risk Committee. The key risks are identified by the SMT and reported to the Trustees.

The Internal Audit provider performs internal audit work to cover all key systems to provide an overall assurance report for the year. The summary of the Internal Auditor Report for 2017 is that there are no concerns to highlight to the Board of Trustees on the Museum's key controls and that substantial assurance can be provided to the Board of Trustees on the Museum's key controls for the areas reviewed during 2017. The three key areas where improvement is required arising from the internal audit reviews relate to Human Resources and Commercial Activities. These areas are due to be followed up in the 2018 plan of work.

3.3 Key risks

There were 3 key risks highlighted within the top 10 risks in the full Risk Register as detailed below:

- Terrorist incident or other external events/market forces (e.g. Brexit) impact the Museum's operations;
- Major fire, flood or similar incident causing significant damage to the building or collections; and
- Insufficient funds to secure long-term sustainability of the Museum and its operations and programmes.

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

4. Compliance with Corporate Governance Code

The Board of Trustees has assessed its compliance with the Corporate Governance Code and has concluded that this is satisfactory.

Guy Elliott
Chairman of Trustees

Bruce Boucher
Director and Accounting Officer

Date: 10 July 2017

**THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE
HOUSES OF PARLIAMENT**

I certify that I have audited the financial statements of the Sir John Soane's Museum for the year ended 31 March 2017 under the Government Resource and Accounts Act 2000. The financial statements comprise: the Sir John Soane's Museum's Consolidated and Museum Statements of Financial Activities, the Consolidated and Museum Balance Sheets, the Consolidated Statement of Cash Flows and the related notes. The financial statements have been prepared under the accounting policies set out therein. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Trustees, Accounting Officer and auditor

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

Scope of the audit of the financial statements

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

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

Opinion on regularity

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

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the group's and of the Sir John Soane's Museum's affairs as at 31 March 2017 and of its net income/expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and Secretary of State directions issued thereunder.

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

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions made under the Government Resources and Accounts Act 2000; and
- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.

**Sir Amyas C E Morse
Comptroller and Auditor General**

13 July 2017

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

Sir John Soane's Museum

Consolidated Statement of Financial Activities for the year ended 31 March 2017

	Note	2017 Unrestricted Funds	2017 Restricted Funds	2017 Endowment Funds	2017 Total Funds	Restated 2016 Unrestricted Funds	Restated 2016 Restricted Funds	Restated 2016 Endowment Funds	Restated 2016 Total Funds
		£	£	£	£	£	£	£	£
INCOME AND ENDOWMENTS FROM									
Donations and Legacies									
Grants from Department for Culture, Media and Sport	2	1,012,000	971,000	-	1,983,000	1,072,000	-	-	1,072,000
Other donations and legacies	3A	304,485	-	-	304,485	233,642	-	-	233,642
Charitable Activities									
Visitors		72,514	-	-	72,514	54,526	-	-	54,526
Grants	3B	3,583	654,546	-	658,129	-	1,895,538	-	1,895,538
Other Trading Activities									
Room hire		230,780	-	-	230,780	232,758	-	-	232,758
Filing and reproduction fees		104,892	-	-	104,892	17,040	-	-	17,040
Licensing		64,086	-	-	64,086	65,464	-	-	65,464
Retail sales		306,569	-	-	306,569	278,525	-	-	278,525
Patrons - Benefits		19,416	-	-	19,416	12,009	-	-	12,009
Investments	4	2,402	-	-	2,402	207	-	-	207
Other		57,374	-	-	57,374	44,517	-	-	44,517
TOTAL		2,178,101	1,625,546	-	3,803,647	2,010,688	1,895,538	-	3,906,226
EXPENDITURE ON									
Raising Funds									
Development, fundraising and trading	5a	818,391	83,750	-	902,141	720,538	37,311	-	757,849
Charitable Activities									
Buildings	5b	407,143	42,159	-	449,302	366,914	45,102	-	412,016
Collections	5b	300,156	114,980	-	415,136	256,264	197,336	-	453,600
Visitor services	5b	651,650	174,338	-	825,988	713,180	153,818	-	866,998
Donations	5b	-	1,000,000	-	1,000,000	-	-	-	-
TOTAL	5	2,177,340	1,415,227	-	3,592,567	2,056,896	433,567	-	2,490,463
		761	210,319	-	211,080	(46,208)	1,461,971	-	1,415,763
Net Losses on Investments	9	-	-	(273)	(273)	-	-	(2,694)	(2,694)
NET INCOME/(EXPENDITURE)		761	210,319	(273)	210,807	(46,208)	1,461,971	(2,694)	1,413,069
NET MOVEMENT IN FUNDS		761	210,319	(273)	210,807	(46,208)	1,461,971	(2,694)	1,413,069
RECONCILIATION OF FUNDS:									
Total funds brought forward		2,942,380	7,242,173	8,006	10,192,559	2,988,588	5,780,202	10,700	8,779,490
Total funds carried forward	16-18	2,943,141	7,452,492	7,733	10,403,366	2,942,380	7,242,173	8,006	10,192,559

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

The notes on pages 55 to 68 form part of these financial statements.

Sir John Soane's Museum

Statement of Financial Activities for the year ended 31 March 2017 (Museum Only)

	Note	2017 Unrestricted Funds	2017 Restricted Funds	2017 Endowment Funds	2017 Total Funds	Restated 2016 Unrestricted Funds	Restated 2016 Restricted Funds	Restated 2016 Endowment Funds	Restated 2016 Total Funds
		£	£	£	£	£	£	£	£
INCOME AND ENDOWMENTS FROM:									
Donations and Legacies									
Grants from Department for Culture, Media and Sport	2	1,012,000	971,000	-	1,983,000	1,072,000	-	-	1,072,000
Other donations and legacies	3A	304,485	-	-	304,485	233,642	-	-	233,642
Charitable Activities									
Visitors		36,920	-	-	36,920	14,735	-	-	14,735
Grants	3B	3,583	654,546	-	658,129	-	1,895,538	-	1,895,538
Other Trading Activities									
Gift Aid Receivable from Subsidiary		272,485	-	-	272,485	237,826	-	-	237,826
Other Income Receivable from Subsidiary		55,145	-	-	55,145	55,145	-	-	55,145
Other Trading Income		-	-	-	-	34	-	-	34
Patrons - Benefits		19,416	-	-	19,416	12,009	-	-	12,009
Investments	4	2,402	-	-	2,402	207	-	-	207
Other		57,374	-	-	57,374	44,517	-	-	44,517
TOTAL		1,763,810	1,625,546	-	3,389,356	1,670,115	1,895,538	-	3,565,653
EXPENDITURE ON:									
Raising Funds									
Development, fundraising and trading	5a	404,100	83,750	-	487,850	379,965	37,311	-	417,276
Charitable activities									
Buildings	5b	407,143	42,159	-	449,302	366,914	45,102	-	412,016
Collections	5b	300,156	114,980	-	415,136	256,264	197,336	-	453,600
Visitor services	5b	651,650	174,338	-	825,988	713,180	153,818	-	866,998
Donations	5b	-	1,000,000	-	1,000,000	-	-	-	-
TOTAL	5	1,763,049	1,415,227	-	3,178,276	1,716,323	433,567	-	2,149,890
		761	210,319	-	211,080	(46,208)	1,461,971	-	1,415,763
Net Losses on Investments	9	-	-	(273)	(273)	-	-	(2,694)	(2,694)
NET INCOME/(EXPENDITURE)		761	210,319	(273)	210,807	(46,208)	1,461,971	(2,694)	1,413,069
NET MOVEMENT IN FUNDS		761	210,319	(273)	210,807	(46,208)	1,461,971	(2,694)	1,413,069
RECONCILIATION OF FUNDS:									
Total funds brought forward		2,942,380	7,242,173	8,006	10,192,559	2,988,588	5,780,202	10,700	8,779,490
Total funds carried forward	16-18	2,943,141	7,452,492	7,733	10,403,366	2,942,380	7,242,173	8,006	10,192,559

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

The notes on pages 55 to 68 form part of these financial statements.

Sir John Soane's Museum
Consolidated and Museum Balance Sheets as at 31 March 2017

	Note	2017 £ MUSEUM	2017 £ GROUP	2016 £ MUSEUM	2016 £ GROUP
Fixed Assets					
Intangible assets	8	269,663	269,663	80,462	80,462
Heritage assets	7B	8,751,635	8,751,635	7,408,221	7,408,221
Tangible assets	7A	709,075	709,075	896,950	896,950
Investments	9	7,733	7,733	8,006	8,006
		<u>9,738,106</u>	<u>9,738,106</u>	<u>8,393,639</u>	<u>8,393,639</u>
Current Assets					
Stock		9,720	118,087	14,492	132,317
Debtors	10	556,792	284,589	426,829	197,675
Cash at bank and in hand	11	463,883	687,765	1,727,508	1,895,536
		<u>1,030,395</u>	<u>1,090,441</u>	<u>2,168,829</u>	<u>2,225,528</u>
Liabilities					
Amounts falling due within one year	12	<u>(365,135)</u>	<u>(425,181)</u>	<u>(369,909)</u>	<u>(426,608)</u>
Net Current Assets					
		<u>665,260</u>	<u>665,260</u>	<u>1,798,920</u>	<u>1,798,920</u>
NET ASSETS					
	15	<u>10,403,366</u>	<u>10,403,366</u>	<u>10,192,559</u>	<u>10,192,559</u>
UNRESTRICTED FUNDS					
	16				
General fund		369,564	369,564	344,090	344,090
Designated fund, heritage property		2,573,577	2,573,577	2,598,290	2,598,290
Total unrestricted funds		<u>2,943,141</u>	<u>2,943,141</u>	<u>2,942,380</u>	<u>2,942,380</u>
RESTRICTED FUNDS					
	17	7,452,492	7,452,492	7,242,173	7,242,173
ENDOWMENT FUND					
	18	7,733	7,733	8,006	8,006
TOTAL FUNDS					
		<u>10,403,366</u>	<u>10,403,366</u>	<u>10,192,559</u>	<u>10,192,559</u>

The notes on pages 55 to 68 form part of these financial statements.

Approved by the Trustees on 10 July 2017

Guy Elliott
Chairman of Trustees

Bruce Boucher
Director and Accounting Officer

Sir John Soane's Museum
Consolidated Statement of Cash Flows for the year ended 31 March 2017

	Note	2017 £	2016 £
Cash Flows From Operating Activities			
Net Cash Provided By Operating Activities		<u>406,979</u>	<u>1,770,138</u>
Cash Flows From Investing Activities			
Dividends, interest and rents from investments	4	2,402	207
Purchase of property, plant and equipment	7A,7B & 8	<u>(1,617,152)</u>	<u>(699,687)</u>
Net Cash Used In Investing Activities		<u>(1,614,750)</u>	<u>(699,480)</u>
Change in Cash and Cash Equivalents In the Reporting Period		<u><u>(1,207,771)</u></u>	<u><u>1,070,658</u></u>
Cash and Cash Equivalents At Beginning of the Reporting Period		1,895,536	824,878
Cash and Cash Equivalents At End of the Reporting Period		<u><u>687,765</u></u>	<u><u>1,895,536</u></u>

RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2017 £	2016 £	2016 £
Net Income For The Reporting Period (As Per SOFA)		210,807		1,413,069
Adjustments For:				
Losses on Investments	273		2,694	
Dividends, interest and rents from investments	4	(2,402)	(207)	
Depreciation Charges - tangible and heritage assets	7	196,633	155,052	
Amortisation Charges - intangible assets	8	75,779	23,223	
Decrease in stock		14,230	5,668	
Increase in debtors		(86,914)	(31,274)	
(Decrease)/Increase in creditors		<u>(1,427)</u>	<u>201,913</u>	
		196,172	357,069	
Net Cash Provided By Operating Activities		<u><u>406,979</u></u>	<u><u>1,770,138</u></u>	

The notes on pages 55 to 68 form part of these financial statements.

1 Accounting Policies

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

a) Accounting Basis and Standards

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

Consolidated accounts have been prepared on a line by line basis. This includes the Museum accounts and the Museum's wholly-owned trading subsidiary, Soane Museum Enterprises Limited (SME), Registered Company Number 08171280. SME began trading on 27 January 2014. The Museum Trustees act as Trustees to all the individual funds within the Museum accounts. Two Museum Trustees own the issued share capital of SME. As the Museum is not incorporated, it cannot own any share capital. The Museum Trustees who are the owners of the share capital of SME have signed a Declaration of Trust that they will act as directed by the Museum Trustees. In addition, the Museum's Director, Deputy Director, Operations and Commercial Director and Finance & HR Director and a Museum Trustee are all directors of SME along with two independent directors.

b) Income

Grant-in-Aid from the Department for Culture, Media and Sport (DCMS), unless for one-off specified purposes, is allocated to the general fund and is taken to the Statement of Financial Activities for the year to which it relates, and is recognised on receipt.

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

No incoming resources have been included net of expense.

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

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

The Museum has recognised in Other Income £46,600 (at estimated market value) of donated services in 2016-17 (2015-16: £32,000). These were in the nature of legal and professional services.

c) Expenditure

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

The costs of raising funds are those costs concerned with fundraising and trading, see Note 5a.

To provide more useful information to users of the financial statements, expenditure is classified by the principal categories of Museum activity discussed in the Annual Report rather than the type of expense.

Expenditure on charitable activities comprises direct expenditure including staff costs attributable to the activity. Support costs including Governance costs are costs which cannot be attributed directly to an activity and are therefore allocated to activities on a basis consistent with the use of the resources, primarily staff time, see Note 5b.

Governance costs are those incurred in the governance of the Museum and are primarily associated with constitutional and statutory requirements, see Note 5d.

d) Leases

Rentals under operating leases are charged to the Statement of Financial Activities as they arise.

e) Taxation

All of the Group's trading activity is undertaken by the Museum's trading subsidiary Soane Museum Enterprises Limited which is subject to corporation tax. Therefore, the Museum's activities which are wholly non-trading are considered to be exempt from corporation tax under Section 505, Income and Corporation Taxes Act 1988.

1 Accounting Policies (continued)

f) VAT

The Museum is able to reclaim all input VAT which it incurs, in line with the appropriate scheme.

g) Fixed Assets and Depreciation/Amortisation

Heritage and Tangible fixed assets

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

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

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

The Museum's main exhibit is the building itself and its arrangements of objects, which must be maintained as nearly as possible in their original state. The buildings at Nos 12 and 13 and the objects displayed fall within the definition of heritage property, and they are considered to be inalienable. As permitted by SORP and HM Treasury Accounting Guidelines as well as FRS 102, no valuation has been included in the accounts for those assets in respect of which appropriate and relevant information could only be available at a cost that is disproportionately large compared to the benefits to users of the accounts. The recently acquired heritage property at No. 14 is shown at its valuation at the date of transfer to the Museum, together with subsequent restoration and refurbishment costs, less accumulated depreciation. In addition, capital works including fixtures and fittings to Nos 12 and 13 buildings as part of the *Opening up the Soane* (OUTS) project have been added to the Freehold Heritage Property asset class and depreciated over 100 years and the Heritage Fixtures and Fittings asset class and depreciated over 20 years, which is consistent with the treatment of capital works to No.14.

Intangible fixed assets

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

h) Investments

Investments are stated at market value. Realised and unrealised gains and losses on investments are dealt with in the Statement of Financial Activities. Investment income is credited to incoming resources on a receivable basis, see Note 4. The investments held by the Museum as disclosed in Note 9 are classed as an available-for-sale financial asset.

i) Stock

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

j) Debtors and Creditors

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

1 Accounting Policies (continued)

k) Fund Accounting

Funds are generally not held for grant-making purposes. Unrestricted funds comprise general funds and designated funds, see Note 16. General funds are available for use at the Trustees' discretion in furtherance of the general objectives of the Museum and have not been designated for other purposes. Designated funds represent unrestricted funds which have been designated by the Trustees for specific purposes in furtherance of the general objects of the Museum. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the Museum for particular purposes. The aim and use of each restricted fund is set out in Note 17. The endowment fund represents capital funds which have been donated to the Museum to be held on a permanent basis, see Note 18. Income from the fund is to be applied towards the furtherance of the Museum's objects. The permanent endowment does not contain any power to convert capital into income except by application to the Charity Commission.

l) Going Concern

These accounts have been prepared on a going concern basis. As part of the Corporate Plan, the SMT have prepared, and the Trustees have agreed, an Original Budget for 2017-18 in February 2017 showing a balanced Unrestricted Funds budget, after utilising available Restricted Reserves, with no material uncertainties.

m) Foreign Currencies

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

Sir John Soane's Museum

Notes to the Consolidated Financial Statements for the year ended 31 March 2017

2 Grants from the Department for Culture, Media and Sport (DCMS)	2017	2016
	£	£
Grant-in-Aid - current, unrestricted income	1,012,000	1,072,000
Grant-in-Aid - capital, restricted income	971,000	-
	<u>1,983,000</u>	<u>1,072,000</u>

Current Grant-in-Aid was available for general running costs of the Museum including maintenance and conservation.

Capital Grant-in-Aid was provided towards the cost of capital works. DCMS is a related party, see Note 22.

3A Other Donations and Legacies	2017	2017	2017	Restated**
	Unrestricted	Restricted	Total	2016
	£	£	£	Total
Other donations and Gift Aid recoverable	<u>304,485</u>	<u>-</u>	<u>304,485</u>	<u>233,642</u>

3B Grants	2017	2017	2017	Restated**
	Unrestricted	Restricted	Total	2016
	£	£	£	Total
Sir John Soane's Museum Trust for OUTS project	-	52,799	52,799	1,092,769
Wolfson Foundation for OUTS project*	-	-	-	250,000
Heritage Lottery Fund for OUTS project	-	106,544	106,544	71,400
Sir John Soane's Museum Foundation for OUTS project	-	309,127	309,127	154,831
Other capital grants for OUTS project	-	15,000	15,000	17,124
Grants for other projects	-	171,076	171,076	309,414
Other grants and Gift Aid recoverable	3,583	-	3,583	-
	<u>3,583</u>	<u>654,546</u>	<u>658,129</u>	<u>1,895,538</u>

*Grant from the DCMS /Wolfson Museums and Galleries Improvement Fund used to restore the No. 13 Entrance Hall.

**The prior year restatement relates to a reclassification of £1,895,538 from Donations and Legacies to Charitable Activities and a £12,009 reclassification from Donations and Legacies to Other Trading Activities in accordance with SORP FRS 102. There is no impact on Total Income for the year.

4 Investment Income	2017	2016
	£	£
Dividends and interest receivable, all unrestricted	<u>2,402</u>	<u>207</u>

5 Resources Expended

a) Cost of raising funds	Group		Museum	
	2017	2016	2017	2016
	£	£	£	£
Direct costs, development & fundraising	56,186	43,935	56,185	46,286
Direct costs, publications	22,226	17,360	22,226	17,360
Direct costs, trading, including legal advice	111,200	100,493	46,600	50,845
Direct costs, stock for trading	132,937	120,103	-	-
Allocated staff costs	439,636	355,804	222,883	182,631
Allocated support & governance costs	139,956	120,154	139,956	120,154
	<u>902,141</u>	<u>757,849</u>	<u>487,850</u>	<u>417,276</u>

5 Resources expended (continued)

b) Charitable activities, including staff costs see Note 5c	Buildings	Collections	Visitor	2017 Total	2016 Total
	£	£	Services		
	£	£	£	£	£
Building projects	27,004	-	-	27,004	31,049
Building maintenance	193,087	-	-	193,087	186,950
Works of art, objects & pictures	-	1,830	-	1,830	26,475
Publications (collections)	-	-	-	-	775
Research, library, archive, digitisation	-	56,368	-	56,368	83,506
General conservation	-	13,089	-	13,089	1,992
Visitor services	-	-	6,333	6,333	6,190
Visitors - virtual access	-	-	-	-	3,570
Educational activities	-	-	37,408	37,408	41,334
Exhibitions	-	-	33,199	33,199	61,052
Allocated staff costs	180,112	267,676	555,404	1,003,192	945,268
Allocated support & governance costs	49,099	76,173	193,644	318,916	344,453
31 March 2017	<u>449,302</u>	<u>415,136</u>	<u>825,988</u>	<u>1,690,426</u>	
31 March 2016	<u>412,016</u>	<u>453,600</u>	<u>866,998</u>		<u>1,732,614</u>

Donations - On 27 June 2016, the Museum made a gift of £1m to the Catalyst Endowment Fund of Sir John Soane's Museum Trust from its Masterplan Fund and Capital Fund for Enabling Works.

c) Staff costs, see Note 6a	2017	2016
	£	£
Cost of raising funds	439,636	355,804
Buildings	180,112	148,760
Collections	267,676	250,770
Visitor services	555,404	545,738
	<u>1,442,828</u>	<u>1,301,072</u>

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

d) Governance, including staff costs see Note 5c	2017	2016
	£	£
Internal audit - current year	5,950	5,950
External audit - current year (Museum only)	15,500	16,275
Other administrative expenses	8,034	16,751
	<u>29,484</u>	<u>38,976</u>

The Comptroller and Auditor General is the external auditor of the Museum's Financial Statements. The audit fee for the work was £15,500 (2016: £16,275); no other non-audit work was provided.

e) Allocated support & governance costs	2017	2016
	£	£
Cost of raising funds, see Note 5a	139,956	120,154
Buildings, see Note 5b	49,099	45,257
Collections, see Note 5b	76,173	86,512
Visitor services, see Note 5b	193,644	212,684
	<u>458,872</u>	<u>464,607</u>

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

6 Employee and Trustee Information

a) Staff costs

	2017	2016
	£	£
Salaries	1,172,698	1,074,302
Employer's national insurance	105,788	82,069
Employer's pension contributions, see Note 21	<u>164,342</u>	<u>144,701</u>
Total employment costs	<u>1,442,828</u>	<u>1,301,072</u>
Recruitment	5,929	40,603
Payroll services, training and other staff costs	29,101	103,691
Total staff costs	<u><u>1,477,858</u></u>	<u><u>1,445,366</u></u>

In addition staff costs totalling £38,200 were capitalised in relation to the Capital Works Project in 2016-17 (2015-16: £Nil)

b) Staff numbers

	2017	2016
	Number	Number
The average number of persons employed (FTE), analysed by function was:		
Cost of generating funds	11.7	11.2
Buildings	5.4	4.5
Collections	6.9	7.4
Visitor services	19.7	18.4
	<u><u>43.7</u></u>	<u><u>41.5</u></u>

The average headcount, defined as the number of staff paid each month during 2016-17, was 59.8 (2015-16: 48.8). This includes casual staff members.

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

	2017	2016
£70,001 - £80,000	<u>1</u>	-

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

In 2016-17, the Senior Management Team members received total amounts of benefits (including gross salary, bonus and employer's NIC and pension contributions) of £366,802 (2015-16: £309,848)

c) Compensation for loss of office

There were no 'exit packages' awarded to staff leaving during the year (2015-16: 6) amounting to a total of £Nil (2015-16: £77,373).

Exit package cost band (2015-16)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	Nil	2	2
£10,000 - £25,000	Nil	4	4
Total number of exit packages	Nil	6	6
Total cost /£ (2015-16)	Nil	77,373	77,373

NB: Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure.

d) Trustees

The Trustees neither received nor waived any emoluments during the year (2015-16: £Nil). Claims for travel by Trustees amounted to £Nil (2015-16: £Nil). Expenses paid by the Museum to 3rd parties on behalf of Trustees was £Nil (2015-16: £Nil).

7A Tangible Assets

Museum and Group

	Assets in the course of construction £	Office Equipment £	Fixtures & Fittings £	Retail Equipment £	Security Equipment £	Plant £	Total £
Cost							
At 1 April 2016	520,441	44,621	74,783	10,125	102,501	410,873	1,163,344
Reclassifications to Heritage Assets	(520,441)	-	-	-	-	(157,764)	(678,205)
Additions	-	258,533	86,698	11,941	40,889	175,578	573,639
At 31 March 2017	-	303,154	161,481	22,066	143,390	428,687	1,058,778
Depreciation							
At 1 April 2016	-	40,061	68,771	10,125	82,107	65,330	266,394
Reclassifications	-	-	-	-	-	(14,963)	(14,963)
Charge for the year	-	54,383	12,042	2,388	8,024	21,435	98,272
At 31 March 2017	-	94,444	80,813	12,513	90,131	71,802	349,703
Net Book Value							
At 31 March 2017	-	208,710	80,668	9,553	53,259	356,885	709,075
At 1 April 2016	520,441	4,560	6,012	-	20,394	345,543	896,950

7B Heritage Assets

Museum and Group

	Heritage Assets £	Freehold Heritage Property £	Heritage Fixtures & Fittings £	Total £
Cost				
At 1 April 2016	58,230	6,600,208	1,244,488	7,902,926
Reclassifications from Tangible Assets	-	1,015,188	(336,983)	678,205
Additions	-	487,602	290,931	778,533
At 31 March 2017	58,230	8,102,998	1,198,436	9,359,664
Depreciation				
At 1 April 2016	-	293,425	201,280	494,705
Reclassifications	-	9,899	(34,528)	(24,629)
Charge for the year	-	78,031	59,922	137,953
At 31 March 2017	-	381,355	226,674	608,029
Net Book Value				
At 31 March 2017	58,230	7,721,643	971,762	8,751,635
At 1 April 2016	58,230	6,306,783	1,043,208	7,408,221

Heritage Assets	2016-17 £	2015-16 £	2014-15 £	2013-14 £	2012-13 £
Additions	778,533	206,756	1,796,630	20,018	3,059,172

During the year, work was completed on Phase 3 of the *Opening up the Soane* (OUTS) project. The costs associated with Phase 3 during the year and the opening balance on Assets in the course of construction were reclassified to Freehold Heritage Property, Heritage Fixtures & Fittings and Plant including adjustments to the reclassification of previous Phase 2 costs.

7B Heritage Assets (continued)

Museum and Group

Nature of the Collection

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

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

A third property, No. 14 Lincoln's Inn Fields, was donated to the Museum on 26 March 2004 by Sir John Soane's Museum Society. At that date it was valued at £980,000 on an open market existing use basis by Drivers Jonas, Chartered Surveyors in order to comply with HM Treasury Accounting Guidelines for non-operational heritage assets. The valuation was made in accordance with Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors. Since acquiring No.14, the Museum has expended £1,782,090 to restore the property. The restoration costs are capitalised in accordance with HM Treasury guidelines. The property was acquired by the Society with the support of the National Lottery through the Heritage Lottery Fund, and cannot be disposed of by the Museum without the approval of the Trustees of the National Heritage Memorial Fund. The Trustees consider it to be inappropriate to spend further funds on annual revaluation. The building entered into use during 2009 and therefore, is subject to depreciation over its estimated useful life, set at 100 years for the purposes of the accounts. In 2009 the Museum performed an impairment review by which it was established that there was no need to write down the value of the property.

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

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

Proposed Valuation

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

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

Information about the Collection

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

Acquisition and Disposal

As a closed collection, the Museum has no programme of acquisition, although some small gifts of books or drawings have been received. An exception was made to this rule in 2009 when the Trustees agreed to take advantage of a rare opportunity to purchase, with funds provided for the purpose, a valuable ring which had once belonged to Sir John Soane. This acquisition is listed on the balance sheet. Disposal of inalienable heritage assets contravenes the rules of the charity. No disposals have been made. A window on the second floor of the Museum that was removed during the course of construction works was donated to the Brooking Collection. The value of the window was not included on the Balance Sheet and it was deemed to have no residual value.

Preservation and Management

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

8 Intangible Assets

Museum and Group

Cost	£
At 1 April 2016	137,343
Additions and improvements	264,980
At 31 March 2017	<u>402,323</u>
 Amortisation	
At 1 April 2016	56,881
Charge for the year	75,779
At 31 March 2017	<u>132,660</u>
 Net Book Value	
At 31 March 2017	<u>269,663</u>
At 31 March 2016	<u>80,462</u>

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

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

9 Investments

Museum and Group	2017	2016
	£	£
Market value at 1 April	8,006	10,700
Net loss on investments	(273)	(2,694)
Market value at 31 March	<u>7,733</u>	<u>8,006</u>
 Historic cost at 31 March	<u>28,920</u>	<u>28,920</u>

The investment is listed on a recognised UK Stock Exchange.

10 Debtors

	2017	2017	2016	2016
	MUSEUM	GROUP	MUSEUM	GROUP
	£	£	£	£
Prepayments and accrued income	36,153	38,123	19,419	23,959
Amounts owed by Subsidiary	365,898	-	307,949	-
VAT recoverable	109,970	109,970	67,788	67,788
Other debtors, including Gift Aid recoverable	44,771	136,496	31,673	105,928
	<u>556,792</u>	<u>284,589</u>	<u>426,829</u>	<u>197,675</u>

11 Cash at bank and in hand

	2017	2017	2016	2016
	MUSEUM	GROUP	MUSEUM	GROUP
	£	£	£	£
Cash at bank	461,414	685,196	1,725,540	1,893,468
Cash in hand	2,469	2,569	1,968	2,068
	<u>463,883</u>	<u>687,765</u>	<u>1,727,508</u>	<u>1,895,536</u>

12 Creditors: amounts falling due within one year	2017	2017	2016	2016
	MUSEUM	GROUP	MUSEUM	GROUP
	£	£	£	£
Trade creditors	250,591	261,518	210,508	214,786
Taxation, social security and pensions	55,185	81,547	44,033	74,554
Other creditors	-	-	31,575	31,575
Amounts owed to Subsidiary	2,543	-	-	-
Accruals	48,899	48,901	62,173	63,173
Deferred income	7,917	33,215	21,620	42,520
	365,135	425,181	369,909	426,608

£38,465 of Deferred Income was released and £29,160 added during 2016-17.

Deferred Income is in respect of services paid for in 2016-17 but relating to future years.

The Deferred Income balance at 31 March 2017 is due within one year.

13 Provisions

Museum and Group

There were no provisions in 2016-17 (2015-16: £Nil).

14 Operating lease commitments

Museum and Group

There were no material annual operating lease commitments (2015-16: £Nil).

15 Analysis of net assets	Restricted	General	Designated	Endowment	Total Funds
Group	Funds	Fund	Fund	Fund	
	£	£	£	£	£
Represented by:					
Intangible Fixed Assets	269,663	-	-	-	269,663
Heritage Fixed Assets	6,178,058	-	2,573,577	-	8,751,635
Tangible Fixed Assets	709,075	-	-	-	709,075
Investments	-	-	-	7,733	7,733
Current Assets	295,696	794,745	-	-	1,090,441
Liabilities	-	(425,181)	-	-	(425,181)
Balances as at 31 March 2017	7,452,492	369,564	2,573,577	7,733	10,403,366

16 Unrestricted Funds

Group

	General Fund	Designated Fund	Total
	£	£	£
Balances at 1 April 2016	344,090	2,598,290	2,942,380
Income	2,178,101	-	2,178,101
Expenditure	(2,177,340)	-	(2,177,340)
Transfers (see below)	24,713	(24,713)	-
Balances at 31 March 2017	369,564	2,573,577	2,943,141

The Designated Fund relates to No.14 Lincoln's Inn Fields and represents the value of the property donated to the Museum in 2004 (see Note 7B), together with monies spent subsequently on its restoration plus subsequent annual depreciation (as represented by the annual transfer from the Designated Fund to the General Fund).

17 Restricted Funds

Museum and Group	Balances at 1.4.2016 £	Income £	Expenditure £	Transfers £	Balances at 31.3.2017 £
Acquisition Fund	42,620	-	-	-	42,620
Conservation Fund	58,130	-	(16,383)	-	41,747
Exhibition Fund	93,559	87,136	(57,699)	-	122,996
Library Fund	66,671	10,800	(49,895)	-	27,576
Education Fund	9,681	18,500	(10,000)	-	18,181
Masterplan Fund	1,124,455	483,469	(1,116,141)	(389,279)	102,504
Capital Fund for Enabling Works	145,707	-	-	(145,707)	-
Masterplan Construction Fund	5,688,542	-	-	534,986	6,223,528
Other Restricted Projects Fund	12,808	54,641	(35,370)	-	32,079
Capital Works (DCMS)	-	971,000	(129,739)	-	841,261
Total	7,242,173	1,625,546	(1,415,227)	-	7,452,492

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

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

The transfer from the Masterplan Fund to the Masterplan Construction Fund relates to the OUTS costs capitalised as fixed assets during the year less the associated depreciation charges.

18 Endowment Fund

Museum and Group	Total £
Balance at 1 April 2016	8,006
Net loss on investment assets	(273)
Balance at 31 March 2017	<u>7,733</u>

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

19 Capital Commitments

At the balance sheet date the Museum was contractually committed to the sum of £Nil for all capital projects (2016: £600,000 for OUTS Project Phases 2 and 3).

20 Contingent Assets & Liabilities

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

21 Pension Arrangements

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

Most employees of Sir John Soane's Museum are members of these arrangements which are an unfunded multi-employer defined benefit scheme and as such Sir John Soane's Museum is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis. For 2016-17, employer's contributions of £162,942 were payable to PCSPS (2015-16: £142,647) at one of three rates in the range 20.0% to 22.1% of pensionable pay, based on salary bands and £1,400 to non-PCSPS schemes for non-PCSPS members (2015-16: £1,018). The PCSPS's Actuary reviews employer contributions every four years following a full scheme valuation. From 2016-17, the contributions based on salary bands are in the range of 20.0% to 24.5%. The contribution rates are set to meet the cost of the benefits accruing during each year to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

22 Related Party Transactions

Sir John Soane's Museum is an NDPB whose sponsor department is DCMS. DCMS is regarded as a related party. During the year, Sir John Soane's Museum has had material transactions with the Department and with the HLF. These transactions are shown in Notes 2 and 3.

An independent charitable company Sir John Soane's Museum Trust (SJSMT Trust) was set up in February 2012, of which the Director and one Trustee of the Museum (Basil Postan), are Trustees. There are three other independent Trustees in addition to the Director and one Trustee of the Museum. As the representatives of the Museum (i.e. the Director and the one Trustee) are in a minority, and as the Trust carries out its activities independently of the Museum, its financial results are not consolidated with those of the Museum. The Museum provides services and facilities for the Trust on an arm's length basis, and during the year the Trust was charged a total of £10,773 (2015-16: £6,660) for fundraising and administrative services. In 2016-17 the Museum received restricted donations of £52,799 (2015-16: £1,092,769) from the Trust for the OUTS project and unrestricted donations of £75,000 (2015-16: £30,000) from the Trust's Catalyst Endowment Fund for general purposes. In 2016-17, the Museum made a gift of £1,000,000 (2015-16: £Nil) to the Catalyst Endowment Fund of the Trust from its Masterplan Fund and Capital Fund for Enabling Works.

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

One of the Museum Trustees (Molly Borthwick) is a director of Sir John Soane's Museum Foundation, an independent organisation based and registered in the USA. Its mission is to promote to an expanding audience a lively educational forum in the fields of art, architecture and the decorative arts within the Soanean tradition and to assist financially Sir John Soane's Museum in London. In 2016-17 the Museum received donations of £336,268 from the Foundation for the OUTS and other projects (2015-16: £209,517).

During the year the Group provided venue hire services to Katrin Henkel for a payment of £5,070.

Please refer to the Remuneration Report and Note 6 for details of compensation for key management personnel.

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

3 Trustees (2015-16: 6) donated a total of £26,546 (2015-16: £25,650) to the Museum for various fundraising campaigns.

There were no outstanding balances held with related parties as at 31st March 2017 (As at 31.3.2016: £Nil)

23 Trading Subsidiary

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

	2017	Restated 2016
	£	£
Profit and Loss Account		
Turnover	741,921	635,895
Cost of Sales	(164,939)	(153,796)
Gross Profit	576,982	482,099
Administrative Expenses	(304,497)	(244,273)
Trading Profit, Profit on Ordinary Activities before taxation and Profit on Ordinary Activities after taxation	272,485	237,826
Payment under gift aid to Museum	(272,485)	(237,826)
Retained Profits in Subsidiary	-	-
Balance Sheet		
Tangible Fixed Assets	-	-
Current Assets	428,251	360,450
Current Liabilities	(155,764)	(122,622)
Provision: Payment under gift aid to Museum	(272,485)	(237,826)
Net Assets	2	2
Share Capital	2	2
Reserves	-	-
Total Funds	2	2
Reconciliation to SoFA		
Income included in SoFA		
Turnover	706,327	596,104
Intra-Group Turnover	-	(2,351)
Plus: Museum Trading Income	19,416	34
Other Trading Activities	725,743	593,787
Income included in SoFA		
Turnover	35,594	39,791
Plus: Museum Trading Income	40,503	14,735
Income from Charitable Activities	76,097	54,526
Trading costs included in SoFA		
Cost of Sales	164,939	153,796
Administrative expenses	304,497	244,273
Plus: Museum Development Fundraising and Trading costs	432,705	359,780
Expenditure on Raising Funds	902,141	757,849

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

24 Financial Instruments

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

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

Liquidity Risk

Over 46% of the Museum's unrestricted income is provided as Grant-in-Aid from the Department for Culture, Media and Sport. The remaining income comes from self-generated income which is more volatile. As the cash requirements of the Charity are met largely through the Grant-in-Aid, financial instruments play a more limited role in creating risk than would apply to a non-public sector body of a similar size. The Museum has sufficient unrestricted funds to cover its current liabilities.

Credit Risk

The Museum is not exposed to significant credit risk as its trade debtors consist mostly of sums due from HMRC. Its cash is held by the Museum's bankers and it has not suffered any loss in relation to cash held by bankers. Write-offs for bad debts amounted to £Nil (2016: £Nil). No trade debtor balances have been provided against in year (2016: £Nil).

Interest Rate Risk

The Museum is not exposed to significant interest rate risk as it earned less than £5,000 from dividend and interest income and does not rely on interest income.

Foreign Currency Risk

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

Investment Risk

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

25 Post-Balance Sheet Events

The financial statements were authorised for issue, on the date given on the Audit Certificate, by the Accounting Officer and the Board of Trustees.

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