



The Horniman Public Museum and Public Park Trust
Report and Consolidated Financial Statements

For the year ended 31 March 2022

Company Registration Number: 2456393
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“So museums can include things you're actually interested in? Who knew? Great work from @HornimanMuseum”.

Horniman Museum and Gardens Trustees' Annual Report 2021/22

Introduction

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

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

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

Mission, values and aims

Our mission is central to everything we do, whilst our values shape our work and give the Horniman its unique character as the only museum in London in which nature and culture can be seen side by side, allowing us to engage with interconnected issues such as climate change and migration, in a positive way.

Mission

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

Values

To support this mission our **organisational values** are:

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

Internally our staff will be empowered to **act sustainably, behave ethically, pursue excellence and encourage enterprise** in their delivery.

Corporate aims

The ongoing corporate aims which give structure to this are:

- **Access:** We will use the collections and Gardens to stimulate curiosity and wonder, promoting opportunities for people of all ages, abilities and backgrounds to participate in and enjoy exhibitions, educational programmes, activities and events – both face-to-face and online.
- **Collections:** We will safeguard and develop the collections so that they can be made as accessible as possible now and into the future.
- **Shaping the future:** We will effectively manage our resources and become more financially resilient so that we can continue to develop and share our collections, estate and expertise for the widest possible public benefit.

In addition, Trustees have agreed a **Reset Agenda**, which will shape the direction and content of our plans for the coming period. These are:

- Engage wider audiences through programming and communications
- Diversify staff and volunteers
- Consult people and work in partnership
- Address the history of the Horniman business and institutional collecting
- Enhance our digital provision
- Make the Horniman greenhouse gas neutral and more biodiverse
- Maximise income generation to support this agenda

Public benefit

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

“After a difficult year, to have the opportunity to visit the Horniman to study nature and insects, to see the children witness their design realised to create a mural has been a highlight and an incredible learning opportunity. The children were able to strengthen their scientific knowledge of habitats and insect species, hone their sketching skills and learn new techniques that they simply wouldn’t access unless they had taken part.” Dalmain Primary School art teacher

Strategic report

Summary 2021/22

The Horniman is London's only museum where environment, ecology and human cultures can be seen side by side at a global scale. Following a period of self-reflection prompted by the devastation of the Covid-19 pandemic, the climate emergency and the murder of George Floyd, we reimagined the role we could play as a creative hub amongst our local community and had one of our busiest and most impactful years during 2021/22, despite the challenges brought about by Covid-19.

In the context of our Reset Agenda outlined above, we drew together strands of work to address long-standing issues of racism and discrimination within our colonial history and collections, and placed interlinked issues of climate, biodiversity and social justice at our heart. The results of this refreshed focus are summarised throughout this report.

The beginning of the year saw the Museum, Aquarium and Butterfly House closed because of the continuing impact of the Covid-19 pandemic, while the end of it saw everything open again, with visitors flocking back to the Horniman in the sunshine. Although Covid continued to provide challenges with the widespread Omicron variant, resulting in further restrictions in place around the Christmas period, we were pleased to have the Museum open from 17 May 2021, alongside the Gardens that had remained open throughout the pandemic, and to stay open continuously throughout this reporting period. Successfully delivering the Reset Agenda during the pandemic was an extraordinary achievement, and we made sure to prioritise the wellbeing and development of our staff throughout.

Despite the successes, the pandemic continued to have a significant impact on the Horniman's visitor numbers and finances as we continued with capacity restrictions and embarked on rebuilding visitor confidence. We were therefore hugely grateful for the support we received from the government over the course of the year to ensure our sustainability. The financial impact, combined with a longer-term structural deficit, necessitated a re-shaping of the organisation and we concluded a voluntary redundancy scheme in May 2021, avoiding the need for compulsory redundancies. We introduced changes in a series of job titles, job descriptions and line management, including the creation of a new Content team to unify the areas of curatorial and learning.

A good deal of work was also undertaken to implement crucial projects, including the introduction of our new Customer Relationship Management (CRM) system, Tessitura, and a demanding series of capital projects (see details below). We recognise that many staff have been working with heavy workloads, and we thank them for their perseverance and contribution.

Highlights of the year

There were a number of award highlights, culminating in our winning the prestigious **Art Fund Museum of the Year Prize 2022** based on our activity during 2021. We won the Kids in Museums Best Large Museum award. We also won two London in Bloom awards, a Gold in the Heritage Parks and Gardens category and a Gold and Category Winner in the new Environment Challenge Award, which recognises efforts being made to respond to the challenges of climate change and global warming. In addition we were shortlisted for two categories in the Museums + Heritage Awards – Best Fundraisers of the Year for our London Road Tree Planting campaign and Best Temporary or Touring Exhibition of the Year for the 696 exhibition Dance Can't Nice.

Alongside the award nominations:

- We welcomed over 600,000 visits to site, and 800,000 online as we began to rebuild our audiences post-pandemic, receiving exceptionally **high visitor experience ratings** despite the impacts of Covid – 97% of visitors had a positive visit, 94% were likely to recommend the Horniman and regarding the safety measures that were in place, 99% of visitors felt safe at the Museum.
- In December we received a Stage 1 pass and development grant of £475,000 from the National Lottery Heritage Fund (NHLF) for **Nature + Love**, an £8.9m project to connect wider audiences with the environment and nature, which will transform the Natural History Gallery and two neglected areas of the estate.
- The **696** project showcased Black British creativity and unequivocally placed it at the Horniman's heart. We opened up our musical instrument collection to become an inspirational resource for local creatives enabling the Black music community to co-produce and share their authenticity and expertise. The 696 festival comprised 13 events, showcased 110 local artists and reached circa 8,000 visitors. Nearly 20,000 visitors experienced the accompanying exhibition, **Dance Can't Nice**, which was shortlisted for Best Temporary or Touring Exhibition of the Year in the Museum + Heritage 2022 awards. (This is mentioned in the section on page 3.)
- Overall the events appealed to **diverse audiences**. 57% were minority ethnic with 95% recommending the Horniman. Overall, our general visitor profile shifted from 18% minority ethnic to 21% across the year.
- **Hair: Untold Stories** was the inaugural exhibition for the Museums and Galleries Network for Exhibition Touring (MAGNET) group, a collaboration supported by Art Fund designed to make a difference to the sector by sharing knowledge and resources. This network of 11 organisations was conceived by the Horniman to curate and share collections-based touring exhibitions for a fraction of the cost of loaning them or individually creating each one.
- The exhibition **From Birth till Death: Scrolled Life Stories**, developed in conjunction with South London and Maudsley hospital, was one of our most beautifully realised and emotionally affecting shows and was shortlisted as one of the Exhibitions of the Year in the Museums + Heritage Awards in 2021.
- We launched the **Community Action Researchers** (CAR) project following a successful pilot, supporting 13 people from the UK's African and Caribbean diaspora to research and tell the stories of objects. The project removed barriers through training by subject specialists.
- Alongside the CAR project we created **Afro Historyscapes**, a 10-episode podcast giving fresh perspectives on African histories through object stories. These projects, reshaped and delivered online because of the pandemic, welcomed underrepresented voices to share their experiences, making a significant difference to our staff's understanding of the collections.
- We launched our **Environment Champions Community** online, mobilising families to deliver change. We have plans to expand its online profile to onsite, inspiring group activism with litter picking, composting and citizen science activities. We installed interpretation to nine empty spaces in the Natural History Gallery, flagging key actions around the climate emergency. These were used as inspiration for a **Kids in Museums Takeover** day.
- January 2022 saw the launch of Lewisham's year as **London Borough of Culture**, with the Horniman playing a central role.

All of these achievements were made possible by our grant-in-aid funding from the Department for Digital, Culture, Media and Sport (DCMS) who are our key sponsor body, along with our funding from Arts Council England (ACE) as one of their National Portfolio Organisations (NPO), which together have formed the essential bedrock on which we operate.

Following an ACE review of its NPO funding stream and changes to its criteria from 1 April 2023, the Horniman will no longer be eligible to apply for NPO funding in the future. However DCMS has made a commitment to increasing its support for the Horniman from 2023, to replace this previous NPO funding. This means that we will continue to receive our ACE NPO funding for the duration of the 2022/23 corporate plan, but from then on will receive all of our government funding from one streamlined source.

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

1.0 Access

Aim: We will use the collections and Gardens to stimulate curiosity and wonder, promoting opportunities for people of all ages, abilities and backgrounds to participate in and enjoy exhibitions, educational programmes, activities and events – both face-to-face and online.

Performance against **Access aim and objectives as outlined in the Corporate Plan:**

- a. We welcomed **608,054 visits** to the Museum and Gardens over the past year, greatly surpassing a target of 450,000, and attracted **823,781** website visits, exceeding our target of 680,000.
- b. The diversity of our visitors grew and we saw some progress against our long term 2023/24 targets for this area. We recorded **21% visitors from an ethnic minority background** against the 23/24 target of 22% (18% in previous years); 8% were disabled against the target of 7%. Less positively, only 8% were from disadvantaged socio economic groups against a NS-SEC 5-8 goal of 18%.
- c. Our **digital communities grew** driven by a strong social media presence, and exceeded our targets across the board – 46.8k followers on Twitter (46k target), 31.7k Facebook likes (31k target) and 49k on Instagram, a year on year increase of 18% and exceeding the target of 44k.
- d. We engaged **children and young people** in high-quality, object-based and outdoor hands-on activities that supported their learning, enjoyment and engagement with world cultures, music and the natural world, reaching a **schools audience to site of 15,816** against a target of 5,400 and an additional 5,933 through online sessions.
- e. We began our partnership with the London Borough of Lewisham and developed a programme of events for **London Borough of Culture in 2022**.
- f. We launched the **Environment Champions Community** in 2021 designed to involve our audiences more actively in mitigating the negative impacts of the climate and ecological emergency, and recruited 130 families against a long term target for 2022/23 of 300.

1.1 Audience

We were very pleased to reopen the Museum as soon as Covid guidelines allowed on 17 May 2021 and relieved to continue to stay open ever since. As a cost-saving measure we temporarily reduced our opening days and were closed on Wednesdays throughout

2021/22 and continued with implementing capacity restrictions and extensive safety measures. The Gardens had remained open throughout the pandemic.

Total visits to the Museum and Gardens in 2021/22 reached 608,054. Our Museum visitor numbers were 331,463. This compares to 2019/20 pre-Covid time this is down by 56% for the Museum, and minus 33% for the whole site.

69% of visitors were in family groups, 21% were from an ethnic minority background, 8% had a disability, 8% from NS-SEC groups 5-8, 31% were making their first visit to the Museum or Butterfly House, and 31% were on a return visit within the past year. 77% were from London and 2% from overseas. As with 2020/21, we are treating these results with some caution due to the change in some questions and survey methodology during this pandemic year.

In 2021/22 our website received 823,781 sessions (50% increase from 20/21) from 538,763 users (up by 47% from 20/21).

Due to spending more of the year open than the previous year, pages viewed on the site were up by 44% to 2.6m (1.8m in 2020/21) and the average session duration was up slightly (5%). The number of records online stands just short of 119,169 at the end of the year, with the number of collections viewed online at 55,883.

Our social media presence continued to increase in terms of followers to a community of 613.6k, a 2% increase on 2020/21. The majority of our social audience came via Pinterest but our biggest growth has come from YouTube (3,029 subscribers) and LinkedIn (7,746 followers). These channels have had a 29% and 28% growth (respectively) from last year. Instagram continues to see a good level of growth, with our followers standing at just shy of 49k followers (up by 18% on last year). Our Facebook followers increased by 10%, but this is based on the platform moving their analytics from likes (28.7k likes) to followers (31.7k). Our Twitter followers increased by 2.6% to circa 46.8k.

1.2 Visitor experience and evaluation

We continued to implement extensive Covid safety measures across the estate during the year including online advance booking and restricted capacities when the Museum opened. We were fully accredited by Visit Britain's **We're Good To Go** scheme signalling to visitors that we had worked hard to follow government and industry Covid-19 guidelines with thorough processes in place to maintain cleanliness and aid social distancing.

The online **visitor survey** remained our primary research methodology throughout 2021/22. As all visitors were required to book tickets in advance online for the Museum and Butterfly House when we were open, we were therefore able to email them a survey link after their visit. The high number of responses (circa 1,770) helped mitigate some of the compromises made with no random sampling and a shortened survey. Results were available weekly via an online portal set-up by our research provider, DJS. From October 2021 some face-to-face research interviews were possible onsite. The results from these, as well as the daily footfall counts, were used to help weight the data from the online survey. Online surveys ceased when the need to book tickets for general admission to the Museum was abolished from 3 March 2022.

The visitor research resulted in very high ratings for positive visit experience of 97% and a likelihood to recommend of 94%. These were both up on the previous year. Regarding the safety measures that were in place, 99% of visitors felt safe at the Museum.

During 2021/22 we were able to complete the required four evaluations using the Arts Council's **Impact and Insight** Toolkit. The same platform was also used for our Members' survey in March 2022. We also began work on a non-visitor panel using an external research supplier, with the results from a series of surveys and focus groups due to be available from June 2022.

1.3 Public programme

Despite the challenges wrought by Covid, we were able to deliver a vibrant public programme of exhibitions and events throughout 2021/22. The most imaginative example of this was **696**, an interrogation of the power and responsibility public organisations have in supporting local music that saw the sounds of south London take centre stage across the Horniman. Working with an array of collaborators we created a textured and joyous programme celebrating the creativity and diversity of our south London community – all against the challenging backdrop of Covid restrictions.

1.31 Exhibitions

As the Museum reopened in May our new family friendly exhibition **Monkey Business** was ready to welcome visitors. Originating from National Museums Scotland, the exhibition explored the wide variety of primates and how each species has adapted to survive in a great diversity of surroundings, as well as some of the environmental issues affecting them. The exhibition was a departure from our usual shows in that it featured beautiful taxidermy specimens throughout the exhibition, really bringing to life the different primates and their habitats.

Cats and Dogs, our current family friendly show, opened during February half-term. This immersive exhibition explores the scientific, social and cultural role that cats and dogs play in our world, and invites visitors to go on an exciting, sensory journey, exploring what it's like to be a cat or a dog. From studying animal behaviour to examining human relationships with our favourite pets, visitors can enjoy physical and digital games and simulations that put them in each animal's paws to better understand them and their ways.

The Studio saw the installation of two new exhibitions this year. In July we opened **Dance Can't Nice** as part of the 696 programme mentioned above, created by artist Naeem DAVIS the exhibition explored the relationship between Black British music and public space, confronted the effects of bias on Black music by reimagining the private spaces where Lovers Rock, Bashment, Grime and Gospel Music flourished, from the Windrush Generation to today. Nearly 20,000 visitors experienced the exhibition.

In December **Hair: Untold Stories** opened to the public as the first of a new style of exhibition which aims to showcase the Horniman's collections, and foreground themes that resonate with wider, more adult audiences. The exhibition draws on our objects incorporating hair, alongside key loans and artworks, and highlights the qualities of hair as a material, exploring our complex relationship with hair both on, and off, our heads. It is the inaugural exhibition created for the Museums and Galleries Network for Exhibition Touring (MAGNET) funded by Art Fund and will later tour to Tullie House Museum in Carlisle and Museums Sheffield.

Linked to the Hair: Untold Stories exhibition, two photographic exhibitions **Cult Hair** and **Intimate Archives**, were installed in Gallery Square and the South Hall Balcony respectively. Curated by Rambisayi Marufu, **Intimate Archives** offers a window into African diasporic social experiments, rituals and practices of hair care using an

assemblage of person and found collections, Horniman archives and artistic collaborations. **Cult Hair** is an ongoing project capturing London's unique and diverse hairstyles, devised by INFRINGE's editors-in-chief Anthony and Pat Mascolo, and bought to life by photographer Panos Damaskinidis.

In addition, nine eco-vinyl panels were installed in the **Natural History Gallery** and North Hall Balcony to highlight the recent COP 26 Climate Change Conference. The installations focus on the subject of sustainability, and the actions our visitors can take to help reduce their carbon footprint, including joining our Environment Champions Community.

1.32 Events and activities

When the 696 risk assessment form made it harder for venues to host Black music events, many genres continued to flourish in private spaces. Featuring an exhibition, youth engagement, residencies, and music festival, **the 696 Programme** championed the people that were disproportionately affected by this legislation to create a summer celebration of the local area's cutting-edge live music scene. Diverse audiences were reached through new marketing channels and tactics including using ticketing platform DICE and a 'pay what you can afford' pricing model.

696 made a difference to south London's Black community, showcasing Black British creativity and unequivocally placing it at the Horniman's heart. We opened up our musical instrument collection to become an inspirational resource for local creatives, enabling the Black music community to co-produce and share their authenticity and expertise. The festival comprised 13 events, showcased 110 local artists and reached circa 8,000 visitors. Every event was sold out.

Fifteen young people of Black and Mixed Black Heritage became **696 Young Promoters**, working for 10 weeks to produce events while receiving employability training. When surveyed after the project, 100% agreed the programme had improved their confidence in applying for music jobs. Another strand saw five **Resident Artists** develop an artistic response to our music collection during a year-long residency. Overall the events attracted diverse audiences. 57% were minority ethnic with 95% recommending the Horniman. Our general visitor profile shifted from 18% minority ethnic to 21% across summer, a shift that was sustained for the whole of the reporting period.

The **Horniman Market** continued in the Gardens on Sundays throughout much of the year with full Covid-safe measures in place and proved an incredibly popular essential food destination for the local community. In December we held a winter fair with additional traders and free activities for children. These included a garden trail and make-and-take crafts run by volunteers.

Lewisham's London Borough of Culture programme went live on 28 January and we ran our first Borough of Culture activity throughout February. This activity was called Creative Challenge and was inspired by our taxidermy walrus and themes of climate change. We hosted free clay walrus-making workshops which welcomed guests to make and paint a small walrus out of clay to be part of a large display in Lewisham Shopping Centre. While creating the walrus, attendees were encouraged to think about their climate commitments and what they can do to help save the planet. The workshop ran every weekend in February and throughout February half term. It reached circa 800 people and was a free drop-in activity open to everyone. Throughout February half term we held two income generating activities which related to the Cats and Dogs exhibition. These were

Storytelling and a Sweet-Making Workshop which were both fully booked. In addition, Community Learning ran a music making workshop in the Music Gallery along with live musical performances of Swahili Peace Songs in the Conservatory.

Busk it Live! was piloted in February, inviting three musicians to perform original pieces to the public in the Conservatory. Their pieces were inspired by the collection and were performed on less familiar instruments such as the hammered dulcimer and hurdy-gurdy.

Programming around **Hair: Untold Stories** took place across March. We partnered with award-winning hair stylist Charlotte Mensah and cultural producer Korantema Anyimadu to hold an evening in conversation in Gallery Square. The conversation explored the importance of family, community and business. There were circa 55 attendees who also had the chance to view the exhibition. In addition, we held a daytime rope making workshop demonstration in Gallery Square with designer Sanne Visser. Using traditional rope making techniques, Sanne demonstrated how to turn waste hair into rope.

The Forest School programme began with trainees running free pilot sessions for Horniman members throughout February and March. The sessions had 72 attendees and took place weekly in the South Downs, helping trainees develop and practise their skills ready for the launch to the general public in June.

1.4 Learning and engagement

1.41 Schools

The schools programme saw significant change and innovation over the past year. Onsite object handling and outdoor workshops were reviewed, revised and extended, with increased emphasis placed on the climate crisis and colonial legacies. The virtual schools programme (developed during the pandemic) was expanded, reaching schools both nationally and internationally, with one event attended by c.2,500 learners across the UK. In response to the **Kids in Museums Climate Takeover Day**, 30 local school pupils (from three different schools) visited the Museum to create labels for the Natural History Gallery with our curatorial team, in response to the climate and ecological crisis.

Work to widen our **secondary school audiences** was particularly successful during the year, with 11% of facilitated sessions delivered to young people aged 11 and above, an increase of 7% on 2019/20. We delivered co-production projects with targeted secondary schools, including developing content for **Hair: Untold Stories**. We also increased our bursary scheme fund, with 30% more children from schools with a high free school meals rate, accessing free workshops.

The schools team changed significantly over the course of the year, including the creation of a new Schools and Handling Collection Assistant role. This role aims to drive the development of the **Handling Collection** to maximise its potential for the Horniman more widely, and to work with communities of interest to research the collection.

1.42 Youth Engagement

The **Horniman Youth Panel** has become an important part of the Horniman since it launched in 2010 and its aim is to enable young people's voices to be heard and make a real difference to what goes on at the Horniman. In response to their climate activism display in the World Gallery, The Sustainable Way, the Youth Panel raised awareness of the environmental impact of the cotton industry with a screen printing workshop. The Horniman also ran the **696 Promoters programme** for young people during 2021/22, as mentioned earlier.

1.43 Community and family engagement

In November 2021 we held a **Community Symposium** and filled the Pavilion to its Covid-capacity with 36 new and existing community partners and key Horniman staff to share the pressing issues we are all facing, our priorities for tackling these and a plan to work together to achieve these priorities. Common issues included the need to re-engage service users who have become increasingly isolated due to the pandemic while maintaining their safety; widening participation in services; and access to funding. Facilitated sessions began to resume after a lengthy pandemic gap, with the team running object-based sessions with local older people and stroke survivors. We continued to deliver object-based Zoom sessions to a local mental health arts charity. The **Access Advisory Group** was delighted to meet again on site, and provided valuable feedback on the Nature + Love project and on access issues in general.

1.5 PR

This year (1 April 2021 to 31 March 2022) the Horniman secured 549 items of print and online coverage, and 102 broadcast items, with a total Advertising Value Equivalence (AVE) of £3,612,559 and circulation of 273,734,333.

The Press Office responded to 239 media enquiries during this period along with 66 editorial filming and photography enquiries. These figures are similar to those pre pandemic in 19/20 which saw 560 items of print and online coverage, 124 broadcast items, AVE of £3,382,700 and a circulation of 231,338,537 with 288 media enquiries and 57 editorial filming and photography enquiries.

Key coverage and activity includes:

- the 696 programme, with coverage achieved for events and live music performances, artist residencies and the Dance Can't Nice exhibition, as well as profile pieces featuring curator Adem Holness
- Art Fund's 'Meet Me at the Museum' podcast recording on site, featuring Horniman ambassador Lolita Chakrabarti and artist Sara Shamma
- the Horniman's involvement in Lewisham Borough of Culture 2022
- the results of the Kids in Museums Family Friendly Awards, in which the Horniman was named Best Large Museum
- Senior Curator of Natural Sciences Dr Emma Nicholls' involvement as one of the team of expert palaeontologists excavating a fossilised ichthyosaur, discovered on an Anglian Water nature reserve in Rutland
- coverage of the Hair: Untold Stories exhibition
- extensive coverage of the plans and planting of a micro-forest adjacent to the A205, including interviews with Head of Horticulture Errol Fernandes
- the opening of the Cats and Dogs exhibition
- reporting around the first round funding from the National Lottery Heritage Fund, and subsequent tenders for the Nature + Love project
- a full day of filming with ITV's children's art show Makeaway Takeaway in which they spoke to Lucy Maycock (then Schools Learning Officer) and installed lift art

2.0 Collections

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

Performance against **Collections aim and objectives as outlined in the Corporate Plan:**

- a. The **Music In The Making** project culminated with the realisation of the **696 programme** showcasing South London music, as well as the final stages of the Hear It Live! Programme, and the documentation of our South Asian musical instruments
- b. The **Nature + Love** project received Stage 1 funding from NLHF and we are progressing with development stage activities
- c. Actions around our collections development policy, research strategy and international work were delayed due to the pandemic but will be progressed in 2022/23
- d. **Policies on restitution and human remains** were agreed by Trustees and a claim for the return of material from the 1897 raid on Benin City was received and is being considered
- e. A new Senior Curator of Social Practice was appointed and is working up the **High Tea** exhibition
- f. The **Hair: Untold Stories** project culminated in the exhibition opening in November 2021 and will tour to Carlisle and Sheffield as the first exhibition in the **MAGNET** partnership

2.1 Anthropology

We continued to develop the Horniman as a **centre for museum anthropology** including working with Goldsmiths, University of London in online teaching and research, and developing a new partnership with University College London (UCL). The team managed the final stages of the Community Action Research (CAR) project around African collections, and co-ordinated the African Collections Research Hub which arose from it, funded by a Digital Innovation and Engagement grant supported by the Museums Association, UK Research and Innovation (UKRI) and the Arts and Humanities Research Council (AHRC).

Our curators led the exhibition project **Hair: Untold Stories** and researched collections covered by a request for repatriation submitted by the National Commission for Museums and Monuments in Nigeria.

2.2 Natural World

From December, most attention was focused on the development phase of the **Nature + Love** project, including refinement of the storyline for the Natural History Gallery and review of objects that will be needed.

Artist and writer Harun Morrison was appointed in partnership with the Delfina Foundation to develop a residency and commission on the theme of Decolonising Natural History for the Inspired by Nature space in the Natural History Gallery.

The Horniman Aquarium team managed multiple successful coral spawning events in 2021 and early 2022. The material from this supported a number of different experiments and continued collaborations with UK and international researchers.

The Horniman Aquarium-led international research project dedicated to coral reef conservation **Project Coral** continued focusing on the following areas:

- Coral ID project with ZSL London Zoo
- Influence of heterotrophic feeding on individual climate resilience

- Influence of temperature profiling in phase shifting coral spawning seasonality
- Influence of whole seasonal profiling in phase shifting of coral spawning
- Endocrine manipulation to increase coral spawning productivity
- Sea urchin spawning to support evolutionary developmental biology and larval transcriptomics research.

2.3 Music

The 696 project took its inspiration from the Horniman's global collection of musical instruments, and the Resident Artists were encouraged to use them as inspiration for their work, including sampling some of their sounds.

The final recordings for the NLHF-sponsored Hear It Live! Digital series of filmed performances on the historic playing instruments in the Music Gallery were made, edited, and released as YouTube premieres.

3.0 Shaping the future

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

Performance against **Shaping the future objectives as outlined in the Corporate Plan:**

- The 10 year **Framework plan** was reviewed and the Nature + Love project prioritised, with a successful Stage One application submitted to NHLF.
- We surpassed our **self-generated income target** of £1.3 million in 2021/22, raising £2 million across commercial, charitable activity and fundraising streams and we prioritised efficiencies wherever possible
- We implemented a new integrated **customer relationship management (CRM) system**, Tessitura, unifying box office, membership, fundraising and retail functions
- We **invested** £778k in our buildings, estate and infrastructure, to protect and preserve them for future generations
- We continued to deliver on our **Climate and Ecology Manifesto** to become Greenhouse Gas neutral, more biodiverse and generate less waste and pollution by 2040, and report on our progress below
- We made progress in becoming a stronger, more representative organisation that more closely reflects the population of Greater London by recruiting and supporting a more inclusive and diverse workforce, Board and volunteer base comprising 19%, 27% and 33% ethnic minorities respectively.

3.1 Income

Our self-generating income streams began to recover during 2021/22 despite the continued capacity restrictions and Wednesday closures. We were pleased to exceed our overall income target of £1.3 million, generating £2 million across commercial, charitable activity and fundraising streams (including funding from the government's Job Retention Scheme).

Charitable activity income, related to our core purpose and generated through ticket sales, membership, the schools' programme, events and other activity began to rebuild generating £789k by year end.

Commercial activity managed through the Horniman Museum and Enterprises (HME) and comprising retail, catering and venue hire showed a strong recovery after the previous year generating a gross turnover of £484k and a net profit of £215k (up 1333%).

The Horniman Café had a strong recovery with £1.2 million net sales, and our Venue Hire and Filming and Photography business was back to near pre-pandemic levels. The Horniman Market had its best ever year for income and profit, and our mini golf partnership with Plonk provided a small profit again.

Fundraised income generated during 2021/2022 was broadly similar to last year's total and reached £549k (excluding CJRS grants and donations to the collections). This included gifts from both individuals, legacies and grant making trusts. Funding raised is supporting a range of new projects and activity as well as providing unrestricted income for our everyday work. On site giving was necessarily affected by closures but the requirement to book an entry slot to manage social distancing enabled us to ask for donations to support our work and activated a modest set of new donors. A particularly successful appeal that began in the previous financial year was our London Road Tree Planting Appeal for the creation of a new micro forest in our Gardens. The appeal closed in 2021/2022 and the planting has now been completed. The total raised was over £26,000 and we are proud that the appeal was shortlisted for the Museums + Heritage Awards Fundraising Campaign of the Year 2021.

3.2 Climate and Ecology Action

Throughout the year our Climate and Ecology Action Coordinator has made good progress on the delivery of our Climate and Ecology Action Plan. We continued to deliver our **Environment Champions Community** with an online and Facebook presence, with over 135 subscribers to the newsletter. We are now developing more 'activist' events, in partnership with community groups from Lewisham and Southwark, including litter picking events and activities held during the Spring Fair, in partnership with Lewisham Council, The Lewisham Cyclists and Climate Action Lewisham.

A new waste contractor has been appointed and we now have accurate figures for the waste we generate every month. We are currently recycling circa 27.5% of our waste and our Coordinator is looking at what changes we can make to improve this figure in 2022/23. We now have **accurate baseline data** for all our utilities apart from water and the Coordinator is working very hard with our water suppliers to rectify this situation next year. We have almost completed the development and costing of a roadmap to allow us to achieve **greenhouse gas neutrality by 2040**, this has included Scope 3 emissions.

During the winter months we landscaped and installed the **micro forest** site mentioned above, widening the shrub and herbaceous border along the busy London Road. Over 900 tiny trees have now been planted, along with 2000 bulbs and meadow species in the grass areas, significantly increasing biodiversity in the area. The intention is that as the trees grow they will buffer our site from London Road, reducing both airborne and noise pollution.

Utilities consumption over the last 5 years					
	2021/22	2020/21	2019/20	2018/19	2017/18
Electricity Kwh	1,187,472	1,096,560	1,348,331	1,345,227	1,412,045
Gas Kwh	1,080,059*	1,244,663*	1,411,692*	1,383,588*	1,345,171
Water**	6,373	Figures not available for reporting this year			
Waste Tonnes***	100.17	Figures not available for reporting this year			

Green waste tonnes	12.55	Figures not available for reporting this year
*includes new Butterfly House		
**figures based on extrapolation of usage since October 2021		
***Figures based on extrapolation of data collected since September 2021		

3.3 Sector support and collaboration – national and international

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

We are now hosting the new Museums and Galleries Network for Exhibition Touring (MAGNET) which is supported by Art Fund and is aimed at helping an 11 member network to develop exhibition content to tour amongst themselves. The first toured exhibition is our own **Hair: Untold Stories** which opened in October and then tours to Carlisle and Sheffield in 2022-23.

Throughout the year we managed and maintained **loans out** to nine organisations including the V&A London; Dulwich Picture Gallery; Historic Royal Palaces and the Science Museum, many loans out were extended due to Covid or postponed. We also continued our successful programme of Object in Focus loans to smaller museums, libraries and academic institutions across the South East. Our aim for this programme is to increase access to our stored collections, promoting the Museum Association's Smarter Loans principles and forging links with other organisations. We toured a variety of objects to a total of seven venues, including Trinity Laban, Camberwell College of Art, Arts Network, Maidstone Museum and Deptford Lounge – providing support, interpretation, talks and activities tailored as needed.

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

3.4 Key supporters

The Horniman receives core funding from **DCMS** and from **ACE** as a National Portfolio Organisation.

In 2021/22 the Trust received £4.187million revenue funding from DCMS. This included £501k in Covid support. We also received £710k capital funding from DCMS. The Horniman output against DCMS KPIs and PIs appears at Annex I. Trustees are most grateful to DCMS for its continued support.

The Horniman became an ACE National Portfolio Organisation during 2018 and secured funding for 2018-22. Our funding allocation from ACE for 2021/22 was £964k. The Trust is most grateful to ACE for its support over recent years and for providing us with the opportunity to build our resilience and provide excellent and creative opportunities for public engagement. As mentioned earlier in this document, the Horniman will no longer be eligible for NPO funding after April 2023.

Voluntary donations

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

Grants 2021/22

Art Fund
Arts Council England
The Aspinwall Educational Trust
Bloomberg Philanthropies
William Brake Charitable Trust
City and Guilds of London Institute and the Worshipful Company of Gardeners
The Department for Digital, Culture, Media and Sport
Esmée Fairbairn Foundation
The Eversley Charitable Trust
Kusuma Trust
London Borough of Lewisham
Mayor of London's Grow Back Greener Fund
Museums Association
National Lottery Heritage Fund
PRS Foundation
Youth Music

Individual giving in 2021/22

Victoria Appleby
Joan Armstrong
Daniel and Anja Bailey
Tom Bartlett
Judy Beard
Thomas and Rumana Bennett
Richard Blurton
Joanna Blythman
Philippa and Mai-Ling Bosman Savage
Catharine Boston
David Boston (Bequest)
Paul Brand
Sally and Michael Bridgeland
Frances Carey
Margaret Carey
Fiona Clements
John Coulthard and Ruth Dobson
Robert Crawford
Brian and Ruth Davies
Stephen Dimon
Melanie Docking
Rina Dutta
Simon and Joanna Edwards
Antje Ehrlich
Alyson and David Elliman

Elizabeth Emerson
Gavin and Amy English
Kit Farrow
John Firmin
Surojit Ghosh
Justin and Dawn Giles
Richard and Kyla Goody
Simon Granleese
Hanna Grindall
Ed and Catherine Hales
Tim Hanson
Adrian Hartley
Virginia and David Hearn
Simon Hesketh
Lucy Hopkins
Michael Horniman
Penny Hyatt
Ann Jackson
Rosie Jackson
Penelope Jarrett
Scott Keir and Robin Bray-Hurren
Mary Kempson
Donald and Kathleen Kirkham
Stephen Locke
George and Angie Loudon
Jason McCulloch and Emma Carter
Nicholas and Lindsay Merriman
Mayowa Ochere
Tim O'Connor
Hamish Parker
Erica Perry
Jane Portal
Stephen Proctor
Claire Richards
Sian Richards (Bequest)
Samantha Riches and Simon Christian
Charlotte Rooney
Keith Roper
Andrew Rutherford
Eve Salomon
Carole and David Souter
Kate and Adam Stevens
Jane Steward
Barbara Sutcliffe (Bequest)
Rosamund Sykes
Hugo Tait
Ian Tollett and Jessica Matthews
Steve Van Riel

Lauren Walker
 Ann Wallace
 James Watson
 Stephen Whittle
 Charles Wynn-Evans and Alex McColl

We are also grateful to the following for the support in-kind they have shown the Horniman:
 Google Ad Grants
 Small Beer

We extend our thanks to our **Ambassadors** for their support: Sir David Attenborough; Baroness Floella Benjamin and Mr Keith Taylor; Jo Brand; Lolita Chakrabarti and Adrian Lester CBE; Jeremy Deller; Dame Evelyn Glennie; Kanya King CBE; Mr Timothy Spall OBE and Mrs Shane Spall; Mr Joe Swift and Mrs Cathy Swift.

We would also like to say a special thank you to the individuals who gave to the Museum and Gardens over the past year, including those who gave commemorative gifts and those donors who wish to remain anonymous.

3.5 Staff and volunteers

3.51 Furlough scheme

During the year 70 permanent staff and 10 casual staff were furloughed for various periods due to the closure of the Museum, the cessation of all face to face activity with the public and the decline in other activity as a result of the Covid restrictions. It was not possible to redeploy staff in other areas of the public sector due to the specialist nature of their roles. Grants claimed under the Coronavirus Job Retention Scheme (CJRS) were as set out below:

	Permanent Staff			Casuals			Total
	No	£'000s		No	£'000s	No	£'000s
April	70	66		10	3		69
May	59	53					53
June	21	10					10
July	16	6					6
August	9	3					3
September	8	2					2
		140			3		143

Use of the CJRS enabled the Trust to remain financially stable.

3.52 Human resources policies

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

The diversity of our workforce is central to our values and the delivery of our objectives. We believe that maintaining a diverse workforce plays an important part in ensuring the diversity of our audiences. We aim to ensure that the diversity of our workforce reflects the diversity of the job markets from which we recruit. Our overall target for staff from ethnic minority backgrounds

is 20% reflecting the fact that some posts are recruited from a national job market and some from a local (London) job market. In 2021/22 our workforce included 19% staff from ethnic minorities and 11% of the workforce disclosing a disability.

We give great importance to supporting our staff both to help them develop and to achieve improvement in our performance. We aim to treat all of our employees in a fair and consistent manner, promoting good working relationships and encouraging high standards of conduct and work performance. We aim to provide a healthy workplace where risks are effectively managed, together with fair rewards and conditions of employment. The average number of days of sickness per employee during the year was 8.6 (6.4 in 2020/21). This compares with 8.6 days nationally in 2021.

3.53 Informing and consulting employees

The Horniman promotes a culture of openness and effective internal communication through formal and informal means. Managers are involved in the preparation of the Corporate Plan and in the dissemination of business plans. Directorate team meetings are held on a regular basis, along with a weekly communication update to all staff called Messenger and a number of cross-team groups work together to address specific issues or deliver projects. A monthly briefing meeting for all staff continued to be held throughout the year via Zoom or in person.

A staff survey was carried out in January 2022 with 71% of staff responding (80% in 2020). The main headlines from the survey were:

- Staff felt proud to work for the Horniman and that diversity is encouraged
- The role played by line managers was considered particularly important and appreciated
- Staff were well informed and supported during the pandemic particularly over wellbeing issues
- Staff felt that the right kind of training and development opportunities were available
- A number of key areas were identified for improvement around culture and recognition; communication; wellbeing and workload. An action plan and timetable has been developed to address these.

The Horniman recognises the GMB union for collective bargaining and there are regular meetings between management and trade union representatives.

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

3.54 Volunteering, work experience and apprenticeships

The focus during 2021/22 was on rebuilding the Engage volunteer teams back to pre-Covid levels. The new recruits completed their induction and many attended training sessions in customer service, live interpretation skills and an introduction to the animal kingdom. A new IT volunteer assessed a huge collection of old IT equipment and identified items for disposal or re-use. In addition, volunteers were recruited for the Aquarium, the Gardens, Anthropology and to assist with exhibition archives. Overall, 122 volunteers supported our activities during the financial year donating 4,352 hours. These were more diverse than in the previous full year: in 2021/22 34% of volunteers were from ethnic minorities compared with 23% in 2018/19 and 10% were disabled (7% in 2018/19).

A new, two-week **work experience programme** was devised in partnership with our local comprehensive secondary school, Forest Hill School, and began in November. The programme offered five students the opportunity to work with staff in a range of practical roles across the Horniman including front of house, catering, estates and gardening. We also engaged a Gardens apprentice and recruited four young people under the government's **Kickstarter** scheme to work in the areas of digital, documentation, living collections and income generation.

3.55 Whistleblowing arrangements

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

3.56 Personal data

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

3.57 Fundraising regulation

During 2021/22 the Trust's fundraising staff undertook activities to raise money from trusts and foundations, businesses and individual supporters. These included writing bids and applications, cash and contactless collections on-site and the delivery of annual regular giving and In-Memoriam schemes. The Trust did not use volunteer or external professional fundraisers. We did not receive any complaints about fundraising activity this year.

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

4.0 Financial review

2021/22 was another challenging year for the Trust due to closure of the Museum for the first six weeks and Covid restrictions in place during the rest of the year which resulted in the loss of a part of our self-generated income. We did however recover better than initially expected and were able to add a surplus to General Reserves with the help of Covid support from DCMS, other Covid grants and generous support from Trusts and Foundations and individuals.

Trading activities recovered well despite the closure for part of the year and reduced opening to six days per week, with net profit and overall revenues almost up to the 2019/20 levels. Venue hire commenced from July and although some bookings were deferred until 2022/23 further bookings were taken and this activity finished the year strongly with a good level of bookings for future years. Filming and photography revenue increased during the year partly due to the closure of the Museum on a Wednesday and its availability for income generating opportunities. The shop performed relatively well but, with visitor numbers reduced from normal levels, revenues were significantly lower than in previous years. The Café performed strongly and its contribution to the Horniman reached a similar level to 2019/20. Plonk Golf and

the Horniman Market both benefitted from the popularity of the Gardens, with the former generating revenues at a similar level to last year and the latter increasing its revenues.

Income from charitable activities, which includes admission charges and membership income, recovered well during the year although the impact of social distancing and restricted numbers meant that it was still below usual levels. Membership income in particular was slow to recover as fewer members renewed their membership. Income from schools sessions picked up well as schools were keen to recommence onsite visits as well as take advantage of our online offer.

The Trust has once again benefitted from the Museums and Galleries Exhibitions Tax Credit, which is available on expenditure on new exhibitions from 1 April 2017 and has led to additional income of £100k, from Hair: Untold Stories, Dance Can't Nice and several small-scale temporary exhibitions. The increase of £66k on 2021/22 is also partly due to the increase in the rates of the tax credit on expenditure incurred from 27 October 2021.

In 2021/22 the Trust received capital funding from DCMS of £710k, including £510k additional funding allocated for critical estates maintenance and emergency works for a number of projects.

The revaluation of fixed assets at the end of the year resulted in a net increase of £1.346million (£29k increase in 2019/20). This was split between an increase of £314k on unrestricted assets and an increase of £1,032k on restricted assets, mainly due to increases in price indices for both materials and labour costs between the two valuation dates.

Investment Policy

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

Due to the dependence upon external funding, which frequently cannot be claimed until after the expenditure has been incurred, the Trust needs to maintain a high level of liquidity. The Trust also wishes to invest ethically within the constraint of the requirement for liquidity. The investment policy is therefore to invest surplus funds, above the amount needed for monthly working capital purposes, in instant access deposit accounts, term deposits or other low risk investments with at least two responsible institutions.

The objectives of the investment policy are to balance:

- Meeting ethical standards
- High level of liquidity
- Maximum rate of return at acceptable level of risk

Reserves Policy

The Trustees have considered the scale, complexity and risk profile of the Horniman, and taken account of the funding base which consists of grant-in-aid from DCMS and self-generated income. The former has historically been reasonably foreseeable and a Framework Agreement for 2022-2025 is currently being finalised with DCMS. Grant-in-aid funding for 2022/23 was confirmed in March 2022 along with our baseline funding for 2023/24 to 2024/25. Self-generated income is always liable to fluctuation depending on economic circumstances and visitor activity which is still slightly uncertain post-Covid-19 as visitor levels and spending is unlikely to return to previous levels in the next year.

The Trustees have designated a further £575k to add to the previous £1,025k for future Museum development and specifically to develop the 10-year Framework and underwrite fundraising for matching funding arising from this from 2022 to 2027. This leaves a balance of £1,106k Free Reserves (General Fund). The Trustees have reviewed the level of Free Reserves and consider £700k to be a minimum level to take into account the annual operational expenditure, to deal with fluctuations in income, to provide adequate working capital, to underpin budgetary risks arising from capital expenditure projects, and uncertainties over the level of future funding. The surplus of £406k over the minimum is available to meet expected deficits arising in 2022/23 as the business continues to suffer the effects of Covid-19 restrictions and inflationary increases in costs above our public funding.

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

There was a negative balance of £9,567k on the Pension Reserve at 31 March 2022 due to the current deficit on the pension scheme under FRS102 (note 26), which reduced from £11,928k at 31 March 2021. This improvement from the previous year is largely due to increases in the discount rate and also to asset returns during the year being higher than assumed at the last valuation date. The FRS102 valuation is based on the triennial valuation at 31 March 2019, which showed an improvement in the level of funding of the scheme. As a result, the future service rate increased to 15.7% (from 13.41%) but there was a reduction in the amount the Trust is required to make in additional lump sum payments towards eliminating the past deficit over a period of six years. The next valuation is due as at 31 March 2022 but the results are not expected until the end of 2022.

The categories of Reserves can be summarised as follows:

	£'000
Capital projects fund: representing income invested in fixed assets, adjusted for depreciation	5,720
Revaluation reserve: cumulative revaluation surpluses and deficits	10,810
Donated assets reserve: representing fixed assets purchased from grants and donations restricted by virtue of specific conditions or legal restrictions, adjusted for revaluation and depreciation	29,624
Other restricted funds: unspent funds restricted by virtue of specific conditions or legal restrictions	167
Pensions reserve: representing the current FRS102 value of the pension fund deficit	(9,567)
Designated funds for Museum Development	1,400
Free Reserves	
Unrestricted reserves over which there are no restrictions or specific future spending intentions	1,306
	39,460

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

Prompt Payment Policy

The Trust has adopted the Better Payment Practice Code and accordingly all contracts have complied with the Act. No interest payments have been made under the terms of the Act.

The Trust undertakes to pay all bills, except for those under dispute, in accordance with the contract terms or otherwise within 30 days. During the year, 79% of invoices not in dispute were paid within 30 days or supplier terms (85% in 2020/21).

5.0 Principal risks and uncertainties

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

The principal risk continues to be dealing with the legacy of Covid-19 as we work to rebuild our visitor numbers and self-generated income. The Horniman expects to face a deficit in 2022/23 but is confident that this can be covered by current reserves. A strategy has been developed to mitigate the loss and move to a more sustainable operating model from 2023/24 onwards.

Another significant risk is the economic environment as inflation and consequent financial pressures increase, with costs rising exponentially for both the organisation and individuals. Particular areas of concern include the increase in energy costs, the impact on planned capital budgets due to the rising costs for materials and services, and the affordability of any pay negotiations. Further pressure on revenue budgets particularly if combined with a slow growth in visitor numbers caused by the long term impact of Covid, would be damaging especially as reserve levels will be reduced.

A further risk is around the capacity of our workforce to deliver the scope of projects outlined, particularly in the area of capital works. The Nature + Love project will add a substantial workload to many teams across the organisation over the next few years. This will need to be managed carefully to ensure other projects and day-to-day activities do not suffer as a consequence, and that the wellbeing of staff continues to be prioritised.

A final significant risk relates to cybersecurity, where the threats have increased recently, particularly in relation to the war in Ukraine. We are adopting a short-, medium and long-term series of actions to mitigate the risks as best as we can within the resources available.

The Pension Scheme continues to be an item of continued risk, given the size of the deficit on the Pension Reserve. This is considered to be low risk in the longer term as it is very unlikely that the liability would crystallise in the foreseeable future and as current contributions are affordable and have been built into current plans. The outcome of the last triennial review received in January 2020 showed an improvement in the level of funding and the Trustees will review the risk again when the results of the 2022 valuation are known towards the end of 2022. The risk will continue to be monitored by the Board on an annual basis.

6.0 Plans for future periods

6.1 Priorities for 2022/23

Priorities for 2022/23 are outlined in our Corporate Plan 2022/23 which can be found on our website at www.horniman.ac.uk. This plan incorporates our Reset Agenda, developed during the pandemic, which accelerates our work around audience diversity, colonial legacy and climate emergency as well as ensuring the Horniman's financial sustainability.

Structure, Governance and Management

Governing Document

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

Form of Accounts

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

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

Corporate Governance

The Board of Trustees, which meets at least quarterly, is responsible for the charity. There are up to 12 Trustees, four of whom, including the Chairman, are nominated by the Secretary of State for DCMS. They serve for a four-year term, after which they may be re-elected for a further four years at the Annual General Meeting (AGM) of the Trust.

Sarah Kemp and Geoffrey Crossick retired as Trustees during the year and the Board appointed Roma Dibua and Eva Appelbaum as new Trustees. The Board confirmed the re-appointment of Clare Matterson for a period of four years at the Annual General Meeting in October.

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

None of the Trustees has any material interest in the charity or any company directorships or other significant interests that may cause conflict with their duties as Trustees. A notice of where the Register of Trustees' Interests can be viewed can be found on the Trust's

website at www.horniman.ac.uk. Trustees receive no payment but may claim travel and subsistence expenses for attending meetings.

The Board of Trustees has established an Audit Committee to support them in their responsibilities relating to risk control and governance; including the review of the comprehensiveness, reliability and integrity of assurances required by the Board and Accounting Officer. This includes the detailed perusal of the Annual Accounts and consideration of Internal Audit Reports. During the year the following internal audit reviews were accepted: Organisation Resilience; Marketing and Communications; Animal Walk, Aquarium and Butterfly House; and Environmental Management as well as the regular annual report of assurance to the Accounting Officer on the systems of internal controls.

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

The Capital Projects Board considers matters relating to the execution and monitoring of capital projects and reports progress to the Board.

The Restitution and Repatriation sub-committee was set up during the year to consider requests made by third parties for the restitution or repatriation of any object(s) in the Horniman's collections.

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

During the year the Trustees commissioned an external review of the Corporate Governance arrangements including the Corporate Governance Code which sets out the way in which the Trust directs and controls the Horniman Museum and Gardens. Although the review gave a largely positive conclusion a number of recommendations for improvements were made and an action plan and timetable developed by the Board which has now substantially been completed.

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

"We love the Horniman Museum and are proud to support its efforts to improve the environment for people and wildlife alike. Keep up the amazing work!"

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY

Registered Office:

100 London Road
Forest Hill
London SE23 3PQ

Company Registration Number: 2456393
Charity Registration Number: 802725

Directors and Trustees

Eve Salomon, Chair *
Eva Appelbaum (from 14.10.21)
Caroline Cole *
Geoffrey Crossick (to 14.10.21)
Roma Dibua (from 14.10.21)
Surojit Ghosh *
Simon Hesketh

Nico Iacuzzi *
Sarah Kemp (to 14.10.21)
Clare Matterson
Mayowa Ochere
Carole Souter
Helen Williams

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

Audit Committee

Roma Dibua, Chair from 14.10.21
Sarah Kemp, Chair (to 14.10.21)
Geoffrey Crossick (to 14.10.21)
Mayowa Ochere (from 14.10.21)
Helen Williams

Remuneration Committee

Eve Salomon, Chair
Clare Matterson
Mayowa Ochere

Capital Projects Board

Caroline Cole
Surojit Ghosh
Simon Hesketh

Restitution and Repatriation Committee

Carole Souter, Chair
Sarah Kemp
Roma Dibua (from 17.03.22)
Clare Matterson (to 17.03.22)

Chief Executive

Nick Merriman

Secretary

Paula Thomas

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

Solicitors: Bates Wells, 10 Queen Street Place, London, EC4R 1BE


Internal Auditors: BDO, 55 Baker Street, London, W1U 7EU

External Auditors: Moore Kingston Smith LLP, 6th Floor, 9 Appold Street, London EC2A 2AP

The Trustees' Report on pages 1-25 has been approved by the Trustees and signed on their behalf:



Eve Salomon
Chair
Date: 25 July 2022



Nick Merriman
Accounting Officer
Date: 25 July 2022

Remuneration Report

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

The Remuneration Committee is a subcommittee of the Board and is responsible for considering matters relating to the remuneration of the Chief Executive and making recommendations to the Board thereon. Details of membership of the Remuneration Committee are included on page 24 of the Trustees' Report.

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

The Chief Executive was appointed with effect from 1 May 2018. This contract provides for a six-month notice period for termination of contract. The Chief Executive's performance is assessed on an annual basis against objectives agreed with the Chair of the Board of Trustees and a bonus is calculated on the basis of the performance achieved. A proportion of this may be consolidated as an increase to basic salary with the agreement of the Board of Trustees and within the terms of the contract. The Chief Executive is a member of the London Pensions Fund Authority Scheme on the same terms as other employees.

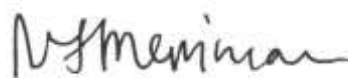
The salary and pension entitlements of the Chief Executive were as follows:

	31 March 2022	31 March 2021
Real increase in pension	£1,165	£2,617
Total accrued	£8,976	£7,355
Salary	£110,000-£120,000	£110,000-£120,000
Non-consolidated bonus	0	£10,000-£15,000
Total remuneration	£110,000-£120,000	£120,000-£130,000
Median total remuneration	£24,138	£24,151
Ratio to median remuneration	5	5

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



Eve Salomon
Chair
Date: 25 July 2022



Nick Merriman
Accounting Officer
Date: 25 July 2022

Statement of Trustees' and Accounting Officer's Responsibilities

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

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

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

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

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

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

Audit information

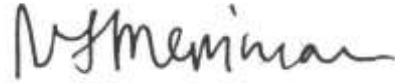
In so far as the Trustees and Accounting Officer are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and

- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.



Eve Salomon
Chair
Date: 25 July 2022



Nick Merriman
Accounting Officer
Date: 25 July 2022

Governance Statement

Scope of responsibility

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

The purpose of the governance framework

The governance framework comprises the systems and processes by which the Horniman is directed and controlled. It enables the Board to monitor achievement of its strategic objectives. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Horniman's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place throughout the year ended 31 March 2022.

The governance framework

The Corporate Governance Code is approved by the Board and outlines the way in which the Trust directs and controls the Museum and Gardens. The Trustees' Code of Practice outlines Trustee responsibilities. An independent external review of the Trust's Corporate Governance arrangements was carried out during the year. Overall this was positive with a number of suggestions and recommendations being made which were substantially actioned by 31 March 2022.

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

- A Board of Trustees, which meets at least quarterly to focus on the strategy, policy and direction of the Trust. This includes agreeing a corporate plan which is updated annually, setting key performance indicators and reviewing the major risks
- An Audit Committee, which meets three times a year to support the Board in their responsibilities relating to risk control and governance, including detailed perusal of the Annual Accounts and consideration of Internal Audit Reports
- A Remuneration Committee, which makes recommendations to the Board on matters relating to the Chief Executive and other senior management remuneration and remuneration policy as required
- The Chief Executive, who has responsibility to the Board for the overall organisation, management and staffing of the Trust and for its procedures in

financial and other matters. The Chief Executive is also designated “the Accounting Officer” by DCMS. The Accounting Officer is responsible for managing risk and ensuring that an effective system of internal control is maintained and operated within the Horniman

- The Senior Management Team supports the Chief Executive and is also responsible for the management of respective areas of responsibility within the Trust and thus for the delivery of programmes and policies in those areas. The Senior Management Team maintains a key risk list which is considered and updated at least quarterly and key changes reported to the Board. The Senior Management Team normally meets weekly
- The line management structure flows through to the Heads of Department, who are responsible for budgets and staff in their areas of work as well as for delivering their agreed outputs
- A business risk management framework through which Heads of Department and project managers are also responsible for managing risks and maintaining key risk lists for their areas of responsibility, which are updated at least quarterly, reviewed by the Senior Management Team. Periodic risk awareness training is given to senior managers and departmental managers
- A system of delegation and accountability, which includes comprehensive systems for budgeting and control of expenditure and income which flow from the corporate plan which is agreed by the Senior Management Team, and reviewed and approved by Trustees
- A Health and Safety Committee which meets quarterly to consult with employees, review health and safety practices and procedures, and address health and safety concerns
- Policies and procedures for protecting the Horniman including an anti-fraud policy, anti-bribery policy and whistle blowing policy
- Monthly reviews by the Senior Management Team and quarterly reviews by Trustees of financial reports which indicate financial performance against budgets
- An Internal Audit function whose primary role is to give the Accounting Officer and Trustees an independent and objective opinion on the Horniman’s risk management, internal control and governance. The Horniman uses an externally provided internal audit service, which operates to standards defined in the Public Sector Internal Audit Standards. The work of the internal auditors is informed by the analysis of risk to which the Horniman is exposed, and annual internal audit plans are based on this analysis. The analysis of risk and the internal audit plans are drawn up in consultation with the Audit Committee and approved by the Board.

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

The Horniman does not maintain any accounts or hold any funds, investments, donations or economic resources from the persons/organisations listed in the latest HM Treasury Notice on Financial Sanctions, Russia.

Review of effectiveness

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

The Board periodically reviews its effectiveness and monitors Board attendance. The Board met six times during the year ended 31 March 2022 via video conferencing or in person with attendance of 92%.

The Audit Committee is responsible for reviewing the effectiveness of both internal and external audits. Both contracts are put out to tender every five years. The external audit contract was re-tendered during 2020/21 and Moore Kingston Smith were reappointed. The internal audit contract was reviewed in December 2017 and BDO (formerly Moore Stephens) were reappointed to carry out the work. The Committee also carries out an annual review of its own effectiveness and reports annually to the Board.

Our review of the effectiveness of audits is also informed by the work of the internal auditors, the Senior Management Team and departmental managers, who have responsibility for the development and maintenance of internal control systems, as well as comments made by the external auditors in their management letter and other reports. During the year internal audit reviewed the following areas: Organisational Resilience; Marketing and Communications; Environmental Management; Aquarium, Animal Walk and Butterfly House. Recommendations made by the auditors to strengthen internal controls in the 2021/22 year have been implemented or are in the process of being implemented by management.

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

At least annually the Head of Internal Audit provides an independent opinion on the adequacy and effectiveness of the Horniman's system of internal control together with recommendations for improvement; this is reviewed by the Audit Committee and reported on to the Board of Trustees. The opinion given in the Annual Report of the Internal Audit Service for 2021/22 was as follows: **'There is an adequate and effective system of governance, risk management and internal control to address the risk that management's objectives are not fully achieved'**.

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

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



Eve Salomon
Chair
Date: 25 July 2022



Nick Merriman
Accounting Officer
Date: 25 July 2022

Independent Auditor's report to the members of the Horniman Public Museum and Public Park Trust

Opinion

We have audited the financial statements of the Horniman Public Museum and Public Park Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' 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 group's and parent charitable company's ability to continue as a going concern for a period of at least 12 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained in the annual report. 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.

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 course of 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on pages 27 and 28, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

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

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

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.

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 charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable 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.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

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

Moore Kingston Smith LLP

Date: 25 July 2022

Neil Finlayson (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

6th Floor
9 Appold Street
London
EC2A 2AP

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
Incorporating an income and expenditure account

Year ended 31 March 2022

	note	Unrestricted Funds 2022 £'000	Restricted Funds 2022 £'000	Total Funds 2022 £'000	Unrestricted Funds 2021 £'000	Restricted Funds 2021 £'000	Total Funds 2021 £'000
INCOME AND EXPENDITURE							
Income from							
Donations and legacies							
Grant in Aid	2	4,897	-	4,897	4,359	-	4,359
NPO grant	3	964	-	964	964	-	964
Other grants and donations	4	294	405	699	865	310	1,175
Total Donations and legacies		6,155	405	6,560	6,188	310	6,498
Other trading activities	5	503	-	503	194	-	194
Income from investments		7	-	7	10	2	12
Income from charitable activities	6	787	9	796	475	14	489
Total income		7,452	414	7,866	6,867	326	7,193
Expenditure on							
Raising funds	7	790	34	824	711	38	749
Charitable activities	8	6,948	844	7,792	6,373	503	6,876
Total expenditure		7,738	878	8,616	7,084	541	7,625
Net (expenditure)		(286)	(464)	(750)	(217)	(215)	(432)
Taxation credit	9	100	-	100	34	-	34
Net (expenditure)		(186)	(464)	(650)	(183)	(215)	(398)
Net gains/(losses) on revaluation of fixed assets	17,18	314	1,032	1,346	(188)	187	(1)
Actuarial gains/(losses) on defined benefit pension scheme		3,359	-	3,359	(4,053)	-	(4,053)
Net movement in funds		3,487	568	4,055	(4,424)	(28)	(4,452)
Fund balances brought forward		6,182	29,223	35,405	10,598	29,259	39,857
Fund transfers		-	-	-	8	(8)	-
Fund balances carried forward	25	9,669	29,791	39,460	6,182	29,223	35,405

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

The information presented within the Statement of Financial Activities is equivalent to that which would have to be disclosed in an Income and Expenditure Account and accordingly a separate Income and Expenditure Account is not presented, as permitted by section 394 Companies Act 2006. No separate Statement of Financial Activities has been presented for the parent charity as permitted by section 408 Companies Act 2006. The amount of the net expenditure dealt with in the financial statements of the parent charity is £666k (2021: net expenditure £398k).

The notes on pages 40 to 54 form part of these financial statements.

BALANCE SHEETS**At 31 March 2022****Company Registration Number: 2456393**

	note	Group 2022 £'000	Museum 2022 £'000	Group 2021 £'000	Museum 2021 £'000
FIXED ASSETS					
Heritage assets	16	539	539	522	522
Other tangible fixed assets	17	45,516	45,516	44,170	44,170
Intangible fixed assets	18	83	83	82	82
Investment in subsidiary	13	-	-	-	-
		<u>46,138</u>	<u>46,138</u>	<u>44,774</u>	<u>44,774</u>
CURRENT ASSETS					
Stocks		58	-	54	-
Debtors	19	532	671	554	573
Current asset investments (Notice deposits)		440	440	755	755
Cash	20	<u>2,961</u>	<u>2,829</u>	<u>2,315</u>	<u>2,305</u>
		3,991	3,940	3,678	3,633
CREDITORS: amounts falling due within one year	21	<u>1,102</u>	<u>1,056</u>	<u>1,119</u>	<u>1,079</u>
NET CURRENT ASSETS		<u>2,889</u>	<u>2,884</u>	<u>2,559</u>	<u>2,554</u>
NET ASSETS excluding pension liability		<u>49,027</u>	<u>49,022</u>	<u>47,333</u>	<u>47,328</u>
Pension liability	26	<u>9,567</u>	<u>9,567</u>	<u>11,928</u>	<u>11,928</u>
NET ASSETS including pension liability		<u><u>39,460</u></u>	<u><u>39,455</u></u>	<u><u>35,405</u></u>	<u><u>35,400</u></u>
REPRESENTED BY:					
Restricted income funds	24	29,791	29,791	29,223	29,223
Unrestricted funds	24	8,426	8,421	7,614	7,609
Revaluation reserve	24	10,810	10,810	10,496	10,496
Pension reserve	24	<u>(9,567)</u>	<u>(9,567)</u>	<u>(11,928)</u>	<u>(11,928)</u>
Total funds		<u><u>39,460</u></u>	<u><u>39,455</u></u>	<u><u>35,405</u></u>	<u><u>35,400</u></u>

These financial statements were approved and authorised for issue by the Trustees on 25 July 2022

Signed on behalf of the Trustees


Eve Salomon
Chair

Nick Merriman
Accounting Officer

CONSOLIDATED CASH FLOW STATEMENT**Year ended 31 March 2022**

	Note	Group 2022 £'000	Museum 2022 £'000	Group 2021 £'000	Museum 2021 £'000
Cash flow from operating activities:					
Net cash provided by operating activities	25	1,420	1,298	1,295	1,365
Cash flow from investing activities:					
Interest from investments		7	7	12	12
Purchase of property, plant and equipment		-781	-781	-773	-773
Net cash used in investing activities		-774	-774	-761	-761
Increase in cash and cash equivalents in the year		646	524	534	604
Cash and cash equivalents at the beginning of the year	25	2,315	2,305	1,781	1,701
Cash and cash equivalents at the end of the year	25	2,961	2,829	2,315	2,305

The notes on pages 40 to 54 form part of these financial statements.

1. Accounting policies

a) Basis of Accounting

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

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

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

b) Basis of consolidation

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

c) Income

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

d) Expenditure

Expenditure is classified under the principal categories of cost of generating funds, charitable activities and governance costs on the basis set out below. Expenditure on raising funds includes the direct costs and support costs of all activities included in generating income.

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

Direct costs have been allocated to an activity cost category where appropriate. Items of expenditure which contribute to more than one cost category have been apportioned on a reasonable, justifiable and consistent basis.

Support costs represent governance costs and the staffing and associated costs of human resources, finance, estates management, IT and general administration in supporting the operational programmes for which the charity is responsible. These have been allocated to the relevant cost area on the basis considered most appropriate to the cost involved, as shown in note 9.

Depreciation, impairment losses and losses on the disposal of fixed assets have been attributed in accordance with the same principles.

e) Fund accounting

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

f) Critical accounting estimates and areas of judgement

In the view of the Trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any

estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

g) Heritage assets

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

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

An overview of the scope of the Horniman's Collections is set out at Note 16.

Heritage assets which are stated at cost are not subject to depreciation. Heritage assets stated at valuation are adjusted each year for the change in RPI. Impairments in the carrying value of heritage assets are recognised if they have suffered physical deterioration or if new doubts arise as to their identity, authenticity or provenance.

Expenditure which is required to preserve or prevent further deterioration of individual collection items is recognised in the Statement of Financial Activities when it is incurred.

h) Tangible fixed assets

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

In accordance with "Executive NDPB Annual Reports and Accounts Guidance" the value of land surrounding the Museum's freehold properties (principally the Gardens) is now capitalised. A revaluation of all the Museum's freehold land and buildings was carried out at 31 March 2018 and updated at 31 March 2022, by external valuers from Wilks, Head and Eve, Chartered Surveyors, in accordance with the Statement of Assets Valuation Practice and Guidance Notes of the Royal Institution of Chartered Surveyors.

The combined gain on the revaluation of all the land and buildings has been taken directly to the Revaluation Reserve. The valuations and the treatment of the resulting surpluses are in accordance with FRS102. Improvements to all buildings are capitalised where it is considered that future economic benefits in excess of the originally assessed standard of performance will flow as a result of that expenditure. The capitalisation threshold is £10,000 for heritage assets and £5,000 for all other assets (£2,000 before 1 April 2010).

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

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

i) Depreciation

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

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

The main museum building and Study Collection Centre are considered to have an existing life greater than 50 years and are subject to an annual impairment review and hence no depreciation is provided as permitted by FRS102.

j) Intangible fixed assets

Intangible assets with an economic life of more than one year and value greater than £5,000 are capitalised. All intangible assets are measured at cost. Amortisation is provided on all intangible assets, at rates calculated to write off the value of each asset evenly over its expected useful life with no residual value assumed. A full year of amortisation is charged in the year when the asset is ready for use and no amortisation is charged in the year of disposal.

Impairment reviews are carried out at the end of each reporting period in accordance with FRS102 to ensure that the carrying values of the assets do not exceed their recoverable amounts.

k) Other financial instruments

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

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

l) Pension costs and any pension asset or liability

The Horniman is a member of the London Pension Funds Authority superannuation scheme which provides benefits based on final pensionable pay. The net pension liability and resulting reserve have been recognised in the Balance Sheet and movements in the liability are charged to the Statement of Financial Activities in accordance with FRS102.

m) Stock

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

n) Taxation

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

o) Leases

The Horniman has no finance leases. Costs in relation to operating leases are charged to the Statement of Financial Activities over the life of the lease. Forward liabilities are disclosed in note 14.

2. Grant-in-aid

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

The results against the key performance indicators for 2021/22 are set out in Appendix I.

3. National Portfolio Organisation Grant

The Trust has been allocated NPO status by ACE and secured funding for the period 2018-23.

4. Other grants and donations

	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	2022	2022	2022	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
HLF Project grants	-	99	99	-	19	19
Donations in kind	53	-	53	98	-	98
Coronavirus support grants	149	50	199	705	-	705
Legacies	30	-	30	-	-	-
Other grants and donations	62	256	318	62	291	353
	<u>294</u>	<u>405</u>	<u>699</u>	<u>865</u>	<u>310</u>	<u>1,175</u>

The Trust received Covid support through £56k grants via Lewisham Council and £143k grants under the Coronavirus Job Retention Scheme.

5. Other trading activities

	2022	2021
	£'000	£'000
<i>Unrestricted income</i>		
Contribution from Trading subsidiary		
Venue hire	127	32
Shop revenue	177	62
Café revenue	165	78
Other trading activities	15	11
Miscellaneous income	19	11
	<u>503</u>	<u>194</u>

6. Income from charitable activities

	2022	2021
	£'000	£'000
<i>Unrestricted income</i>		
Admissions and membership income	707	469
Schools sessions income	30	1
Events and family activities	22	-
Miscellaneous income	28	5
	<u>787</u>	<u>475</u>
<i>Restricted income</i>		
Specific grants, donations and income	9	14
	<u>796</u>	<u>489</u>

7. Expenditure on Raising funds 2022

Costs of generating voluntary income
Costs of other activities for generating funds
Charity total
Trading subsidiary costs
Group total

Direct Costs	Support Costs	Total
£'000	£'000	£'000
250	49	299
105	167	272
<u>355</u>	<u>216</u>	<u>571</u>
253	-	253
<u>608</u>	<u>216</u>	<u>824</u>

Expenditure on Raising funds 2021

Costs of generating voluntary income
Costs of other activities for generating funds
Charity total
Trading subsidiary costs
Group total

Direct Costs	Support Costs	Total
£'000	£'000	£'000
276	52	328
114	153	267
<u>390</u>	<u>205</u>	<u>595</u>
154	-	154
<u>544</u>	<u>205</u>	<u>749</u>

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

8. Charitable Activities 2022

<i>Access</i>
Providing public access
Learning, public programmes and activities
<i>Collections</i>
Object purchase and donation
Collections development, care and management
<i>Shaping the future</i>
Business development
Development project revenue costs
Volunteering and sector support

Direct Costs	Support Costs	Total
£'000	£'000	£'000
2,920	1,169	4,089
823	336	1,159
<u>3,743</u>	<u>1,505</u>	<u>5,248</u>
18	-	18
1,100	809	1,909
<u>1,118</u>	<u>809</u>	<u>1,927</u>
463	37	500
31	9	40
62	15	77
<u>556</u>	<u>61</u>	<u>617</u>
<u>5,417</u>	<u>2,375</u>	<u>7,792</u>

Charitable Activities 2021

	Direct Costs £'000	Support Costs £'000	Total 2021 £'000
<i>Access</i>			
Providing public access	2,516	1,076	3,592
Learning, public programmes and activities	790	332	1,122
	<u>3,306</u>	<u>1,408</u>	<u>4,714</u>
<i>Collections</i>			
Object purchase and donation	17	-	17
Collections development, care and management	1,066	764	1,830
	<u>1,083</u>	<u>764</u>	<u>1,847</u>
<i>Shaping the future</i>			
Business development	171	24	195
Development project revenue costs	31	9	40
Volunteering and sector support	63	17	80
	<u>265</u>	<u>50</u>	<u>315</u>
	<u>4,654</u>	<u>2,222</u>	<u>6,876</u>

Support cost allocation 2022

Support cost	Income generation £'000	Shaping the future £'000	Access £'000	Collections £'000	Total £'000	Basis of allocation
Finance & admin.	23	21	141	43	228	% spend
Human Resources	35	11	129	36	211	head count
IT	31	22	140	87	280	work stations
Facilities mgt	120	1	1,046	628	1,795	floor area
Governance	7	6	49	15	77	% spend
Total	216	61	1,505	809	2,591	

Support cost allocation 2021

Support cost	Income generation £'000	Shaping the future £'000	Access £'000	Collections £'000	Total £'000	Basis of allocation
Finance & admin.	24	11	142	47	224	% spend
Human Resources	28	9	105	29	171	head count
IT	36	25	165	103	329	work stations
Facilities mgt	110	-	950	570	1,630	floor area
Governance	7	4	46	15	72	% spend
Total	205	49	1,408	764	2,426	

Remuneration paid to the auditors in 2022 amounted to £19k (2021 £18k).

9. Taxation

The Horniman Public Museum and Public Park Trust is a registered charity and is therefore exempt from tax on income and gains falling within part 11 of the Corporation Taxes Act 2010 or s256 of the Taxation of Chargeable Gains Act 1992, the extent that these applied to its charitable objectives. No tax charges have arisen in the charity in either 2022 or 2021.

The subsidiary Horniman Museum Enterprises Limited has no taxable profits in 2022 or 2021 as its taxable profit has been donated to the Horniman Museum under gift aid.

The Horniman Public Museum and Public Park Trust was eligible to claim Museum Exhibition Tax relief in respect of 2022. The financial statements include £100k in income and other debtors.

10. Staff costs

	2022	2021
	£'000	£'000
Wages and salaries	3,826	3,893
Social security costs	338	349
Other pension costs	388	419
	<hr/> 4,552	<hr/> 4,661
Contingent labour costs	135	93
	<hr/> 4,687	<hr/> 4,754

Exit packages totalling £112k were paid to 8 employees during the year (2021 - £16k). No employees received any taxable benefits in kind.

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

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

11. Remuneration of key management personnel

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

Director, Collections Care and Estates
 Director, Communications and Income Generation
 Finance Director

Total remuneration paid to these individuals amounted to £404k (2021: £459k)

The salary and pension entitlements of the Chief Executive are set out in the report of the Remuneration Committee on page 22. This falls into the bracket £110-120k. In addition 3 members of key management personnel listed received emoluments in the range £60- £70k (2020 - 3). No other members of staff received emoluments above £60k. These employees are members of the defined benefit pension scheme on the same terms as other staff.

The Trustees neither received nor waived any emoluments during the year (2021 - nil). No expenses were reimbursed to Trustees during the current or preceding year.

12. Staff Numbers

The average actual number of employees during the year, including 6 temporary contracts, was 140 (2021- 150).

The number of full time equivalent employees at 31 March 2022 was 116.7 (2021-122.8) analysed into the following categories:

	2022	2021
Exhibitions	5.7	5.9
Collection Management and Care	8.9	9.0
Aquarium and Animal Walk	9.7	8.0
Learning	11.2	13.7
Curatorial	6.5	9.4
Visitor services	11.7	11.3
Gardens	8.0	6.8
Estates	19.2	20.7
Finance, IT, HR and Administration	8.2	11.0
Communications and Income Generation	23.6	23.0
Management	4.0	4.0
	<hr/> 116.7	<hr/> 122.8
Less: temporary contracts	2.7	2.6
	<hr/> 114.0	<hr/> 120.2

13. Trading Subsidiary

a) Investment in trading subsidiary

The Trust owns 100% of the issued share capital of Horniman Museum Enterprises Limited (company registration number: 5210248). The aggregate of assets, liabilities and funds of Horniman Museum Enterprises Limited at 31 March 2021 were £5k (2021 - £5k).

	2022 £'000	2021 £'000
<i>b) Results of trading subsidiary</i>		
Turnover	484	183
Cost of sales	-94	-34
Gross profit	390	149
Operating and administrative expenses	-175	-134
Operating profit	215	15
Gift aid to the Trust	-215	-15
Surplus retained in company	-	-

14. Operating leases

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

Not later than one year	7	6
Later than one year but not later than five years	27	4
	34	10

15. Capital Commitments

Capital commitments at 31 March 2022 amounted to £nil (2021 - nil).

16. Heritage Assets

16.1 On-Balance-Sheet Heritage Assets

	Acquisitions at historic cost	Assets at valuation	Total
	£000	£000	£ 000
At 01.04.2021	336	186	522
Additions	-	-	-
Revaluation	-	17	17
At 31.03.2022	336	203	539

No capitalised collection objects were disposed of during the year.

16.2 Three year financial summary of heritage asset transactions

	2021-2022		2020-2021		2019-2020	
	£'000	Number of items	£'000	Number of items	£'000	Number of items
<u>Additions:</u>						
Purchases	-	-	26	4	-	-
Donations	-	-	73	100	-	-
Total additions	-	-	99	104	-	-

Only those donations where the attributed value was £10,000 or more are capitalised (£2,000 prior to 1 April 2010). All valuations are carried out by Museum curatorial staff. In the Trustees' view obtaining a current valuation would involve disproportionate cost.

16.3 Acquisitions and disposals policy

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

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

Further details of policies can be found on our website at www.horniman.ac.uk/about/museum-policies.

16.4 Collections management

Two of the Horniman's 3 long term objectives relates to the collections:

"We will use the collections and Gardens to stimulate curiosity and wonder, promoting opportunities for people of all ages, abilities and backgrounds to participate in and enjoy exhibitions, educational programmes, activities and events – both face to face and on-line"

"We will safeguard and develop the collections so that they can be made as accessible as possible now and in the future."

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

Storage and Care

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

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

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

The Horniman will:

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

Documentation

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

The Horniman will:

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

16.5 An overview of the Collections

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

Category	Estimated number of items as at 31/03/22	Number capitalised at cost as at 31/03/22	Number capitalised at valuation as at 31/03/22
Musical Instruments	8,000	19	103
Anthropology	80,000	18	95
Natural History	250,000	0	0
Education Handling Collection	3,000	0	0
TOTAL	341,000	37	198

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

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

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

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

16.6 Non-inclusion of Heritage Assets in the Balance Sheet

In the opinion of the Trustees, reliable information on cost or value is not available for the Museum's collections acquired prior to April 2001. This is owing to the lack of reliable information on purchase cost; the lack of comparable market values; the diverse nature of the objects; and the volume of items held. In the Trustees' opinion, conventional valuation approaches lack sufficiently reliability and any valuation is likely to incur significant cost and a time commitment that is likely to be onerous. Even if valuations could be obtained the cost would not be commensurate with any benefits to the Museum management, curatorial staff, the public, or users of the financial statements

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

17. Tangible fixed assets

	Heritage Assets	Computers Equipment & Fixtures	Exhibitions	Freehold Land & Buildings	Assets in the course of construction	Total
<i>Cost or valuation</i>	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2021	522	5,432	7,888	39,513	64	53,419
Additions	-	180	-	598	-	778
Disposals/transfers	-	(57)	-	64	(64)	(57)
Revaluation	17	484	707	712	-	1,920
At 31 March 2022	539	6,039	8,595	40,887	-	56,060
<i>Depreciation</i>						
At 1 April 2021	-	3,810	4,917	-	-	8,727
Provided in year	-	220	292	243	-	755
Disposals	-	(57)	-	-	-	(57)
Revaluation	-	356	467	(243)	-	580
At 31 March 2022	-	4,329	5,676	-	-	10,005
<i>Net book value</i>						
At 31 March 2022	539	1,710	2,919	40,887	-	46,055
At 31 March 2021	522	1,622	2,971	39,513	64	44,692

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

Cost	422	4,181	5,866	20,855	-	31,324
Accumulated depreciation	-	(2,789)	(3,411)	(2,181)	-	(8,381)
NBV at 31 March 2022	422	1,392	2,455	18,674	-	22,943
NBV at 31 March 2021	422	1,397	2,695	18,157	64	22,735

Note: All the fixed assets are used for charitable purposes. A revaluation of all the Horniman's freehold land and buildings was carried out at 31 March 2018 by external valuers from Wilks, Head and Eve, Chartered Surveyors, in accordance with the Statements of Assets Valuation Practice and Guidance Notes of the Royal Institution of Chartered Surveyor. This valuation was updated at 31 March 2021. Other tangible fixed assets are stated at modified historical cost using appropriate indices.

18. Intangible fixed assets

Intangible fixed assets represents the cost of development of the Horniman website which was launched on 16 March 2020.

	Website
<i>Cost or valuation</i>	£'000
At 1 April 2021	89
Additions	3
Disposals/transfers	-
Revaluation	8
At 31 March 2022	100
<i>Depreciation</i>	
At 1 April 2021	7
Provided in year	9
Disposals	-
Revaluation	1
At 31 March 2022	17
<i>Net book value</i>	
At 31 March 2022	83
At 31 March 2021	82

	Group 2022 £'000	Museum 2022 £'000	Group 2021 £'000	Museum 2021 £'000
19. Debtors				
Trade and sundry debtors	95	53	249	219
Intercompany debtor	-	181	-	49
Current tax recoverable	94	94	38	38
VAT debtor	127	127	101	101
Prepayments	216	216	165	165
	<u>532</u>	<u>671</u>	<u>553</u>	<u>572</u>

With the exception of Prepayments all Debtors are financial instruments measured at present value.
As at 31 March 2022 the Group had no intra-Government balances above £1 million.

20. Cash

Short term deposits

COIF Deposit Fund - Dolmetsch Fund	28	28	28	28
COIF Deposit Fund - Development Fund	104	104	104	104
Clydesdale term deposits	319	319	-	-
	<u>451</u>	<u>451</u>	<u>132</u>	<u>132</u>
Cash at bank and in hand	2,510	2,378	2,183	2,173
	<u>2,961</u>	<u>2,829</u>	<u>2,315</u>	<u>2,305</u>

	Group 2022 £'000	Museum 2022 £'000	Group 2021 £'000	Museum 2021 £'000
21. Creditors: amounts falling due within one year				
Trade & sundry creditors	745	702	784	747
Taxation and social security	89	89	101	101
Accruals	268	265	234	231
	<u>1,102</u>	<u>1,056</u>	<u>1,119</u>	<u>1,079</u>

Within trade and sundry creditors there is an amount owing for pension scheme liabilities of £43k (2021 - £55k).

Trade and sundry creditors also includes deferred income as follows:

Deferred income brought forward	153	118	233	200
Released to income in year	-144	-118	-200	-200
Deferred income in year	183	154	120	118
Deferred income carried forward	<u>192</u>	<u>154</u>	<u>153</u>	<u>118</u>

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

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

No balances fall due after more than one year.

As at 31 March 2022 the Group had no intra-Government balances above £1 million.

22. Contingent Liabilities

There were no contingent liabilities at 31 March 2022.

23. Analysis of group net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000
Fund balances at 31 March 2022 are represented by:			
Fixed assets	16,514	29,624	46,138
Current assets	3,825	166	3,991
Current liabilities	-1,102	-	-1,102
Pension liability	-9,796	-	-9,796
Total net assets	<u>9,441</u>	<u>29,790</u>	<u>39,231</u>

24. Statement of Funds 2022

	1 April 2021	Income & transfers	Revaluation surplus/ (deficit)	Expenditure	31 March 2022
	£'000	£'000	£'000	£'000	£'000
Restricted income funds					
Dolmetsch fund	13	-	-	-	13
Apostle Clock	19	-	-	(1)	18
Gardens Development	13	-	-	(4)	9
CPS project	79	(75)	-	(4)	-
Other grants and donations	288	333	-	(494)	127
Total donated assets reserve	28,811	156	1,032	(375)	29,624
Total restricted funds	29,223	414	1,032	(878)	29,791
Unrestricted funds					
<i>Designated funds:</i>					
Capital projects fund	5,485	625	-	(390)	5,720
Development fund	1,025	575	-	-	1,600
	6,510	1,200	-	(390)	7,320
<i>General funds:</i>					
Income and expenditure	1,104	6,352	-	(6,350)	1,106
Unrestricted funds excluding pension reserve	7,614	7,552	-	(6,740)	8,426
Revaluation reserve	10,496	-	314		10,810
Pension reserve	(11,928)	-	3,360	(999)	(9,567)
Total funds	35,405	7,966	4,706	(8,617)	39,460

The capital projects fund represents income which the Trustees have designated for and have invested in fixed assets. The donated assets reserve represents fixed assets donated by third parties, either by gift of the asset or by way of funds for the asset. All funds donated for this purpose were fully utilised during the year. Neither of these funds are available for spending.

The Trustees have confirmed the designation of an additional £575k to the Development fund and confirmed the use of that fund for future development of the Museum. This will be used to develop and underwrite our fundraising for matching funding for the Nature+Love project and other development projects over the next five years.

On 31 March 2016 the Trust was awarded a grant of £3.3m by the HLF for the CPS project, which includes both capital development and activity costs. This project was completed and the funds fully utilised during the year.

The Dolmetsch Fund represents money donated for the maintenance of the Dolmetsch collection of musical instruments. The Apostle Clock fund represents donations made by the public for the ongoing maintenance of the clock.

Other restricted grants and donations are monies or gifts-in-kind donated by third parties for the specific purposes described. Balances are outstanding at 31 March 2022 where those purposes were not fully completed at that date. It is expected that most of these funds will be utilised during the coming year. The rest will be spent at the earliest appropriate opportunity in accordance with the donors' wishes.

Statement of Funds 2021

	1 April 2020	Income & transfers	Revaluation surplus/ (deficit)	Expenditure	31 March 2021
	£'000	£'000	£'000	£'000	£'000
Restricted income funds					
Dolmetsch fund	24	(11)	-	-	13
Apostle Clock	19	-	-	-	19
Gardens Development	13	-	-	-	13
CPS project	84	2	-	(7)	79
Other grants and donations	93	311	-	(116)	288
Total donated assets reserve	29,026	17	187	(419)	28,811
Total restricted funds	29,259	319	187	(542)	29,223
Unrestricted funds					
<i>Designated funds:</i>					
Capital projects fund	5,076	774	-	(365)	5,485
Development fund	1,100	(75)	-	-	1,025
	6,176	699	-	(365)	6,510
<i>General funds:</i>					
Income and expenditure	1,104	6,205	-	(6,205)	1,104
<i>Unrestricted funds excluding pension reserve</i>	7,280	6,904	-	(6,570)	7,614
Revaluation reserve	10,684	-	(188)		10,496
Pension reserve	(7,366)	-	(4,053)	(509)	(11,928)
Total funds	39,857	7,223	(4,054)	(7,621)	35,405

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

	Group 2022	Museum 2022	Group 2021	Museum 2021
	£'000	£'000	£'000	£'000
a) Net (expenditure)/income for the reporting period				
<i>(as per the statement of financial activities)</i>	(650)	(650)	(398)	(398)
Adjustment for :				
Depreciation/amortisation charges	763	763	784	784
Dividends, interest and rents from investments	(7)	(7)	(12)	(12)
Pension finance cost	237	237	169	169
Excess pension service cost over contributions	761	761	340	340
(Increase)/decrease in stock	(4)	-	6	-
Decrease/(increase) in debtors	22	(98)	(128)	(56)
Decrease/(increase) in current asset investments	315	315	(12)	(12)
(Decrease)/increase in creditors	(17)	(23)	546	550
Net cash provided by operating activities	1,420	1,298	1,295	1,365
b) Analysis of cash and cash equivalents and changes in net debt				
Cash in hand	2,961	2,829	2,315	2,313
Notice deposits(less than 3 months)				
Overdraft facility repayable on demand	-	-	-	-
Total cash and cash equivalents	2,961	2,829	2,315	2,313

26. Pension Scheme

Pension contributions made during the year were £382k (2021 - £390k).

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

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

The valuation used for FRS 102 disclosures has been based on the most recent actuarial valuation as at 31 March 2019 and updated to take account of the requirements of FRS 102 in order to assess the liabilities of the scheme at 31 March 2021. Scheme assets are stated at their market value at 31 March 2021. Scheme liabilities were calculated using the 'projected unit' method.

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

Assumptions

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

	2022	2021
<i>Financial</i>	% p.a.	% p.a.
Salary increases rate	4.25%	3.85%
Pension increases	3.25%	2.85%
Discount rate	2.60%	2.00%
<i>Mortality (based on retirement at age 65)</i>	years	years
Current Pensioners Males	21.0	20.9
Females	24.1	24.0
Future Pensioners Males	23.1	23.0
Females	25.7	25.6

	2021	2021
	£'000	£'000
The amounts recognised in the balance sheet are as follows:		
Fair value of Employer Assets	17,026	14,604
Present value of Funded Liabilities	-26,593	-26,532
Net (Liability)	-9,567	-11,928

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

Service cost	1,223	714
Interest cost	238	169
Administration cost	19	16
Total Loss	1,480	899
Actuarial Gains/(Gains)	3,359	-4,053
Cumulative (Losses)	-2,726	-6,085

Reconciliation of defined benefit obligation

Opening Defined Benefit Obligation	26,532	19,905
Current Service Cost	960	714
Past service cost	263	-
Interest Cost	530	465
Changes in Financial Assumption	-1,293	6,192
Changes in demographic assumptions	-	-215
Experience loss/(gains)	52	-254
Contributions by Members	137	152
Estimated Benefits Paid net of transfers in	-588	-427
Closing Defined Benefit Obligation	<u>26,593</u>	<u>26,532</u>

Reconciliation of fair value of employer assets

Opening Fair Value of Employer Assets	14,604	12,539
Interest on Assets	292	296
Return on assets less interest	2,118	1,670
Other actuarial (losses)	-	-
Contributions by Members	137	152
Contributions by the Employer	482	390
Administration expenses	-19	-16
Benefits Paid	-588	-427
Closing Fair Value of Employer Assets	<u>17,026</u>	<u>14,604</u>

Amounts for the current and previous accounting periods:

	31.03.21	31.03.21	31.03.20	31.03.19	31.03.18
	£'000	£'000	£'000	£'000	£'000
Value of assets	17,026	14,604	12,539	12,658	11,419
Present value of liabilities	-26,593	-26,532	-19,905	-20,537	-18,932
(Deficit)	-9,567	-11,928	-7,366	-7,879	-7,513

Employer's contributions for the year to 31 March 2023 are estimated to be approximately £358k.

27. Related Party Transactions

The DCMS is regarded as a related party. During the year, the Trust has had various transactions with other entities for which the DCMS is regarded as the parent Department. The only material transactions were with Arts Council England (which administers the National Portfolio Organisation grants) and the Heritage Lottery Fund. Details of these transactions and outstanding balances are given in notes 3 and 4 respectively. In addition, the Trust has had a number of transactions with other Government sponsored bodies. However in many cases it is not practicable to quantify these as in many cases they involve the loan of objects, for which no values have been attributed.

During the year donations totalling £7k were made to the Trust by 5 Trustees (2021 £8k - 7 Trustees). None of the trustees, key managerial staff or other related parties has undertaken any other material transaction with the Trust or its subsidiary during the year.

Additional information

The information on page 56 has been prepared from the accounting and other records of the group. While it does not form part of the statutory financials statements, it should be read in conjunction with them and the auditors' report thereon.

DCMS Performance indicators Annual Outturn	2021-22 actual	2020-21 actual
Key performance indicators		
No. of visits to the museum excluding virtual visits	331k	82k
Charitable giving (fundraising)	£946k	£672k
Other Performance Indicators		
Access		
No. of unique website visits	539k	367k
Audience profile		
No. of visits by children under 16	117k	32k
No. of overseas visits	3k	1k
Learning		
No. of facilitated & self-directed visits to the museum/gallery by children under 18 in formal education	12	25
No. of instances of visitors under 18 participating in on-site organised activities	1,893	508
Visitor satisfaction		
% of visitors who would recommend a visit	94%	87%
Self-generated income		
Admissions income (gross)	£460k	£110k
Trading income (net profit)	£216k	£15k
Regional engagement		
No. of UK loan venues	16	13