



LONDON TRANSPORT MUSEUM

Annual Report 2020/21

Charity number:

1123122

Company number:

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London Transport Museum Annual Report 2020/21 incorporating the strategic report, annual report of the Trustees and financial statements for the year ended 31 March 2021

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STRATEGIC REPORT

1. Introduction to London Transport Museum

London Transport Museum Limited (LTM) is a registered charity incorporated on 6 February 2008 as a subsidiary company of Transport for London (TfL) limited by shares. It is governed by its Memorandum and Articles of Association. Under the GLA Act 1999, TfL has the power to provide and maintain a museum of transport artefacts, records and other exhibits. While it is common for charities to incorporate as companies limited by guarantee, the Transport for London (Specified Activities) Order 2000 requires TfL to carry out museum activities through a company limited by shares. Under section 5.1 of the LTM Memorandum of Association, the property and funds of the Museum must be used only for promoting the objects of the Museum; no dividend is payable to TfL.

When London Transport Museum Limited was established in 2008, a series of written agreements was put in place between TfL and LTM. These set out an umbrella agreement for the continued provision and maintenance of the Museum, covering many aspects of the operation and funding of LTM, and the long-term relationship between the parties. Beneath this there is a funding agreement and an Intellectual Property agreement, while the Museum collection is owned by TfL and subject to a management agreement between the Museum and TfL.

As a wholly-owned subsidiary company within the TfL Group, the Museum has access to substantial support and advice from other Group functions in areas such as accounting, taxation, property, marketing, internal audit, information technology, human resources and contracts. The Museum occupies premises which are owned or leased by TfL Group companies and is given access to TfL assets such as disused stations and the Underground network for heritage rail operations. Varying financial arrangements apply to the various Group services, many of which are supplied at no cost to the Museum.

LTM is governed by a Board of up to thirteen trustees, all of whom are non-executive with the exception of the Managing Director (usually described as the Director & CEO) who is an ex officio trustee and accountable to the Board of Trustees.

LTM has a wholly-owned subsidiary, London Transport Museum (Trading) Limited (LTM(T)L) which operates retail, corporate hire and other non-charitable activities to generate funds to further the Museum's objects. Under a Deed of Covenant, all the profits of LTM(T)L are distributed to LTM.

LTM(T)L is governed by a Board of Directors drawn from the Museum's trustees and staff, along with a majority of independent non-executive directors. Further information about LTM(T)L can be found in the Notes to the Financial Statements.

A copy of this document can be obtained from <https://www.ltmuseum.co.uk/about-us/governance>

2. Message from the Trustees

When the pandemic struck and the Museum closed on 17 March 2020, the success story of the previous year was brought to a juddering halt. As the whole country locked down and learned rapidly to work from home, the Museum faced an existential crisis. With four-fifths of our income self-generated, the Museum and shop closed for all but ten weeks of the year, no guided tours or schools programme, no volunteering, the economy in rapid recession and the virus rampant in our city, we stared over the edge into an abyss. The plunge into insolvency was prevented first by moral and financial support from TfL – themselves in a similar state – and by us mobilising funds from corporate support, our online shop and a public appeal. Government funding, first through the furlough scheme and then the Culture Recovery Fund, stabilised our position by midway through the year and enabled a recovery to be planned and initiated.

So, it is hugely gratifying to be able to report that we ultimately end the year with our reputation enhanced and our finances in better shape than might reasonably have been expected. The LTM's trustees and executive leadership have been severely tested and proved agile, creative, resilient and incredibly tenacious during a year of unprecedented challenge. While financial survival was only possible through the strong bond with TfL and emergency funding from government, the massive threat that arose in the early weeks of the epidemic brought out the commitment and energy of the Museum's staff group and applied it first to survival and then recovery. The collaborative, open and honest leadership of the Executive and the support of the trustees has not only kept the Museum in business but helped it to emerge from the third lockdown in mid-May 2021 with key developments in place. We have a clear strategic focus, enhanced digital delivery, fresh and authentic content, upgraded museum galleries and new web content. All of this is equipping us to face the uncertain future pace of economic and social recovery.

The narrative of this year as presented in this annual report is a story we never expected to tell, yet as Chair and Director, we end the year in a strong position and with a renewed respect for the capability and tenacity of our colleagues. We owe a massive debt of gratitude to Arts Council England, the Department for Culture Media and Sport, HM Treasury, Transport for London, LTM Friends, members, donors, volunteers and followers for sticking by us, and by doing so, giving our remarkable group of people the time and backing to plan for recovery.

Keith Ludeman, Chair and Sam Mullins OBE, Director and CEO

3. Our purpose and principles

Our purpose

Igniting curiosity to shape the future.

Our work is guided by four principles:

For everyone

Everyone feels the Museum, collections and experiences are for them.

Entrepreneurial and playful

Everything we do is creative, dynamic and resourceful.

Relevant and authentic

We are a window on the past, present and future of how transport keeps London working and growing.

Dedicated and personal

We go the extra mile to deliver.

Strategic Framework

Our strategic aims

We have four strategic aims to face the challenges of the future. In setting London Transport Museum's aims and planning our activities, the Trustees have carefully considered the Charity Commission's guidance on public benefit.

Content – Being the world's leading museum of urban transport

We conserve and enhance our world class collection, making it accessible for exhibitions, education, and events. We are a window on the past, present and future of transport in London. The idea of 'content' for us includes our collection and the need to hand it on in great shape to future generations.

LTM believes that our stories, collection and experiences can help everyone to understand more of the world they live in. We think about 'content' as all forms of communication on all platforms. We aim to reach ever wider audiences in London, the UK and the world.

Experiences – Create experiences that delight and inspire

Our aim is to stimulate creativity from an early age and inspire the next generation to realise their potential. We have exciting learning and public programming that delivers engaging initiatives on and offsite and, increasingly, on our digital platforms. We're committed to provoking debate and imagination about transport in the future of London.

People make their own meanings and we support this by helping our visitors, audiences and customers make connections through unique experiences. In the overall experience, from planning a visit to the memories they take away, our aim is to delight and inspire people. Delighting our customers is also essential to our future financial prosperity; we depend on this income stream for a significant portion of our revenue.

People – Nurture a culture that's united behind our purpose

We develop the individual skills of our people, sharpen the capability of our organisation and build a workplace that promotes employees' creativity. We strive to partner and collaborate with like-minded and forward-looking organisations. We are investing significantly in LTM's technological capability to expand our reach further in the future.

One of our principles is that everyone feels the Museum, collections and experiences are for them. Our priority is to broaden our reach, build awareness, support and influence for LTM as widely as possible in all our communications and public-facing activities. We aim to increase the diversity of our staff, visitors and our volunteers to support this aim.

We are committed to creating a culture that supports our purpose and encourages behaviour that is inclusive, collaborative, courageous and active. We continue to give attention to increasing the ethnic diversity of our workforce and to create an inclusive culture where everyone is treated fairly and equally. Our intent is for a culture where everyone can realise their potential. We are also committed to addressing poor performance where found and to improving leadership capability.

We have continued to invest time and energy this year embedding the strategic framework to guide all that we do and believe it has given added structure and support during this difficult year. We consider Reach, Quality, Impact and Value-for-Money for all our activities and regularly report progress of the top performance indicators to the Board within our LTM Dashboard.

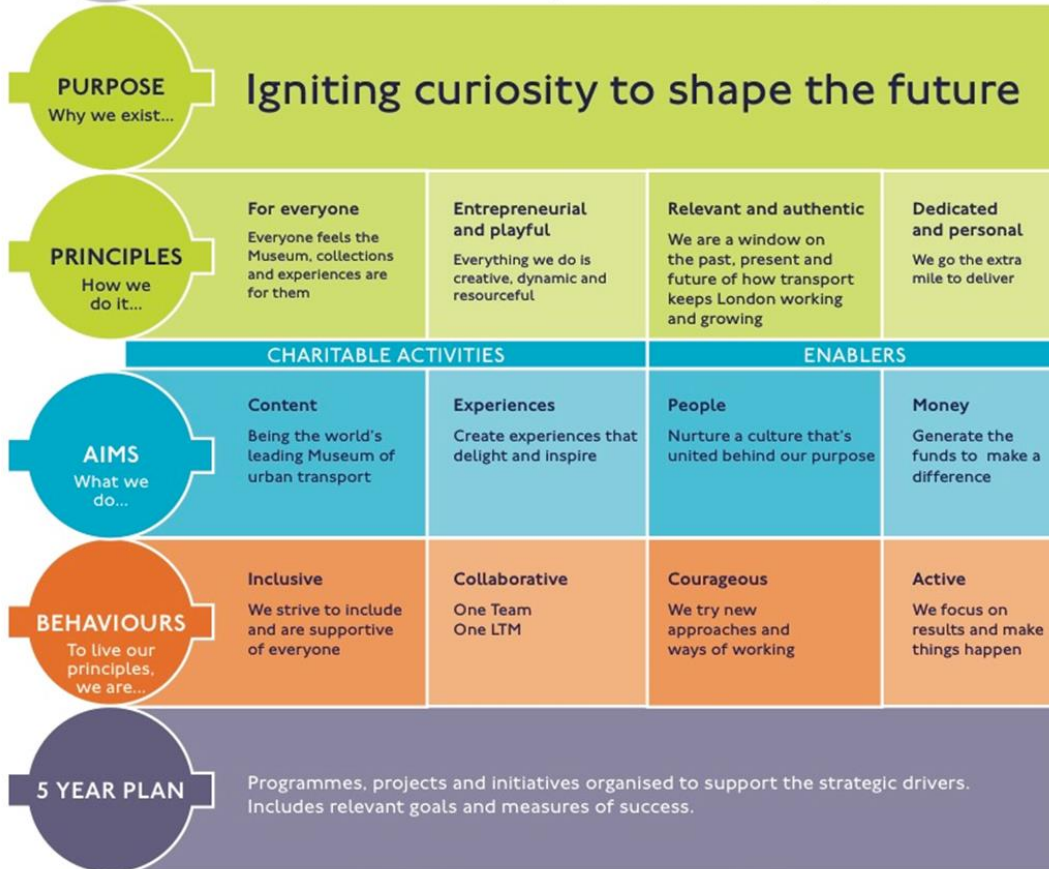
Money – Generate the funds that make a difference

We aim to grow revenue in creative new ways and increase our financial headroom, year on year. We operate a successful business-like charity.

Financial sustainability for LTM requires reserves to fund capital investment, and this depends on the success of key income streams to fund our purpose. Our main income streams are from visitors, fundraising and our Enterprise businesses including retail, venue hire, corporate membership, commercial sponsorship, catering and Hidden London. During 2020/21 we have also received significant emergency funding from the government via the Culture Recovery Fund and the Coronavirus Job Retention Scheme (CJRS).

To achieve financial sustainability, it is essential that we charge admission fees to visitors to Covent Garden, the Acton Depot and for participation in our offsite experiences such as Hidden London and Heritage excursions. These are reviewed annually and benchmarked to ensure they remain affordable to Londoners and all visitors.

Although the Museum charges admission fees, various measures are taken to ensure that charges are not a barrier to participation. These include free entry to the Museum for anyone aged 17 or under, for carers accompanying disabled visitors, and reduced admission charges for senior citizens, students and those in receipt of state benefit assistance. We offer a community bursary programme to encourage visits from those living near to the Depot and to the Museum in Covent Garden and have plans to expand it further. Museum admission tickets are valid for one year to encourage return visits and increase value for money for visitors. Many of the Museum's outreach programmes are free to participants. The TfL-funded STARS programmes engage tens of thousands of pupils each year and are delivered at no cost to the schools taking part. We also provide free content through our website and other media channels for people who do not visit LTM in person.



Achievement and performance

Looking back, we had successfully laid the groundwork in 2019/20 with investments in our people, programmes, frameworks and ways of working that helped us to weather the storm of the global crisis and continue to adapt and manoeuvre to shape our own path to recovery.

Our achievements this year are all the more significant given the context of existential threat and ongoing uncertainty. The first phase of the Museum's Route to Recovery programme emerged early in the summer and served us well as we adapted to disruption and uncertainty. We swiftly identified five strategic priorities (We're Open, Digital, Young People, Hidden London, Culture) with a sixth, Environmental Responsibility, emerging in January. The second phase of Routes to Recovery saw us through the long winter of a third lockdown.

We developed key drivers which remained relevant throughout the year and are continuing to guide our future plans: safe and balanced risk; financially savvy and focused on sustainability; entrepreneurial, innovative, and playful; keeping it simple; pacing ourselves. These drivers shaped our focus on welcoming, reassuring and engaging our visitors – onsite, offsite and online.

As with the last two years, we report on the key achievements of the year under the headings of our strategic framework: Content; Experiences; People; Money.

We also include many of our Dashboard indicators, which are reported biannually to Trustees. The Dashboard is a selection of the performance indicators considered to give the Executive and Trustees a more rounded insight into LTM's progress. LTM developed a success framework to ensure that all activity considered Reach, Quality, Impact and Value/Income (RQIV). LTM has used the RQIV framework to set targets and monitor performance for projects, teams and individuals and is continuing to develop and integrate the framework into all our work.

This success framework continues to be relevant as we recover the many areas of our complex operations. Some of the definitions of the measures have been revised to reflect the pandemic crisis, e.g. financial sustainability is now focused on maintaining the reserves within target range rather than tracking ahead of the 5-year plan and achieving an operating surplus. Relevant measures have been included in the summary.

4. Coronavirus response

Routes to Recovery

The coronavirus crisis totally disrupted our carefully made plans for 2020/21. We took the decision to close the Museum, café, shop, Acton Depot, and all events and tours at the close of business on 17 March 2020. On 20 March the UK Chancellor announced the temporary Coronavirus Job Retention Scheme, to support UK employers whose operations were severely affected by coronavirus. Once it was clear that LTM, as part of TfL, would be allowed to avail itself of this scheme, LTM moved to furlough over 85 per cent of staff. The 'bare bones' staffing cohort remaining in post focused on income generation, completing essential projects, keeping the Museum's profile high online, basic maintenance and security of the sites, planning for recovery and leadership and governance.

Within the first months after closure the Museum Executive had developed new ways of working virtually, established regular communication with all staff, trustees, and stakeholders, identified new strategic priorities to weather the crisis, broadened the responsibilities for the 'bare bones' group; pivoted a significant amount of content and activity to digital channels, and devised guidelines and a framework for recovery. We began working on what became stage one of the 'Routes to Recovery' plan.

Once the end of the first lockdown was announced, we were in a position to move quickly to execute stage one and opened first at the Depot on 19 August with a newly created, coronavirus-safe experience that ran for 10 days. We welcomed visitors back to the Covent Garden Museum on 7 September with a new visitor experience and the introduction of After Dark evening events. We continued to deliver the newly developed Hidden London virtual tours and launched a transport-themed walking tour of Covent Garden. Our shop and café reopened with the Museum and we were gradually rebuilding visitors to about 40 per cent of our pre-pandemic levels.

We closed the Museum for a second lockdown in November and after reopening in December for only twelve days, we were obliged to close again on the evening of 15 December for a third, prolonged lockdown that lasted past the end of the financial year. Stage two of 'Routes to Recovery' became a refocus on digital development and delivery during the long winter months, in parallel with planning for a third reopening once the UK roadmap for opening indoor attractions in England allowed it.

Despite the catastrophic disruption to our plans, the Museum staff demonstrated impressive resilience and creativity. We have pivoted to seize new opportunities and ways of delivering our charitable purpose, particularly with digital content and delivery, and have demonstrated an entrepreneurial and playful approach to recovery that has helped us to pull through. Staff have worked at pace to secure new sources of funding and income generation, and re-structured our commercial and fundraising strands.

The culture of LTM remains strong and continues to be an organisation where innovation is encouraged, our charitable aims well embedded, and our people pull together to create high quality experiences, content and product for our visitors, audiences and customers.

Financial response

We entered the year with uncertainty over how the pandemic would impact our finances and therefore took swift action to minimise our cost base and maximise available income and funding sources. We introduced additional Finance Committee and Board meetings to monitor our financial position and pandemic response, and established a Finance Working Group with TfL.

The CJRS allowed us to access valuable financial support from April 2020 totalling £0.6m. Early in March 2020 we suspended all non-essential spend, introduced a recruitment freeze, paused non-committed and non-essential capital works and reviewed all spend requests through the Senior Leadership Team. We introduced a series of additional re-budgets throughout the year, to facilitate our response to rapidly changing circumstances and inform our funding applications. We accessed savings on major contracts including security, cleaning and our Albany House office space, and exited part of our lease.

Our non-furloughed staff worked at pace to retain and secure existing and new income sources. We are deeply grateful to all our existing and new corporate sponsors and members who continued their support of LTM this year, as we pivoted our Thought Leadership series to digital delivery. Over 700 supporters gave generously to our new coronavirus fundraising appeal and payroll giving scheme. Our commercial lines, whilst significantly affected by the closure of Museum sites and in-person activity, quickly adapted their business models to focus on available opportunities, including online retail trading and commercial filming opportunities. Our Hidden London programme found opportunities to reach a new global audience through the launch of Hidden London Hangouts, a new Patreon scheme offering access to exclusive online content, and the introduction of digital virtual tours.

The agility and innovation of all our staff across LTM has allowed us to rapidly cut our costs and identify income opportunities. Nonetheless, the impact of closure for all but ten weeks of the year left a gap in our finances that required additional support.

We were delighted to receive a £1.75m grant through the first round of the Culture Recovery Fund; the government's £1.57bn fund established in partnership with the Department for Digital, Culture Media and Sport, HM Treasury and Arts Council England to support cultural organisations and heritage sites through the crisis. This support has allowed us to safeguard our survival, protect our sites and assets, continue the delivery of our charitable programmes, support our staff and freelancers, and plan for our future.

We are also deeply grateful to our parent organisation, Transport for London, for its practical and financial support to LTM throughout the crisis, including an emergency grant of £0.9m in Autumn 2020. TfL continues to provide essential services to the Museum without disruption including Finance and Human Resources support as part of core operations despite the challenges it has faced this year and the furlough of a significant proportion of its staff.

We continue to review all guidance and available support measures. Whilst 2021/22 will continue to be a year of recovery, we expect the financial impact to be significantly reduced. Section 10 sets out the financial review of the year's performance.

5. Content - Being the world's leading museum of urban transport

- Permanent gallery - Work continued on the War Gallery redevelopment, despite the Museum's closure, with *London's Transport at War* opening on 17 October 2020. The new gallery, which has been completely transformed, reveals the crucial role London's transport has played in global conflicts, from keeping civilians safe on the Home Front to supporting efforts on the front lines. It introduces visitors to the people behind these stories and features new posters, photographs, safety notices and wartime objects from the Museum's collection.
- Interchange - The Interchange programme continued to be delivered virtually in partnership with sponsors Gowling WLG and Thales. The latest Interchange report, *Rethinking Sustainable Cities: This is all in the air*, launched to an audience of 100 industry leaders at a virtual event in March. The event was chaired by Professor Greg Clark and saw TfL Commissioner Andy Byford join a thought-provoking panel discussion alongside Councillor Susan Aitken, Leader of Glasgow City Council, Rikhard Manninen, Head of Urban Planning at the City of Helsinki and Donald Morrison, Senior Vice President of People & Places Solutions at Jacobs. Looking ahead to COP26 and how we achieve a green future, the report explores how equality and social inclusion must go hand in hand with climate protection and economic growth to ensure the long-term success of sustainable cities.
- New Website and Content - After the successful launch of the new LTM website in October, phase 2 project work commenced on the website in November. Phase 1 included a new stories section, new ways to explore the Collection with a slider tool to search by date, new event calendar and improved accessibility to meet Government legislation. Phase 2 included the API integration of the Museum Shop website, meaning we can now 'pull' products directly through to the site to display, development of gated content to allow us to display content to certain users, and new interactives and games to help us engage with our family audiences. The Curatorial team authored, edited and published new web stories ranging from James Greathead's tunnelling shield to a hidden history of a corner of the Northern line extension.
- Themed Digital Content - To keep the momentum throughout the closure at the start of the year, the Marketing team continued to roll out weekly themes across our digital channels. Popular themes have been food and canteens, colour, Victorian transport and *Hidden London: the Exhibition*. We have been using a variety of website Stories, blogs, 360 photography, games and collection records to keep people engaged with our content and this approach has helped with our internal planning processes too. This themed content has helped to keep the museum 'alive' throughout three lockdowns – from Billy Brown of London Town Easter activities immediately following the first lockdown through to LGBT+ History Month and Women's History Month, in February and March respectively, when the Museum shared collection records and significant stories to celebrate and mark these important moments.
- New Exhibition and Media Programme - The opportunity and collaboration with Central Saint Martins (CSM) began in December and the entire project was conceived, developed and delivered by teams working virtually, in

less than four months, a remarkable achievement. The project explored sustainable cities and the impact and development of local communities. CSM students focused their research and creative response on four London neighbourhoods (Kings Cross St Pancras, Walthamstow Central, Brixton and Acton) which they bring to life in short films imagined as a week in London life in 2030 and to illustrate the concept of the 15-minute city. The project included the production of a media programme which includes a vast range of social media activities across the main platforms. *London 2030* exhibition and media programme launched in May 2021 as part of reopening.

- Digital Content from Volunteers – In 2020/21 volunteers have contributed 3,134 hours, most of which have been during site closures. Volunteers have shown incredible loyalty to LTM during the pandemic and have been keen to re-engage with us. As a result, we developed a digital and remote volunteering offer to generate content for our social channels and adapting traditional volunteer roles to allow research and content creation to be done from home. We now have an ever-growing number of volunteers creating digital content, from videos on favourite posters in the collection to blog content and assisting on research projects. Our aim is to begin recruiting new volunteers in 2021-22 to work on digital content remotely, supporting our plan to work with diverse audiences.
- Conservation - Curatorial staff continued to plan and conduct relevant onsite visits in a safe manner, to arrange conservation work on specific collection items and heritage assets and conduct safe cleaning of several areas of collections on display. For example, a specialist conservator conserved the Rainbow Crossing in advance of its display at the Museum. However, with Museum closure, work was paused on most Friends-funded conservation projects.
- Curatorial - With staff back from furlough in the autumn, we were able to re-start meetings of the Collections Development Group, assessing potential acquisitions to the collection. Our Documentary Curators obtained approval for the fourth year of their programme, including projects on disability and accessibility, TfL's role in housing development, the impact of coronavirus on London's transport and the Elizabeth line. Curators continued the project looking at the legacies of London Transport's direct recruitment in the Caribbean in today's TfL, linked to the forthcoming exhibition.
- New Exhibition - Work started on a new exhibition, *Legacy of Caribbean Recruitment*, looking into the long-term legacies of London Transport's recruitment in the Caribbean on today's TfL. As part of forward planning we have identified a larger footprint in the gallery for this exhibition, assembled an advisory board and extended the programme timeline with opportunities for content refreshes in the coming years. In June 2020 one of TfL's staff network groups, Raising Awareness of Culture and Ethnicity (RACE), organised a virtual exhibition to mark Windrush Day. This exhibition was focused on, and for, TfL employees. It included several original poems and pieces of writing reflecting on the Windrush Generation and their influence on transport workers of today. Subsequently, and with permission, London Transport Museum preserved the poems as part of its collection. Seven of the poem and prose readings have been animated in a typographic style and will be displayed on screens to mark Windrush 2021. They will remain as a prelude to the *Legacy of Caribbean Recruitment* exhibition until it is installed, opening February 2022.
- Gallery Improvements - At the Museum a new display of a TfL LGBTQ+ Rainbow Crossing accompanied by photos and film has been installed as part of a wider shift to blend physical visits with online content. An expanded digital display on the history of Pride in London is in development, ready for use in September.
- Clapham South Investment - Work resumed in January 2021 on the project to restore and upgrade the deep-level shelter. New high-security doors have replaced those damaged in a break-in during lockdown. Progress has been made with enabling infrastructure and preparation for major works in 2021-22 to upgrade the site to safeguard the fabric of the building, make it safer for staff and visitors, more operationally economic and a better visitor experience. A substantial piece of electrical conservation work since January has removed a large quantity of incongruous electrical installation from the entrance passageway, upgraded systems and transformed the space back to its near original appearance.
- Hidden London filming - The filming of the Yesterday TV series *The Secrets of the London Underground* was completed. The six-part series, hosted by Tim Dunn and LTM's own Siddy Holloway will be aired from 13 July this year. Tim's series *Railway Architecture* regularly attracts audiences of over 400,000. The Yesterday TV PR and Marketing team will start promotional activity in June, about a month before the series goes out. The LTM marketing team are working with the Yesterday team on press releases, social media activity, websites, competitions, a private view screening and other activity. It is a wonderful opportunity to widen awareness and market Virtual Tours and Hangouts, membership and merchandise.
- Library - The priority for the Library team was the Friends-funded project to acquire a Library Management System (LMS). The LMS project and the safe reopening of the Library at Albany House will be the key priorities for 2021.

6. Experiences - Create experiences that delight and inspire

- **Reach** - LTM outperformed museum sector peers and attracted around 40 per cent of our usual visitors during the periods we were open. Total onsite reach at Covent Garden was 40,197 for the year, just over 10 per cent of what we achieved in 2019/20. The total number of visits to LTM onsite, offsite and online was 746,001, down from 1,673,709 the year before. Our definition of 'offsite reach' for Hidden London and Stars has been updated to reflect the inclusion of virtual formats as well as physical delivery. The only reach measure that grew this year was social media followers, up to 147,929 from 124,424 the year before. These Dashboard KPIs are reported biannually to Trustees.
- **Routes to Recovery, phase one** - LTM reopened to visitors after the first lockdown with an innovative programme comprised of a new Depot Experience in August, a coronavirus-safe one-way route and new activities at Covent Garden from 7 September, a transport-themed walking tour of Covent Garden from Hidden London, and a newly created format of After Dark evening events. Phase one demanded much operational preparation: risk assessments; development and delivery of 'staff handbook – guidance for returning to work' for all staff; development and delivery of Customer Services training at the Museum and Depot; preparation of the Depot for the summer event, including movement of vehicles, collections and retail stock and ensuring that the site was clean, safe and presentable; providing staffing and supporting the delivery of the Depot summer event including site management.
- **Depot** - A new offer was created to encourage visitors to return to LTM in August. This trove of transport treasures is usually only open for special weekend events and the August opening offered a unique experience for visitors eager to escape the first lockdown. A special family-friendly trail took families on a journey through the Depot to discover the stories behind our collection and visitors received a special, sealed activity pack. The Family Fun event was hugely successful selling over 87 per cent of the tickets and generating over £50k income. The event saw retail take its first in-person sales of the 2020/21 financial year with sales over the ten days well above forecast. After the months of lockdown, the shop was a real attraction, several new lines were on sale and we saw a high basket spend. It was a bold and confident offer to reopen the Depot (and shop) at the end of the summer and it set the tone for our recovery. The Depot event was successfully repeated during October half-term.
- **After Darks** - Another innovation within the Routes to Recovery offer was the creation of the 'After Dark' series which opened the Museum exclusively to adults on a Thursday evening with the enticement of a free drink and the opportunity to participate in a guest-hosted quiz, starting with TfL Commissioner Andy Byford and Historic England CEO Duncan Wilson and continuing with a range of interesting partners and organisations. The format proved popular and events sold out in the autumn, reaching a new young adult audience (150 tickets per event).
- **After Darks (Virtual)** - In February 2021, the Thursday evening After Dark programme went virtual. We have run events since in collaboration with external partners including: All The Stations Special, Fontastical Games Special and London Drawing, reaching over 1,100 people. These free, virtual events have aimed to keep the Museum after Dark Thursday evening slot warm in people's minds, engage with experience seeking adults during lockdown and encourage donations and general support for the Museum. After Dark resumed onsite following reopening the Museum in May.
- **Hidden London Hang Outs** - Closure, stoppage of tours and lockdown created a need to reinvent the format and accelerated the development of a digital offer for Hidden London. Quick out of the blocks were the Hangouts, a weekly show on YouTube. The informal approach of the weekly show and its accessibility on our YouTube channel has grown a considerable following for the team in its first year (108,000 views) and the launch of a dedicated Patreon channel in January has already built a paying fan base with over 73 subscribers and growing. Creation of the weekly Hangouts has been a success story of lockdown and an example of agile creativity.
- **Hidden London Virtual Tours** - Four tours have been developed since the launch of the virtual tour programme in July (King William Street, Brompton Road, Kingsway Tram Tunnel, Aldwych). Nearly 5,000 tickets were sold with approximately 11 per cent of participants joining from 23 countries from Austria to Romania, with most overseas participants from the US, Canada and Australia.
- **STARS (Virtual Delivery to schools)** - Necessity was the mother of invention for the STARS team, which created a programme from scratch that could be delivered virtually to London schools on various IT platforms. It was a significant undertaking to reinvent a programme that had been carefully crafted over years, but it was up and running by October. Similarly, the Youth Travel Ambassador team and Junior Citizenship teams pivoted to run live streaming events that also went live in October.
- **STARS (Virtual Delivery direct to students)** - The announcement of the reinstatement of lockdown measures in January 2021 and pupils returning to home learning saw the teams focus again on providing resources to support

travel education and increase awareness of safe, sustainable and active travel in this environment. The whole STARS team focused on providing Safety and Citizenship live, virtual in-school presentations (VISP) to home-based learners. By the end of the financial year, over 32 per cent of eligible primary schools have had or have booked a session to prepare them for independent travel by the close of the academic year.

- **Apprentice and Young Volunteers** - The Learning team continued to support our apprentice to complete his NVQ and Gold Arts Award by end of March 2021, when the apprenticeship finished and he is now seeking employment in community and youth work roles. In spite of the challenges of the past year, we have also managed to deliver two Young Volunteer Projects: the first with The Link in Thamesmead saw young people creating soundscapes and learning about radio/podcasting. They were subsequently commissioned to produce a podcast for the collection by our Contemporary Collecting team. The second project was delivered with young people in Newham resulting in a podcast produced by young people, which explores their perspectives on the impact of regeneration and major infrastructure projects on the borough.
- **Young Freelancers** - LTM continued to support our team of young freelancers for an additional period to see them through to the end of 2020. They have worked in Development, Curatorial, Learning and Customer Services contributing over 240 hours of work across the Museum.
- **Under-5s** - Whilst we haven't been able to deliver in-person Under-5s' activity, we have distributed over 300 activity packs via children's centres to families in the Acton area and delivered our first virtual Under-5s' session. Between January and March, we ran three collaborative projects with primary schools (Artsmark) to support the development of a digital offer.
- **Schools Programme** - 230 children from 7 schools participated in our pilot KS2 virtual session (Bus for the Future) during British Science Week. We have created four pre-recorded broadcasts hosted on You Tube for KS3 and KS2 exploring engineering and the climate crisis. Work continues to develop a KS1 virtual offer (The Mystery Bus) which will go live in June 2021. We have kicked off the funded Engineering Your Neighbourhood project in Acton, partnering with Ark Priory Primary Academy to deliver a project focused on unlocking the local engineering story of Acton to support cross-curricular learning and inspire young children to consider the variety and potential of engineering careers.
- **Community Programme** - With the community Learning Officer back from furlough we have resumed activity building partnerships in the Acton area. We are part of critical local networks such as the Cultural Education Partnership and the Arts & Health Alliance and we are building our own community access scheme at the Depot, enabling local community organisations to make use of this valuable cultural resource to support their users. We distributed over 300 activity packs via children's centres to families in the Acton area. We also have projects in development, one with Ealing Integrated Youth Services to support a small number of young people on an Arts Award project aiming to build confidence and raise aspirations and another, focused on Covent Garden, working with Holborn Community Association to enable young people to use the Museum as inspiration for their own film-making project.
- **Awards** - Our entry to the Museum + Heritage Awards was a success, seeing our Hidden London exhibition crowned Best Temporary Exhibition of the Year in 2020. The Museum's new website was also shortlisted for Best Deployment of a CMS at the 2021 UK Dev Awards and Best Non-Profit Campaign at this year's Global Agency Awards.

7. People - Nurture a culture that's united behind our purpose

- **Purpose** - This year we've continued to embed our purpose, igniting curiosity to shape the future, in everything we do and have asked staff for feedback. Staff confidence that 'LTM has a vision for the future' has increased again this year, up from 54 per cent to 56 per cent, which is significant given the high level of uncertainty this year. It speaks well of the success over the previous years to embed the strategic framework, our quick response to develop new priorities, the Routes to Recovery plan, and regular communication.
- **Staff** continue to be engaged with the Museum's work and plans, with total engagement up from 65 per cent to 70 per cent and wellbeing up 60 per cent to 64 per cent. Volunteer satisfaction also increased, from 84 per cent to 87 per cent.
- Within the Audience Development Strategy and the D&I initiative, the Museum set targets to increase the diversity of our visitors, prioritising ethnic diversity and socio-economic classifications. No BDRC surveys with visitors were conducted this year but will resume for 2021-22.
- For staff, we aim to create an inclusive culture, where everyone can realise their potential. Progress achieving this is partly measured by an inclusion index, a new measure added to the annual staff survey in 2018-19. This year's score is 62 per cent, an increase from 54 per cent in 2019-20 and up from 50 per cent the year before. These

results are very encouraging during a year when many staff were furloughed and the majority of our opportunities to meet have been conducted on virtual platforms. These measures form part of regular progress reports to the Board.

- **Listen and Learn** - A listening exercise was commissioned by LTM from an external expert, Full Colour, and held with all staff in July. The need for a consultation and forum for discussion was originally prompted by the upset and concerns following the murder of George Floyd in May 2020. Following discussion and further reflection, the SLT developed a management response which was shared with all staff and trustees, along with the full findings of the report, in September. We have balanced the need to take the steps to make changes with the other challenges we have faced as an organisation. We recognised the need for achievable progress and made three strong commitments which are underway. These commitments include reviewing the nature of all non-permanent contracts, improving how we tell the story of transport in London to better reflect the contribution of people of colour, and skilling up all managers.
- **People Plan** - In February the Board approved a strategic People Plan for 2021, a plan that addresses all aims and actions relating to staff, HR, and culture issues and will guide our work for at least the next 18 months. It is a format used by TfL to bring together various challenges in order to focus a department or division on specific actions that can be achieved in a year. It is short, direct and achievable. The LTM plan is informed by the findings from the annual staff survey (Viewpoint) and the recommendations from the Listen and Learn initiative. Two new working groups have been created to take this plan forward to deliver in 2021.

8. Money - Generate the funds that make a difference.

- As outlined, 2020/21 was an extraordinary year. What should have marked the third year of our Five-year plan required a complete reinvention of our operating plans, and a revised understanding and definition of financial sustainability. For this current year and the foreseeable future, our financial sustainability measure is focused on maintaining our reserves within target range.
- The model we had developed, based on an incredibly lean and successful operating model and high self-generated funding, meant the impact of the crisis initially hit us hard. Turnover was severely restricted by government rules precluding shop, Hidden London, depot, café and venue hire activity for almost the entire year. However, the businesses adapted wherever possible, by finding new income sources (digital tours, site filming opportunities), reopening during available windows, and re-booking customers onto alternatives or converting into donations.
- We received highly welcome support from TfL, Arts Council England, the Culture Recovery Fund and government support schemes - with a total value over £3 million. Such support reflected a significant vote of confidence in our work, our value and our long-term potential.
- At the same time, we sought to minimise our cost base wherever possible, in particular taking advantage of the Coronavirus Job Retention Scheme and delaying non-essential capital and project investment.
- **Hidden London** - The team successfully created a virtual offer that is engaging audiences and will help fuel Hidden London's return to growth in the coming year. Despite the loss of physical tours for the entirety of the year resulting in a loss for 2020/21, the team successfully created a virtual offer and plans are in place to return to positive net contribution in 2021/22 and to outperform 2019/20 by the following year.
- **Corporate Membership** - We were very pleased to retain and renew current and new members despite the economic challenges faced by our partners, resulting in net contribution achieved of £373k. Our Interchange Programme moved online, allowing us to engage with more of our membership.
- **Sponsorship** - As with our membership programme, we were delighted to retain and welcome existing and new sponsors for our programmes, delivering a net contribution of £293k.
- **Retail** - The Covent Garden shop was closed for all but ten weeks of the year, resulting in a loss for 2020/21; the team pivoted rapidly into online activity in response. The new online shop launched at the beginning of July with enhanced functionality and a clean, fresh aesthetic using new product photography and graphics that link closely to the Museum's new main website. Sales have been particularly strong; up 57per cent on the prior year. The online shop achieved a net positive contribution of £77k.
- **Individual Giving** - Two contactless podiums and card readers were installed in the Museum and are ready to accept customer donations. New digital screens have been installed and templates designed to enable us to promote ways to give and improve acknowledgement of our supporters and donors. This is part of a communications project to raise awareness of the Museum as a charity and our charitable impact.

- Venue Hire - Despite restrictions on any gatherings and events for the entirety of the year, we pivoted to identify major filming opportunities, including Warner Bros filming at Acton in December 2020.
- Fundraising Dinner - The annual dinner was cancelled following the exploration of alternative dates and in the context of such uncertainty. The next dinner is scheduled to take place in November 2021.

9. Future plans

The next two years represent the third phase of the Museum's Route to Recovery, as we recover and rebuild a viable and sustainable future. While the features of the 'new normal' will emerge, this will be to an uncertain timetable in an unpredictable context, so a two-year recovery and rebuild of our businesses has been developed, with an organisational reset and new five-year plan to be developed from the autumn of 2022.

The strategy proposed for the next two years maintains the Museum's recovery and invests only in key strategic priorities - the people, projects, and systems which provide a sound platform to rebuild business lines and later reset and re-deliver the charity's purpose from 2023 onwards.

Following the pandemic, the reshaping of our city centres along greener and more sustainable lines towards zero net carbon by 2030 is an immediate political imperative and a high priority for Londoners, our corporate members and our visitors. We have made 'Climate Crossroads' the over-arching theme for all our public and corporate programmes in the coming year. LTM will embark upon its own 'Green Journey' to reach zero net carbon as an organisation by 2030, aiming for a leadership position within the cultural sector.

Our strategy for 2021/22 is to sustain and adapt our organisation to thrive once more in new circumstances and indeed to 'recover better' as the situation permits. Our purpose and strategic framework remains as before and shapes all our work:

The five strategic priorities of 2020/21 continue to be relevant to our recovery in the coming year: We're Open, Move to Digital, Young People, Hidden London and the working culture to deliver on these priorities. Given the importance of a green recovery to the future of London, the UK and the world, we've added 'Environmental Responsibility' as a sixth priority focus of our work for the coming two years. This is also in line with TfL's strategic priorities as well as those of ACE. These six priorities guide our investment decisions and focus for the two-year plan.

Key highlights include:

Content

- Exhibition and Media Programme - *London 2030*, a collaboration with Central Saint Martins, opens on 17 May with the reopening of the Museum. The project explores the drivers of changes necessary to create a radical but feasible vision of the future of London.
- Digital Content - We will continue to pivot capacity and content into our digital channels to create a blended offer of real and virtual experiences. For Covent Garden, we have expanded up our digital displays with new 'spaces' dedicated to showcase our stories, programmes and collections to enhance the visitor experience. We upgraded the vehicle information points (VIPs) to much larger touchscreens and new software which will provide greater depth of interpretation as well as the capability to create trails and more engaging programmes for the future. For our learning offers we will continue to develop and deliver more content online.
- Interchange - We are developing the new Interchange sustainability series, which will focus on how the UK can develop a green industrial strategy that prioritises the environment as well as economic growth, and explore the ways different industries and sectors can work together to effect positive change. We will also examine how our workforce is equipped with the right skills required to deliver a greener future. Jacobs has confirmed its support as our Sustainability Series partner for a second year in 2021.
- Exhibitions - *Legacies of Caribbean Recruitment*, in development with the support of an advisory group, will open in February 2022. The ambition for this exhibition has grown in recent months and will claim a prominent space on the ground floor of the gallery and include ongoing content refreshment to remain as part of the permanent gallery.

Experiences

- We're Open - we expect to steadily increase our visitor numbers throughout the year from a 30 per cent starting point to 60 per cent by year end, in line with TfL passenger modelling and cultural sector research. Our target is to

welcome back a total of 159,000 visitors to Covent Garden by the end of the year. Our ambition is to realise a recovery of our total reach onsite, offsite and online to over 1,166,000 - nearly double that achieved in 2020/21.

- Reopening Experience - Our key messaging is to ensure visitors understand we are a safe, well organised, stimulating and fun day out, representing good value for money. We are highlighting the new elements of the Museum experience people will have to look forward to when they return, which includes the new Central Saint Martin's London 2030 display, new Rainbow Crossing, new Windrush poetry videos and updated Vehicle Interpretation Points. Shortly after reopening in Covent Garden, we roll straight into May half term with activities at the Museum and at the Acton Depot with an offer themed to museum gaming.
- Hidden London - For Hidden London, we will continue to develop our virtual offerings alongside the reintroduction of physical tours later in the year. We introduced a tiered membership offer on Patreon for the HL Hangouts in January and aim to promote and grow the membership base in 2021/22. We will expand the virtual tours programme with new locations and other topics to scale up this income stream. We will target the internationally based audience (currently 11 per cent of participants). We'll continue to innovate with new experiences with a pilot VR experience for children via a collaboration with Musemio, a tech start-up. We plan to add Hidden Histories and In Conversation strands to the virtual tours, repurposing lecture material with expert guests.
- Clapham South - A modest investment is underway at Clapham South Deep Shelter to enable distanced physical tours. Our current plan, subject obviously to government restrictions, is to launch the new family 'Blitz' experience in October half-term and during weekends and holidays.
- Amplifying our reach - The Hidden London brand and offer will be promoted through *The Secrets of the London Underground* on Yesterday TV which will be broadcast from 13 July 2021, with promotion commencing in June and use of the digital content integrated into future marketing efforts.
- Young People - We will keep our work with young people very much alive and relevant to current needs with a focus on the theme of employability and by increasing focus online and targeted to local visitors, especially at the Acton Depot. We have two departments with defined strands of work and audiences focused on this priority area: the Learning team and the TfL-funded STARS team. The future for TfL-funded STARS delivery will be planned once the TfL funding situation and brief is clear.
- Learning programme - There are four strands of work in an overall programme to deliver the strategy: public programming for adults and families; local community programme focused on Acton; young people's programme and primary and secondary school programmes.
 - In 2021-22, across all programme areas we will be producing a blend of digital and in person experiences to maximise reach and ensure we can flexibly respond to changing circumstances – this is a particular priority in the schools programmes where supporting schools to make up for lost learning is critical.
 - We will also be strengthening our local engagement in Acton, building new partnerships for Under-5's activity, delivering a funded primary school engineering project (Engineering Your Neighbourhood) and opening the depot more frequently for adult and family audiences.
- Supporting young people towards and into employment is also critical across programme areas, but is a particular focus for Route into Work where we will be diversifying the employability support, we offer and seeking to support recruitment for more entry level opportunities with employers across the TfL supply chain.
- Digital Experiences - The pivot to digital during lockdown has been vital and proved highly beneficial. As in-person experiences return, LTM needs to maintain a blended approach, using digital content to excite interest in real experience, generate income and support and extend real experiences through digital means. This will require ongoing investment in digital capacity, skills and knowledge within current staff numbers.
- Retail - With lockdown easing and confidence returning, we anticipate a shift in expenditure by consumers back to experiences rather than things. However, our goal is to continue to grow the scale of online, with a focus on improving profitability. Vintage originals will be a particular focus and we are adding new features to the website. Exclusively developed, intrinsically LTM product is key for our success and there are some very exciting products in development for 2021. Cotton pyjamas in Routemaster moquette design and 'Socks in the Box the Ultimate collection' (a selection of 12 of our bestselling socks) are just two examples. We have demonstrated the importance of well-designed products to drive sales and product development will continue to be a key part of our Retail strategy.
- Project Guardian - With the media focus on the issue of personal safety and unwanted sexual attention as a result of the murder of Sarah Everard and the many reports of sexual harassment and abuse experienced by young people that have been shared through the Everyone's Invited website, there has been a renewed interest in the Project Guardian sessions delivered by the Museum's Safety and Citizenship team. The project is currently

paused until September as it was judged to be too sensitive to deliver virtually. The team is exploring with TfL the opportunity to expand this important and needed programme.

People

- **People Plan** - We are rolling out the People Plan this year, embracing key strands such as anti-racism, inclusivity, and attitudes towards women, to continue to support our people and nurture our unique culture.
- **Volunteers** - We are currently reviewing how volunteers will begin returning to site in 2021. This is a complex task due to coronavirus restrictions and remote-working, though we anticipate a phased return as the year progresses, working in consultation with volunteer line managers and programming requirements.
- **Digital Investment** - A significant and important project this year will increase all lines of business by developing an integrated back office including a new ticketing system and customer relationship software. The project will be delivered over the coming two years.
- **Environmental Responsibility** - A key focus for 2021/22 is the shaping of our strategy and plans to support a green recovery as we shift increasing attention to the challenges of sustainability and the climate crisis. This priority requires a joined-up approach from all departments and is both internally and externally focused. Our internal goal is for LTM to be carbon neutral by 2030 – LTM's 'green journey.' LTM working groups are formed and work is underway to identify key targets, activity, milestones for LTM's 'green journey.' Our externally focused activity and fundraising drive are using the theme 'Climate Crossroads' to summarise the programme and galvanise support; this campaign launches in the summer.
- **New Ways of Working (NWOW)** - Being mindful of the evolving preferences for working, the creation of a new balance between remote and office-based work is an early priority as we develop our new ways of working. This will progress in incremental steps into 2022 once the easing of restrictions and the encouragement to return to offices commences. Our vision is that our working spaces will evolve and support a variety of activities that reflect a new 'hybrid' or 'blended' approach. This may include zones for collaborative meetings, zones for individual task work and improved meeting spaces that have the technology to support participants onsite and joining remotely.

Money

- Our aim for the coming year has been to identify the core financial requirement to recover, rebuild and reset. We have prioritised the protection of our core charitable purpose and our commitments to our audiences and beneficiaries. We have targeted careful management of expenditure, and preservation of income and future income potential, including via essential capital investment to maintain our sites and assets to a safe and acceptable standard. In reviewing our staff complement we have ensured this reflects a structure that delivers our revised priorities without overstretching our staff and teams.
- Whilst we have found savings in limiting activity and costs to essential activity, our admissions, public programming and commercial income lines will take some time to return to pre-pandemic levels. We continue to review our admissions prices and discount structure and have benefited from the temporary VAT reduction on admissions. We anticipate our Enterprises arm overall will take two years to return to pre-pandemic levels of contribution.
- **Capital Investment** - Having weathered the crisis over the last year, by suspending all non-essential or non-committed projects, LTM has developed a prudent investment plan for the next two years. It is vital for recovery and future success to 'un-pause' our investment pipeline and major project plans, albeit adapted to ongoing uncertainty, our new priorities and proceeding at a slower pace. We are targeting our investment only on those projects that deliver long-term charitable benefit, income potential and/or essential and safety-compliant building work.

10. Financial review

2020/21 would have marked the third year of the Five-year plan developed by the Museum to increase its self-generated income and secure its long-term financial sustainability. The impact of coronavirus on our planned budget and activity was comprehensive, requiring us to adopt a new short-term model focused initially on survival for 2020/21, whilst the potential impact of the crisis remained uncertain.

Thanks to the significant financial support of TfL and the Culture Recovery Fund, the rapid move by all staff to adapt businesses and activities to a new operating model and the suspension of all non-essential work, recruitment and capital investment, we have been successful in retaining as much income as possible and in cutting back costs to the core essentials. The year's result was also favourably affected by a comprehensive review of historic debts and accruals, predominantly owed within the TfL Group, leading to the agreement of a one-off credit of £0.6m.

As a result of the above, the Museum ended the year with a net deficit of £1.0m, including an operating surplus of £0.4m.

Reconciliation of operating surplus to SOFA net deficit	Unrestricted	Restricted	£000
Operating surplus	447	(9)	438
Depreciation / amortization	(1,524)	0	(1,524)
Capital income	0	50	50
Net deficit	(1,077)	41	(1,036)

Income fell to £11.7m (2020: £16.0m), with the impact most strongly felt in charitable activities (primarily onsite admissions, STARS school outreach and public programming activities), and in commercial activities. This was a direct result of the necessary closure of all Museum sites for most of the year, and suspension of all in-person activity.

Grants and donations saw a rise to £7.8m (2020: £4.2m) due to the receipt of significant emergency funding from the Culture Recovery Fund, the Coronavirus Job Retention Scheme and Transport for London.

Expenditure was successfully reduced to £9.0m (2020: £11.7m) across costs of raising funds and costs of charitable activities. Other fundraising activities cost has risen due to higher support costs allocated to all areas from the cost of staff pension and salary top-ups whilst on furlough which has been shared across the entire organisation via support costs, rather than coded directly to the staff members' normal areas of operation. The cost of fundraising, not including the support cost allocation, was £0.3m.

We significantly reduced and delayed capital investment from our original plans, given the uncertainty faced throughout the year. Capital expenditure totalled just £0.5m (2020: £1.3m) in essential and committed works, causing the capital fund to reduce to £21.0m (2020: £22.1m) as depreciation exceeded investment. The Capital fund forms the majority of the Museum's reserves and represents the book value of the Museum's fixed assets, rather than liquid funds readily available for use.

Non-capital funds stayed level at £5.9m (2020: £5.9m), in line with their target.

Annual report of the Trustees

11. Structure, governance and management

Legal status and governing documents

London Transport Museum Limited (LTM) is a registered charity incorporated on 6 February 2008 as a company limited by shares; one share is issued and is owned by Transport for London (TfL). It is governed by its Memorandum and Articles of Association. Under the Greater London Assembly (GLA) Act 1999, TfL has the power to provide and maintain a museum of transport artefacts, records and other exhibits. While it is common for charities to incorporate as companies limited by guarantee, the Transport for London (Specified Activities) Order 2000 requires TfL to carry out museum activities through a company limited by shares.

Under section 5.1 of the LTM Memorandum of Association, the property and funds of the Museum must be used only for promoting the objects of the Museum, no dividend may be paid to TfL.

LTM has a wholly-owned subsidiary, London Transport Museum (Trading) Limited (LTM(T)L) which operates retail, corporate hire and other non-charitable activities to generate funds to further the Museum's objects. Under a Deed of Covenant, all the profits of LTM(T)L are distributed to LTM.

Organisation

LTM is governed by a Board of Trustees. Day-to-day management of the Museum is delegated to the Managing Director (CEO), Sam Mullins OBE, and through him to the Chief Operating Officer (COO), Elizabeth McKay, and Senior Leadership Team (SLT), employees and volunteers. The SLT is made up of the Chief Financial Officer (CFO) and four Assistant Director (AD) posts, each with distinct functional responsibilities.

The Trustees and SLT as a group are collectively considered to represent the 'key management personnel' of the charity - i.e. those persons having authority and responsibility for planning, directing and controlling the day-to-day activities of the charity.

Trustees

There are up to thirteen Trustees of LTM at any time, up to three of whom are nominated by TfL and may be members, officers or employees of TfL or the Greater London Assembly. The Board is chaired by Keith Ludeman. The Managing Director of LTM is automatically a Trustee by virtue of his office, and there are up to nine independent Trustees unconnected with TfL.

The Board meets at least four times a year for formal business and once a year for a day of strategic review. Trustees also serve on various Board committees (see below) which meet regularly throughout the year. In addition, Trustees attend Museum events and activities, meet informally, and visit other museums and heritage organisations to widen their knowledge and experience of the cultural sector.

The Board has a Nominations Committee to offer advice and make recommendations regarding the appointment of independent Trustees. We use public advertisement, personal recommendation and external search to recruit Trustees with expertise and experience that will support the strategy and operation of the Museum in areas such as community outreach, education, museum practice, commercial transportation, finance and governance, retail operations and public relations.

Trustees serve a three-year term following which they may be elected for another three years. The Articles of Association make allowance for a second extension of up to three more years in exceptional circumstances. Other than the Managing Director, who is an employee of LTM, the Trustees receive no remuneration, but TfL offers Trustees (and non-executive Directors of LTM(T)L) certain travel concessions. If these are not sufficient, Trustees may claim travel expenses for attending meetings.

The LTM Board is clear about the charity's aims and ensures that these are being delivered effectively and sustainably. The Trustees adopted the revised Charity Code of Governance for Larger Charities in January 2019.

Four Trustee meetings were scheduled during 2020/21 and attendance was over 95 per cent

Trustee	Apr-20	Jul-20	Oct-20	Jan-21	Total meetings attended
M Arthur	1	1	1	1	4
M Dix CBE*	1	-	1	1	3
S Dwesar	1	-	1	1	3
V Everitt*	1	1	1	1	4
B Ferris OBE	1	1	1	1	4
P Hendy CBE	1	1	1	1	4
W Hull*	N/A	N/A	1	1	2
K Ludeman	1	1	1	1	4
C Major	N/A	N/A	N/A	1	1
S Mullins OBE	1	1	1	1	4
P Rosser	N/A	N/A	1	1	2
A Smith	1	1	1	1	4
P Swallow	1	N/A	N/A	N/A	1
L Williams MBE	1	1	1	1	4
Total meetings attended	11	8	12	13	44

*Nominated by TfL

There have been some changes to the Trustees in 2020/21.

We were delighted to welcome Winsome Hull and Pam Rosser to the Board in October 2020. Winsome is Senior Business Strategy Manager at Transport for London and as such is TfL's nominated Trustee. Pam is an e-commerce consultant working with global retail and entertainment brands. We were delighted to welcome Christine Major in February 2021. Christine is the CEO of GLUU, a senior EdTech professional with 18 years' experience.

Phil Swallow retired from the Board during the year.

At 31 March 2021, there were 13 Trustees. More information and short biographies of the Trustees can be found on the Museum website:

<https://www.ltmuseum.co.uk/about-us/governance>

Trustee induction and training

New Trustees undergo an orientation programme to brief them on their obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent performance of the Museum. During their induction they are invited to spend time with the LTM Managing Director and meet senior staff and are provided with relevant reference material.

Committees

The Board of Trustees has four committees:

- The Audit and Risk Committee assists and advises the Board of Trustees of LTM and the Directors of LTM(T)L on audit matters, oversees the relationship with TfL Internal Audit and external auditors, and the Museum's risk management process. The committee's activities include detailed review of the Annual Accounts and consideration of Internal Audit Reports.
- The Finance Committee assists and advises the Trustees on issues relating to financial matters including financial objectives, financial strategy, budgeting and reporting. The committee reviews budgets and plans and scrutinises performance information including management accounts. During the year additional Special Finance Committees were convened to monitor the impact of coronavirus on the Museum's finances.
- The Nominations Committee advises the Board on issues relating to the mix of skills, background and knowledge represented by the Board, succession planning for Trustees, and Trustee recruitment. In particular, the Committee makes recommendations to the Board regarding the appointment of independent Trustees.
- The Remuneration Committee reviews the level and structure of remuneration for the Chief Executive and other members of LTM's Senior Leadership Team on behalf of the Board. The committee also oversees matters related to the setting of the Museum's pay ranges, the gender pay gap and the annual pay review for all staff.

Relationship with TfL

When London Transport Museum Limited was established in 2008, a series of written agreements was put in place between TfL and LTM. These set out an umbrella agreement for the continued provision and maintenance of the Museum, covering many aspects of the operation and funding of LTM, and the long-term relationship between the parties. Beneath this there is a funding agreement and an Intellectual Property agreement, while Items in the Museum collection owned by TfL are subject to a management loan agreement between the Museum and the parent company.

As a wholly-owned subsidiary company within the TfL Group, the Museum has access to support and advice from other Group functions in areas such as accounting, taxation, property, marketing and contracts. The Museum receives substantial support from parts of the TfL Group such as Finance, Human Resources (HR), Internal Audit and Payroll. The Museum occupies premises which are owned or leased by TfL Group companies and is given access to TfL assets such as disused stations. Varying financial arrangements apply to the various Group services, many of which are supplied at no cost to the Museum. Further details can be found in the Notes to the Financial Statements.

The Museum generally adopts TfL's HR, Procurement and other policies unless a Museum-specific policy has been agreed by the Board and takes precedence. Examples of Museum policies include safeguarding, reserves, and sponsorship.

Employment policies

At the end of March 2021, the Museum employed 107 people (full-time equivalents) directly (excluding staff employed via agencies).

The Museum is part of the TfL Framework for Consultation and Collective Bargaining. Pay negotiations for the majority of staff are conducted between the TfL Company Council for Collective Bargaining and the recognised trades unions which are the National Union of Rail, Maritime and Transport Workers (RMT) and the Transport Salaried Staff Association (TSSA). The Museum retains responsibility for the distribution of base pay budgets and the level and distribution of performance awards. As part of TfL's review of its Framework, LTM is seeking to devolve greater responsibility for consultation and collective bargaining to Museum management working with local TU representatives.

Pay and remuneration of the Museum's key management personnel, (including the Managing Director but excluding the Trustees who are volunteers and receive no remuneration) is subject to the TfL Senior Management Reward Framework which uses base pay to recognise an individual's overall value to the organisation in relation to internal and external job markets, and performance awards to reward individual contribution within the overall context of organisational performance. The framework is underpinned by TfL's Performance Management and Competency frameworks, linking performance and behavioural assessment directly with pay and performance awards. Pay and remuneration of the Museum's key management personnel is overseen by the Remuneration Committee.

As part of the TfL group, Museum staff receive certain staff benefits including free or discounted travel on public transport services operated by TfL. Staff are also entitled to join the TfL Pension scheme.

Charitable objectives and public benefit

When reviewing the Museum's aims, objectives and achievements, and in planning future activities, the Trustees of LTM have had due regard to the public benefit guidance published by the Charity Commission. We believe that LTM upholds the principles of public benefit against the two key aspects established by the Charity Commission:

- (1) *Benefit aspect: That the Museum has beneficial purposes and that any detriment or harm that results from those purposes does not outweigh the benefit.*

LTM's purposes as a charity are to advance the heritage of transport in London and to educate the public about the history of transport in London through the provision, operation and maintenance of a transport museum for the public benefit. LTM also seeks to educate the public about the wide role of transport in the life and work of London past, present and future, and to help develop the skills and employability of our beneficiaries, particularly with regard to transport and engineering.

The Museum provides clear and identifiable benefits to the public in three categories of activity: access and museum operations, education and engagement, and heritage and collections.

LTM does no harm or detriment through its charitable activities. The health and safety of staff and visitors are taken very seriously, and the Museum operates safety management systems to reduce and manage risks. We seek to manage our impact on the environment, for example, we use photovoltaic solar panels on the Museum roof.

- (2) *Public aspect: That the Museum delivers benefits to the public in general, and that these benefits are not unduly restricted and do not give rise to more than incidental personal benefit.*

LTM delivers benefits to visitors onsite, offsite and online: at the Museum in Covent Garden and the Depot in Acton; to school children and audiences across Greater London who take part in our educational, community and engagement activities at the Museum and elsewhere; to users of our website and audiences who engage with our content on social media channels. Our audience development and community outreach work, our skills development work, and our employability programmes engage with people who would not normally visit museums and galleries and help inspire the next generation of engineers and transport professionals. Exceptionally, the Museum at Covent Garden has been shut to the public for most of this financial year due to the pandemic as part of the nation's efforts to combat the spread of coronavirus. Under normal circumstances, the Museum at Covent Garden is fully accessible, and we welcome visitors on all but three days of the year. Due to the national restrictions and lockdowns we have not been able to run the usual special early morning events for families with children who have special educational needs, and our schools' programmes that would normally run throughout term time.

In normal times, our visitors come from across London and the world. Our practice is to take our heritage vehicles out onto the roads and rails, make historic disused stations publicly accessible, visit schools and work with local communities across the Capital. We also loan objects to other institutions to extend our reach and increase access to our collections. Our comprehensive, free online resources are available 24 hours a day and include access to information about exhibits in our gallery as well as thousands of objects not normally on public display.

Where the Museum delivers private benefits to individuals or companies, these are subject to appropriate commercial arrangements undertaken through a subsidiary company to generate funds for the Museum. No LTM or TfL staff receive private benefit other than in an incidental way and, with the exception of Sam Mullins OBE who receives a salary in respect of his position as the Museum's Managing Director, the Board members receive no payments for their role as Trustees of the Museum.

Safeguarding

London Transport Museum aims to promote opportunities for children and young people to engage with the richness of our collection, enjoy education and employment opportunities through the Museum and our wider transport community, and to participate in the debate about the future of London.

At London Transport Museum, we are committed to excellence in the safeguarding of children, young people and vulnerable adults who engage with all our activities including our collections, programmes, education and employment initiatives. We believe that the welfare of children and vulnerable adults is paramount, and that all children and vulnerable adults, whatever their age, culture, disability, gender, racial origin, religious beliefs or sexual identity have the right to protection.

We will ensure that all concerns and allegations of abuse will be taken seriously and responded to swiftly and appropriately and that our staff, volunteers, associates and Trustees will be trained and know how to respond to concerns raised.

London Transport Museum will promote a positive ethos of collaboration with children and/or vulnerable adults. We will take every reasonable step to ensure that all children and vulnerable adults engaged with our services are safe and protected.

We keep our Safeguarding Policy and procedures under regular review to ensure that we exemplify best practice. We undertake a substantial ongoing programme of training and communication.

Relationship with other charities and organisations

The Museum is an instinctively collaborative organisation that seeks to work with like-minded partners from the private, public, educational and not-for-profit sectors to achieve mutually beneficial goals and enhance the delivery of public benefit. A list of our education and engagement partnerships is included in this statement.

We are fortunate to be supported by the London Transport Museum Friends (LTMF), an independent charity (no. 285108) established in 1982 which has charitable objectives to advance '...public education in the history of transport and in particular by assisting and encouraging the work and activities of the London Transport Museum'. Museum Director Sam Mullins OBE is also a Trustee of LTMF, and the Museum provides office space and other support to the Friends.

Fundraising

London Transport Museum actively pursues funding from the corporate sector, trusts, foundations, statutory and industry funders and from individuals to fund our charitable activity and extend our community and audience reach. We seek to establish relationships with those who have good reason to support the Museum, particularly, those who are willing and able to work collaboratively with the Museum in the long-term. This includes, but is not exclusive to, the transport industry and companies who do business with Transport for London.

Before entering into a partnership or relationship, the Museum will assess any potential harm a partnership could have on London Transport Museum, Transport for London, Museum audiences and stakeholders.

The decision on whether to develop a partnership or relationship will be based on the following criteria:

- *Brand alignment* – Is the relationship with a potential sponsor/donor consistent with our organisational values, mission and plan?
- *Reputational risk* – Could the sponsor/donor relationship bring either London Transport Museum or TfL into disrepute?
- *Nature and scale of risk* – What are the risks/likelihood of the risks, versus the potential benefits?
- *Funding need* - Does the relationship deliver on a real need for the organisation?
- *Value of the partnership* – What is the value of the partnership to London Transport Museum compared with the investment the Museum will need to put in to secure and manage it? Will the partnership deliver value to the Museum in the long term?
- *Financial stability* – Are we confident that the sponsor/donor will honour the terms of the relationship, contractual and otherwise?

The above assessments are made by Museum staff. Although the Museum may occasionally use third party websites, such as Virgin Money, to collect donations, we do not employ the services of professional fundraisers or commercial participators.

Other than via admission charges for entry to the Museum, only a relatively small amount of our fundraising activity is aimed at the general public. We do not undertake street collections, telephone campaigns or employ any fundraising techniques that would constitute an unreasonable intrusion on a person's privacy or are unreasonably persistent or place undue pressure on a person to give money or other property. We maintain a database of subscribers to our email newsletter, and where we collect personal information this is managed in line with current data protection legislation. If an individual has agreed to receive our newsletter, we will send regular updates that will include information about the Museum's work, as well as our events, special offers and fundraising activities. Further information about how LTM uses personal information can be found in our privacy statement:

<https://www.ltmuseum.co.uk/privacy>

The Museum has voluntarily subscribed to the scheme for fundraising regulation in England, Wales and Northern Ireland by the Fundraising Regulator. We also pay for membership of the Institute of Fundraising for key members of the Museum's fundraising team.

We have received no complaints regarding our fundraising in 2020/21. The Trustees are content that all donations are in line with the Museum's policies.

Information transparency

Data relating to London Transport Museum, including details of reports, expenditure and Freedom of Information requests can be found by visiting the TfL Transparency pages on the TfL website:

<https://tfl.gov.uk/corporate/transparency/>

Reserves policy

The total held in reserves at 31 March 2021 is £26.8m (2020: £27.9m) of which £26.1m (2020: £27.1m) is unrestricted, including £21.0m (2020: £22.1m) which comprises the non-cash Capital fund.

The charity has three types of reserves:

- (i) General reserves are unrestricted funds which provide working capital and help deal with unplanned and unexpected expenditure or loss of funding.
- (ii) Designated reserves are unrestricted funds set aside by the Trustees for a specific purpose.
- (iii) Restricted reserves are reserves which have been created when donors or funders restrict the use of funds for a particular purpose.

The Museum has no endowment funds.

Reserves

General reserves

General reserves (i.e. 'free reserves' or 'general unrestricted funds') are funds not designated or restricted to a particular purpose, nor represented by fixed assets. In assessing the suitability of the adequacy of the level of free reserves, the Trustees have had regard to the Museum's diverse income streams, cashflow requirements, the level of other designated funds, the organisation's operational risks and the importance of TfL funding and support in the context of the Museum as a subsidiary company of TfL. An assessment has been made of the risk associated with each of the Museum's income streams in the short to medium term, considering the certainty of the income, the targets for growth and the likely level of fluctuation that could occur. Expenditure has also been examined to identify the risk of potential increases.

The target range for general reserves is between £1.1m to £2.3m. The year-end level of general reserves is £2.5m (2020: £2.5m). Given the draw on reserves anticipated in 2021/22 as a result of LTM's further financial recovery from the pandemic, no transfer to designated reserves has been made at year end.

Designated reserves

It is historically the Trustees' policy to hold four designated reserves funds.

1. To enable the Museum to plan for major exhibitions and educational programmes, in advance of securing external sponsorship or other funding, by setting aside funds to cover the cost of such activities should external income not be forthcoming and the costs unable to be met from general reserves. This enables the Museum to plan ahead for long lead-time exhibitions and educational programmes by providing some level of cover for the costs of such activities as the Museum cannot always wait until it raises all the funds for a project before committing to that project. The target level for the fund is set at £0.5m. The level of the Future Exhibitions fund at year end is £0.5m (2020: £0.5m).
2. To contribute towards the cost of asset renewals and other future capital expenditure associated with the Museum's premises, facilities and fixed assets.
The Museum's capital expenditure needs are variable and although external capital grants are usually sought, they can be difficult to secure and are unlikely to meet project costs in full. The target level for the fund is set at between £1m and £2m. The level of the Museum Asset Development fund at year end is £1.1m (2020: £1.1m).
3. To support the Museum's strategic development plans.
This fund was created to address the important strategic challenges facing the Museum, including the rolling planned gallery and exhibition improvement (rather than a disruptive Museum-wide refit) to ensure that the Museum's galleries are kept up to date and maintain a high-quality visitor experience by incorporating the latest interactive technologies and replacing worn out or ageing infrastructure.

This fund does not have a target level set. The level of the Museum Strategic Development fund at year end is £1.0m (2020: £1.0m) which the Trustees consider is necessary and sufficient to cover further gallery improvements before returning the museum to a level of operating profit to fund these improvements.

4. To represent the net book value of the Museum's tangible fixed assets.

The majority of these assets were transferred to LTM from TfL on 1 April 2008, and have been subsequently depreciated, added to with capital purchases and reduced by asset disposals. Reserves equivalent to the net balance sheet value of the assets are set aside in a designated fund as they do not represent funds readily available for other purposes. From this, the value of the fund equals the net book value of the tangible fixed assets. The level of the Capital Fund at year end is £21.0m (2020: £22.1m).

In April 2020 the Trustees temporarily authorised the release of as much of the designated funds as required to ensure the General fund did not fall below an appropriate minimum considered to be £4m, being six months' essential operating costs, whilst the Museum ascertained the impact of the developing crisis on its operations and viability. Following the stabilisation of the Museum's financial position, the receipt of funding support from the furlough scheme, the Culture Recovery Fund and Transport for London and the increased understanding of the pandemic's effect on the Museum's business areas, the Trustees have withdrawn this temporary concession.

Restricted reserves

The largest restricted fund is the Collections Development Fund (CDF) which was established in 2012 following the auction of 400 surplus posters. The Museums Accreditation scheme requires that the disposal of any collection object creates an obligation to spend the income in a way which benefits the remaining collection. Accordingly, the Collections Development Fund can only be used for acquisitions and conservation. The Heritage Lottery Fund, Arts Council England and Luke Rees-Pulley Charitable Trust are all important supporters of LTM projects and programmes. Where the restricted funds supplied by these organisations only meet a proportion of project expenditure, transfers are made from general funds to meet the remaining cost; where projects are anticipated to be covered by restricted funds, but expenditure has occurred ahead of grant receipt, the fund will show a negative balance. Further details concerning restricted funds can be found in the notes to the financial statements. The Museum has £0.7m (2020: £0.8m) net reserves in funds subject to restrictions.

Risk management

In October 2019 the Museum changed the categorisation of risks into Level 1 (Strategic) risks and Level 2 (Operational, asset, programme, and project) risks. This approach follows the risk categorisation adopted in TfL and is clear and easy to use and understand by LTM staff and Trustees.

The major risks to which the Museum is exposed are regularly reviewed and the Trustees' risk management strategy includes the following actions:

- Periodic risk reviews by the Managing Director and Senior Leadership Team, advised and assisted, where necessary, by specialist TfL personnel;
- The review of Level 1 risks by the LTM Audit and Risk Committee;
- Regular consideration of risk by the Trustees;
- Maintenance of the Risk Map for Level 1 risks and the Risk Register for Level 1 and Level 2 risks;
- Maintenance of procedures designed to minimise any potential impact on the Museum should those risks materialise;
- Maintenance of systems and procedures to mitigate risks identified in the Risk Map and Risk Register;
- Regular audits of Museum operations carried out by TfL's Internal Audit department.

The strategic risks have been revised as a result of coronavirus. The coronavirus pandemic presented a major risk to the London Transport Museum in 2020/21, including the closure of the Museum for the majority of the financial year and its unknown potential impact on the Museum's finances. The ongoing impact of the pandemic on the Museum's income is included in the Level 1 risks in 2021/22.

The Museum's strategic risks are identified as those with a potential impact that is rated 'High' or 'Very High', and which have a 'High' or 'Very High' likelihood of occurring. Two risks currently fall into the critical category:

- Visitor Income - Reduction in visitor-based income due to closure, social distancing restrictions, visitor sentiment and concerns about personal safety and economic uncertainty
- TfL/LTM relationship and funding – While the relationship between the Museum and TfL is extremely strong and supportive, the uncertainty in the long-term funding settlement with TfL has kept this as a critical strategic risk

As in the previous year, to mitigate these risks, the Trustees and/or Leadership Team have undertaken the following actions:

- Maintained a programme of regularly revised budgets and regular reviews and reforecasts

- Developed a new visitor offer to attract new audiences, including Acton Depot programmes, Hidden London virtual offer and Museum After Darks and continuing investment in digital content, communication and infrastructure.
- Undertaken targeted marketing and targeted offers to encourage visits and support the return of customer confidence
- Established a Finance working group with senior TfL Finance colleagues
- Continue excellent communication and collaboration between LTM and TfL leaders at all levels

Disclosure of information to auditors

The Trustees who held office at the date of approval of this Trustees' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Museum's auditors are unaware; and each Trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant information and to establish that the Museum's auditors are aware of that information.

12. Trustees' statement

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES OF LONDON TRANSPORT MUSEUM LIMITED IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The Trustees are responsible for preparing the Strategic Report, the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law they are required to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of the group's excess of expenditure over income for that period. In preparing each of the group and charitable company financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the charitable company will continue its activities.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

This report was approved by the Board of Trustees on 14 July 2021 and signed on its behalf by:

Keith Ludeman, Chair of Trustees
London Transport Museum Limited
Company registration number 06495761
Charity number 1123122

13. Trustees and advisers

Directors and Trustees

The Directors of the charitable company are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

Board of Trustees

Keith Ludeman (Chair)	Liz Williams MBE
Sam Mullins, OBE (Managing Director)	Bill Ferris OBE
Marcus Arthur	Pam Rosser (from 29/10/2020)
Michèle Dix CBE*	Winsome Hull (from 29/10/2020) *
Vernon Everitt*	Christine Major (from 04/02/2021)
Sir Peter Hendy CBE	
Sandeep Dwesar	
Andrew Smith	

* *Nominee of Transport for London*

Audit and Risk Committee

Finance Committee

Andrew Smith (Chair)	Keith Ludeman (Chair)
Michèle Dix CBE	Sam Mullins OBE
Keith Ludeman	Marcus Arthur
Sam Mullins OBE	Andrew Smith
Pam Rosser	Bill Ferris OBE
Sandeep Dwesar	Winsome Hull
Anne McMeel (<i>TfL Observer only</i>)	Vernon Everitt
Rachel Shaw (<i>TfL Observer only</i>)	Trevor Sandford (<i>Temporary TfL Observer only</i>)
Mushtaq Ali (<i>TfL Observer only</i>)	

Nominations Committee

Remuneration Committee

Keith Ludeman (Chair)	Liz Williams MBE (Chair)
Vernon Everitt	Vernon Everitt
Liz Williams MBE	Keith Ludeman
Sam Mullins OBE	Sam Mullins OBE

Directors of London Transport Museum (Trading) Limited

Marcus Arthur (Chair)	Andy McWilliams
Vincent Nolan	Sam Mullins, OBE
Bill Ferris CBE	Phil Swallow (start 12/06/2020)
Sandeep Dwesar	Sophie Bancroft (start 18/11/2020)
Rebecca Crook	Rikesh Shah (start 18/11/2020)
Pam Rosser	Julie Dixon (<i>TfL Observer only</i>)
Kathie Quashie	

Auditors**Principal Legal Advisers**

Moore Kingston Smith LLP	TfL In-House Legal Department
Devonshire House	Endeavour Square
60 Goswell Road	London E20 1JN
London EC1M 7AD	

Principal Bankers**Company Secretary**

HSBC	Howard Carter
2 nd Floor, 62-76 Park Street	
London SE1 9DZ	

Museum Senior Leadership Team, to whom day-to-day management is delegated:

Elizabeth McKay - Chief Operating Officer

Molly Jackson - Assistant Director - Commerce

Chris Nix - Assistant Director - Collections and Engagement

Geoff Rowe - Assistant Director – Customers and Resourcing

Claire Williamson - Assistant Director - Marketing & Development

Ruth Brockbank - Chief Finance Officer

14. Independent auditor's report to the shareholder of London Transport Museum Limited

Opinion

We have audited the financial statements of London Transport Museum Limited for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, including the Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Emphasis of matter

We draw attention to note 1b) to the financial statements which explains the impact of the Covid-19 pandemic on the charity group's activities and financial position. Our opinion is not modified in this respect.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company'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.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 28, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are [the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation]
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

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

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

Use of our report

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

.....
Neil Finlayson (Senior Statutory Auditor)
 for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

16 July 2021

Devonshire House
 60 Goswell Road
 London
 EC1M 7AD

15. Financial statements

Consolidated statement of financial activities including income and expenditure account - Year ended 31 March 2021

	NOTE	Unrestricted Funds 2021 £000	Restricted Funds 2021 £000	Total Funds 2021 £000	Unrestricted Funds 2020 £000	Restricted Funds 2020 £000	Total Funds 2020 £000
INCOME FROM:							
Donations, grants and fundraising							
Core grants		4,358	-	4,358	3,129	-	3,129
Other grants and donations		2,375	1,059	3,434	956	73	1,029
	4	6,733	1,059	7,792	4,085	73	4,158
Charitable activities							
Education and engagement		721	-	721	1,380	254	1,634
Access and museum operations		464	-	464	4,557	76	4,633
Heritage and collections		-	10	10	72	113	185
	6	1,185	10	1,195	6,009	443	6,452
Commercial activities	5	2,685	-	2,685	4,598	-	4,598
Other income	7	11	-	11	475	212	687
Investments (bank interest)		10	-	10	56	-	56
Total income		10,624	1,069	11,693	15,223	728	15,951
EXPENDITURE ON:							
Raising funds							
Trading operations		2,296	-	2,296	3,357	-	3,357
Other fundraising activities		1,329	120	1,449	1,076	20	1,096
	8a	3,625	120	3,745	4,433	20	4,453
Charitable activities							
Education and engagement		3,384	454	3,838	4,556	301	4,857
Access and museum operations		3,371	310	3,681	4,650	157	4,807
Heritage and collections		1,321	144	1,465	1,829	118	1,947
	8a	8,076	908	8,984	11,035	576	11,611
Total expenditure	8a	11,701	1,028	12,729	15,468	596	16,064
Net (expenditure)/income		(1,077)	41	(1,036)	(245)	132	(113)
Transfers between funds	16a	43	(43)	-	34	(34)	-
Net movement of funds in year		(1,034)	(2)	(1,036)	(211)	98	(113)
Reconciliation of funds							
Total funds brought forward		27,147	754	27,901	27,358	656	28,014
Total funds carried forward	16a	26,113	752	26,865	27,147	754	27,901

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure are derived from continuing activities.

Balance sheets as at 31 March 2021

	Note	2021 Group	2020 Group	2021 Museum	2020 Museum
		£000	£000	£000	£000
Tangible Fixed Assets	12(a)	20,642	22,058	20,642	22,058
Intangible Fixed Assets	12(b)	357	-	357	-
Total Fixed Assets		20,999	22,058	20,999	22,058
Current Assets					
Stock		738	815	-	-
Debtors	13	788	1,397	1,952	2,264
Cash	14	7,453	7,569	6,428	6,554
		8,979	9,781	8,380	8,818
Creditors					
Falling due within one year	15a	(3,105)	(3,919)	(2,514)	(2,975)
		(3,105)	(3,919)	(2,514)	(2,975)
Net Current Assets		5,874	5,862	5,866	5,843
Total assets less current liabilities		26,873	27,920	26,865	27,901
Creditors					
Falling due after more than one year	15b	(8)	(19)	-	-
Net Assets		26,865	27,901	26,865	27,901
Represented by					
Restricted funds	16a	752	754	752	754
Called up share capital	18		-		-
Unrestricted Funds					
Designated funds					
Capital Fund		20,999	22,058	20,999	22,058
Future Exhibitions and Education Fund		500	500	500	500
Museum Asset Development Fund		1,120	1,120	1,120	1,120
Museum Strategic Development Fund		985	985	985	985
General unrestricted fund		2,509	2,484	2,509	2,484
	16a	26,113	27,147	26,113	27,147
Total		26,865	27,901	26,865	27,901

These financial statements were approved by the Trustees on 14 July 2021 and signed on their behalf by:

Keith Ludeman, Chair of Trustees
London Transport Museum Limited
Company registration number 06495761
Charity number 1123122

The notes on pages 32 to 59 form part of these accounts.

Notes to the financial statements

1. Basis of preparation

a) Statement of compliance

The financial statements have been prepared in accordance with:

- the Companies Act 2006
- the Charities Act 2011
- Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2015)
- United Kingdom Accounting Standards and generally accepted accounting practice, including Financial Reporting Standard 102 (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

London Transport Museum Limited is a 'public benefit entity' under FRS102.

b) Basis of measurement

The accounts are made up to 31 March 2021 and have been prepared under the accruals concept and in accordance with the historical cost accounting convention.

The financial statements have been prepared on a going concern basis which assumes the charitable company will continue in operational existence for a period of at least twelve months from the date of approval of these financial statements. The Trustees continue to review all available information on the Museum's financial position, cash reserves and projections, committed and essential costs, available support packages and the performance of the Museum as it reopens its activities to the public. The Museum has obtained a commitment from TfL to support the Museum as a going concern. In light of the available liquid and unrestricted reserves, existing income streams, and the support receivable from TfL, the Trustees have continued to adopt the going concern basis in preparing the annual report and accounts. The Trustees consider the Museum to be a going concern at the date of signature for the foreseeable future and to continue to meet its liabilities as they fall due for payment.

The financial statements have been prepared to give a 'true and fair' view and comply with the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (effective 1 January 2015).

The principal accounting policies adopted in the preparation of the financial statements are set out below.

c) Group financial statements

These financial statements consolidate the results of the Museum charity and its wholly-owned subsidiary London Transport Museum (Trading) Limited on a line by line basis. Neither a separate statement of financial activities nor an income and expenditure account are presented for the Museum charity itself following the exemptions afforded by section 408 of the Companies Act 2006.

The functional currency of the Museum is the Pound Sterling and amounts in these accounts have been presented as rounded to £'000. Amounts denominated in foreign currencies have been converted to Sterling at rates of exchange ruling on the transaction dates. Amounts held in foreign currencies as at the balance sheet date have been translated into Sterling at rates of exchange ruling at the balance sheet date.

Notes to the financial statements continued

2. Uses of estimates and judgements

The preparation of Financial Statements in compliance with UK accounting standards requires the use of certain critical accounting estimates. It also requires Trustees and management to exercise judgement in applying the Museum's accounting policies.

Items in the financial statements where these judgements and estimates have been made include amounts for goods, facilities and services donated for the Museum's use. Where the benefit is quantifiable, and the goods and services would otherwise have had to be purchased, such items are recognised in the financial statements as both income and expenditure at a reasonable estimate of their value to the charity in the period in which they are donated.

As per SORP 2015 section 1.38, measurement issues, including attributing an economic value to the contribution of general volunteers, prevent the value of services provided by volunteers being incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the body of the Trustees' Annual Report.

The most significant judgment and estimate in the accounts is the value placed on the net assets transferred from TfL under the Transfer Scheme at 1 April 2008 when the charity was formed. These assets were valued at £28.74m, this being the written down value of the assets in the accounts of TfL as at 31 March 2008.

As at 31 March 2021, no estimates or assumptions made are considered to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Accounting Policies

a) Income

Income is included in the Statement of Financial Activities when all the following criteria are met:

- control over the rights or other access to the economic benefit has passed to the Museum ('entitlement')
- it is more likely than not that the economic benefits associated with the transaction or gift will flow to the Museum ('probable')
- the monetary value or amount of the income can be measured reliably, and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably ('measurement')

Notes to the financial statements continued

Income from donations, grants and fundraising includes items that provide core funding or are of a general nature. These are recognised upon receipt. Such income would only be deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the Museum has unconditional entitlement.

Income from corporate supporter memberships, commercial trading, sponsorships and other similar activities where benefits are delivered by the Museum or its subsidiary trading company, is recognised as the related goods and services are provided.

Investment income is recognised on a receivable basis.

It is the current Investment Policy of the Museum to invest surplus funds in short-term cash deposits within the UK.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions which is recognised as the related goods or services are provided.

b) Expenditure

All expenditure (except capital expenditure) is included in the Statement of Financial Activities inclusive of any irrecoverable VAT. Expenditure is recognised when a liability is incurred and is classified under the following principal categories:

- Costs of raising funds includes the costs of commercial trading and the operating costs of the fund-raising department.
- Costs of charitable activities include expenditure associated with the operation of the Museum and its educational and public programmes, and the management and development of the Museum's collections and exhibitions.

Where costs relate directly to an activity they have been allocated against that activity. Support costs (including governance costs) that relate to more than one activity have been allocated to activity cost categories on the basis of staff numbers in each area of activity (see Note 8).

c) Tangible and intangible fixed assets

Individual fixed assets over £10,000 are capitalised at cost.

Tangible and intangible fixed assets are depreciated or amortised on a straight-line basis over their estimated useful lives as follows:

Plant, software and equipment	3 – 10 years
Buildings and refurbishments	10 – 35 years

Structural improvements to the fabric of the Museum at Covent Garden are depreciated over the remaining life of the lease for the building (25 years). Other building work is capitalised if it is considered that future economic benefits in excess of the originally assessed standard of performance will flow as a result of that work.

Notes to the financial statements continued

d) Heritage assets

Heritage assets are those assets of historical, artistic or scientific importance that are held to advance the preservation, conservation and educational objects of the Museum. The Museum collections consist of over 500,000 items which are on loan from TfL. Assets on loan are not capitalised within these financial statements although expenditure relating to their use and maintenance is included in the Statement of Financial Activities.

e) Operating leases

Costs relating to operating leases are charged to the Statement of Financial Activities on a straight-line basis over the life of the lease.

f) Stock

Stock is valued at the lower of cost or net realisable value. Cost includes only the purchase price of the items. Provision is made for obsolete and slow-moving items where appropriate. All stocks relate to the Museum's retail activities.

g) Funds structure

Restricted funds are funds to be used for particular purposes laid down by the donors or which have been raised for a specific purpose.

Unrestricted funds are funds available for use at the discretion of the Trustees in furtherance of the Museum's charitable objectives.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The purposes and uses of the funds held in each of these categories are given in Note 16.

h) Pensions

The Museum participates in a pension scheme operated by TfL providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Museum. The charity is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as permitted by the multi-employer exemption in FRS 17 'Retirement Benefits', it is accounted for as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period. The disclosures required under FRS 102 are given in Note 19.

i) Related party transactions

Except in so far as disclosed in Note 20, the Museum has taken advantage of the exemption set out in section 33 of FRS 102 not to disclose any transactions with other TfL Group undertakings.

Notes to the financial statements continued

j) Taxation

The Museum is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

k) Cash flow

The Museum has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a wholly-owned subsidiary undertaking of Transport Trading Limited and its cash flows are included within the consolidated financial statements of that company which are publicly available.

l) Financial instruments

Financial assets held by the Museum are classified as "loans and debtors" within the scope of sections 11 and 12 of FRS 102.

Financial liabilities within the scope of sections 11 and 12 of FRS 102 are classified as financial liabilities measured at amortised cost.

The Museum determines the classification of its financial instruments at initial recognition and re-evaluates this designation at each financial year end. When financial instruments are recognised initially, they are measured at fair value, being the transaction price plus any directly attributable transactional costs. The subsequent measurement of financial instruments depends on their classification as follows:

- **Trade and other debtors**

Trade and other debtors are recognised initially at fair value and subsequently at amortised cost. For trade debtors this is after an allowance for estimated impairment. The allowance is based on objective evidence that the Museum will not be able to recover all amounts due, through a review of all accounts and prior experience of collecting outstanding balances. Changes in the carrying amount of the allowance are recognised in the Statement of Financial Activities.

The fair value of trade and other debtors is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

- **Cash and cash equivalents**

Cash at bank and in hand comprises cash balances and bank deposits with original maturities of less than or equal to three months.

- **Trade creditors and other payables**

Trade creditors and other payables are recognised initially at fair value and subsequently at amortised cost using the effective interest method.

Notes to the financial statements continued

4. Donations, grants and fundraising

	2021 Unrestricted £000	2021 Restricted £000	2021 Total £000	2020 Total £000
Grants from TfL	4,358	-	4,358	3,129
Donated services				
Central services from TfL	315	-	315	288
Donations				
Cultural Recovery Fund	1,750	-	1,750	-
Coronavirus job retention scheme	-	578	578	-
Arts Council funding	-	272	272	-
Benefit dinners	-	-	-	381
Gift Aid and other donations	310	209	519	360
Total	6,733	1,059	7,792	4,158

5. Commercial activities

	2021 Unrestricted £000	2021 Restricted £000	2021 Total £000	2020 Total £000
Retail sales	1,653	-	1,653	2,930
Other trading activities				
Venue hire	50	-	50	612
Hidden London	97	-	97	-
Catering income	-	-	-	95
Commercial sponsorships	373	-	373	345
Corporate memberships	502	-	502	599
Other miscellaneous income	10	-	10	10
Total	2,685	-	2,685	4,598

Notes to the financial statements continued

6. Income from charitable activities

(a) Analysis by source of income

Group and Museum	2021	2021	2021	2020
	Unrestricted	Restricted	Total	Total
	£000	£000	£000	£000
Museum admissions	464	-	464	3,104
Safety and Citizenship income (STARs)	668	-	668	1,265
Arts Council funding	-	-	-	250
Heritage vehicle events and station tours	-	-	-	1,430
Grants for youth engagement activity	53	-	53	37
Other miscellaneous charitable income	-	10	10	366
Total	1,185	10	1,195	6,452

Arts Council income is shown under donations, grants and fundraising income from 2020-21.

(b) Analysis by type of charitable activity

Group and Museum	2021	2021	2021	2021	2020
	Education and engagement	Access and museum operations	Heritage and collections	Total	Total
	£000	£000	£000	£000	£000
Museum admissions	-	464	-	464	3,104
Safety and Citizenship income (STARs)	668	-	-	668	1,265
Arts Council funding	-	-	-	-	250
Heritage vehicle events and station tours	-	-	-	-	1,430
Grants for youth engagement activity	53	-	-	53	37
Other miscellaneous charitable income	-	-	10	10	366
Total	721	464	10	1,195	6,452

Notes to the financial statements continued

7. Other income

	2021	2021	2021	2020
	Unrestricted	Restricted	Total	Total
	£000	£000	£000	£000
Other miscellaneous income	11	-	11	687
Total	11	-	11	687

8. Expenditure

(a) Direct and apportioned costs

	2021	2021	2021	2020
	Direct costs	Apportioned support costs	Total	Total
	£000	£000	£000	£000
Cost of goods sold	674	-	674	1,140
Other trading subsidiary costs	1,622	-	1,622	2,217
Other fundraising activities	307	1,141	1,449	1,096
Costs of raising funds	2,603	1,141	3,745	4,453
Education and engagement	1,344	2,493	3,837	4,857
Access and museum operations	751	2,930	3,681	4,807
Heritage and collections	416	1,050	1,466	1,947
Charitable activities	2,511	6,472	8,984	11,611
Total	5,115	7,614	12,729	16,064

Notes to the financial statements continued

(b) Shared support cost allocation

	2021	2021	2021	2021	2021
	Education and engagement	Access and museum operations	Heritage and collections	Raising funds	Total
	£000	£000	£000	£000	£000
Premises & facilities	1,405	1,651	592	643	4,291
Finance & management	829	974	349	379	2,531
Marketing	127	149	53	59	388
Systems	43	50	18	19	130
Design & presentation	89	105	38	41	273
Total 2021	2,493	2,929	1,050	1,141	7,613
Total 2020	2,501	2,225	1,108	873	6,707

Support costs have been allocated to activity cost categories on the basis of staff numbers in each area of activity (see Note 3b).

9. Net Expenditure

This is stated after charging:

	2021	2020
	£000	£000
Depreciation	1,501	1,369
Auditor's remuneration		
Audit – Museum	24	19
Audit - subsidiary trading company	6	6
Other services	-	4
Operating lease rentals - buildings	801	800
Operating lease rentals - office equipment	2	3
Operating lease rentals – plant	10	10

Notes to the financial statements continued

10. Trading subsidiary

The Museum has a single subsidiary company, London Transport Museum (Trading) Limited (LTM(T)L), having an issued share capital of £1, wholly owned by London Transport Museum Limited.

LTM(T)L undertakes retail operations, venue hire, commercial sponsorships and the Museum corporate membership scheme.

LTM(T)L Profit and Loss Account

	2021	2020
	£000	£000
Turnover	2,685	4,598
Cost of goods sold	(674)	(1,145)
Gross profit	2,011	3,453
Operating expenses	(1,622)	(2,212)
Profit from ordinary activities before taxation	389	1,241
Tax on ordinary activities	-	-
Total comprehensive income for the year	389	1,241

Notes to the financial statements continued

LTM(T)L Balance Sheet

At 31st March 2021

	2021	2020
	£000	£000
Current assets		
Stock	738	815
Debtors	463	374
Cash	1,022	1,014
	2,223	2,203
Creditors		
Falling due within one year (including to LTM)	(2,215)	(2,184)
Net current assets	8	19
Creditors		
Falling due after one year	(8)	(19)
Net assets	-	-
Share capital and reserves		
Share capital	-	-
Profit and loss reserve	-	-
Total equity shareholder's funds	-	-

Notes to the financial statements continued

11. Staff costs and staff numbers

(a) Total remuneration

	2021	2020
Group and Museum	£000	£000
Wages and salaries	4,080	4,185
Social security costs	420	452
Pension costs	1,012	869
Total	5,512	5,506

The Managing Director is the only paid director and received emoluments from the Museum, including salary, fees, benefits in kind and other emoluments totalling £101,580 (2020: £98,725). In addition, the Museum made contributions totalling £Nil (2020: £15,702) to the TfL Pension Fund, a defined benefit scheme, on behalf of the Managing Director for the year.

During the year there were no redundancies (2020: Nil) and no severance payments (2020: Nil).

The number of employees whose employee benefits (excluding employer's pension contributions) amounted to over £60,000 in the year is given below.

	Group 2021	Group 2020
	No.	No.
£60,000 - £69,999	4	2
£70,000 - £79,999	-	1
£80,000 - £89,999	1	1
£90,000 - £99,999	1	1

Contributions to the defined benefit pension scheme made in respect of the five highest paid employees amounted to £85,191.36 (2020: five employees, £87,261.69).

(b) Other than the Managing Director, who received emoluments as a staff member, none of the Trustees received any remuneration for their services. The Managing Director did not receive any emoluments in his role as a Trustee (2020: none). Reimbursements of Trustees' expenses totalling £Nil were made in the year (2020: £421).

Notes to the financial statements continued

(c) The average number of persons (full-time equivalents) employed during the year was:

	Group	Group
	2021	2020
	FTE	FTE
Education and engagement	23.4	25.2
Access and museum operations	27.5	22.4
Heritage and collections	9.9	11.2
Activities to generate funds	20.5	22.5
Support functions		
Premises & facilities	2.3	2.0
Finance & management	13.1	12.3
Marketing	8.0	8.0
Systems	0.5	1.0
Design & presentation	1.0	0.5
	106.2	105.1
Plus seconded staff	-	0.9

(d) As at 31 March, Museum staff had earned entitlement to annual leave not yet taken equivalent to an estimated total value of £200,930 (2020: £153,207). This has been incorporated in the Statement of Financial Activities.

(e) The key management personnel of the Museum comprise the Trustees and the Senior Management Team (see Report section 13 above). The total employee benefits (including employer's pension and national insurance contributions) of the key management personnel was £662,060 (2020: £647,881).

Notes to the financial statements continued

12. Tangible and intangible assets

(a) Tangible fixed assets

	Property and buildings	Assets under construction	Total Property and buildings	Plant and equipment	Total
	£000	£000	£000	£000	£000
Group and Museum					
Cost					
At 1 April 2020	36,433	174	36,607	2,121	38,728
Additions	224	-	224	-	224
Transfers	-	-	-	-	-
Disposal	-	-	-	-	-
Reclassification	-	(139)	(139)	-	(139)
At 31 March 2021	36,657	35	36,692	2,121	38,813
Accumulated depreciation					
At 1 April 2020	(15,248)	-	(15,248)	(1,422)	(16,670)
Charge for the year	(1,350)	-	(1,350)	(151)	(1,501)
Disposal	-	-	-	-	-
At 31 March 2021	(16,598)	-	(16,598)	(1,573)	(18,171)
Net book value at 31 March 2021	20,059	35	20,094	548	20,642
Net book value at 31 March 2020	21,185	174	21,359	699	22,058

Notes to the financial statements continued

b. Intangible fixed assets

	Information Technology	Assets under construction	Total
	£000	£000	£000
Group and Museum			
Cost			
At 1 April 2020	-	-	-
Additions	310	70	380
Transfers	-	-	-
Disposal	-	-	-
At 31 March 2021	310	70	380
Accumulated amortisation			
At 1 April 2020	-	-	-
Charge for the year	(24)	-	(24)
Amortisation on disposal	-	-	-
At 31 March 2021	(24)	-	(24)
Net book value at 31 March 2021	287	70	357
<i>Net book value at 31 March 2020</i>	<i>-</i>	<i>-</i>	<i>-</i>

Notes to the financial statements continued

13. Debtors

	2021	2020	2021	2020
	Group	Group	Museum	Museum
	£000	£000	£000	£000
Trade debtors	262	666	7	316
Amounts due from subsidiary	-	-	671	-
Amounts due from TfL group	-	-	381	-
Prepayments and accrued income	452	731	430	707
TfL group debtors	74	-	74	-
Amounts owed by subsidiary undertakings	-	-	389	1,241
Total	788	1,397	1,952	2,264

14. Cash

	2021	2020	2021	2020
	Group	Group	Museum	Museum
	£000	£000	£000	£000
Held in current accounts and in hand	2,408	1,636	1,428	654
Held in short-term deposit accounts	5,045	5,933	5,000	5,900
Total	7,453	7,569	6,428	6,554

The majority of the cash balance is held to meet future expenditure relating to the Museum's restricted and designated reserves (with the exception of the Capital Fund which is represented by the value of the Museum's fixed assets).

Notes to the financial statements continued

15. Creditors

(a) Creditors: amounts falling due within one year

	2021	2020	2021	2020
	Group	Group	Museum	Museum
	£000	£000	£000	£000
Trade creditors	138	121	321	116
TfL Group creditors	128	128	-	-
Taxation	54	44	17	23
Accruals	1,036	2,065	882	1,728
Deferred income	1,749	1,561	1,294	1,108
Total	3,105	3,919	2,514	2,975

Deferred income includes income relating to corporate sponsorship, corporate membership, and *Hidden London* ticket sales received in advance – see note 15 (c) for a further breakdown of deferred income.

(b) Creditors: amounts falling due after one year

	2021	2020	2021	2020
	Group	Group	Museum	Museum
	£000	£000	£000	£000
Deferred income	8	19	-	-
Total	8	19	-	-

Notes to the financial statements continued

(c) Deferred income

	2021	2020	2021	2020
	Group	Group	Museum	Museum
	£000	£000	£000	£000
Brought forward	1,580	1,527	1,108	1,030
Utilised in year	1,561	1,486	1,108	1,030
Deferred in year	1,738	1,539	1,294	1,108
Carried forward:				
Amount due within one year	1,749	1,561	1,294	1,108
Amount due after one year	8	19	-	-

Notes to the financial statements continued

16. Statement of group funds

(a) The movements on funds are as follows:

Group and museum	1 April 2020	Income	Expenditure	Transfers	31 March 2021
	£000	£000	£000	£000	£000
Unrestricted Funds					
Designated funds					
Capital fund	22,058	-	-	(1,059)	20,999
Museum strategic development fund	985	-	-	-	985
Future exhibitions and education fund	500	-	-	-	500
Museum asset development fund	1,120	-	-	-	1,120
Total designated funds	24,663	-	-	(1,059)	23,604
General funds	2,484	10,624	(11,701)	1,102	2,509
Total unrestricted funds	27,147	10,624	(11,701)	43	26,113
Restricted funds					
Arts Council England	(17)	272	(255)	-	-
Acton miniature railway	-	1	-	-	1
Collections Development Fund	577	-	(4)	-	573
Friends		10	(10)	-	-
Coronavirus Job Retention Scheme	-	671	(671)	-	-
Luke Rees-Pulley Charitable Trust	58	52	(52)	(43)	15
Met 1 Train	98	-	-	-	98
Met 353 Carriage	38	-	-	-	38
People's Postcode Route Into Work	-	6	(6)	-	-
Q Stock	17	7	-		24
Untangling the Tracks exhibition	13	-	(10)		3
War Gallery	(30)	50	(20)		-
Total restricted funds	754	1,069	(1,028)	(43)	752
Total funds	27,901	11,693	(12,729)	-	26,865

Notes to the financial statements continued

Designated funds

The Capital fund represents the net book value of the Museum's tangible fixed assets. It is written down by the value of depreciation and increased by any additions to the Museum's fixed assets.

The funds carried forward totaled £23.6m (2020: £24.6m).

Restricted funds

The Collections Development Fund (CDF) was established in 2012/13 following the auction of 400 surplus posters. The Fund can only be used for collections acquisitions and conservation.

Arts Council England provides support for a diverse range of Museum programmes and activities.

The Luke Rees-Pulley Charitable Trust (LRPCT) supports several Museum initiatives including family resource packs, play activities for children, a learning officer and an apprentice.

The Coronavirus Job Retention Scheme provided funding for costs of staff placed on furlough during the year.

The Met 353 Carriage Fund, Q Stock Fund and Met 1 Train Fund will be used for any future conservation work on these heritage assets.

The Untangling the Tracks exhibition and War Gallery exhibition covers funding of these gallery spaces at Covent Garden.

(b) Analysis of group net assets between funds

	Unrestricted	Restricted	Total
	funds	funds	funds
Fund balances as at 31 March 2021 represented by:	£000	£000	£000
Fixed Assets	20,999	-	20,999
Current assets	8,227	752	8,979
Current liabilities	(3,105)	-	(3,105)
Long term liabilities	(8)	-	(8)
Total net assets	26,113	752	26,865
Total net assets 31 March 2020	27,147	754	27,901

Notes to the financial statements continued

17. Operating leases

At 31 March 2021, the future minimum operating lease payments for the Museum and the Group are as follows:

	2021	2020
	£	£
Within 1 Year	813	814
Between 2 and 5 Years	3,208	3,211
Over 5 Years	13,456	14,256

On 17 September 2018 the London Transport Museum entered into a new building contract at Albany House. The new contract is a licence fee arrangement, between TfL and London Transport Museum, which expires on 18 December 2024, with a review of rent in March 2022. As this new contract is a licence fee, there is no requirement to report it as an operating lease. Under the new contract there is a rent-free period of 15 months and this is accounted for on a straight-line basis, over the term of the licence. The annual rental is £316k subject to review in March 2022.

There has been no change to the operating leases held for plant and office equipment.

18. Called up share capital

	2021	2020
	£	£
Authorised		
1 ordinary share of £1	1	1
Allotted, issued and fully paid up		
1 ordinary share of £1	1	1

As permitted by FRS 102 and SORP 2015, because no new equity shares have been issued, the Museum has not produced a separate statement of changes in equity for the reporting period.

19. Pensions

Background

The Museum offers retirement plans to its employees. The majority of the Museum's staff are members of the Public Sector Section of the TfL Pension Fund, which is a final salary scheme established under trust. Benefits are based on an employee's length of service and final pensionable pay. The Fund's Trustee is the TfL Trustee Company Limited, a wholly-owned subsidiary of Transport for London. Under the rules of the Fund, up to 13 Trustee directors are nominated in equal numbers by Transport for London and on behalf of the Fund's membership.

The TfL Pension Fund's Actuary makes valuations and recommends the level of contributions to be made by the participating employers to ensure long-term solvency of the Fund. The latest formal funding valuation of the Fund was carried out as at 31 March 2018 by the Actuary, a partner of consulting actuaries Willis Towers Watson, using the projected unit method. A revised Schedule of Contributions was agreed between the Trustee and the employers following the previous valuation, as at 31 March 2018, of the TfL Pension Fund.

Under the valuation report, the deficit of the Fund was £603m as at 31 March 2018. Assets totalled £10,312m and the defined benefit obligation totalled £10,924m. Employer's contributions from 1 April 2019 until 31 March 2020 represented future service contributions at the rate of 26.9 per cent. From 1 April 2020 until 31 March 2026, employer contributions will rise to 33.3 per cent, comprising the future service contribution of 26.9 per cent, plus additional deficit recovery payments at 6.4 per cent of pensionable pay. Additional contingent payments may be made from 1 April 2020 if the funding position deteriorates. The recovery plan states that the expectation is that the funding shortfall will be eliminated by March 2026.

The underlying assets and defined benefit obligation of the TfL Pension Fund cover a number of Group entities and cannot be readily split between each undertaking. No contractual agreement is in place to allocate the total net obligation between the member entities. Thus, in accordance with IAS 19, the TfL Corporation, as the Scheme sponsor, has recognised the total net defined benefit obligation in its own accounts.

As at the Balance Sheet date, no allocation of the deficit of the Fund has been made between the various TfL Group companies, including London Transport Museum. Should this position change in future, an allocation may be made, and the Museum may, at that point, become liable for its share of the deficit. There are no present plans for such an allocation to be made.

Further information regarding the TfL Pension Fund can be found in the TfL Annual Report and Statement of Accounts.

Accounting

The Museum's ultimate parent, Transport for London, and the Museum's fellow subsidiaries participate in the Public Sector Section of the TfL Pension Fund. Because the Museum is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis, as permitted by FRS 102, the Museum treats contributions to the Public Sector Section as if they were contributions to a defined contribution plan. The Museum's contributions to the Fund of £981,987 (2020: £815,533) have been charged to the Consolidated Statement of Financial Activities.

Other pension schemes

Pension contributions of £7,458 (2020: £7,073) have been made to the London Pensions Fund Authority for a member of staff who joined the Museum from a TfL Group company. LTM also made employer contributions to two AVC schemes (Standard Life and Winterthur Life) totalling £5,734 (2020: £17,423).

Notes to the financial statements continued

20. Related and connected party transactions

TRANSPORT FOR LONDON

London Transport Museum Limited is a charitable subsidiary company of Transport Trading Limited (TTL), a Transport for London Group company. TfL provides financial assistance to the Museum in the form of grants for Museum operations and, in addition, certain divisions of TfL provide financial support to the Safety and Citizenship (STARS) Programme and other Museum activities as agreed on a project by project basis.

The Museum receives benefits from the activities of TfL Group functions such as Finance, Human Resources, Internal Audit and Payroll. Where management fees are levied upon the Museum by TfL and TTL for services provided these are applied at the same rates as for all other TfL Group companies. Where services are donated by TfL which are reasonably quantifiable and measurable, these are included in the Statement of Financial Activities at their estimated gross value and an equivalent amount is included as income under the appropriate heading.

A summary of transactions with TfL which are included in the Financial Statements is given below:

Related party transactions with TfL	2021	2021	2020	2020
	Income	Expenditure	Income	Expenditure
	£000	£000	£000	£000
Core grant and capital grant	4,358	-	3,129	-
Other income	976	(9)	1,552	-
Group services supplied	-	-	-	196
Group services/other benefits donated	315	315	288	288

As at 31 March 2021, no amounts remained outstanding in relation to the above transactions.

In addition to these amounts, a number of other arrangements exist between LTM and TfL for which no financial entries are made:

TfL undertakes some maintenance work on LTM's operational heritage vehicles and provides the Acton Depot site free of charge to the Museum. The Depot is contiguous with, and connected to, Ealing Common railway depot and is occasionally used by London Underground for road to rail access and shunting.

LTM is also given access to TfL property, including non-operational stations, for Hidden London tours. The Museum has been allowed to install poster frames, which are used for Museum marketing purposes, at a number of London Underground stations and riverboat piers.

In 2016, the rent review for the Museum's premises at Covent Garden, on which TfL holds the lease, was concluded and the rent increased by 11 per cent. TfL has chosen not to pass this increase on to the Museum. This rental expenditure is not included in the table above but is treated as direct expenditure by the Museum and accounted for accordingly in the Statement of Financial Activities. As part of the Covent Garden rent agreement, the next rent review is expected to be due in January 2022.

Notes to the financial statements continued

Museum staff are provided with passes that allow free or discounted travel on TfL services for themselves and a nominee. TfL also offers Museum Trustees and non-executive Directors of London Transport Museum (Trading) Limited restricted travel privileges.

TfL Group companies receive discounts on the hire of Museum facilities, and all TfL staff receive free entry to the Museum and discounts in the Museum shop.

OTHER RELATED PARTIES

Other material related party transactions in the year	2021	2021	2020	2020
	Income	Expenditure	Income	Expenditure
	£000	£000	£000	£000
London Transport Museum Friends	10	-	96	-
Interserve	-	-	-	-

London Transport Museum Friends (LTMF)

Although some Museum Trustees and senior managers may act as trustees of other charities, the Museum does not direct, and is not under the direction of, trustees of any other charity and therefore these charities are not considered to be related parties. However, given the close relationship with the London Transport Museum Friends, we have chosen to disclose transactions with that organisation. In addition to the financial transactions summarised above, the Museum also provides LTMF with office and IT facilities, and support for marketing and other activities.

There are no other related party transactions.

21. Capital commitments

Capital commitments at the end of the year not otherwise included in these accounts in 2020/21 is as follows:

2020/21		2019/20	
Gallery	£1,350	Main Website	£129,725
Phase 2 online shop platform project	£5,850	Shop Website	£70,540
Covent Garden LTM Lift Project	£91,788		
Total capital commitments	£98,988	Total capital commitments	£200,265

Notes to the financial statements continued

22. Charity information

The Museum is a company and registered charity incorporated in England and Wales and domiciled in the United Kingdom. The Museum's charity registration number is 1123122 and its company registration number is 06495761. The address of the Museum's registered office is 5 Endeavour Square, London E20 1JN.

The Museum is a wholly-owned subsidiary undertaking of Transport Trading Limited. For more information about the administration and organisation of the Museum see the section 'Structure, Governance and Management' in the Annual Report of the Trustees.

London Transport Museum Limited is a public benefit entity. LTM's Memorandum of Association states 'the property and funds of the Charity must be used only for promoting the Objects and no dividends shall be paid to the Member'.

Notes to the financial statement continued

16. Corporate members

Leader

ABM*
 Alexander Dennis*
 Arriva London*
 Balfour Beatty*
 Bombardier Transportation UK*
 Capita*
 CDER Group (JBW Group)
 Clear Channel*
 ComfortDelGro*
 Cubic Transportation Systems*
 EPC*
 FirstGroup UK Bus*
 Fujitsu
 GB Railfreight*
 Go-Ahead Group* (part-year)
 Govia Thameslink Railway
 Jacobs
 Microsoft
 Marston Holdings*
 Motorola Solutions*
 Quinn Infrastructure Services
 QBE*
 Siemens
 Skanska
 Southeastern
 Sopra Steria* (part-time)
 Stadler Rail*
 Stagecoach*
 Telent Technology Services*
 Thales UK*
 Worldline

Driver

HDI*
 Go-Ahead Group* (part-year)
 Keolis UK*
 Mastercard*
 Mott MacDonald*

Member

2CV*
 BAI Communications
 BDB Pitmans
 Briggs Marine
 BYD
 Computacenter UK
 Deloitte*
 DLA Piper
 Engie
 First Class Partnerships*
 Gowling WLG*
 J Murphy & Sons*
 Lonsdale Rail
 Morgan Sindall Infrastructure*
 RATPDev*
 Sacker & Partners*
 Sopra Steria (part-time)
 Transport Planning Associates*
 Trapeze Group*

*denotes three-year membership

Notes to the financial statements continued

17. Supporters and sponsors

Major Supporters

Transport for London
The National Lottery Heritage Fund
Arts Council England
DCMS/Wolfson Museums and Galleries Improvement Fund
London Transport Museum Friends
Luke Rees-Pulley Charitable Trust

Museum Supporters

Global - *Global Gallery*
Cubic Transportation Systems - *Cubic Theatre and Foyer*
Siemens - *Inspire Engineering*

Interchange thought leadership

Gowling WLG
Thales UK

Content Partners

RIA
Jacobs – Rethinking Sustainable Cities
PTV Group – Rethinking Sustainable Cities

Untangling the Tracks exhibition Supporters

Thameslink Programme Partners:
Department for Transport
Network Rail
Siemens
Southeastern
Govia Thameslink Railways

London's Transport at War Gallery Supporters

DCMS/Wolfson Museums and Galleries Improvement Fund
Charles Hayward Foundation
John S Cohen Foundation
London Transport Museum Friends

LTM Futures Fellow

Josef Hargrave, Arup

Year of Engineering Partners

Digging Deeper Gallery Supporters

Biffa Award
Association of Independent Museums (AIM)
Mott MacDonald
London Transport Museum Friends

Future Engineers Supporters and Content Partners

Bombardier Transportation
DCMS/Wolfson Museums and Galleries Improvement Fund
Luke Rees-Pulley Charitable Trust
Cubic Transportation Systems
Jacobs
Mastercard
Microsoft

Enjoyment to Employment

Siemens
Bombardier Transportation
Costain
Mastercard
telent Technology Services
Transport for London

Education Supporters

Luke Rees-Pulley Charitable Trust
Gwyneth Forrester Trust
People's Postcode Trust
Royal Commission for the Exhibition of 1851

Heritage Supporters

London Transport Museum Friends
The Hendy and Pendle Charitable Trust

Notes to the financial statements continued

Patrons

Mark Allatt	Ken and Daphne Lousvet
Ian Arthurton	Rupert Lyons
Sir David Bell	Guy Marriott
David Brown	John Marshall
Mike Brown MVO	Richard Meads MBE
Paul Butler	Andrew and Sarah Miles
Roger Cooke	Steve Norris
Leon Daniels OBE	Peter and Susan Oakden
Anna Delvecchio	Michael Glyn Owen
Denis Dunstone	Ian Ross
Steve Edge	Paul Ross
Martin Elms	Paul Sainthouse
John Farrow	John A. Self OBE
Jane Fogg	Stephen Shewmaker
Phil Fortey	Mike and Pat Sutcliffe
Garcia J Hanson	Phil and Caroline Swallow
Graham Hayden	Tim O'Toole CBE
Sir Peter Hendy CBE	Tony Vroon
Bill Hiron	Richard West
Adrian Hollands	Nicholas Woolf OBE
David Humphrey	Mark Yexley
Tony Hocking	

*We also have a number of Patrons who wish to remain anonymous.

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Company number 6495761
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London E20 1JN

London Transport Museum (Trading) Ltd
Company number 6527755
Registered address:
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London E20 1JN

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