

SIR JOHN SOANE'S MUSEUM

Registered Charity No. 313609

THE ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR 1 APRIL 2020 TO 31 MARCH 2021

Sir John Soane's Museum

Registered Charity No. 313609

THE ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR 1 APRIL 2020 TO 31 MARCH 2021

PRESENTED TO PARLIAMENT PURSUANT TO ARTICLE 3(3) OF THE GOVERNMENT RESOURCES
AND ACCOUNTS ACT 2000 (AUDIT OF PUBLIC BODIES) ORDER 2003 (SI 2003/1326)

ORDERED BY THE HOUSE OF COMMONS TO BE PRINTED 31 JANUARY 2022



© Sir John Soane's Museum copyright 2022

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at www.gov.uk/official-documents.

Any enquiries regarding this publication should be sent to us at admin@soane.org.uk

ISBN 978-1-5286-3156-3

E02714009 01/22

Printed on paper containing 75% recycled fibre content minimum

Printed in the UK by HH Associates Ltd. on behalf of the Controller of Her Majesty's Stationery Office

SIR JOHN SOANE'S MUSEUM

TRUSTEES

Guy Elliott (Chair)
Professor Jonathan Ashmore FRS, FMedSci
Molly Lowell Borthwick (until 30 November 2021)
Anne Desmet RA (from 1 February 2021)
Professor David Ekserdjian
Stephen Gosztony
Nichola Johnson OBE, FSA
Alderman Vincent Keaveny (Lead Non-Executive Trustee)
Dr Thierry Morel
Basil Postan
Alison Ross Green
Dr Frank Salmon FSA
Orna, Lady Turner

DEBORAH LOEB BRICE DIRECTOR

Dr Bruce Boucher FSA

Registered Office

13 Lincoln's Inn Fields
London WC2A 3BP

Bankers

National Westminster Bank plc
214 High Holborn
London WC1V 7BX

Internal Auditor

The Risk Management Business Limited
White House
94 Wolfreton Lane
Willerby
East Riding of Yorkshire
HU10 6PT

External Auditor

Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
London SW1W 9SP

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



HISTORY, AIMS AND OBJECTIVES OF THE MUSEUM	5
REVIEW OF THE YEAR	
DIRECTOR'S OVERVIEW	7
THE BUILDINGS	8
THE COLLECTIONS	
WORKS OF ART	10
THE RESEARCH LIBRARY AND ARCHIVE	12
COLLECTIONS MANAGEMENT SYSTEM/DIGITAL ASSET MANAGEMENT SYSTEM	12
LOANS	13
EDUCATION, LEARNING AND EXHIBITIONS	
EDUCATION AND LEARNING	14
EXHIBITIONS	15
DEVELOPMENT AND COMMUNICATIONS	16
SERVICES	
Visitor Services and Volunteer Team	19
Commercial Activities	20
FINANCIAL REVIEW	21
PERFORMANCE	23
Sickness Absence	24
Company Directorships and Other Significant Interests	24
Public Expenditure System (PES) Disclosure	25
Data Loss and Information Management	25
Whistleblowing	25
Fundraising	25
Reserves Policy	25
Payment Terms	26
Five-Year Summary	26
REMUNERATION REPORT	26
STATEMENT OF TRUSTEES' AND ACCOUNTING OFFICER'S RESPONSIBILITIES	29
GOVERNANCE STATEMENT	30
FINANCIAL STATEMENTS	
Certificate and Report of the Comptroller and Auditor General	35
Consolidated Statement of Financial Activities	40
Statement of Financial Activities (Museum Only)	41
Consolidated and Museum Balance Sheets	42
Consolidated Statement of Cash Flows	43
Notes to the Consolidated Financial Statements	44-57

HISTORY, AIMS AND OBJECTIVES OF THE MUSEUM

History of the Museum

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

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

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

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

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

Aims and Objectives of the Museum

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

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

The Trustees' main objectives are as follows:

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

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

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

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

With these objectives in mind and after reviewing the activities set out in this Annual Report, the Trustees have sanctioned a three-year future programme for the Museum in a Strategic Plan covering the period 2021-24. We are also mindful of additional priorities set out by our sponsoring body, the Department for Digital, Culture, Media and Sport (DCMS), in the new Framework document 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 without charge.

Relationship between the Charity and Related Parties

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

REVIEW OF THE YEAR

DIRECTOR'S OVERVIEW

The year that ended this March could not have made more of a contrast with the previous one. Whereas 2019-20 ended strongly with the success of our Hogarth exhibition and over 122,000 visitors, this year saw us open for only 25 days and with total visits numbering 2,090. One would have to go back to the nineteenth century to find comparable statistics. That said, while our traditional focus has been on our buildings, collections and the wellbeing of our staff, the pandemic has forced us, as it did our sister institutions, to rethink how we engage with stakeholders, supporters and a growing number of digital visitors. Our Annual Report reflects these developments.

Throughout this period, we have been grateful to the Museums Team at the Department for Digital, Culture, Media and Sport (DCMS) for their support and advocacy. The ability to draw down additional funding in the absence of normal commercial activity was a godsend, and the addition of a special maintenance grant enabled us to address the redecoration of our façades as well as other essential repairs during closure. By the same token, the Job Retention Scheme allowed us to furlough just under half of our staff during lockdown, and we were very fortunate not to have to make any staff redundant during this period.

During the year, we have tried to take advantage of the constraints imposed by the virus. We redesigned the visitor route through the building as well as scaling back the number of visitors allowed; we also reinstated timed ticketing for admission. These measures fulfilled two purposes in that they responded to the necessity of social distancing while reassuring both staff and potential visitors about their physical wellbeing. While closed, we established a seven-day rota for staff to monitor our buildings and collection on site. We kept in touch with staff through fortnightly staff briefings and 'Postcards from the Soane', a virtual magazine for all of us to submit photographs, poetry, and observations that we found uplifting. We also held online meetings of departmental teams and kept in touch with individual staff members through a 'buddy' system. In a strange way, we all came to know each other better through these initiatives than had been the case prior to the pandemic.

The Senior Management Team and the Trustees took the opportunity of closure during the spring and summer to complete a Strategic Plan that will guide our activities from 2021 to 2024. Our priorities will focus on several key areas. Our buildings and collections will continue to be a primary responsibility with a major renovation of the Drawing Office. We also want to fulfil the vision of the Museum as an active 'academy', involved in both historic and contemporary inquiry and debate. To this end, we shall focus on embedding our learning programmes and exhibitions and events. All of this, as well as our organisational development, finance, and funding will be underpinned by creating an enhanced digital platform so that the Soane can continue to raise its profile, both nationally and internationally. Our goals are encapsulated in a new mission statement: ***The Museum today aspires to encourage access to Soane's legacy in its broadest sense: architecture, design and creative originality, collections and a commitment to learning and enquiry, and the connections between past and present that the Museum reveals.***

Digital has been at the forefront of our activities throughout the year as with our whole sector. Our website has been redesigned to reflect the greater number of visits online, a trend that will only expand in coming years. We redesigned the homepage of our website to showcase opportunities to explore our collections and exhibitions online. Our Instagram account grew by 40% and was singled out for praise by *The New York Times* among other publications. We were also among a select number of institutions in this country to be invited to join the Bloomberg Connects mobile app,

which will be an essential part of our visitor experience in the future. Providentially, a documentary based upon our six-year campaign *Opening up the Soane* was aired on London Live just a few weeks after the lockdown and again in the summer where it was seen by over 100,000 people. It is also available now via the Museum's website. Exhibitions, too, will now include a virtual component and our Learning Team moved seamlessly to online presentations of virtual tours, which makes them available now to schools all around the country as opposed to Greater London in prior years. Our Youth Panel for those aged between 15 and 24 continued to meet and plan events during closure. As we leave lockdown, we look forward to relaunching Art Space, our initiative for people living with dementia and their carers, which will operate again in July 2021.

As part of our response to the twin challenges of diversity and inclusivity, the Senior Management Team have created a museum-wide working group known under the acronym IDEA, to address inclusion, diversity, equality and access. This group will serve as an informal sounding board to review best practices and challenging elements of the collection as well as helping us to develop a varied roster of programmes and outreach projects. This group has been approved by the Trustees and will be a standing item on their quarterly agenda.

Renovation and renewal have been our watchwords this year, and nothing epitomises this better than the Drawing Office Project, mentioned above. Soane's Drawing Office is located above the Museum Colonnade and is the oldest surviving architectural draughting office in this country. Virtually inaccessible and in need of a proper restoration, it is the last significant space in the Museum to be addressed for this purpose. The casts must be taken down and cleaned and the walls returned to their original colour. Beneath the Office, columns will be re-aligned correctly and elements removed long ago reinstated. Once this is done, we will launch the Museum's first artist-in-residence programme, the space will be 3D scanned to enhance our *Explore Soane* platform and the space can be accessed through short tours and interactive digital interpretation. Listed building consent has been granted, and it looks as if work can begin early in 2022, thanks to grants largely from trusts and foundations. It is an exciting prospect for the Soane.

Finally, it remains for me to thank those whose generosity has helped to steady our ship. In particular, I would like to acknowledge the outstanding help of Deborah Loeb Brice and the Sir John Soane's Museum Foundation of New York for rising to the challenge we faced this year. I must also thank our Trustees for their unwavering support and wise counsel as well as our staff, who have coped heroically and uncomplainingly throughout a most difficult year. Museums are important reservoirs of social wellbeing, and we believe we have given as well as received moral support over the past year.

Bruce Boucher, FSA
Deborah Loeb Brice Director

THE BUILDINGS

Advantage was taken of the national lockdown to undertake various significant repairs and redecorations. The façades of Nos 12 and 13 were redecorated by Fullers, our maintenance contractors, and the two caryatids re-limewashed by Taylor Pearce Restoration. Lead repairs were carried out to the roof of the South Drawing Room loggia and skylights on the rear roofs were redecorated. Front gate locks were replaced and all the flagstones in the basement were repointed. All the WCs were redecorated prior to reopening. Damage caused by crows dropping stones (captured on CCTV) necessitated the replacement of various panes of coloured glass and of one solar panel on the No. 13 roof. A legionella safety inspection resulted in mains water adaptations to

ensure compliance with current standards: water checks continued throughout the closure period. Works were carried out to upgrade the emergency lighting system, install new electric sockets following a power failure in the Mess Room and to install new computers to run our roof CCTV following imaging problems.

A new carpet, the same pattern as the existing one but in a more hard-wearing weave, was woven by Woodward Grosvenor and laid to the No. 12 main staircase prior to the Museum reopening. It was extended (with a narrower piece) up to the top landing, where the stone stair was previously bare.

All the above works were funded by a special DCMS grant for urgent maintenance.

Peter Holmes, specialist cabinetmaker, spent a week at the Museum conserving and reviving the polished finishes on the bookcases in the South Drawing Room loggia. He also repaired two drawers in the recesses in the loggia. This work is helping to keep the South Drawing Room looking as good as possible until we can allocate the funds for much-needed redecoration.

Blinds went up on the three vertical lantern lights in the Picture Room just before lockdown. Lyall Thow (Julian Harrap Architects) has now completed drawings/specification for a blind to the half-round central skylight for use in a tender process.

Charles Marsden-Smedley completed a lighting policy document and schedules for the Museum so that we can quickly and easily find historic and current information about lighting installations throughout our three buildings.

A full Health and Safety Audit was carried out at the end of the year, the recommendations of which will be worked through in 2021-22.

The Trustees approved the Drawing Office restoration project as a strategic priority for the Museum and costings were prepared in advance of the start of fundraising which we hope will result in the restoration of the Office in 2022. A programme of digital initiatives and residencies is included in the project alongside the structural and conservation elements. A new Drawing Office Committee was set up to oversee the project, including two Trustees and the Chair, and met once during the year. During the year Helen Dorey completed her programme of research into the history of the Office and reviewed this with the architects prior to the submission of an application for Listed Building Consent, which was granted in January 2021. Charles Marsden Smedley completed feasibility studies and specification of new lighting for the Drawing Office and the Colonnade and Helen Hughes was appointed to carry out the historic paint research after a tender exercise.

The Facilities Apprentice, Shoppon Khan, was furloughed and provided with a computer and printer to enable him to continue with his college coursework. He was able to return part-time from 7 October 2020. His placement at the Museum was extended to November 2021.

Opening up the Soane Film

The film was shown on *London Live* in three episodes on 16 and 19 April and 3 May 2020 and made available via the Museum's website. More than 100,000 people watched it and it was picked up by both *Apollo* and *The Washington Post*. *London Live* repeated the three episodes in June 2020.

A series of excerpts from the film highlighting the conservation skills involved in the project were prepared for the website accompanied by text written by Helen Dorey. She also wrote a booklet to accompany a DVD.

The Museum is most grateful to the film-maker, Jonathan Crane, and to Mrs Elizabeth Cayzer for her encouragement and support. The Elizabeth Cayzer Charitable Trust generously supported the making of the film.

THE COLLECTIONS

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

STAFF

Frances Sands and Anna McAlaney (Research Library) were furloughed from 6 April 2021, Joanna Tinworth (Curator, Collections) from 21 April and Jane Wilkinson and Lucy Sims (Conservation) from 27 April. This staggered furloughing facilitated hand-over and completion of some key projects.

WORKS OF ART

Cataloguing and Research

The Mansfield Monument model by Flaxman (M1163) was scanned towards the end of 2019 on behalf of Westminster Abbey as part of a research project by their Curator, Dr Susan Jenkins, into the history of the marble monument. Her conclusions have now been published in a scholarly article in the *Burlington Magazine* (April 2020) which discusses our model in detail.

The digitisation of the entire drawings collection a few years ago and the recent digitisation of key early inventories and archive series proved invaluable to staff working from home. Staff continued to contribute 'Object of the week' information for our digital platforms and assist with blogs, images etc. as required. They worked with the Development team to produce the content for the new Bloomberg app. John Bridges was for most of the year unable to come in one day a week to volunteer as *pro bono* curatorial assistant. However, from home, he compiled information monthly for an ongoing social media 'On this day' feature highlighting anniversaries that linked to objects in the collection.

A list of missing scans from the photographic survey of works of art done by A.C. Cooper Ltd. just after the Second World War was compiled; A.C. Cooper Ltd. supplied those that could be found as new hi-res scanned tiffs to add to our image bank. Lewis Bush spent time at the Museum taking new images for collections online, for external enquirers and for the new edition of *A Miscellany of Objects*.

Pidgeon audio-visual produced a tape-slide tour of the Soane in 1979, given by Sir John Summerson – whose regular Saturday public tours of the Museum were legendary. In April 2020 they contacted us to offer us use of the audio tape and the tour is now available free via the website.

The installation of items purchased to enhance the presentation of the No. 13 kitchens was postponed as a result of Covid-19 (see last year's report).

Art UK Sculpture project

This project aims to make sculpture (post-1100 AD) in UK public collections available online. The full data spreadsheet for our 221 eligible sculptures was submitted during the year along with images for all those that were not photographed by Art UK for the project. 454 professional hi-res images taken by Art UK have now been uploaded to Collections Online.

The Soane section of the Art UK website is now live and already stimulating suggestions and comments from users which will help to enhance our knowledge of our collection.

Sadly, due to Covid-19 we have postponed a programme of sculpture cataloguing working with an external consultant indefinitely. Instead, Helen Dorey and Joanna Tinworth have begun entering the sculpture research data from our paper records into the collections database to enhance the entries on Collections Online.

Challenging Object histories at the Soane

In response to the reinvigorated global campaign against racial injustice, Helen Dorey reviewed non-European works of art and drew up a detailed spreadsheet highlighting gaps in our knowledge. The document includes pro-emancipation material in the library and fascinating groups of objects such as the Peruvian vases where there are opportunities to work with specialists around the world to enhance our *Collections Online* entries. We are working with experts at the National Museum of New Zealand Te Papa Tongarewa to research the provenance and meaning of the Maori spear-like weapon (*taiaha*) in the Soane collection. During the year Sue Palmer and Frances Sands reviewed Soane and Adam clients against the UCL database of British people compensated on Abolition to ensure scheme notes for architectural projects published online acknowledge the source of clients' wealth. Sue Palmer also compiled a research report on Soane and the East India Company. Helen made a presentation to the Trustees on this work and a further presentation to staff.

Conservation and reinstatement

One member of the team continued to go into the Museum whilst it was closed to carry out essential conservation checks, cleaning and other jobs, including Integrated Pest Management (IPM). He also continued to monitor the environment remotely. A manual of guidelines for use of the museum spaces was developed for use across museum departments, and a separate manual of guidelines for exhibitions in the Galleries, Foyle Space and museum spaces was written. The Emergency Key Team met remotely for a training session once a month throughout the lockdown period.

In preparation for the re-opening the conservation team were instrumental in cleaning the collections and museum spaces. They also researched and implemented Covid-compliant measures including protection for surfaces in public areas.

Four ivory chairs (XF169, XF170, XF171 & XF172) were brought back from storage and re-displayed in their original location in the Picture Room.

In March 2020 conservation of the frames and works of art for the Picture Room Recess project was halted. From October some conservation work to frames and works on paper began again in the studios. In addition, it was possible for the Head of Conservation to conserve two of the frames at her home studio. The project is now on track to be completed by the end of the summer 2021.

Repairs to drawings triaged for conservation began. Sixteen of the drawings in need of urgent treatment have been conserved. This work is on-going.

Peter Holmes repaired the pull-out table (XF89) from the knee-hole of the desk in the Breakfast Room which had been in store for some time. He also repaired a work box (XF7) thought to have belonged to Eliza Soane, broken for many years. This is now on display in the Private Apartments.

THE RESEARCH LIBRARY AND ARCHIVE

Cataloguing of the Drawings Collection

Trainee cataloguer Anna McAlaney continued her work to catalogue a portion of the Adam drawings collection. Her fixed-term contract, originally due to finish in October 2020, was extended to mid-April 2021 to take account of furlough, and she was on track to finish her work at the end of the period covered by this report. The second trainee cataloguer for this five-year project, funded principally by the Foyle Foundation, will be appointed once social distancing rules are relaxed sufficiently to allow curatorial staff to work more frequently in the Museum.

Accession to the Archives

In December 2020 we were delighted to be presented by Professor Pierre de la Ruffinière du Prey with a packet of correspondence and related papers regarding work to establish an executive body for the promotion of the Soane Endowment Fund in North America, 1988-89.

Cataloguing of the Archives

Work continued on preparing a catalogue of Soane's Notebooks, Account Journals and Office Day Books, which will be available on the Museum's website, together with full sets of digital images, thanks to generous funding from the John R Murray Charitable Trust.

COLLECTIONS MANAGEMENT SYSTEM/DIGITAL ASSET MANAGEMENT SYSTEM

For much of the year the freelance team was unable to work because of the Covid-19 pandemic, although two of them volunteered time to give the staff essential support.

A number of system enhancements were tested and implemented during the year including controlled keywords fields for Image records and Collection records (Drawings, Archives and Works of Art & Antiquities). Enhancements to Collections Online were also delivered with improvements to searching, sorting and image presentation.

During the year 1,857 new images were captioned and uploaded, 1,751 Object records edited (of which 1,213 are publicly available via Collections Online), and 1,010 Drawings records edited (of which 220 are publicly available via Collections Online). Art UK supplied over 450 new rights-cleared images of 86 works in the Collection.

Continued user support was given to staff during this period, including enabling remote access to CI+, answering queries about searching and cataloguing and revision of Cataloguing and User Guides to simplify the process and improve the appearance of image captions in collections online records.

Introductory guidelines were created in the use of Group records to catalogue historic rooms and spaces as well as a User Guide for Exhibitions Procedure Records.

Most recently a review of current practice and system functionality for location control and auditing was undertaken, designating status (Missing, Stolen or Destroyed); location and audit functions; temporary offsite location updates (conservation, exhibition); and current location control in Drawing records.

LOANS

A moratorium on loans was imposed in March 2020 as a result of Covid-19 although a small number of requests for late 2020 and into 2021 were approved subject to Covid-19 regulations permitting them to go ahead. All have subsequently been postponed until next year. Considerable work was done to finalise costs and loan agreements so that we are ready. Clauses relating to Covid-19 protocols and virtual couriering have been developed in consultation with our peers and added to our standard loan agreement templates.

Hogarth's *A Rake's Progress*

The eight paintings of *A Rake's Progress* travelled to Pitzhanger Manor in March 2020 but their exhibition, *Hogarth: London Voices, London Lives*, was unable to open as planned on 18 March. After discussion about transport feasibility, security protocols and lockdown arrangements the pictures had to remain *in situ* in the gallery at Pitzhanger throughout the lockdown. In the summer, the Trustees agreed to extend the loan of the works to 31 December in the hope that the exhibition might be able to reopen, which it did but sadly only for a short time.

In January 2021 we were able to transfer the paintings, as planned, to Tate Britain for a full *pro bono* technical analysis to be done in return for our agreement to lend the works to the Tate exhibition *Hogarth and Europe*, planned for late 2020 but now postponed to November 2021. Inspection of the works by our conservator revealed that small tears to their linings identified just prior to their loan to Pitzhanger had worsened. These were consolidated and secured with tabs so that the paintings could be safely handled during the analysis and remain secure pending the full restoration that we know is urgently needed. The conservator recommended that all eight pictures remain at Tate until their exhibition rather than be subjected to the vibration that would result from transport back to the Museum, rehanging and then transport back to Tate.

During the year proposals for the full restoration of the eight paintings were developed, with two full condition reports with provisional costings received. A draft budget was drawn up and the studios of the conservators who might be involved were assessed by the National Museums Security Advisor. The paintings are of such high value that he recommends they should be restored in the studios of a national museum: options are being explored and we hope that the restoration may begin in 2022. The Paul Mellon Centre has generously pledged £25,000 towards the cost.

Long-term inward loans

Letters were sent to the owners of works on loan to the Museum to inform them of our closure in March 2020 and to reassure them that their works were secure and being appropriately monitored.

Paintings conservator Melanie Caldwell surface cleaned the Charles Martin portrait of Joseph Bonomi (Curator 1861-78) for the owner, Belinda Rathbone, once activities unable to be done

remotely could resume at the Museum during lockdown. Mrs Rathbone signed a further 5-year loan agreement.

The National Portrait Gallery Trustees approved the loan of their portrait of Soane by John Jackson, showing him holding the MS of his Royal Academy lectures, to the Museum while the NPG is closed for renovation. The painting will arrive in August 2021.

EDUCATION, LEARNING AND EXHIBITIONS

EDUCATION AND LEARNING

Overview

The beginning of the financial year saw all programmes put on hold due to the closing of the Museum during the first wave of the Covid-19 pandemic. The education team – Emma Miles and Rhiannon Litterick – were furloughed for several months between May and August. Since their return, they have focused on bringing as much of the programme as possible online, including schools, architecture clubs, and family learning.

Schools Education

In 2020-21 542 school pupils visited the Museum through virtual visits. These consist of an introductory presentation, followed by a tour live-streamed from the Museum floor. Teachers are provided with a lesson plan and resources for a follow-up workshop in schools. All of the usual menu of curriculum-linked sessions are available as virtual tours.

We are participating for a second time in the *I Can Be* programme, an educational initiative that takes disadvantaged girls aged 7 and 8 to visit inspiring women at work, broadening their horizons and boosting their confidence and motivation.

Going forward, the department plans to continue with a blended schools offer, with both in-Museum and virtual sessions available. Virtual sessions will mainly be booked on a Tuesday when the Museum is closed to the public, whilst in-Museum sessions will be on Wednesdays and Thursday mornings.

Families and Informal Learning

We have managed to continue with most of the families and informal learning offer virtually during the pandemic, with only the Architectural Drawing Course and the Story Den on hold due to the necessity of being in-person for these programmes to be successful.

The families programme has consisted of the following types of activity:

- Instead of the usual Second Saturdays programme of drop-ins at the Museum, we have been releasing step-by-step activity guides. These have been shared via social media, the family newsletter and the blog.
- The holiday programme was put on hold until the October half-term of 2020, when the easing of restrictions meant that it was possible to hold bookable, socially-distanced events in the Art Room. We hosted a workshop for children, who were inspired by their visit to the Museum to create crafted, imagined scenes within the pages of opened books. We also held a monoprinting workshop for children and an accompanying adult.

- During February half-term and the Easter holidays, with the Museum once again closed to the public, we hosted two virtual tours. Families joined us for a virtual tour of the Museum, followed by a crafting session using simple materials that could be found around the home.

Meanwhile, three of the architecture clubs were able to continue in an online format:

- The *Building Explorers* weekly after-school club (for children in Years Four and Five at our three closest primary schools)
- The *Young Architects' Club* (YAC, for 7-10 year olds)
- The *New Architects' Club* (NAC, for 11-14 year olds)

Building Explorers after-school club has run weekly during the academic year, with participants coming from our three closest Camden primary schools. The children learn about architecture, art and the built environment, with a particular focus on developing their own crafting skills. This year, participants have made, amongst many other things: clay vases inspired by the Cawdor Vase; bird houses inspired by architects who design for animals; and models of tent shelters inspired by nomadic cultures.

YAC and NAC continue to be popular architecture clubs, running once a month over the academic year. This year the YACs are finding out about Regency architecture, whilst the NACs are looking at house-museums.

The *Architectural Drawing Course* for 15-18 year olds will run again in 2021-2022.

Communities and Access

The Youth Panel is now in its fourth year and continues to be a forum for young people aged 15 to 24 who are finding out about the work of the Museum, acting as consultants, and engaging in projects which build their own skills whilst contributing to the Museum's programme. The Covid-19 pandemic meant that their planned evening event, in collaboration with SME, was unfortunately postponed. This event - *Gods, Myth and Ritual* - would have seen the Museum transformed using light and sound installations to immerse the audience in stories from the ancient world, and we hope this will happen at a future date instead. At the beginning of 2021 we sought new youth panel members through an inclusive recruitment process which looked to ensure diversity amongst the membership, as well as prioritising reaching people who would most benefit from participation. This has resulted in recruiting twelve new members, bringing the panel to a membership of sixteen.

The Art Space, an eight-week programme for people living with dementia and their carers, had to be postponed this year due to the pandemic, but we are now recruiting for the 2021 project. This will take place in July and August at the Museum.

We have had lots of interest from community groups for our virtual tours, which have supported external organisations in connecting with people at risk of isolation during the pandemic; this year's visiting groups included Jewish Care, Art & Soul and Camden Carers.

EXHIBITIONS

The impact of the pandemic and the Museum's closure meant that we held only two exhibitions compared with 10 the previous year. One major Museum-wide exhibition was held at Sir John Soane's Museum. A second exhibition was shown on our online exhibitions platform.

Langlands & Bell: Degrees of Truth

4 March 2020 – 3 January 2021 (Soane Gallery, Foyle Space and throughout the Museum)

Arranged across the whole Museum, this exhibition brought together four decades of work by Langlands & Bell, including new works specially commissioned for the exhibition. Taking place at a moment when some commentators argue that we have entered a ‘post-truth’ era, this show reflected on the capacities of architecture and objects to bear witness to the technological, political, economic and cultural relationships that define contemporary society. Because the exhibition was interrupted early in its run by Covid-19, the show in the Museum was supplemented by an online version that brought together installation photographs, images from Langlands & Bell’s vast digital archive and new interpretation specially conceived for the online display. The success of this online exhibition prompted the commissioning of an online exhibitions platform, and all future exhibitions will be accompanied by an online version.

A cloth-bound hardcover catalogue accompanied the exhibition.

This exhibition was made possible thanks to the support of Pomellato and Christian and Florence Levett.

The Architecture Drawing Prize

15 January – 14 February 2021 (online)

This exhibition displayed the winning and commended entries of the third annual Architecture Drawing Prize. Launched in 2017, the prize was jointly conceived by Sir John Soane’s Museum and the World Architecture Festival and sponsored by the architects MAKE. The prize celebrates drawing’s significance as a tool in capturing and communicating architectural ideas, recognising the continuing importance of hand drawing, but also embracing the creative use of digitally produced renderings. This year a special lockdown prize was awarded to a drawing relating to the changes that Covid-19 will bring to architecture. The entries were evaluated for their technical skill, originality in approach and ability to convey an architectural idea, whether for a conceptual or actual building project.

The online exhibition also marked the first collaboration between Exhibitions and the Youth Panel at the Museum. Youth Panel members produced a video intervention, which focused on making an architectural drawing. Youth Panel members also conducted interviews with the shortlisted entrants and presented their picks in the form of creative responses to the work.

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

DEVELOPMENT AND COMMUNICATIONS

Development

During this unprecedented year, the Development department worked closely with colleagues, donors and our friends in the US to support the Museum through periods of extended closure.

Notable gifts included:

- £200,000 raised to support the Museum through the Covid-19 Emergency
- £153,000 raised towards the *Soane’s Drawing Office: Restoration and Renewal* project

- \$100,000 of support from Sir John Soane's Museum Foundation
- £20,000 raised towards a series of talks and masterclasses to run alongside the Museum's exhibition programme
- £25,105 raised towards *Union of the Arts* - An immersive 3D digital experience of Sir John Soane's famous Picture Room
- £50,000 raised to enhance visitors' experiences through the Bloomberg Connects Mobile programme
- £9,000 raised to create an engaging digital home for the Soane Medal Lecture recipients within the existing Museum's website

On realising the likely effect of the pandemic on Museum finances, we sought additional support from some of our closest friends, most notably Deborah Loeb Brice, who made a significant donation to support us through closure. We also worked with the Museum's US Foundation to initiate a matched giving campaign that generated additional unrestricted funds. Thanks to this support our unrestricted donation income was higher than we had originally budgeted.

We launched a fundraising campaign to raise £500,000 towards the restoration and renewal of Soane's Drawing Office. The project marks the 200th anniversary of the installation of the Office in 1821 and the funds raised will be used for its restoration, a new multi-layered digital interpretation, and the launch of the first residency programme in 2023. Resources will be available for both physical and digital visitors. A 3D digital scan of the space and works of art will take place and be uploaded onto the existing platform *Explore Soane*. We have been focusing our fundraising efforts on a select number of foundations and individual major donors, many of whom we have good relationships with. The aim is to complete the fundraising campaign in the 2021-22 financial year.

On 1 April 2020 the Soane Patrons' Circle membership subscription rose to £2,000 per year. This is made up from a membership benefit of £500 and a suggested donation of £1,500. Patrons were informed of this change in January 2020. Early on in the first national lockdown it became clear that the Museum would not be able to fulfil many of the benefits usually offered to Patrons, and the decision was made to lower the benefit level to £250 for the financial year. As of 1 April 2021 the benefit level has returned to £500.

The Covid-19 pandemic affected all planned events, and the absence of opportunities to meet Patrons meant communications via telephone and email were increased on an individual basis. Between the first and second national lockdowns we were able to hold two in-person events, with a visit to the London studio of artists Langlands & Bell, and a curator-led tour of *Titian: Love, Desire Death and Artemisia* at the National Gallery. A programme of digital events was developed for Patrons and was launched in the spring with a conversation between Dr Frances Sands and Jonathan Reekie, Director of Somerset House, and a conversation between Bruce Boucher and Xavier Bray, Director of The Wallace Collection both taking place in March 2021.

In December, *2020: An Impression* was produced and posted to all Patrons and major donors. This publication portrayed a mosaic of lockdown experiences, including images and short essays describing the work that the Museum's staff had completed, both in the Museum and from home, over the period since the Soane's doors had closed on 18 March 2020.

Even with these concerted efforts, Patron levels dropped over the financial year, with 11 cancelled or dropped memberships (14%). New Patron memberships were also down, with three new memberships over the year, not helped by very few opportunities to engage new supporters. The Covid-19 pandemic has been the main reason for the drop in memberships, with several Patrons

having to economise and reduce their charitable giving. For these reasons total income from Patrons was somewhat lower than was originally budgeted.

We were grateful for the commitment and generosity of our Inspectress Fund members this year, and the group remains a deeply important source of charitable support to the Museum.

A previously unknown lady left an unrestricted gift in the region of £12,000 to the Museum. As of 31 March probate had not yet been granted, meaning that the gift will probably be received in the 2021-22 financial year. Last year it was reported that a gentleman had left a residuary gift in the region of £190,000, the largest legacy gift that the Museum had ever received. Following probate and the liquidation of assets, the gift was transferred to the Museum in two tranches in April 2020 and January 2021, with the final gift total coming to £189,683.95.

The *By Design* series, made in partnership with Luke Irwin Studio, was managed by the Development department, who were covering the maternity leave of the Assistant Curator, Events and Special Projects, Elizabeth Thornhill. The series invites leading figures from across the world of design to discuss their practice through a single object. Co-hosted by Will Gompertz and Alice Rawsthorn, this year guests included Dan Pearson, Ilse Crawford, Erdem Moraloğlu, Amanda Leveté and Phyllida Barlow. We originally launched the second series in February 2020 but, due to the pandemic, we were only able to host one event at the Museum. We took the decision to move the series online and to present the remaining talks through a series of individual events filmed at the Museum. Most of the talks were filmed individually at the beginning of 2021 and they will be released on soane.org from June 2021 free of charge.

Communications

With so few visits to the Museum and the changes in the Museum's events and exhibitions schedule that closure resulted in, the reach of the Museum's communications have been impacted. Website visits were down to 50% of the previous year, although a new digital engagement strategy saw significant growth in usership in parts of the site dedicated to content.

Langlands & Bell: Degrees of Truth achieved just a few weeks of opening time, but the show received some initial press attention, with coverage in *Dezeen* and *Wallpaper*.

The new strategy resulted in the website being restructured, and the visitor information and What's On pages being relegated in favour of a digital content hub. *Langlands & Bell: Degrees of Truth* and *The Architecture Drawing Prize* were both re-launched as online exhibitions using the website framework. Much work was done with the Curatorial team on the creation of new blog posts and social media posts, with more inventive content formats being used on social media such as interactive tours, quizzes, and a popular light-hearted initiative on Twitter, in which users battled for which was the most peculiar item in the Soane's collection. The Instagram account grew to 35,000 subscribers and was lauded in *The New York Times*. Work was also done on introducing an online shop to the Museum's Instagram, and promoting commercial content more frequently. Later in the year, videos were made with members of staff giving talks about objects in the collection, which were well received. *Explore Soane* was also brought to the front of the website and saw a resurgence in international press coverage, with the *Telegraph*, *Washington Post*, *Arts Desk* and *Apollo* listing *Explore Soane* as one of the best online Museum experiences.

The success of *Explore Soane* in 2020 ran alongside work by the Development team to raise funds for the expansion of the platform, incorporating the Picture Room, which was achieved thanks to a grant

from the Museums Association. The growth and implementation of digital projects such as this was a significant feature of the second half of the financial year. Amongst the new digital projects were:

- the creation of a new online platform for the Soane Medal in anticipation of the series' relaunch in late 2021
- the creation of a new page on the website to promote educational clips from *Opening up the Soane*
- the launch of the new Soane digital guide on Bloomberg's *Bloomberg Connects* app
- the creation of a new, purpose-built section of the site for hosting exhibitions and new related content (to launch 19 May 2021)
- the improvement of the accessibility of soane.org, ensuring the site adhered to WCAG (Web Content Accessibility Guidelines) AA standards and rules around cookie compliance

SERVICES

VISITOR SERVICES AND VOLUNTEER TEAM

Visitors to the Museum

Due to the pandemic, government guidance, and to ensure the safety of our staff and visitors, we were only open for 25 days in 2020-21. Since the pandemic started necessitating the closure of the Soane in March 2020, we were open for two short periods: from 1 October - 4 November and from 3- 13 December, when Tier 3 restrictions required our closure for the third time. The total number of visitors to the Museum during the year, excluding those to private functions, was 2,090 (2019-20 122,085), marking an unprecedented fall on the previous year of 98%.

There have been some welcome additions to our visitor demographic, allowing us to engage with groups that we have traditionally found challenging to reach. Visitors tended to be younger during this period, with the over 55s (usually the largest age group) choosing to stay at home. Visitors were predominantly local, and as to be expected there were few overseas visitors. Many visitors were on a day trip. The most striking change was the origin of our visitors during the pandemic, 76% from London, 21% from the rest of the UK and just 3% (63) from the rest of the world. (2019-20: 68,367)

Operational Changes

In response to government guidelines and industry advice we made multiple operational changes, including implementing a system of pre-booked, free, timed tickets to control visitor numbers, social distancing, maximum room capacities, an enhanced cleaning regime, provision of PPE to staff and volunteers and compliance with the NHS Test and Trace policy. This ensured that the Museum remained a Covid-safe venue for visitors, guests, staff, and volunteers, and we were accredited as part of Visit Britain's Good to Go Scheme. We implemented a one-way route around the Museum with visitors entering through Soane's original front door. In response to requests regarding photography over the past few years, we took advantage of the limited number of visitors to trial the use of photography, with extremely positive feedback.

Volunteer Programme

48 of our Volunteer Visitor Assistants donated 465 hours to the Soane over the 25 days we were open. We had an incredible response when we announced our initial reopening - 40 members of our existing team donated their time, the majority of whom were volunteers who had been with us for

three years or more. We worked with the Learning department to recruit 16 volunteers onto the latest Youth Panel and have been working on recruiting a volunteer for Exhibitions.

An advantage of the extended lockdown periods was that our Operations team had time to coordinate and plan thorough training for our volunteers. All volunteers who wished to return had to attend welcome back training, including training on safeguarding and health and safety.

Engagement and flexibility for our volunteer team was key. Our volunteer team have been incredibly positive about our communications and support for them during the pandemic.

Staff development, Wellbeing and ‘staying connected’

The Museum community continued to work hard at staying connected and championing staff wellbeing and development throughout the year. During furlough, closure and the three periods of lockdown, strategies included: introduction of End of Day reports, a buddying system, monthly all staff virtual coffee morning Zoom meetings, fortnightly written Museum updates introduced by the Director, *Postcards from the Soane* and a monthly Soane film club. Surveys of staff and volunteers indicate that this has been good for morale and wellbeing as well as helping colleagues to keep abreast of activity and developments. The Museum has increased the range of training provision during the year, accessing and providing more training and skills development opportunities than usual, all delivered virtually.

Inclusion, Diversity, Equality and Access

In the light of events in June 2020 across the world and the increase in focus on the Black Lives Matter movement, the Soane established a Museum-wide working group to work on all areas of Inclusion, Diversity Equality and Access. Trustees approved recommendations in the proposal paper including: a commitment to embedding the work of inclusion and diversity in our Strategic Plan, reviewing our practices and policies, review of challenging elements of the Collection, developing diverse and inclusive programmes and outreach projects, to understand and develop our audiences, and foster and create new partnerships. The work of the group is already showing results in the Museum and continues to guide the Senior Management Team and Trustees in ensuring equality, diversity, inclusion, and access are key strands in our Strategy going forward.

Information Technology

Considerable work and advances have been made in our IT infrastructure and associated business support during the pandemic year. This year we carried out Cyber Security Training with the SMT and Heads of Departments. Increased investment has been made in IT hardware and software to support remote and hybrid working as well as the pivot to increased digital activity and online content provision. We have expanded our Collections Index+ server storage and have upgraded the operating system.

COMMERCIAL ACTIVITIES

Soane Museum Enterprises' turnover was £89,994, higher than the forecast income of just under £53,000, with a net loss of £41,521, lower than forecast.

It was a challenging year for income generating opportunities with commercial activity significantly diminished, in particular venue hire, whilst the Museum remained largely closed, only opening for 25 days. Focusing on income streams not dependent on the Museum being open such as E-commerce, Brand Licensing, the Picture Library and Filming and Photography has enabled Soane Museum Enterprises to minimise the commercial impact of the pandemic. 87% of SME income was generated

by these four streams that continued through lockdowns and closure periods. Together with cost-cutting initiatives, access to the Coronavirus Job Retention Scheme and staff redeployment, the trading arm of the Museum has minimised losses whilst investing resources in pivoting to digital and non-location-based income streams.

It was agreed that some of the profit for the financial year 2019-20 would be retained in the company in order that there would be reserves available to absorb any losses arising from the closure. Accordingly a donation of £100,000 was made to the parent charity in respect of that year rather than the whole operating profit of £193,044. This meant that corporation tax of £17,678 had to be paid (of which £9,739 has been credited in 2020/21, while the remainder is expected to be available for credit in a future year) and that £75,366 was retained, so the loss of £41,521 in 2020-21 has been absorbed within the company and no further support from the charity has been needed. This does mean however that at 31 March 2021 the company had reserves of only £33,847 with which to absorb any losses in 2021-22. The position will be kept under review and further support from the parent charity will be considered if necessary.

Soane Shop and E-commerce

For the first time since SME's inception, E-commerce accounted for 75% of retail income as the shop suffered from being closed for most of the year. 2020-21 saw a 26% increase in E-commerce orders and a 15% increase in average transaction value to £33.46 compared with 2019-20. Retail trends at Soane retail are in keeping with retailers across the nation: homeware, pastimes and gifting showing growth. New products, a wider range online, lifestyle photography, increased marketing and new social media shop channels helped drive business online.

Inspired by Soane: Brand Licensing

Working closely and innovatively to maximise income and exposure for our licensing partners enabled the Soane licensing programme to continue to extend our brand across the world and deliver royalties despite the enforced closure of showrooms and factories and retail outlets everywhere. Brand Licensing was the second largest contributor to income after E-commerce, evidencing the importance and value our licensing partners add to the commercial success of our trading activity and reputation.

Looking to the future

The closure periods have enabled SME to focus on innovation in tours, venue hire and the Friday Lates programme including exploring the potential of hosting hybrid events. Enquiries and bookings had started to return by March 2021, indicating tentative but green shoots of recovery. Learning from this pandemic year, SME is focusing on creativity, innovation, communication and sustainability backed by a fine-tuned resilient approach.

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

FINANCIAL REVIEW

The Consolidated Statement of Financial Activities shows that the Group saw Net Expenditure (a deficit) of £67,350 to Unrestricted Funds in 2020-21, compared with the Net Income (a surplus) of £312,423 in 2019-20. Having incorporated transfers to and from the Designated Funds, the General Fund saw a reduction of £257,320 in 2020-21. This reduction was mainly the result of exceptional

legacy income of £214,684 being designated in-year; which was partially compensated for by the annual transfer from the Designated Fund for heritage property in respect of depreciation. On a Consolidated Funds basis, taking into account both Restricted and Endowment Funds, Total Funds after all expenditure increased by £30,541 (2019-20: increase of £312,314).

Restricted Funds are being gradually reduced by the regular (non-cash) depreciation of capitalised assets held in the Restricted Fund, which are being depreciated over time, reflecting their gradual decline in value. However, in 2020-21 this recurrent decline was countered by the DCMS Infrastructure Fund award of £100,000 to fund urgent capital works, as well as £127,000 received towards a donor-funded capital project, the restoration of the Drawing Office, which is expected to commence in 2021-22. This resulted in an overall increase in Restricted Funds of £95,907.

Overall, Consolidated Income before Expenditure decreased by £826,543 to £2,733,622 in 2020-21. The Covid-19 pandemic had a significant impact on the Group's trading activities, with revenues from the successful events and tours business, as well as retail, being almost completely wiped out in 2020-21. Income from trading activities was down £558,230 compared with the prior year. Receipts from Donations and Legacies also suffered as a result of the pandemic, but the drop in donations was compensated for by the £175,000 support package provided by DCMS, as well as some significant emergency donations from long-term supporters of the Museum. The total reduction in donations and legacies was £236,741, which can largely be attributed to the exceptional legacy income accounted for in 2019-20, which was not repeated in 2020-21. Income from charitable activities reduced by £33,338 to £730,122. The total included a number of restricted grants, some of them for activities in future years. It also included grants of £271,160 from the Coronavirus Job Retention Scheme.

Total Expenditure decreased by £542,196. The decrease was seen across both Restricted and Unrestricted Funds. On Restricted Funds, some of the Museum's funded activities, particularly Learning and Exhibitions, had to be postponed while the Museum was closed, which necessarily led to a reduction in spend. On Unrestricted Funds the Museum sought to make efficiencies in order to respond to the financial challenges created by the pandemic. In particular, all staff were subject to a 4-month period of short-time working from July through to October, working 90% of their hours for 90% of their usual pay.

The Balance Sheet shows that the Group's Net Assets increased from £10,092,050 to £10,122,591. The total depreciation charge of £331,126 was offset by additional capital expenditure of £142,333 on Fixed Assets. In Net Current Assets, prepayments and accrued income decreased by £160,037, largely due to the two legacies accrued at 31 March 2020 being received early in 2020-21. This has also led to an increase in cash balances, from £496,908 to £888,330, as these legacy receipts are held as designated funds at 31 March 2021, for spend in future periods.

The principal funding sources during the year were the DCMS grant-in-aid, and grants and donations. These resources support the key objectives of the charity as mentioned elsewhere in the Annual Report and Accounts.

The main factors which are likely to affect the Museum's Consolidated Income Statement (SoFA) and Balance Sheet going forward are residual uncertainties in respect of all income streams. Commercial and donation income is expected to gradually recover during 2021-22, as the Museum is able to reopen and cautiously resume activities that have been curtailed by the Coronavirus pandemic; meanwhile the level of grant-in-aid will be subject to Government Spending Reviews beyond 2021-22. The Museum aims to build on its strong track record in generating development grants and

donations from trusts and individuals, innovative trading revenues, and continuing contributions from patrons and supporters at multiple levels.

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

PERFORMANCE

The relationship between the Museum and its sponsoring body, DCMS, is set out in a spending review allocation letter. Following the 2015 Spending Review, the Museum's resource grant-in-aid was fixed in cash terms at its 2015-16 level of £983,000 for Resource and £29,000 for Capital, for the period 2016-17 to 2019-20, although there have been some additional discretionary awards made outside of this core allocation, for specific purposes. In 2020-21 the Museum was fortunate to receive a real terms uplift to its core Resource Grant-in-Aid allocation, which amounted to an additional £18,000.

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

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

The Museum remains committed to these priorities but is now engaging actively with DCMS on the priorities to be set out in a new Framework Document for 2021-22 and beyond. The Museum actively engages with other national and regional museums through the work of the National Museum Directors' Council, and we remain committed to the GREAT Britain Campaign and the recommendations of the Culture White Paper.

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

The Museum is also focused on strengthening its long-term financial sustainability, although it must be acknowledged that this will become exceedingly challenging in the short to medium term, as it responds and adjusts in the wake of the Covid-19 pandemic. The current and ongoing constraints this has placed on the Museum's activities make the goal of seeking to increase its non-DCMS income through its trading subsidiary, Soane Museum Enterprises Limited, a distant one. In the

short to medium term the Museum, in common with other National Museums, is likely to be very much dependent on its financial support from DCMS, as well as other Trusts, Foundations and private donors.

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

Performance indicators

	2020-21	2019-20
Total charitable giving*	£1,233,505	£1,520,635
Ratio of charitable giving to DCMS grant-in-aid*	89%	121%
Number of visits to the Museum (excluding virtual visits)	2,090	118,015
Number of unique website visits	216,226	535,544
Number of visits by children under 16	84	4,883
Number of overseas visits	63	68,367
Number of facilitated and self-directed visits to the Museum by visitors under 18 in formal education	542	2,009
Number of instances of visitors under 18 participating in on-site organised activities**	374	1,171
% of visitors who would recommend a visit	88%	90%
Admissions income (gross income)	£1,014	£112,963
Trading income (net profit/loss)	(41,521)	£193,044
Number of UK loan venues	1	3

*Charitable giving is calculated as the combined total of donations, legacies and grants, excluding grant-in-aid, as shown in the Consolidated Statement of Financial Activities

** Includes online organised activities

Sickness Absence

The average staff sickness rate for 2020-21 was 1.5 days (2019-20: 2.9 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 0.5 days per person (2019-20: 2.3 days). Reported sickness was lower than usual due to staff being on furlough or working at home.

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 2020-21 the Museum incurred £13,850 on spend on consultancy in relation to the development of its strategic plan. There was no spend 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 2020-21 or prior years, and has made no reports to the Information Commissioner's Office.

Whistleblowing

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

Fundraising

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

Reserves Policy

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

The Trustees, having considered the scale, complexity and risk profile of the Museum, have agreed that, in order to ensure its financial stability and viability, the Museum's unrestricted free reserves (General Fund) should be held at a prudential level that approximately represents six months (50%) of the routine annual cost of running the Museum, after deduction of the DCMS grant-in-aid.

At their last review in 2020, based on the 2019-20 Consolidated Financial Statement, this figure was estimated to be at least £450,000. Due to the extraordinary conditions caused by Covid-19, particularly the temporary reduction in annual costs caused by the Job Retention Scheme, and the exceptional emergency DCMS grant-in-aid, based on the 2020-21 Financial Statement the calculated target for reserves would have been substantially - and abnormally - lower. The levels of DCMS grant-in-aid following the Spending Review from April 2022, and of future pension contributions to the PCSPS, are uncertain. The Trustees will review the reserves policy when they have greater clarity on these matters and on the impact of the economic and commercial climate on donations and self-generated income. At 31 March 2021 the General Fund stood at £486,901, in excess of the previously agreed figure of £450,000, which, in current circumstances and subject to further continuing review, the Trustees regard to be prudent and appropriate.

At 31 March 2021 the other specific reserves i.e. unrestricted Designated Fund, Restricted Funds and Endowment Fund, stood at £2,689,409; £6,937,759 and £8,521 respectively.

Payment Terms

The Museum pays invoices in accordance with agreed terms of contract, aiming to pay all undisputed invoices within thirty days of receipt. This was achieved in 97% of cases during the year (2019-20: 95%).

Five-Year Summary

Year ended 31 March	2021	2020	2019	2018	2017
	£000	£000	£000	£000	£000
Income and endowments	2,734	3,560	2,875	2,498	3,804
Expenditure	(2,705)	(3,247)	(3,121)	(2,874)	(3,593)
Investment gains or (losses)	2	(1)	(2)	1	(0)
Net (decrease)/ increase in funds	31	312	(248)	(375)	211
				(a)	(a)
Total funds (b)	10,123	10,092	9,780	10,028	10,403

(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 (2019-20: none).

Employees

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

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

Performance assessment

The Museum operates a system of performance appraisal that usually results in the payment of performance related bonuses. However, in light of the financial uncertainty arising from the pandemic, there were no performance bonuses provided for or accrued in the 2020-21 accounts. When determining staff performance bonuses the Remuneration Committee takes the following into consideration:

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

Policy on duration of contracts, notice periods and termination payments

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

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

The details for the Director are as follows:

Officials	Salary (£'000)		Bonus payments (£'000)		Benefits in kind (to nearest £100)		Pension benefits (to the nearest £'000)		Total (£'000)	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Bruce Boucher	80-85	80-85	£Nil	£Nil	£Nil	£Nil	48	37	125-130	115-120

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

Dr Boucher is eligible for a performance-related bonus in the range of 0% to 15%. In both the year to 31 March 2021 and the year to 31 March 2020, he declined to be considered for any performance-related bonus, as a contribution towards the financial sustainability of the Museum.

The Director is a member of the Civil Service Pension Scheme arrangements. The Museum paid £22,121 to the Scheme during the year in respect of his membership.

In 2020-21 the Museum received a donation in support of the Director's post, which was applied to funding salary and associated costs.

Pension Entitlements of the Director:

Officials	Accrued pension at pension age as at 31/3/21 and related lump sum	Real increase in pension and related lump sum at pension age	Cash Equivalent Transfer Value (CETV) at 31/03/21	Cash Equivalent Transfer Value (CETV) at 31/03/20	Real increase in Cash Equivalent Transfer Value (CETV)
	£'000	£'000	£'000	£'000	£'000
Bruce Boucher	10-15	2.5-5	149	114	20

Pay multiple (subject to audit)

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

The FTE banded remuneration of the highest-paid director in the Museum at the financial year end was £80,000-£85,000 (2019-20: £80,000-£85,000). This was 3.2 (2019-20: 3.3) times the median remuneration of the workforce, which was £25,493 (2019-20: £24,860).

In 2020-21, no employee (2019-20: Nil) received remuneration in excess of the highest-paid director. Total FTE remuneration bands ranged from £15,000 to £85,000 (2019-20: £15,000 to £85,000). Total remuneration includes salary, non-consolidated performance-related pay and severance payments paid in the year as well as benefits-in-kind received in the year. It does not include any accrued pay, any employer pension contributions or the cash equivalent transfer value (CETV) of pensions.

Trustees

The Trustees, who hold overall responsibility for the Museum, are not remunerated. Travel expenses totalling £nil were paid to Trustees in 2020-21 (2019-20: £159.55). There were no expenses paid on behalf of Trustees (2019-20: £nil).

Guy Elliott
Chair of Trustees

Bruce Boucher
Deborah Loeb Brice Director and Accounting Officer

Date: 26 January 2022

STATEMENT OF TRUSTEES' AND ACCOUNTING OFFICER'S RESPONSIBILITIES

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

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

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

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

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

Guy Elliott
Chair of Trustees

Bruce Boucher
Deborah Loeb Brice Director and Accounting Officer

Date: 26 January 2022

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 received one-year funding allocations from DCMS in both 2020-21 and 2021-22 but expects that its funding agreements will return to a multi-year cycle as the recovery from the pandemic begins. The Museum supplies regular financial information and returns against agreed performance indicators demonstrating its contribution to the delivery of DCMS's Departmental Strategic Objectives.

2 Governance Framework

2.1 Structure

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

A group of four staff reporting to the Director forms the Senior Management Team (SMT) which meets every two weeks and comprises Helen Dorey (Deputy Director), Willa Beckett (Development and Communications Director), Rebecca Hossain (Director of Commercial and Operations) and Louise Peckett (Director of Finance).

2.2 Board of Trustees

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

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

The Trustees are supported by four committees, specifically:

- The Finance, Audit and Risk Committee meets on a quarterly basis and is responsible for the issues of risk control and governance. It was the result of the merger of the previous Finance Committee and Audit and Risk Committee in early 2021. The Committee reviews the Annual

Report and Accounts. In addition, it reviews the reports and recommendations of the External Auditor (National Audit Office) and the Internal Auditor (currently The Risk Management Business Ltd). Their annual work plans are also reviewed by the Committee. The Museum's Risk Register is regularly reviewed and updated by the Committee and recommended to the Board of Trustees for approval on an annual basis. The Committee is also responsible for reviewing the Museum's financial position and budgets and it reviews 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 as needed and reviews the Director's and staff pay and performance and makes recommendations for pay awards to the Board of Trustees as appropriate.
- The Governance and Nominations Committee (formerly Governance Committee) meets as needed (usually at least annually) and reviews the Museum's governance arrangements, including Board appointments, and makes recommendations 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. It met once during the year under the title of the Drawing Office Committee.
- Soane Museum Enterprises Limited (SME Ltd) is a wholly-owned trading subsidiary of the Museum. The Board of Soane Museum Enterprises Limited meets on a regular basis.

Attendance at Board meetings and at Committees is reported to the Board on an annual basis. Individual attendance of Trustees at these meetings and those of SME Ltd is listed below.

	Board	Audit & Risk	Finance	Finance, Audit & Risk	Governance & Nominations	SME Ltd.	Buildings
No. of meetings held in the year	4	3	3	2	1	8	1
Trustees							
Guy Elliott*	4	3	3	2	1		1
Professor Jonathan Ashmore	4	3			1		
Molly Borthwick	1						
Professor David Ekserdjian	4		1	2			
Stephen Gosztony**	4		3	2			
Alison Ross Green	4						
Professor Nichola Johnson	4						1
Alderman Vincent Keaveny	4	3	3	2	1		
Dr Thierry Morel	4						
Basil Postan	4	3	3	2			

	Board	Audit & Risk	Finance	Finance, Audit & Risk	Governance & Nominations	SME Ltd.	Buildings
Frank Salmon	3						1
Orna, Lady Turner	3	3	3	2		8	
Anne Desmet	1						
Directors, SME Ltd.							
Elizabeth Phillips						2	
Anthony Vernon						2	
Bruce Boucher						7	
Helen Dorey						7	
Louise Peckett						8	
Rebecca Hossain						8	
Charlie Potter***						8	
Nina Campbell****						7	

* Observer only at Audit & Risk and Finance Committees

** Observer only at Audit & Risk and Finance Committee 20 April 2020

*** Observer only at SME Board on 28 April 2020

**** Observer only at SME Board on 23 June 2020

There were no meetings of the Remuneration Committee during 2020-21.

Professor David Ekserdjian left the Finance Committee in June 2020.

Elizabeth Phillips and Anthony Vernon left the Board of SME Ltd on 23 June 2020.

Orna, Lady Turner left the Finance and Audit & Risk Committees in January 2021.

Charlie Potter joined the Board of SME Ltd on 28 April 2020.

Nina Campbell joined the Board of SME Ltd on 23 June 2020.

Anne Desmet joined the Board of Trustees on 1 February 2021

Rebecca Hossain joined the Board of SME Ltd on 28 April 2020.

Guy Elliott was the Chair of the Board and of the Governance & Nominations Committee.

Alderman Vincent Keaveny was the Chair of the Audit & Risk Committee until 18 January 2021.

Orna, Lady Turner was the Chair of the Finance Committee until 18 January 2021 and the Chair of the SME Board.

Stephen Gosztony was the Chair of the Finance, Audit and Risk Committee from 18 January 2021.

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

3. Risk management

3.1 Overview

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

The system of internal control has been in place and operating effectively for the year ended 31 March 2021 and up to the date of approval of the Annual Report and Accounts, and accords with Treasury guidance. The Board has gained assurance that the quality of the information it receives is sound through its challenge of the information presented.

3.2 Responsibility

The Board of Trustees (assisted by the Finance, Audit and Risk Committee) sets risk management standards and the degree of risk aversion for the Museum, and reviews the major risks. The Accounting Officer is responsible for managing risk and ensuring that the Museum's risk management framework is effective. The Senior Management Team coordinates the management of risk across the work of the Museum.

The Internal Auditor performs internal audit work to cover all key systems, in order to provide an overall assurance report for the year. The summary of the Internal Auditor's Report for 2020-21 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 on the Museum's key controls for the areas reviewed during 2020-21.

3.3 Key risks

The Museum maintains a Risk Register to monitor risks to its activities and review the controls in place to mitigate these risks. This Register is reviewed by the Finance, Audit and Risk Committee at every meeting and there is full discussion of changing risk levels and potential new or developing risks. It is reviewed by the full board at least once a year.

During 2020-21 there was one overriding key risk identified, that of Covid-19. Under that heading the highest scoring risks were:

- Closure of the Museum disrupting all the Museum's activities and programming. This was mitigated to some extent by home working, online exhibitions, other new digital initiatives and the use of closure periods to carry out vital maintenance.
- Financial impact of the pandemic leading to almost total loss of self-generated and trading income. This was mitigated in 2020-21 by the generosity of key donors, additional government support, the furlough scheme and the success of our own fundraising but the impact in future years, particularly beyond 2021-22, cannot yet be forecast with any accuracy.
- Threat to staff (welfare and employment): the Museum worked hard to maintain staff morale and to keep in touch with those on furlough with a range of activities from on-line coffee mornings to virtual staff outings and a buddy scheme. A period of short-time working helped to mitigate the threat of redundancies due to financial losses resulting from the pandemic.
- Physical threat to the Museum and its contents: this risk was mitigated during closure by our staff daytime security rota and the continued attendance throughout the closure periods of our small team of Mitie nightguards, none of whom was taken ill. The Museum's Emergency Key Team continued to meet once a month, remotely, for training/briefing, throughout the year.

Post-year end the Internal Audit report highlighted the excellent performance of the whole Museum team throughout the pandemic.

Other key risks identified in last year's report remain of concern:

- Loss of key staff impacts curatorial expertise of the Museum and impacts its operations;
- Major fire, flood or similar incident causing significant damage to the building or collections – there are response systems and detailed risk assessments in place, tested/maintained/updated regularly;
- Insufficient funds to secure long-term sustainability of the Museum and its operations and programmes – the Museum plans for a balanced budget, with a focus on securing specific restricted funding for project activity, along with continued emphasis on commercial opportunities for the trading subsidiary; although there remains significant on-going concern regarding the increased pension contributions payable under the Civil Service Pension Scheme from 1 April 2019 and the uncertainty of any further DCMS funding, beyond 2021-22, to cover this substantial increase.

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

4. Compliance with Corporate Governance Code of Good Practice

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

Guy Elliott
Chair of Trustees

Bruce Boucher
Deborah Loeb Brice Director and Accounting Officer

Date: 26 January 2022

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

Opinion on financial statements

I certify that I have audited the financial statements of the Sir John Soane's Museum for the year ended 31 March 2021 under the Government Resources and Accounts Act 2000. The financial statements comprise: the Group and Museum Statements of Financial Activities, the Group and Museum Balance Sheets, the Consolidated Statement of Cash Flows and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards including Financial Reporting Standards (FRS) 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

I have also audited the information in the Remuneration Report that is described in that report as having been audited.

In my opinion, the financial statements:

- give a true and fair view of the state of the group's and of the Sir John Soane's Museum's affairs as at 31 March 2021 and of its net income for the year then ended;
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and Secretary of State directions issued thereunder.

Opinion on regularity

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

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Sir John Soane's Museum in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Sir John Soane's Museum's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Sir John Soane's Museum's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this certificate.

Other Information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate thereon. The Trustees and Accounting Officer are responsible for the other information. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

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

- the parts of the Remuneration Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Government Resources and Accounts Act 2000;
- 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

In the light of the knowledge and understanding of the Sir John Soane's Museum and its environment obtained in the course of the audit, I have not identified material misstatements in the Annual Report.

I have nothing to report in respect of the following matters which the Charities (Accounts and Reports) Regulations 2008 require me to report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- the information given in the Annual Report is inconsistent in any material respect with the financial statements; 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.

Responsibilities of the Trustees and Accounting Officer

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Trustees and the Accounting Officer are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as Trustees and the Accounting Officer determine are necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error.
- assessing the group's and the Sir John Soane's Museum's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees and the Accounting Officer either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included the following:

- Inquiring of management, the internal auditor and those charged with governance, including obtaining and reviewing supporting documentation relating to the Sir John Soane's Museum's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Sir John Soane's Museum Group's controls relating to Government Resources and Accounts Act 2000, Managing Public Money and the Charities Act 2011.
- discussing among the engagement team including the significant component audit teams, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, posting of unusual journals and the application of the Coronavirus Job Retention Scheme.

- obtaining an understanding of the Sir John Soane’s Museum’s and group’s framework of authority as well as other legal and regulatory frameworks that the Sir John Soane’s Museum and group operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Sir John Soane’s Museum and group. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money and the Charities Act 2011.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and the Audit Committee concerning actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- in addressing the risk of revenue recognition due to fraud, assessing the recognition of grants and donations in line with the accounting framework and undertaking procedures to test the completeness of grants, donations and legacies;
- in addressing the risk of fraud in the Coronavirus Job Retention Scheme undertaking procedures to test that claims to HM Revenue and Customs were in line with the scheme rules and procedures to test whether employees were working whilst claiming under the scheme.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

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

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

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

Date: 28 January 2022

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

Consolidated Statement of Financial Activities for the year ended 31 March 2021

		2021	2021	2021	2021	2020	2020	2020	2020
	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
		£	£	£	£	£	£	£	£
INCOME AND ENDOWMENTS FROM									
Donations and Legacies									
Grant-In-Aid from Department for Digital, Culture, Media and Sport	2	1,281,000	100,000	-	1,381,000	1,087,000	165,000	-	1,252,000
Other donations and legacies	3a	504,397	-	-	504,397	870,138	-	-	870,138
Charitable Activities									
Visitors	3b	1,014	-	-	1,014	112,963	-	-	112,963
Grants	3b	-	729,108	-	729,108	-	650,497	-	650,497
Other Trading Activities									
Room hire		(1,854)	-	-	(1,854)	235,229	-	-	235,229
Filming and reproduction fees		19,533	-	-	19,533	16,715	-	-	16,715
Licensing		13,157	-	-	13,157	29,119	-	-	29,119
Retail sales		43,895	-	-	43,895	344,605	-	-	344,605
Patrons - Benefits		20,667	-	-	20,667	27,958	-	-	27,958
Investments		676	-	-	676	919	-	-	919
Other	3c	22,029	-	-	22,029	20,022	-	-	20,022
TOTAL		1,904,514	829,108	-	2,733,622	2,744,668	815,497	-	3,560,165
EXPENDITURE ON									
Raising Funds									
Development and fundraising	4a	219,058	46,589	-	265,647	230,766	45,411	-	276,177
Communications	4a	105,518	31,704	-	137,222	101,652	26,490	-	128,142
Trading	4a	227,027	94,016	-	321,043	480,355	39,720	-	520,075
Charitable Activities									
Buildings	4b	386,337	108,423	-	494,760	444,869	65,905	-	510,774
Collections	4b	308,411	134,267	-	442,678	293,594	144,633	-	438,227
Visitor services	4b	725,512	318,202	-	1,043,714	881,009	492,856	-	1,373,865
TOTAL	4	1,971,863	733,201	-	2,705,064	2,432,245	815,015	-	3,247,260
NET INCOME BEFORE GAINS AND LOSSES		(67,349)	95,907	-	28,558	312,423	482	-	312,905
Net Gain/(Loss) on Investments	8	-	-	1,984	1,984	-	-	(591)	(591)
NET (EXPENDITURE)/INCOME		(67,349)	95,907	1,984	30,542	312,423	482	(591)	312,314
NET MOVEMENT IN FUNDS		(67,349)	95,907	1,984	30,542	312,423	482	(591)	312,314
RECONCILIATION OF FUNDS:									
Total funds brought forward		3,243,659	6,841,853	6,538	10,092,050	2,931,236	6,841,371	7,129	9,779,736
Total funds carried forward	13-15	3,176,310	6,937,760	8,522	10,122,592	3,243,659	6,841,853	6,538	10,092,050

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 44 to 57 form part of these financial statements.

Statement of Financial Activities for the year ended 31 March 2021 (Museum Only)

		2021	2021	2021	2021	2020	2020	2020	2020
	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
		£	£	£	£	£	£	£	£
INCOME AND ENDOWMENTS FROM:									
Donations and Legacies									
Grant-In-Aid from Department for Digital, Culture, Media and Sport	2	1,281,000	100,000	-	1,381,000	1,087,000	165,000	-	1,252,000
Other donations and legacies	3a	504,397	-	-	504,397	870,138	-	-	870,138
Charitable Activities									
Visitors		778	-	-	778	21,417	-	-	21,417
Grants	3b	-	729,108	-	729,108	-	650,497	-	650,497
Other Trading Activities									
Gift Aid Receivable from Subsidiary	20	-	-	-	-	100,000	-	-	100,000
Other Income Receivable from Subsidiary Patrons - Benefits		24,268	-	-	24,268	65,054	-	-	65,054
		20,667	-	-	20,667	27,958	-	-	27,958
Investments		676	-	-	676	919	-	-	919
Other	3c	7,000	-	-	7,000	20,022	-	-	20,022
TOTAL		1,838,786	829,108	-	2,667,894	2,192,508	815,497	-	3,008,005
EXPENDITURE ON:									
Raising Funds									
Development and fundraising	4a	219,058	46,589	-	265,647	230,766	45,411	-	276,177
Communications	4a	105,518	31,704	-	137,222	101,652	26,490	-	128,142
Trading	4a	119,780	94,016	-	213,796	3,561	39,720	-	43,281
Charitable activities									
Buildings		386,337	108,423	-	494,760	444,869	65,905	-	510,774
Collections		308,411	134,267	-	442,678	293,594	144,633	-	438,227
Visitor services		725,512	318,202	-	1,043,714	881,009	492,856	-	1,373,865
TOTAL		1,864,616	733,201	-	2,597,817	1,955,451	815,015	-	2,770,466
NET INCOME BEFORE GAINS AND LOSSES		(25,830)	95,907	-	70,077	237,057	482	-	237,539
Net Gain/(Loss) on Investments	8	-	-	1,984	1,984	-	-	(591)	(591)
NET (EXPENDITURE)/INCOME		(25,830)	95,907	1,984	72,061	237,057	482	(591)	236,948
NET MOVEMENT IN FUNDS		(25,830)	95,907	1,984	72,061	237,057	482	(591)	236,948
RECONCILIATION OF FUNDS:									
Total funds brought forward		3,168,293	6,841,853	6,538	10,016,684	2,931,236	6,841,371	7,129	9,779,736
Total funds carried forward	13-15	3,142,463	6,937,760	8,522	10,088,745	3,168,293	6,841,853	6,538	10,016,684

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 44 to 57 form part of these financial statements.

Sir John Soane's Museum
Consolidated and Museum Balance Sheet as at 31 March 2021

	Note	2021 £	2021 £	2020 £	2020 £
		MUSEUM	GROUP	MUSEUM	GROUP
Fixed Assets					
Intangible assets	7	9,923	9,923	64,885	64,885
Heritage assets	6b	8,488,419	8,488,419	8,555,829	8,555,829
Tangible assets	6a	491,691	491,691	558,112	558,112
Investments	8	8,522	8,522	6,538	6,538
		<u>8,998,555</u>	<u>8,998,555</u>	<u>9,185,364</u>	<u>9,185,364</u>
Current Assets					
Stock		6,725	113,598	6,725	115,903
Debtors	9	485,964	408,748	619,214	543,186
Cash at bank and in hand	10	842,775	888,330	392,191	496,908
		<u>1,335,464</u>	<u>1,410,676</u>	<u>1,018,130</u>	<u>1,155,997</u>
Liabilities					
Amounts falling due within one year	11	<u>(245,274)</u>	<u>(286,639)</u>	<u>(186,810)</u>	<u>(249,311)</u>
Net Current Assets					
		<u>1,090,190</u>	<u>1,124,037</u>	<u>831,320</u>	<u>906,686</u>
NET ASSETS					
		<u>10,088,745</u>	<u>10,122,592</u>	<u>10,016,684</u>	<u>10,092,050</u>
UNRESTRICTED FUNDS					
General fund		453,054	486,901	668,855	744,221
Designated fund, legacies		214,684	214,684	-	-
Designated fund, heritage property		2,474,725	2,474,725	2,499,438	2,499,438
Total unrestricted funds		<u>3,142,463</u>	<u>3,176,310</u>	<u>3,168,293</u>	<u>3,243,659</u>
RESTRICTED FUNDS					
	14	6,937,760	6,937,760	6,841,853	6,841,853
ENDOWMENT FUND					
	15	8,522	8,522	6,538	6,538
TOTAL FUNDS					
		<u>10,088,745</u>	<u>10,122,592</u>	<u>10,016,684</u>	<u>10,092,050</u>

The notes on pages 44 to 57 form part of these financial statements.

Approved by the Trustees on 26 January 2022

Guy Elliott
Chairman of Trustees

Bruce Boucher
Deborah Loeb Brice Director and Accounting Officer

Sir John Soane's Museum
Consolidated Statement of Cash Flows for the year ended 31 March 2021

	Note	2021 £	2020 £
Cash Flows from Operating Activities			
Net Cash (Expended)/Provided By Operating Activities		<u>533,079</u>	<u>339,489</u>
Cash Flows from Investing Activities			
Dividends, interest and rents from investments		676	919
Purchase of property, plant and equipment	6a, 6b & 7	(142,333)	(220,723)
Net Cash Used In Investing Activities		<u>(141,657)</u>	<u>(219,804)</u>
Change in Cash and Cash Equivalents in the Reporting Period		<u>391,422</u>	<u>119,685</u>
Cash and Cash Equivalents at the beginning of the Reporting Period		496,908	377,223
Cash and Cash Equivalents at the end of the Reporting Period		<u>888,330</u>	<u>496,908</u>

RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

		2021 £	2021 £	2020 £	2020 £
Net (Expenditure)/Income for the Reporting Period (As per SOFA)			30,542		312,314
Adjustments for:					
(Gain)/Loss on Investments	8	(1,984)		591	
Dividends, interest and rents from investments		(676)		(919)	
Depreciation Charges - tangible and heritage assets	6	273,950		262,353	
Amortisation Charges - intangible assets	7	57,176		72,490	
(Increase)/Decrease in stock		2,305		(12,094)	
Increase in debtors	9	134,437		(300,308)	
Increase in creditors	11	<u>37,328</u>		<u>5,062</u>	
			502,537		27,175
Net Cash (Expended)/Provided by Operating Activities			<u>533,079</u>		<u>339,489</u>

The notes on pages 44 to 57 form part of these financial statements.

1 Accounting Policies

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

a) Accounting Basis and Standards

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

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

b) Income

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

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

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

Grants made under the Coronavirus Job Retention Scheme are recognised as restricted income in the year to which they relate.

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

c) Expenditure

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

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

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

Expenditure on charitable activities comprises direct expenditure including staff costs attributable to the activity. This includes staff costs covered by the Coronavirus Job Retention Scheme which are treated as restricted expenditure. Support costs including Governance costs are costs which cannot be attributed directly to an activity and are therefore allocated to activities on a basis consistent with the use of the resources, primarily staff time, see Note 4b.

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

d) Taxation

The Museum is exempt under section 505 of the Income and Corporation Taxes Act 1988 from taxes on income arising from the pursuit of its charitable objectives. The taxable profits of Soane Museum Enterprises Limited are usually distributed to the Museum under Gift Aid rules, although for 2020-21 the company made a loss, resulting an an expected tax credit for the year ended 31 March 2021.

1 Accounting Policies (continued)**e) VAT**

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

f) Fixed Assets and Depreciation/Amortisation**Heritage and Tangible fixed assets**

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

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

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

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

Intangible fixed assets

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

g) Investments

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

h) Stock

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

i) Debtors and Creditors

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

1 Accounting Policies (continued)

j) Fund Accounting

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

k) Going Concern

These accounts have been prepared on a going concern basis, which the Trustees consider to be appropriate for the following reasons.

The Museum has prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, including the impact of the Covid-19 pandemic, the Museum, in terms of both the parent and the group, will have sufficient funds, through funding from its sponsor department (DCMS), as well as continued fundraising receipts, to meet its liabilities as they fall due for that period.

Whilst the Museum has started to gradually recover from the impacts of the pandemic, the trustees note that the economic uncertainty stemming from measures taken to limit the impact of the pandemic continues to have an affect on the Museum's ability to operate normally in the current financial year; with a particularly detrimental impact on the revenue generating activities of its trading subsidiary, Soane Museum Enterprises Ltd. Following the most recent lockdown announced in December 2020, the Museum remained closed to visitors until 19 May 2021. The phased relaxation of these measures has also meant that the Museum has operated with reduced visitor capacity until July 2021 and is now taking a cautious approach to increasing capacities, for the reassurance to visitors and staff. In order to mitigate the financial impacts of the pandemic, the trustees have implemented various cost saving measures, appealed to donors and supporters, accessed a financial support package offered by DCMS and, with DCMS permission, made use of the Coronavirus Job Retention Scheme. The trustees continue to monitor operations for potential impacts and to manage the associated risks.

Consequently, the trustees are confident that the Museum, as both parent and group, will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

l) Foreign Currencies

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

m) Public Benefit

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

2 Grant-In-Aid from the Department for Digital, Culture, Media and Sport (DCMS)	2021	2020
	£	£
Grant-In-Aid - Resource, unrestricted income	1,252,000	1,058,000
Grant-In-Aid - Capital, unrestricted income	29,000	29,000
Grant-In-Aid - Capital, restricted income	100,000	165,000
	<u>1,381,000</u>	<u>1,252,000</u>

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

3 Income and Endowments

a) Other donations and legacies	2021	2021	2020	2020
	Unrestricted	Restricted	Unrestricted	Restricted
	£	£	£	£
Legacies	(6,595)	-	221,279	-
Other donations and Gift Aid recoverable	510,992	-	648,859	-
	<u>504,397</u>	<u>-</u>	<u>870,138</u>	<u>0</u>

b) Charitable activities	2021	2021	2021	2020
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Grants for salary underwriting	-	107,331	107,331	143,750
Grants for other projects	-	350,616	350,616	506,747
Coronavirus Job Retention Scheme grants	-	271,161	271,161	-
Visitor tours and ticketed events	1,014	-	1,014	112,963
	<u>1,014</u>	<u>729,108</u>	<u>730,122</u>	<u>763,460</u>

c) Other income

Other income of £22,029 (2019-20: £20,022) includes £15,029 in respect of donated services received by Soane Museum Enterprises Ltd (2019-20: £13,022).

4 Resources Expended

a) Cost of raising funds	Group		Museum	
	2021	2020	2021	2020
	£	£	£	£
Direct costs, development & fundraising	6,790	44,172	6,790	44,172
Direct costs, communications	50,305	43,212	50,305	43,212
Direct costs, trading, including legal advice	37,300	111,757	2,000	13,022
Direct costs, stock for trading	21,000	142,133	-	-
Allocated staff costs	486,718	466,474	435,772	230,548
Allocated support & governance costs	121,798	116,646	121,798	116,646
	<u>723,911</u>	<u>924,394</u>	<u>616,665</u>	<u>447,600</u>

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

4 Resources Expended (continued)

b) Charitable activities, including staff costs see Note 4c

	Buildings	Collections	Visitor Services	2021 Total	2020 Total
	£	£	£	£	£
Building projects	16,883	-	-	16,883	14,713
Building maintenance	201,003	-	-	201,003	214,439
Research, library, archive, digitisation	-	43,921	-	43,921	35,627
General conservation	-	34,780	-	34,780	65,045
Visitor services	-	-	4,939	4,939	8,945
Educational activities	-	-	22,696	22,696	59,378
Exhibitions	-	23,206	23,206	46,412	205,051
Allocated staff costs (see Note 4c)	210,083	275,482	761,350	1,246,915	1,329,898
Allocated support & governance costs (see Note 4e)	66,791	65,290	231,523	363,604	389,770
31 March 2021	<u>494,760</u>	<u>442,679</u>	<u>1,043,714</u>	<u>1,981,153</u>	
31 March 2020	<u>510,774</u>	<u>438,227</u>	<u>1,373,865</u>		<u>2,322,866</u>

c) Staff costs, see Note 5a

	2021	2020
	£	£
Cost of raising funds	486,718	466,474
Buildings	210,083	216,983
Collections	275,482	269,272
Visitor services	761,350	843,643
	<u>1,733,633</u>	<u>1,796,372</u>

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

d) Governance, including staff costs see Note 4c

	2021	2020
	£	£
Internal audit - current year	5,950	11,900
External audit - current year (Museum only)	20,500	17,000
Subsidiary audit - current year (HW Fisher & Company)	9,600	7,712
Subsidiary - tax advice (HW Fisher & Company)	725	600
Other administrative expenses	7,393	5,920
	<u>44,168</u>	<u>43,132</u>

The Comptroller and Auditor General is the external auditor of the Museum's Financial Statements. The audit fee for the work was £20,500 (2019-20: £17,000); no other non-audit work was provided.

e) Allocated support and governance costs

	2021	2020
	£	£
Cost of raising funds, see Note 4a	121,798	116,646
Buildings, see Note 4b	66,791	64,639
Collections, see Note 4b	65,290	68,283
Visitor services, see Note 4b	231,523	256,848
	<u>485,402</u>	<u>506,416</u>

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

5 Employee and Trustee Information

a) Staff costs

	2021	2020
	£	£
Salaries	1,336,977	1,371,667
Employer's national insurance	95,926	116,300
Employer's pension contributions, see Note 18	300,730	308,405
Total employment costs	<u>1,733,633</u>	<u>1,796,372</u>
Recruitment	-	250
Payroll services, training and other staff costs	12,793	12,403
Total staff costs	<u><u>1,746,426</u></u>	<u><u>1,809,025</u></u>

Total employment costs decreased during the year as the Museum implemented a four-month period of short-time working from July to October, with all staff working 90% of their hours. This was to generate savings in recognition of the financial uncertainty created by the pandemic.

During 2020-21 the Museum's use of the Coronavirus Job Retention Scheme (CJRS) was approved by DCMS. In total 57 permanent and casual employees were furloughed, and grants claimed under the CJRS in 2020-21 totalled £271,160. The closure of the Museum in March 2020 as a result of the Covid-19 pandemic negatively impacted the Museum's ability to generate income, and so use of the CJRS has enabled the Museum to retain staff whilst income has been disrupted.

b) Staff numbers

	2021	2020
	Number	Number
The average number of persons employed (FTE), analysed by function was:		
Cost of generating funds	11.8	10.9
Buildings	6.5	6.0
Collections	6.3	6.4
Visitor services	22.4	24.0
	<u>47.0</u>	<u>47.3</u>

The average headcount, defined as the number of staff paid each month during 2020-21, was 68.0 (2019-20: 74.0). This includes casual staff members of 15.0 (2019-20: 20.8).

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:

	2021	2020
£60,001 - £70,000	-	1
£80,001 - £90,000	1	1

These employees are accruing benefits under defined benefit schemes and received no benefits-in-kind.

In 2020-21, the Senior Management Team members received total amounts of benefits (including gross salary, bonus and employer's NIC and pension contributions) of £411,885 (2019-20: £410,537, with the variance a result of the annual pay award for which all staff are eligible).

c) Compensation for loss of office

There were no 'exit packages' awarded to staff leaving during the year (2019-20: Nil) amounting to a total of £Nil. (2018-19: £Nil).

d) Trustees

The Trustees neither received nor waived any emoluments during the year (2019-20: £Nil). Claims for travel by Trustees amounted to £Nil (2019-20: £160). Expenses paid by the Museum to 3rd parties on behalf of Trustees was £Nil (2018-19: £Nil).

6a Tangible Assets

Museum and Group

	Assets Under Construction £	Office Equipment £	Fixtures & Fittings £	Retail Equipment £	Security Equipment £	Plant £	Total £
Cost							
At 1 April 2020	9,648	321,916	243,268	22,066	155,847	471,645	1,224,390
Transfers	(9,648)	-	-	-	-	-	(9,648)
Additions	-	19,151	12,484	-	11,619	20,625	63,879
At 31 March 2021	-	341,067	255,752	22,066	167,466	492,270	1,278,621
Depreciation							
At 1 April 2020	-	258,287	130,577	19,677	117,337	140,400	666,278
Charge for the year	-	59,291	23,423	2,389	11,035	24,514	120,652
At 31 March 2021	-	317,578	154,000	22,066	128,372	164,914	786,930
Net Book Value							
At 31 March 2021	-	23,489	101,752	-	39,094	327,356	491,691
At 1 April 2020	9,648	63,629	112,691	2,389	38,510	331,245	558,112

6b Heritage Assets

Museum and Group

	Heritage Assets £	Freehold Heritage Property £	Heritage Fixtures & Fittings £	Total £	
Cost					
At 1 April 2020	63,675	8,115,863	1,416,928	9,596,466	
Transfers	-	-	9,648	9,648	
Additions	-	-	76,240	76,240	
At 31 March 2021	63,675	8,115,863	1,502,816	9,682,354	
Depreciation					
At 1 April 2020	-	615,832	424,805	1,040,637	
Charge for the year	-	78,159	75,139	153,298	
At 31 March 2021	-	693,991	499,944	1,193,935	
Net Book Value					
At 31 March 2021	63,675	7,421,872	1,002,872	8,488,419	
At 1 April 2020	63,675	7,500,031	992,123	8,555,829	
Heritage Assets	2020-21	2019-20	2018-19	2017-18	2016-17
	£	£	£	£	£
Additions	85,888	126,431	40,708	69,663	778,533

6b Heritage Assets (continued)

Museum and Group

Nature of the Collection

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

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

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

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

FRS 102 requires heritage assets to be reported on the Balance Sheet where information is available and to enhance disclosures relating to all heritage assets regardless of whether these were reported on the Balance Sheet. Of the heritage assets held by Sir John Soane's Museum, only the building at No. 14 Lincoln's Inn Fields; a ring that once belonged to Sir John Soane; a painting; a set of architectural drawings; and capital works including fixtures and fittings to the buildings at Nos 12 and 13 as part of the OUTFITS 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, drawings or letters have been received. An exception was made to this rule in 2009 when the Trustees agreed to take advantage of a rare opportunity to purchase, with funds provided for the purpose, a valuable ring which had once belonged to Sir John Soane. This acquisition is listed on the balance sheet. Disposal of inalienable heritage assets contravenes the rules of the charity. No disposals have been made. There have been two cases, historically, where items from the collection have been donated to other charitable institutions with aligned objectives. In these cases any necessary approvals were sought and received prior to disposal. The value of the items had not been included on the Balance Sheet, so there was adjustment to the reported value of heritage assets.

Preservation and Management

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

7 Intangible Assets

Museum and Group

Cost	£
At 1 April 2020	421,009
Additions and improvements	2,214
At 31 March 2021	<u>423,223</u>
Amortisation	
At 1 April 2020	356,124
Charge for the year	57,176
At 31 March 2021	<u>413,300</u>
Net Book Value	
At 31 March 2021	<u><u>9,923</u></u>
At 31 March 2020	<u><u>64,885</u></u>

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

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

8 Investments

Museum and Group	2021	2020
	£	£
Market value at 1 April	6,538	7,129
Net gain/(loss) on investment	1,984	(591)
Market value at 31 March	<u>8,522</u>	<u>6,538</u>
Historic cost at 31 March	<u>28,920</u>	<u>28,920</u>

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

9 Debtors

	2021	2021	2020	2020
	MUSEUM	GROUP	MUSEUM	GROUP
	£	£	£	£
Prepayments and accrued income	206,526	210,686	365,169	370,723
Amounts owed by Subsidiary	97,330	-	106,920	-
VAT recoverable	30,694	30,694	22,685	22,685
Other debtors, including Gift Aid recoverable	151,414	167,368	124,440	149,778
	<u>485,964</u>	<u>408,748</u>	<u>619,214</u>	<u>543,186</u>

The Group's trade debtors balance is disclosed net of a provision for bad and doubtful debts of £7,879 (2020: £7,879). The Museum's trade debtors balance does not include any such provision (2020: £Nil).

10 Cash at bank and in hand

	2021	2021	2020	2020
	MUSEUM	GROUP	MUSEUM	GROUP
	£	£	£	£
Cash at bank	841,424	886,879	390,632	495,250
Cash in hand	1,351	1,451	1,559	1,658
	<u>842,775</u>	<u>888,330</u>	<u>392,191</u>	<u>496,908</u>

11 Creditors: amounts falling due within one year	2021	2021	2020	2020
	MUSEUM	GROUP	MUSEUM	GROUP
	£	£	£	£
Trade creditors	41,777	46,169	50,860	53,358
Taxation, social security and pensions	63,364	62,526	61,193	56,928
Accruals	59,036	69,716	49,282	77,647
Deferred income	19,442	46,573	25,475	61,378
Other Creditors	61,655	61,655		
	245,274	286,639	186,810	249,311

£61,378 of Deferred Income was released and £46,573 added during 2020-21. Deferred Income is in respect of services paid for in 2020-21 but to be supplied in 2021-22. The balance at 31 March 2021 is due within one year.

Other Creditors consist of claims made in error under the Coronavirus Job Retention Scheme. These claims have not been the subject of HMRC enquiries but have been identified by the Museum as repayable and reported as such to HMRC.

12 Analysis of net assets	Restricted	General	Designated	Endowment	Total Funds
Group	Funds	Fund	Funds	Fund	
	£	£	£	£	£
Represented by:					
Intangible Fixed Assets	9,923	-	-	-	9,923
Heritage Fixed Assets	6,013,694	-	2,474,725	-	8,488,419
Tangible Fixed Assets	491,691	-	-	-	491,691
Investments	-	-	-	8,522	8,522
Current Assets	422,452	773,540	214,684	-	1,410,676
Liabilities	-	(286,639)	-	-	(286,639)
Balances as at 31 March 2021	6,937,760	486,901	2,689,409	8,522	10,122,592

13 Unrestricted Funds

Museum and Group

	General Fund	Designated Fund	Designated Fund	Total
		Property	Legacies	
	£	£	£	£
Balances at 1 April 2020	744,221	2,499,438	-	3,243,659
Income	1,904,514	-	-	1,904,514
Expenditure	(1,965,268)	-	(6,595)	(1,971,863)
Transfers (see below)	(196,566)	(24,713)	221,279	-
Balances as at 31 March 2021	486,901	2,474,725	214,684	3,176,310

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

The Designated Fund - Legacies is a new fund established in 2020/21 for unrestricted legacies. Such legacies are to be applied in the maintenance and conservation of the buildings and the collections or otherwise as deemed necessary by the Trustees for the enduring viability of the Museum. The transfer of £221,279 represents legacies received in 2019/20 and included in the General Fund in that year.

14 Restricted Funds

Museum and Group	Balances at 1.4.2020 £	Income £	Expenditure £	Transfers £	Balances at 31.3.2021 £
Acquisition Fund	42,620	-	-	-	42,620
Conservation Fund	11,840	-	-	-	11,840
Exhibition Fund	146,482	30,643	(22,437)	-	154,688
Library Fund	48,113	-	-	-	48,113
Education Fund	45,570	59,175	(9,365)	-	95,380
Masterplan Construction Fund	5,781,541	-	(128,541)	-	5,653,000
Other Restricted Projects Fund	158,762	368,130	(155,620)	-	371,272
Capital Works (DCMS)	606,925	100,000	(146,078)	-	560,847
Coronavirus Job Retention Scheme	-	271,160	(271,160)	-	-
Total	6,841,853	829,108	(733,201)	-	6,937,760

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

the Acquisition Fund relates to funds raised to acquire additions to the collection;
the Conservation Fund hold funds raised specifically for conservation purposes, including publications;
the Exhibition Fund is specifically for creating and running exhibitions;
the Library Fund was set up for library cataloguing, including the digitisation of the Adam and other drawings;
the Education Fund was set up to support and promote the Museum's education projects;
the Masterplan Construction Fund relates to expenditure on the development phase of OUTS;
the Other Restricted Projects Fund relates to funds raised to support specific projects identified by the Museum;
the Capital Works Fund relates to expenditure on capital projects funded by DCMS Capital Grant; and
the Coronavirus Job Retention Scheme supported the Museum during the Covid-19 pandemic.

15 Endowment Fund

Museum and Group	Total £
Balance at 1 April 2020	6,538
Net gain on investment assets	1,984
Balance at 31 March 2021	8,522

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

16 Capital Commitments

At the balance sheet date the Museum was contractually committed to the sum of £Nil for all capital projects (2020: £9,498).

17 Contingent Assets & Liabilities

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

18 Pension Arrangements

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

Most employees of Sir John Soane's Museum are members of these arrangements which are an unfunded multi-employer defined benefit scheme and as such Sir John Soane's Museum is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis. For 2020-21, employer's contributions of £290,818 were payable to PCSPS (2019-20: £298,093) by 43 members (2019-20: 48) at one of four rates in the range 26.6% to 30.3% (2019-20: 26.6% to 30.3%) of pensionable pay, based on salary bands and £9,640 to non-PCSPS schemes for non-PCSPS members (2019-20: £9,799). The PCSPS's Actuary reviews employer contributions every four years following a full scheme valuation. From 2019-20, the contributions based on salary bands are in the range of 26.6% to 30.3%. 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.

19 Related Party Transactions

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

An independent charitable company, Sir John Soane's Museum Trust (SJSMT Trust), was set up in February 2012, of which one Trustee of the Museum (Basil Postan), is a Trustee. Five of the six Trustees are independent. As the representative of the Museum (i.e one Trustee) is in a minority and routinely recuses himself by formally abstaining from Board decisions referring to the Trust's relationship to the Museum, including grant-giving and other matters, and as the Trust carries out its activities independently of the Museum, its financial results are not consolidated with those of the Museum. The Museum provides services and facilities for the Trust on an arm's length basis, and during the year the Trust was charged a total of £7,000 (2019-20: £7,000) for fundraising and administrative services. In 2020-21 the Museum applied for and received unrestricted donations of £nil (2019-20: £235,000) from the Trust's Catalyst Endowment Fund for general purposes.

The Director, Deputy Director, Director of Commercial & Operations, 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 NiChionna.

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 2020-21, the Museum received donations of £184,941 from the Foundation for various projects (2019-20: £288,862).

During the year the Group provided commercial services of £1,688 to Trustees and their related parties (2019-20: a net credit of £315). The Group purchased services from the related parties of Trustees for payments totalling £4,490 (2019-20: £1,978).

A number of Trustees and their related parties, or related parties of SME Directors, are members of the Museum's Patrons' Circle or the Inspector's Fund. The amounts paid in 2020-21 in respect of the benefits provided to these members totalled £3,000.

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

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

4 Trustees (2019-20: 7) donated a total of £75,259 (2019-20: £93,850) to the Museum for various fundraising campaigns.

Balances of £2,880 were owed by the Group to related parties as at 31 March 2021 (31 March 2020: £108). There were balances of £126 due from related parties as at 31 March 2021 (As at 31 March 2020: £Nil).

20 Trading Subsidiary

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

	2021	2020
	£	£
SME Ltd: Profit and Loss Account		
Turnover:		
Room Hire/Filming & Reproduction Fees/Licensing/Retails Sales	74,730	625,668
Visitors	235	91,546
Donated services	15,029	13,022
	<u>89,994</u>	<u>717,214</u>
Cost of Sales	(21,150)	(197,928)
Gross Profit	68,844	519,286
Administrative Expenses	(120,104)	(339,264)
Trading Profit, Profit on Ordinary Activities before taxation	<u>(51,260)</u>	<u>193,044</u>
Taxation	9,739	(17,678)
Profit on Ordinary Activities after taxation	<u>(41,521)</u>	<u>175,366</u>
Payable under gift aid to Museum	-	(100,000)
Retained Profits in Subsidiary	<u>(41,521)</u>	<u>75,366</u>
SME Ltd: Balance Sheet		
Tangible Fixed Assets	-	-
Current Assets	173,380	249,051
Current Liabilities	(139,533)	(73,683)
Provision: Payable under gift aid to Museum	-	(100,000)
Net Assets	<u>33,847</u>	<u>75,368</u>
Share Capital	2	2
Reserves	33,845	75,366
Total Funds	<u>33,847</u>	<u>75,368</u>
Reconciliation from the SME Ltd P&L Account to the Consolidated SoFA		
Income included in Consolidated SoFA		
Turnover	74,730	625,668
Plus: Museum Trading Income	20,667	27,958
Total Income from Other Trading Activities	<u>95,397</u>	<u>653,626</u>
Income included in Consolidated SoFA		
SME Ltd Turnover (Visitors)	235	91,546
Plus: Museum Unrestricted Charitable Income	778	21,417
Total Unrestricted Income from Charitable Activities	<u>1,013</u>	<u>112,963</u>
Trading costs included in Consolidated SoFA		
SME Ltd Cost of Sales	21,150	197,928
SME Ltd Administrative expenses	120,104	326,242
SME Ltd Taxation	(9,739)	17,678
Plus: Museum Development Fundraising and Trading costs	616,665	447,600
Less: Costs Recharged to SME by the Museum	(24,268)	(65,054)
Total Expenditure on Raising Funds	<u>723,912</u>	<u>924,394</u>

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

21 Financial Instruments

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

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

Liquidity Risk

Over 49% of the Museum's unrestricted income is provided as Grant-in-aid from the Department for Digital, Culture, Media and Sport (DCMS). The remaining income comes from self-generated income which is more volatile. As the cash requirements of the Charity are met largely through the Grant-in-aid, financial instruments play a more limited role in creating risk than would apply to a non-public sector body of a similar size. The Museum has sufficient unrestricted funds to cover its current liabilities.

Credit Risk

The Museum is not exposed to significant credit risk as its debtors, excluding amounts due from its subsidiary, consist mostly of sums due from HMRC. Its cash is held by the Museum's bankers and it has not suffered any loss in relation to cash held by bankers. Write-offs for bad debts amounted to £Nil (2020: £Nil). The Group's trade debtors balance is disclosed net of a provision for bad and doubtful debts of £10,454 (2020: £7,879), which relates to amounts due from subsidiary licensees.

Interest Rate Risk

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

Foreign Currency Risk

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

Investment Risk

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

22 Post-Balance Sheet Events

The annual report and accounts were authorised for issue by the Accounting Officer and Trustees on the date they were certified by the Comptroller and Auditor General. There were no reportable events between 31 March 2021 and the date the accounts were authorised for issue.

