

SIR JOHN SOANE'S MUSEUM

Registered Charity No. 313609

THE ANNUAL REPORT

FOR THE YEAR 1 APRIL 2010 TO 31 MARCH 2011

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



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HISTORY, AIMS AND OBJECTIVES OF THE MUSEUM

History of the Museum

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

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

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

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

The **1833 Act** was superseded in 1969 by **The Charities (Sir John Soane's Museum) Order (1969 No.468), revised in 1996 and 2003**.

Sir John Soane's Museum is a Registered Charity (No.313609) and a Non-Departmental Public Body of the Department for Culture, Media and Sport (DCMS).

Aims and Objectives of the Museum

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

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

The Trustees' main objectives are as follows:

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

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

2. To allow the public free access to the Museum and to introduce first-time visitors to the architecture, works of art and collections of the Museum and make these comprehensible and accessible.

3. To inspire creativity by means of an imaginative programme of exhibitions, talks and events (including those on contemporary architecture, art and design), so that the Soane remains a 'living' museum.

4. To provide opportunities for education and life-long learning in Architecture and the history of art in their broadest sense following Soane's intention to develop his House and Museum as 'an Academy for the Study of Architecture'.

5. To enable the public to acquire a deeper knowledge of the Museum's collections of architectural drawings, books, models and works of art by means of exhibitions, catalogues and publications and through an increased use of information technology.

6. To manage the Museum's financial and administrative affairs effectively.

Public Benefit

In compliance with the duty set out in section 4 of the Charities Act 2006, the Trustees have considered the Charity Commission's General Guidance on Public Benefit when reviewing aims and objectives and in planning future activities. In particular, the Trustees consider how planned objectives will contribute to the aims and objectives they have set.

The benefits provided by the Museum are freely available to the public. All the Trustees of the Museum give their time and expertise free.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational Structure

The Board of Trustees of Sir John Soane's Museum is responsible for the overall management and direction of the Museum. The Director of Sir John Soane's Museum is responsible to the Board of Trustees and is accountable to the DCMS for compliance with the Management Statement and Financial Memorandum. There are three committees of the Trustees: the Audit Committee, the Finance Committee and the Buildings Committee.

A group of seven senior staff reporting to the Director comprises the Management Team which meets weekly. The Management Team is made up of the Deputy Director, the Finance Director, the Development Director, the Archivist and Head of Library Services, the Head of Education, the House and Visitor Services Manager and the Enterprises Manager.

Trustee Appointments

As stipulated in the 1833 Act and the 1969 Charity Order, the Board of Trustees is made up of four Life Trustees, appointed by the Board of Trustees as a whole after wide consultation, and Representative Trustees from five organizations: the Royal Society, the Court of Aldermen of the City of London, the Society of Antiquaries of London, the Royal Society of Arts and the Royal Academy of Arts. The Trustees appoint their own Chairman, to serve for a period of five years; either one of the Life Trustees or someone from without the body of Trustees who becomes a Trustee *ex officio* for the period of chairmanship. The Trustees resolved that they would, whenever appropriate, appoint an Honorary Trustee. Mrs Molly Borthwick has become the first Honorary Trustee. Trustees receive appropriate training on appointment, including a detailed information pack setting out their responsibilities and background information about the Museum and its activities.

A register of Trustees' interests is regularly maintained, a copy of which is available on request. No conflicts of interest have arisen in the year.

Volunteers

Sir John Soane's Museum has a limited number of opportunities each year for volunteer and intern positions. These volunteers help in the curatorial, conservation, education and development departments and are an important source of support to the staff in those departments.

Relationship between the Charity and Related Parties

Sir John Soane's Museum is an executive Non-Departmental Public Body whose parent body is DCMS. DCMS is regarded as a related party. Details of related party transactions are contained in note 22 to the Accounts.

REVIEW OF THE YEAR

THE DIRECTOR'S INTRODUCTION

This review of the activities of Sir John Soane's Museum over 2010-11 covers a very busy year, during which the Museum embarked upon the first phase of its ambitious capital project, *Opening up the Soane* (OUTS). This major undertaking – refurbishing No.12 Lincoln's Inn Fields and creating a new Shop, a Gallery for temporary exhibitions, and two new Conservation Studios, as well as installing a lift to improve disabled access – means that we will be in the hands of the builders until summer 2012. The Museum itself will remain open throughout the works, but the Soane Gallery has been dismantled and many of the activities which formerly took place in No.12 have been temporarily displaced by the building works. Preparing the site for the builders has taken months of work and disruption, but sorting through the storerooms and packing everything up has resulted in a number of interesting discoveries – including two 'lost' Soane tables and a substantial portion of the destroyed Charity window for the Tivoli Recess. We were also delighted to find a new home for the Eva Jiricna fittings of the old Soane Gallery, which have been re-erected at Chatsworth to display the Devonshire family archive.

Much work and preparation has also gone into revising and perfecting the plans for the new facilities and I am indebted to the care and attention of our architects, Julian Harrap Architects and Caruso St John, as well as our project managers, Fanshawe. Indeed, planning for OUTS has been a major preoccupation of many staff members at the Soane during the year under review, notably Ken Gray, who masterminded the HLF application, and Helen Dorey who has been involved in almost every aspect of its planning. A particular emphasis has been on fundraising, not only for the OUTS project – which has been very successful, with £6.5 million being raised towards our £7 million target – but also for the various other important projects that keep the Museum fully occupied. These include major initiatives to photograph, catalogue and publish online the architectural drawings in the Museum, the Soane Library Catalogue, exhibitions and our thriving education programme – highlights include the 'Building Sites' cataloguing project, and exemplary outreach to local schools and colleges via the Soane Architectural Marathon. We are grateful to all our generous donors, both trusts and foundations and private individuals, for helping us in so many imaginative and practical ways, and to the small but effective fundraising team at the Soane, ably directed by Mike Nicholson.

During the year 2010-11 we welcomed a record number of visitors to the Museum, and I know they appreciated the attention that is given to the presentation and display of Soane's house and collections. New things to see in 2010-11 included the Head of Nepthis and the arrangements to the west of the Sepulchral Chamber, and the newly rehung Picture Room. The works being undertaken in No.12 Lincoln's Inn Fields are mainly improvements to visitor facilities, which will enable us both to cope with increasing numbers and make their visit as comfortable and interesting as possible. The new Shop will also help the Museum build up its income from visitors – important for a free attraction in increasingly uncertain economic times. The Shop had to move twice in 2010-11, but under the direction of Julie Brock, the Museum's Enterprises Manager, has

prospered and makes a vital contribution which ensures the Museum's survival. This review also enables me to pay tribute to the exceptional contribution of Ann Warren, Finance Director of the Museum between 2008 and 2011, and to welcome her successor, Ed Barnard, who joined the Soane team in early March.

Finally, I'd like to thank my Trustees for their continued support and confidence, to the DCMS for supporting the Museum through our annual grant-in-aid, despite this being an exceptionally difficult year, and to all the staff of Sir John Soane's Museum – especially the stalwart team of warders who look after the house – for their hard work and friendship.

Tim Knox
June 2011

THE TRUSTEES

The Trustees held five meetings during the year. The Chairman spoke at an ‘Old Houses New Visions’ Forum day on Governance at Leighton House on 8 November 2010. The Audit Committee held four meetings. A representative of the National Audit Office attended every meeting. The Finance Committee held three meetings. James Macdonald continued to serve as a co-opted member on the Audit and Finance Committees and to attend some full meetings of the Trustees. Members of the Buildings Committee attended the OUTS project meetings.

The Risk Register was reviewed by the Audit Committee twice during the year and formally approved by the Trustees once.

THE BUILDINGS

Opening up the Soane Project (OUTS)

As reported last year, in March 2010 The Heritage Lottery Fund awarded the Museum a grant of just under £1m for the development and delivery of OUTS. This builds upon a successful fundraising campaign to raise the £7M needed to carry out the Museum’s capital project, of which £6.5M had been raised by the end of the year. Major donors include the Monument Trust, the Wolfson, Fidelity and Foyle Foundations, Sir John Soane’s Museum Foundation in America and a generous private benefactor. The official project start-up meeting was held on Tuesday 4 May 2010 and shortly afterwards HLF gave the Museum permission to begin Phase 1. This enabled us to start on schedule and retain key project staff and consultants, as well as maintain momentum.

Throughout the summer and autumn planning continued with Julian Harrap Architects holding regular meetings with the Director and Deputy Director to review the detailed drawings for every area as they were developed. Similar meetings were held with Caruso St John to develop the proposals for the new temporary exhibition gallery, shop, cloakroom and Interpretation/Study Room to tender stage. In parallel our Project Managers, Fanshawe, chaired monthly OUTS progress meetings with the Director, architects, quantity surveyor and key staff and Trustees to review progress in all aspects. In addition, Fanshawe coordinated a series of regular meetings with key staff to discuss the ‘Activities’ elements of OUTS (website, introductory film, conservation-in-action, oral history, employment of a volunteer coordinator and community outreach).

Helen Hughes carried out paint analysis over the summer and autumn of 2010 and has made some interesting discoveries about the decorative schemes in the first-floor rooms in No.12, tracing a progression, during Soane’s occupation of that house, from Pompeian red to a combination of sulphur yellow and a purplish colour which may be a porphyry finish. Much evidence survived on the walls to illustrate most of these schemes, including fragments of wallpaper in the rear first-floor room. Large-scale mock-ups were commissioned from Huning Decorations to enable options to be considered – an

important decision as the chosen scheme will be the foil for the new Caruso St John modern gallery fittings. Following this it was decided to adopt the earliest scheme for the Gallery – a Pompeian red scheme for the front room, with doors and joinery grained to resemble harewood (a grey grained finish). The back room will be painted a pinkish stone colour, with a red and black paper border. The front Drawing Room of No.12 (the former Research Library) was believed to have originally had a ceiling painted to resemble a blue sky and this was felt to be so important the decision was taken to try to uncover as much of it as survived to enable the most accurate replication of the original. Richard Pelter and his team began with a few scrapes in November and in February completed the uncovering to reveal what remains of the Soane era ceiling. It is very badly damaged but the stripping revealed that it was probably painted a flat sky blue, rather than as a cloudy sky, with the central Medusa-head boss enlivened with stone colour, ox-blood red and gilding.

In the late summer final agreement was reached for the sale of the Eva Jiricna Soane Gallery fittings to the Chatsworth House Trust. This ensured a viable future for the Gallery cases, which will remain in the public realm. The cases were dismantled over 10-12 November 2010 and have now been removed by Benbow Ltd who will refurbish them before their installation at Chatsworth. All the costs of removal are being paid by the Chatsworth House Trust.

In November 2010 five firms of contractors were invited to tender to carry out Phase I. All five were interviewed on 21 December and Fairhurst Ward Abbots were appointed in January 2011. They started work on site on 28 February and the contracts were formally signed on 7 March. Between then and the end of the year Peter Griffiths, their Project Manager, and his team were fully occupied in protecting the building, including constructing coverings for many of the rear domes and skylights, and installing the temporary Warders' mess room in the kitchens of No.13.

No.12 was cleared of fittings and furniture belonging to the Museum – a major undertaking that took weeks of work by Helen Dorey, Colin Wood, John Bridges, the Conservators and warding staff. Julie Brock and Colin Wood organised the move of the shop into its new quarters in the North Drawing Room. The Cast Store was cleared and all its contents reviewed, logged, photographed and wrapped, resulting in some interesting discoveries. These included the discovery of a large section of the lower part of the lost *Charity* window from the Tivoli Recess, which was found stowed away in a corner of the store. The section, a metal frame incorporating substantial fragments of the stained glass border, gives us vital evidence about the border and frame of the lost window, destroyed in World War II, which is currently being recreated for OUTF. Also rediscovered were two simple Soane era tables that were described as unlocated in the Museum's *Catalogue of Furniture*.

The Link Passage showcases (which have to be removed to make way for the lift) and the Ante-Room display cases were emptied and the items put into store.

Jane Bush, John Bridges and Clare Kooy-Lister transformed the front room on the second floor of No.13 (the future Model Room), and the next door Morning Room, into a temporary conservation store for works of art displaced by the OOTS works in No.12. Now filled with steel racking, every item has been dusted, photographed and wrapped and can gradually be assessed and restored.

The Soane furniture for the private apartments was dispatched to Christie's Fine Art Warehouse, from where it will gradually be repaired and conserved by Arlington Conservation. Most of the substantial cost of this storage will be covered by Christie's as part of their generous contribution to OOTS.

The original subject panels of stained glass which need to be restored as part of the OOTS project were sent to Chapel Studios in Hertfordshire at the beginning of the year and work is continuing on their restoration.

Rachel Hayward was appointed the Website Co-ordinator for OOTS. She started work on 7 December 2010. Julia Cort, the OOTS-funded Community Education Officer, started work on 7 February 2011. Lucy Swettenham was appointed to the post of part-time Conservator (OOTS), to start work at the beginning of April 2011.

After a tender process, Julia Holberry was appointed to evaluate the OOTS Project, in line with Heritage Lottery Fund (HLF) guidelines.

Following the Press Launch for the OOTS Public Appeal – with a guest appearance by architect George Clark, of the TV Programme *Restoration Man* – on 14 February 2011, the Museum had exceptional and unprecedented coverage for OOTS, with articles in almost all the quality broadsheets and magazines and a feature on Radio 4.

Nicholas Gilbert, a recent film graduate, offered to make a short film on OOTS in May 2010, at his own expense, which is now a feature of the Museum's website. It is hoped that this may be followed by others.

The re-hanging of the Picture Room

In the summer of 2010 UV film was applied to the windows and skylights of the Picture Room and Nymph Recess – a considerable challenge for Sun-X Ltd, who carried out the work, because of the curved glass. The film reduced UV readings to zero, greatly improving the conditions for the display of works on paper, and paving the way for the re-hang of the room to its appearance in 1837.

Last year's report mentioned the detailed research carried out into the original arrangements of pictures in the Picture Room. On the basis of Helen Dorey's research, John Bridges produced computer-generated mock-ups showing the proposed hang, which was approved by the Trustees. A detailed survey of the original fixings on every frame

was carried out and new brass hanging rings in several sizes, replicas of Soane rings but date stamped 'January 2011', were made by Arlington Conservation for use where originals were missing.

Ten Piranesi drawings of the temples at Paestum and three Bibiena drawings were photographed at the National Gallery at extremely high resolution so that full-size replicas could be produced to replace the originals in the re-hang. This was because these works hung in full sunlight high on the walls of the Picture Room and despite removing UV light from the room would have been exceptionally vulnerable to visible light. The originals are now available for consultation in the Research Library.

After a tender process the re-hanging was carried out by JPW Limited for one week from 24 January 2011. The only major problem encountered during this complex process was the discovery that the frame of A W Callcott's large painting *The Passage Point* was badly warped, thus preventing the north cabinet from also accommodating Henry Howard's *Comus*. We hope to solve this problem next year with further work to the Callcott frame to try to ameliorate the warping. The rehang culminated a week later when Canaletto's *Riva degli Schiavoni* returned from its triumphant outing to the National Gallery exhibition *Canaletto and his Rivals* (see p.23) and was hung once again in its original position over the chimneypiece on the east wall.

The Museum is most grateful to the Cochemé Trust who generously sponsored the re-hanging.

Nos 12-14 Lincoln's Inn Fields

No.14 Lincoln's Inn Fields was shortlisted for the 2010 Georgian Group award for restoration projects. The restoration of No.14 also featured in an exhibition entitled *50 Years of London Architecture* organised by the Architecture Club, held at the Mall Galleries from 19 June to 4 July 2010.

Annual Maintenance

At the end of January 2011 Arlington Conservation overhauled the sliding shutters at the south end of the Library-Dining Room and made a fillet to replace a wooden one missing for many years to cover the join between two of the large panels of mirror surrounding the Lawrence portrait.

Redhills carried out an asbestos survey of No.13, in addition to their survey of No.12 for the OUTS contract.

Fire Safety and Security

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

The Camden Fire Officer carried out an inspection visit on 21 June 2010. Clerkenwell Fire Brigade sent fire crews on familiarisation visits in August 2010, and again in February 2011.

A fire risk assessment has been carried out in advance of the OSTS works programme and the measures recommended in the assessment will be implemented when the work programme commences.

Green Housekeeping

In addition to recycling all paper, cardboard and light bulbs the Museum has put arrangements in place for the recycling of batteries, printer cartridges and electrical equipment. Redundant IT equipment is collected by a company which refurbishes old computers and printers and supplies them free to schools in Africa.

THE COLLECTIONS

WORKS OF ART

Taylor Pearce Ltd installed three architectural models and several plaster casts of medieval ornaments above the door in the Monk's Parlour in May 2010. These items have been reinstated in the places they occupied on Soane's death in 1837. The models - of the Pitt Cenotaph in the National Debt Redemption Office in Whitehall, flanked by two halves of a model for the Princes Street Vestibule at the Bank of England - look spectacular when viewed from below. Two more Bank of England models, of part of one its façades and the Tivoli corner, were added to the display a little later, after their removal from modern glass cases.

The new cast of an Egyptian red granite head of Nepthis (of which Soane had a plaster cast hanging in the West Corridor in the basement) arrived from the *Gipsformerei* in Berlin. In the absence of conclusive evidence that Soane's original cast was a stone colour we asked the Berlin workshop to paint the cast in imitation of the red granite of the original Egyptian head. The making and installation of the cast were generously sponsored by Ömer Koç and Simon Ray. The bust was hung in position on 9 August 2010.

In the summer of 2010 a large Gothic boss on the ceiling of the recess between the Basement East corridor and the Monk's Parlour suddenly began showing alarming signs of movement. Temporary propping and removal of nearby works of art made it safe, until it could be inspected by the architect and structural engineer. The boss was carefully removed from the ceiling in August. The ceiling structure above it was investigated and found to be only partially supported by the timber joist structure. In order to reinstate it, Taylor Pearce Ltd was employed to make this secure, retaining as much of the original fabric as possible. The boss was re-fixed in September 2010.

Dr Christoph Vogtherr of the Wallace Collection came to examine Watteau's *Les Noces* when it was taken down in December in readiness for its loan to the Wallace in March 2011. He pronounced it the prime version of this much-copied composition. The paintings conservator Anna Sanden produced a detailed condition report.

Arlington Conservation completed the re-building of the Pompeian model stand to its original dimensions and this was viewed in their workshops in September 2010. The reconstruction revealed areas of the original bronze green paint which will enable the stand to be re-decorated exactly as it was in 1837.

Work continued on The Public Catalogue Foundation catalogue of the Museum's collection of oil paintings. Helen Dorey spent several months checking every entry and the final editing by the PCF editor, Lucy Ellis, began at the end of the year.

Online Catalogue of Antiquities

Andy Smart of A C Cooper Ltd completed the final tranche of photography in the summer of 2010. Jane Honess worked as a volunteer for one day a fortnight from August 2010 until March 2011 on the final editing, in particular of the bibliographies attached to each catalogue entry.

Acquisitions

An early 19th-century ceramic Dog of Fo was acquired at auction at Neal Sons and Fletcher of Woodbridge, Suffolk, for £357.60 on 26 May 2010. This creature is the almost exact counterpart (although slightly smaller) of another, plaster, Dog of Fo that stands on a shelf in a recess in the Crypt. Soane owned two such dogs – which he called 'heraldic monsters' – but one had disappeared by the end of the nineteenth century. The replacement was clearly marked and documented so as to distinguish it from the surviving original and has been put in the position once occupied by its lost pair. The acquisition of 'lost' elements of Soane's collection has long been the policy of Directors of the Soane Museum and this one has enabled the reinstatement of a Soane arrangement.

A ceramic model of the gateway at Tyringham Hall by Hugh Colvin, presented by the Trustees to Sir John Summerson on his retirement in 1984, was given to the Museum by Lawrence Kinney. Mr Kinney purchased it from the sale of Summerson's estate. It has been placed in the Research Library, where it forms a pair with another ceramic model by Hugh Colvin of the stables at Chelsea Hospital, given by the Trustees to Dorothy Stroud on her retirement, also in 1984.

THE RESEARCH LIBRARY AND ARCHIVE

Visitors

There were 265 visitors to the Library during the year (248 last year). In addition the Library hosted a number of group visits by students and others.

Cataloguing of books

Dr Stephanie Coane continued her work of editing the catalogue of Soane's Library and publishing it incrementally on the Museum's website. Just over 900 bibliographic records went online in the period from April 2010 to the end of March 2011, bringing the total number of records published to approximately 4,060, or nearly 65% of the Library. Most of Stephe's work this year has been on the general library, starting with books in the two Breakfast Parlours in anticipation of the building works in No.12. Some 47% of the general library is now online, joining 83% of books in the architectural library and all but a few of the sale catalogues and pamphlet volumes.

At the end of 2010, thanks to Eileen Harris's generous 'Just Giving' initiative to mark her retirement after 25 years cataloguing Soane's architectural library, we were able to secure the services of Professor Nicholas Pickwood and two student conservators, Francesca Lemass and Monika Stokowiec, to undertake the first full conservation survey of the seven thousand bound volumes in Sir John Soane's library. The book conservation survey is an essential preliminary stage in allowing us to plan the deployment of the Eileen Harris Book Conservation Fund, and the database and report resulting from the survey will be invaluable in ensuring every penny is spent where it will be of the greatest benefit.

Meanwhile our library volunteer, Dorothy Hirsch, has carried on implementing the conversion of the modern library card catalogue to a new automated system hosted on the Museum's server.

Cataloguing of the Drawings Collection

At the beginning of April 2010 the Museum was awarded a generous grant of just over £80,000 by the Designation Development Fund (DDF) from Renaissance Funding administered by the Museums, Libraries and Archives Council (MLA). 'Building Sites' was a year-long project to catalogue over 2,000 drawings for five of Soane's major London schemes: the Bank of England, Pitzhanger Manor, the Royal Hospital Chelsea, Dulwich Picture Gallery and the Soane Monument in St Pancras Gardens. By the end of March 2011 these catalogues, each entry illustrated with a digital image, were freely available on the Museum's website. The DDF funding enabled the Museum to offer training and temporary employment to three young graduates – Matilda Burn, Madeleine Helmer and Emma Smith – who learnt to catalogue under the tuition and supervision of Jill Lever. The guidelines for the cataloguers which evolved during the course of the

project have also been made available on the Museum's website. The successful completion of the project was marked by a day seminar on cataloguing architectural drawings (see p.28).

In July 2010 Frances Sands took up the new post of Catalogue Editor (Adam Drawings Project). This fixed-term post has been generously funded by Mrs Gisela Gledhill, in memory of her late husband Richard Harris, by Basil Postan and by grants from the Paul Mellon Foundation, the Furthermore Foundation, the Durnard Trust and the Rootstein Hopkins Foundation. In addition the Leon Levy Foundation funded new digital photography of the 9,000 Adam drawings in the collection, carried out by Ardon Bar-Hama, who had almost finished his work by the end of the year.

New folders were commissioned for the Soane drawings previously stored in the Pompeian Model Stand, currently being restored as part of the OUTS project. This is part of an ongoing initiative to renew all the folders in which drawings are stored.

CONSERVATION

Conservation of the Collections and the Fabric of the Building

In collaboration with the Deputy Director, the Conservator, Jane Wilkinson, continued to manage the care of the collection and the Museum rooms, undertaking a range of tasks as they arose over the year. Apart from the conservation of individual objects and the care of the fabric of the building, the Conservator also supervised the protection and movement of Museum objects when required, and liaised with and managed work undertaken by consultant conservators working in the Museum. As part of the project to re-instate the 1837 Picture Room hang (see p.16) she surveyed all the fixings on the picture frames with the Curatorial Assistant, John Bridges, and organised for copies of rings to be made to replace missing and distorted ones. She also undertook relevant research whenever appropriate.

Conservation of Individual Works of Art

Conservation of Museum objects continued to be carried out by the Conservator when required. Small repairs were carried out on a number of objects including architectural models (MR20) and furniture (XF296). Several damaged plaster casts (MP28, MP263 & MP269) were conserved and returned to their locations in the Museum. A 15th/16th-century carved wooden boss from the Palace of Westminster was assessed and heat-treated for woodworm.

Opening Up the Soane Project

Throughout the year the Conservator undertook a wide range of preparation work in advance of the start of Phase 1 of the project. She worked with the Deputy Director in

contacting and liaising with the specialist consultant conservators selected to work on aspects of the conservation programme of OUTS including stained glass, ceramics, wallpaper and furniture. She commissioned and implemented a consultant report on protection of the Museum during building work and she continued to research and prepare for the refurbishment of the conservation studios, including finalising the specifications of the furnishings for the rooms. During the year the Conservator continued a detailed survey of the framed works and museum objects (approximately 300 in number) to assess what conservation work each would require. In December 2010 she planned, set up and managed a safe storage space for these objects which involved photographing, wrapping and recording each one. Just before the start of Phase 1 the Conservator moved the conservation studio from No.12 into a temporary space in No.13. In addition the Conservator undertook research specific to the OUTS project including paint analysis of frames, on-going research in preparation for the extensive conservation on the frame of P247 *The Opening of London Bridge* by George Jones and working with the consultant frame conservator, Clare Kooy-Lister, on the conservation of the frame of P319 *Shakespeare's Flowers* by Clara Maria Pope.

Preventative Conservation

Environmental conditions in the Museum continued to be monitored using Hanwell data loggers to record temperature and relative humidity. Further sensors were added to the system and all the loggers were sent back to the manufacturers for re-calibration and battery checks. During the year control of the light levels in the Museum rooms was developed further with UV film being installed in the Study, Picture Room, Picture Room Recess and Upper Drawing Office. Integrated Pest Management continued and was also extended with the introduction of *Dermestid* traps.

Tracy Sweek of the British Museum spent several days checking the safety of fixings for sculpture, with the help of one of her interns, *pro bono*.

Conservation Housekeeping

The Conservator continued to manage a programme of routine conservation cleaning carried out by the Museum Warders. She organised one training day for new Warders and carried out a deep clean of the Picture Room Recess. She undertook to check and replenish supplies in both the Disaster Box and Spill Kits. During the year the Conservator managed two part-time interns who helped with environmental monitoring and Deep Cleaning. When required, the Conservator advised the Enterprises Manager on best practice during events held at the Museum.

Conservation of Drawings and Books

Margaret Schuelein, the Museum's freelance Paper Conservator, completed the conservation of a large volume of Adam drawings (volume 13), ensuring that all the album pages were clean and that all loose drawings were safely anchored in place and any drawing that had been removed for loan had been returned. The opportunity was also

taken to clean the binding and make small repairs to it. Severe surface dirt on the binding and edges of Adam volume 55 was cleaned. She has also cleaned and conserved several volumes in Soane's library and made protective wrappings or boxes for others.

Conservation for Exhibitions and Loans

A considerable amount of time was spent in preparing works for loans and exhibitions. The preparation of condition reports for all items leaving the building is also a major part of the conservators' work, as is the commissioning of mounts, frame and special Perspex supports. Brief reports are prepared on every item requested for loan, which inform the decisions of the Trustees. The Conservation Team continued to provide expert support to the Exhibitions Curator, Jerzy Kierkuć-Bieliński, with the handling and installing of incoming loans for exhibitions in the Soane Gallery. Freelance conservator Amelia Rampton assisted with this work for part of the year whilst Margaret Schuelein was temporarily unavailable.

LOANS

15 Adam designs for silver were lent to an exhibition entitled *The Classical Ideal: English Silver 1760-1840* held at Koopman Rare Art Ltd, Chancery Lane from 3 to 25 June 2010. The proceeds of the sales of the catalogue were generously donated to the Museum by Koopman Rare Art. Christopher Hartop, curator of the exhibition, made a generous contribution towards the conservation of the drawings exhibited.

The Riva degli Schiavoni looking West by Canaletto was lent to the exhibition *Venice: Canaletto and His Rivals* held at The National Gallery from 13 October 2010 to 16 January 2011.

Two drawings by Robert Adam and one by George Dance the Younger were lent to the exhibition *Néoclassicisme* held at the Louvre, Paris from 29 November 2010 to 14 February 2011.

An early (1797) portrait of Napoleon by Cossia was lent to *Napoleon and Europe: Dream and Trauma* at the Kunst-und-Ausstellungshalle der Bundesrepublik Deutschland, Bonn which opened on 17 December 2010 and was due to close on 25 April 2011.

The portrait of Soane by Sir Thomas Lawrence was lent to Dulwich Picture Gallery for their bicentenary exhibition *Masterpiece a Month: Presiding Genius* from 20 December 2010 to 31 January 2011.

A watercolour by J M Gandy showing a selection of buildings designed by Soane between 1780 and 1815 was lent to an exhibition entitled *Watercolour* which opened at Tate Britain on 16 February 2011 and will run until 21 August 2011.

A copy of the 1819 sale catalogue of the collection of William Bullock from Soane's library was lent to the Hunterian Museum, Royal College of Surgeons of England for the exhibition *London's Lost Museums: Nature and Medicine on Show* which opened on 1 March 2011 and will run until 2 July 2011.

Watteau's *Les Noces* was lent to the exhibition *Esprit et Vérité: Watteau and His Circle* at the Wallace Collection which opened on 12 March 2011 and is due to close on 5 June 2011.

VISITORS, EDUCATION AND INTERPRETATION

VISITORS TO THE MUSEUM

Excluding visitors to private functions, the number of visitors to the Museum during the year rose to 109,604, an increase on last year's figure of 107,447.

From January 2011 the maximum size of groups was reduced from 22 to 15 and the maximum number of people allowed in the Museum at one time from 75 to 60. This is a temporary measure necessitated by the decreased circulation space during the OUTS project.

139 people took part in candlelit tours of the Museum led by Curatorial staff as part of 'Museums at Night' on the evening of 14 May 2010 (64 last year).

The Museum opened No.14 and part of the upper floor of No.13 for 'Open House' on 18 September 2009 and 656 visitors were recorded (705 last year).

The Museum was visited by 333 groups during the year (348 last year). Of these 69 had introductory talks by members of the Curatorial or Warding staff (59 last year).

The countries from which these groups came were: UK (227); Europe (71); USA (30); Rest of the World (5). Of the European groups, the highest numbers were from Germany (20); France (15); Italy (7).

No charge is made for group visits or for talks or tours during opening hours, although commercial groups are asked to make a donation to the Museum. The wide range of different organisations visiting the Museum demonstrates its international appeal and reputation, and how widely it is used for educational purposes.

EDUCATIONAL ACTIVITIES

2010-11 has been a busy and successful year for the Education Department. Participant numbers for adult art workshops, informal activities and school visits have all risen. Lucy Trotman, the Schools and Families Education Officer who was appointed last year, is

now putting her stamp on the schools programme. The Education Department has expanded again this year with the appointment of Julia Cort as the Community Outreach Education Officer. Julia will be responsible for developing a new programme for hard-to-reach audiences. The expansion of the Education Department, in terms of staffing and in terms of audience, means that the Department is still changing and developing in exciting ways.

Particular highlights of the year include:

- the start of the new Community Outreach Programme with the appointment of Julia Cort
- new developments in the schools programme, including art-based outreach workshops
- the creation of a weekly After-School Club, funded by Children in Need, for pupils from four local schools
- the development of the Young Architects' Club into two clubs (YAC and NAC), enabling the department to accept twice as many children as in previous years
- the continuing relationship between the Soane Museum, the Bartlett School of Architecture at UCL and Pitzhanger Manor, with the successful collaborative project for the Bartlett's 100 first-year students
- record numbers of participants on the adult art workshop programme and, as a result, increased income for educational activities
- the successful piloting of evening art courses for adults
- an HLF-funded project called 'Soane's Architectural Marathon of London'
- the completion of the Podtours project

Education Team

Julia Cort joined the Education Department in early February 2011 as the Community Outreach Education Officer, an HLF-funded post as part of the *Opening Up the Soane* (OUTS) project. The team of freelancers for adults, schools and children has stayed the same as in 2009-10 with no new additions. Regular meetings are held for the team and training has taken place to introduce the changes to the schools programme. Freelancers Sally Crowley and Chloe Cooper have also received training to run the Bridges outreach sessions.

The Department has worked with several volunteers over the year. Ross Burnett had a two-week placement in April 2010 as part of his MA in Arts Policy and Management at Birkbeck University. Isabel Duddy, from Chiswick Community School. Kaya Tanabe, from Mill Hill High School and Blanca Valdes, from More House School, spent a week doing work experience with the Museum. In March 2011, Sarah Wallace and Victoria Lewis, student-teachers from Kingston University, worked for three days with the Education Department to develop a school-based resource as part of their course.

A Museum Education Internship was introduced in September 2010 in order to give people interested in a career in museum education valuable work experience. The internship lasts for four months, although the first intern, Cynthia Adobea-Aidoo, worked

with the Department from late September 2010 until April 2011. Activities undertaken by Cynthia include: supporting the After-School Club; researching Oral History Projects for OUTS; working on the Concrete Crushathons and creating new school resources.

John Reeve, museum educator and cultural historian, was approached by the Trustees of the Museum to become a consulting expert for the Education Department in July 2010. He kindly accepted and has met with the Education Department on several occasions, including to observe a school tour and give feedback.

Funding

The Podtours project, funded by the Band Trust, was completed in September 2010, with the creation of translations of the general Museum tour into French, Spanish, Italian and German.

The John Lyons Charitable Trust is part-funding the post of Schools and Families Education Officer for three years, starting in January 2010. The Trust requested an end-of-year report before releasing the funds for the second year. Funding was also granted in 2010 by the Royal Commission of 1851 to support science-based workshops run by the Museum over three years. This funding has been used to develop the Bridges and Light outreach workshops, and to adapt the *Concrete Crushathons*.

Lucy Trotman successfully applied to the Children in Need funding body for a three-year grant to pay for the Museum's new After-School Club.

The Education Department applied for a Heritage Lottery Fund's *Your Heritage* grant to run a project, linked to the *Story of London* festival, called 'Soane's Architectural Marathon of London'. During the project, the Education Department worked with a range of groups, from sheltered housing residents and homeless people to architecture students and school children, to visit Soane's main buildings in London and create work to go into an online resource, planned by the participants themselves. The project will be complete in May 2011.

Schools Education

4,206 pupils from 52 different schools (compared to 4,121 last year) attended activities with the Education Department, both in the Museum and back at school. Developments in the schools programme included the creation of new art-based outreach activities, offered as post-visit extension activities. The tours around the Museum have been altered to allow for the limited spaces on the Museum's first floor during the OUTS project. School groups now only visit the Museum's basement and ground floor and spend the remaining time in the art room, doing a relevant practical activity linked to the theme of the tour. The activities devised for these sessions are based around Soane's architectural drawings collection, which has been a successful way to start utilising this aspect of the Museum in formal school activities.

The Royal Commission of 1851 funding enabled the Department to commission two new sets of bridge models. Two freelancers are now trained to deliver the Bridge outreach workshops. The same pot of funding has allowed the *Concrete Crushathons* to be adapted and rolled out as outreach, hosted by Wren Academy in Barnet. So far, four Key Stage 3 classes from Barnet schools have benefited from this workshop. The Museum took part in *Secondary Open City*, the secondary schools element of *Open City (Open House as was)*, and worked with a school group and architect Ana Serrano on a design project. A second summer school, lasting four days, was run in July 2010 for pupils from schools in Waltham Forest on stone carving.

Colleges and Universities

The numbers of students with whom the Education Department worked declined in 2010-11. 882 students had direct contact with the department this year, compared to 927 in 2009-10. The key reason for this decline is that Birkbeck University's Lifelong Learning History Module, hosted by the Soane in the previous two years, no longer runs. The Museum did start hosting seminars for New York University in London (NYUL) in 2010-11 but changes to the UK Border Agency Tier 4 rules meant that this mutually beneficial relationship had to be cut short.

Despite these problems, this has been a successful year for working with colleges and universities. The department ran two Architecture Portfolio days for sixth-form students, days which are consistently popular. Projects took place with the Bartlett School of Architecture (as mentioned in the highlights section), the London College of Fashion and with the Royal School of Needlework (the RSN). The relationship with the RSN started during the exhibition on Mrs Delany (see p.29). Students from the RSN kindly gave their time to give needlework demonstrations in the exhibition gallery, linking to Delany's work. A relationship is developing with the Building Crafts College (BCC) in Stratford East. Architecture and Stone-Carving students from the BCC came to the Museum for tours with the Education Department. It is hoped that this relationship can develop in future into a more in-depth project.

Informal Learning for Children

Informal events for children expanded rapidly in 2010-11.

This programme includes:

- holiday activities for children
- the *Young Architects' Club (YAC)*, for 7-10 year olds
- the *New Architecture Club (NAC)*, for 11-14 year olds
- architectural drawing classes for 15-18 year olds (*AD15-18*)
- the *Building Explorers* weekly After-School Club
- Drop-In holiday events for local school children.

902 children and young people attended 72 events (up from 376 over 39 events last year). This impressive increase in numbers is largely due to the start of the weekly *Building*

Explorers club and the development of a second Architecture Club with *NAC. AD15-18* was oversubscribed this year and there is already a waiting list for 2011-12. The Education Department has received various requests for more activities for this age group. The holiday workshop programme is growing and the events are very well attended: 245 children attended 25 days of workshops over the year, on activities ranging from creating a 'Picture Room Calendar' to making spooky 'skeleton puppets'.

Adult Art Workshops

610 adults attended 81 art workshops, up from 451 last year. Attendance has been very strong, with many days fully booked. Particular highlights in 2010-11 included the *Tempera for Beginners* course and the *Drawing and Painting Above London* sessions, run on the terrace of the LSE building at No.53 Lincoln's Inn Fields. For the first time, the Museum offered evening courses for adults, with each course running for an evening a week over five weeks. Three evening courses ran in 2010-11, covering drawing, oil painting and watercolours, and all three courses were fully booked.

In addition to the adult art workshops, the Museum continued its relationship with Capital A, the art group for homeless and vulnerable adults. 54 participants attended the four sessions for Capital A. Sheltered housing participants from last year's *Transformations Fund* project also continued their link with the Soane. They visited the Museum in April 2010 and have since taken part in the HLF-funded *Marathon* project, during which they learnt how to print using lino.

The Department continues to be an active member of the Camden Adult Learning Partnership, 'Camden Shares', and the History and Heritage Adult Learners Network. These links to the local community and to adult learners will be very useful when developing the Community Outreach Programme.

Study Days, Lectures and Talks

Study Days

The Education Department hosted a conference for the education wing of the Architecture Centre Network in September, to which 24 people came.

On 28 March 2011 a day-long seminar was held to mark the successful completion of the 'Building Sites' cataloguing project (see p.20). Entitled 'New Approaches to Cataloguing Architectural Drawings', it was attended by 28 people, mainly delegates from other collections of architectural material.

In April 2010 the first Attingham Trust London Town Houses Study Week was based at the Museum. Directed by Giles Waterfield and Jacqueline Riding with organizational help from Helen Dorey, the course welcomed almost 40 participants from Britain, Europe, the USA and Australia.

The Soane Museum Study Group

Four Soane Study Group talks took place in 2010-11, to which 113 people came in total. Tom Devlin gave a very popular talk on the architecture of St Helena. Bernd Schmutz, from Caruso St John Architects, spoke on his work for Nottingham Contemporary and his designs for the new Soane Gallery. Dr Gwendolyn Leick's talk covered Tyrants' Tombs and Dr Scott Nethersole gave an explanation of three stucco panels from the Palazzo Scala, Florence.

Curator's Choice Talks

159 people attended ten Curator's Choice talks over the year. Subjects ranged from Hogarth's Election series to the Gisleni Album. 33 people attended Tim Knox's talk on the Clovio Manuscript.

The Annual Soane Lecture

The Very Reverend Dr John R Hall, Dean of Westminster Abbey, gave the 2010 Annual Lecture. The title of the lecture was 'Westminster Abbey: For Ever New'. 92 people attended the lecture, held at the Royal College of Surgeons.

EXHIBITIONS

Mrs Delany and her Circle

18 February – 1 May 2010

Promiscuous Assemblage, Friendship and the Order of Things

18 February – 1 May 2010

Please see the *Annual Report* for 2009-10 for details of these two exhibitions.

The Museum participated in a conference entitled 'Curious Specimens: Enlightenment Objects, Collections, Narratives', held at the Victoria and Albert Museum on 15-16 April 2010. The theme of the conference was new perspectives on eighteenth-century practices of collecting, focusing on two exhibitions: *Horace Walpole and Strawberry Hill* at the V&A and *Mrs Delany and her Circle* at the Soane.

Permanently Magical: Restoration and Renewal of Sir John Soane's Museum

2 July – 4 September 2010

This exhibition was intended to give the public a focused and detailed explanation of what the *Opening up the Soane* project is and how it will enhance the visitor's experience and understanding of the Museum without being detrimental to the Soane's very special ambience. Curated by Jerzy J Kierkuć-Bieliński it drew heavily upon the extensive and detailed research of Helen Dorey into the history of No.13 Lincoln's Inn Fields and its

collections. Works of art that, over the period following Soane's death in 1837, had been displaced from their original location or had been placed in storage, formed a large part of this display. Many objects were on public display for the first time. The exhibition was arranged thematically around different aspects of the project: the individual historical rooms, such as the Model Room and private apartments of the second floor, the Tivoli Recess or the Ante-Room; and individual aspects of the collections (including their restoration and display), such as the stained glass, the collection of models and furniture. The work of Julian Harrap Architects and of Caruso St John was also showcased and displays were provided for the new educational activities and disabled access that the successful completion of OOTS will allow. The exhibition was visited by 12, 587 people and generated very satisfactory press and media interest.

Inspired by Soane

9 September – 1 October 2010

An extraordinary group of 169 artists, designers, writers and celebrities exhibited some 200 specially made works of art which then entered a blind sale for the benefit of the Museum's OOTS project. All the participants were asked to produce an A5 'postcard' that responded to some element of the Museum, the collections or Sir John Soane's architecture. Amongst those who contributed towards the exhibition were: Damian Hirst, Anthony Gormley, Daniel Libeskind, Dan Cruickshank, Ben de Lisi, Vivienne Westwood, Tadao Ando, Will Alsop, Robert Venturi, Maggi Hambling and Manolo Blahnik., to name but a few. The response by those approached was very good and clearly demonstrated the importance which is attached to the Museum by the creative community. This was also borne out by the very good and very positive response from the press and the public (during the short run of the exhibition it was seen by 5,234 visitors). Fifty artcards were reserved for the general public to buy and the rest were auctioned during the course of the Soane Banquet, held at the Banqueting House, Whitehall, on 7 October 2010. The total raised by the sale of the cards was £25,193.96. A small catalogue, which reproduced all the works displayed, accompanied the exhibition. The exhibition was organised by Claudia Bertel, Development Officer and Magnus Copps, Appeal Co-ordinator with the help of Jess Rensch, Volunteer. It was installed by Jerzy J Kierkuć-Bieliński, Exhibitions Curator and Margaret Schuelein. The exhibition marked the final closure of the Soane Gallery.

Michael Petry at the Soane: Touching the Neo-classical and the Romantic and Bad Seed

15 October – 11 December 2010

4 February – 13 March 2011

This two-part exhibition was formed of two installations of modern glass sculptures by Michael Petry within the rooms of Nos 12 and 13 Lincoln's Inn Fields. Petry is a lecturer at the Royal College of Art and at the Royal Academy Schools. The first part of the exhibition saw Petry create works inspired by neo-classical silver. Taking found metal vessels molten glass was poured into them and then, using a technically exacting technique, annealed so that the galls and partially molten metal fused. These objects were

then arranged in groups on the furniture of the historical rooms so that they could be encountered by visitors as if they were Museum objects.

The second part of the show involved Petry making large-scale glass sculptures which drew inspiration from Soane's personal life and in particular his relationship with his younger son George. The resultant biomorphic works were produced at the Berengo Studio, Venice and at the Royal College of Art. A small catalogue accompanied the exhibition and financial support was provided by the Westbrook Gallery, London. A special viewing of the second exhibition for curators and gallerists was sponsored by Casa Vincola Zonin. The show received good coverage in the specialist press.

Order: Myth, Meaning and Beauty in Architecture
Reading Museum, 22 January – 27 March 2011

A reduced selection of works taken from the exhibition shown at the Museum from 16 October 2009 – 30 January 2010 (see the *Annual Report* for 2009-10 for further details). The exhibition, as displayed at Reading, was seen by 6,346 visitors (54.7% of visitors to Reading Museum for the period).

The Museum gratefully acknowledges the support it receives for all exhibitions from the Government Indemnity Scheme.

PUBLICATIONS

A new edition of *The Soane Canalettos* by the late Joe Links, updated by Helen Dorey with advice from the world's leading Canaletto scholar, Dr Charles Beddington, was published in September 2010 to coincide with the Canaletto exhibition at the National Gallery (see p.23). Alexandra Epps helped as a volunteer with the ordering of photographs, writing of captions etc.

In December 2010 the Museum published its first book for children. *The Journal of Mrs Soane's Dog Fanny* written by Mirabel Cecil with illustrations by Francesca Martin was produced by Brubaker Ford Ltd and funded by subscriptions from 30 of the Museum's Patrons.

A revised version of the *Short Description* of the Museum was produced in May 2010.

Four issues of Sir John Soane's Museum *Newsletter* were produced and circulated to our supporters and members of the public.

SERVICES

Information technology

Following a review of the Museum's website the website design company Soulbat was awarded the contract to redesign the current site, giving it a new graphic layout and rationalizing its structure but still mainly using the existing content. The work was carried out over the period July to September 2010. A new contents management system was also designed for the Museum staff to use. Soulbat were asked to provide initial training for staff in the use of the contents management system and are providing on-going support. Portunus continues to provide support for the Museum's library and drawings catalogues. The Museum's website and cataloguing databases continued to be hosted externally and NittyGritty continued to provide IT support for the Museum. In December 2010 Rachel Hayward was appointed website consultant for the development of the website as part of the *Opening up the Soane* project. She has reviewed the report on the redevelopment of the website prepared by Martin Bazeley in preparation for the issuing of the website tender documents. She has also assisted in researching the Collections Management system which will be implemented as part of the OUTS project.

Data Loss and Information Management

Sir John Soane's Museum has suffered no protected personal data incidents during 2010-11 or prior years, and has made no reports to the Information Commissioner's Office.

Commercial Activities

Formal permission to set up a subsidiary trading company was granted by the DCMS on 30 March 2011, and it is anticipated that this will be registered during 2011.

Income from venue hire and filming increased to £97,940 from £51,610 in 2009-10, unusually low in that year due to the economic recession.

In January 2011, the retail outlet was moved from its temporary location in No.12 Lincoln's Inn Fields to one of the museum's historic rooms, the North Drawing Room. It will remain in this space until the completion of the new retail outlet in 2012. Although this space is smaller and proved challenging, new merchandise continued to be developed; turnover was 9.5% up on the previous year, and 11% higher than forecast. Average visitor spend rose from £1.49 to £1.65. As part of the upgrade to the museum's main website (see p.32), an experimental e-commerce site was implemented. Discussions were also held with a company who provide a 'Print on Demand' service; prints of architectural and other drawings in the collection will be available for purchase online during 2011.

Income continued to be received from the licensing agreement with Chesney's, who manufacture an exclusive range of replica marble chimneypieces based on Soane's

designs. This agreement, originally signed in September 2007, was renewed for a further three years and will now expire in 2013.

Consultations were held with other cultural organisations, with a view to developing an overall licensing strategy to maximise potential income from this source.

A small income continued to be received from royalties on *The Adam Brothers in Rome: Drawings from the Grand Tour* by Alan Tait, published by Scala Publishers in 2008. Sales of publications by Paul Holberton Publishing, who distribute some of the Museum's publications, totalled £592.16 during the year.

The hire of colour transparencies, or supply of digital images, and the levying of reproduction fees brought in an income of £7,415 (hire £4,840 and reproduction £2,575), an increase of 45% over last year. Income from the Bridgeman Art Library, which holds copies of transparencies of a selection of paintings in the Museum, also increased to £1,791 (£1,016 last year).

FUNDRAISING, PR AND DEVELOPMENT

The Museum has a small Development team of just over 2.2 (F/T equivalent) staff plus various volunteers including Pam Bianco, John Curran and Philippa Cowley-Thwaites. The professional team has been augmented since April 2010 by an additional member of staff, Magnus Copps, to run the capital appeal associated with *Opening up the Soane*. Since January 2011, a core member of the team, Claudia Celder has been on six months' unpaid leave.

A freelance press officer (1 day weekly) is also part of the team and is responsible for coordinating and generating all Museum press coverage and listings. Considerable success was achieved this year, particularly with widespread coverage of *Opening up the Soane* in all the major broadsheets, several quality magazines and BBC Radio 4's *Today* programme.

The Museum and its exhibitions have been profiled in a large number of national publications, including *Country Life*, *BBC Homes & Antiques*, *World of Interiors*, *Elle Decoration*, *RA Magazine*, the *Evening Standard*, *Building Design*, *Apollo*, the *Guardian*, *The Times*, the *Daily Telegraph* and the *Telegraph's Stella* magazine, as well as a wide range of international publications and travel guides, including *Time Magazine*, *Condé Nast Traveller*, the Michelin Green Guide and the National Geographic Traveller Guidebook.

The staff are greatly supported by a Development Board, chaired by the Director. The individuals who make up the Development Board provide invaluable support for a wide range of initiatives; without their help the Museum's fundraising, PR and development efforts would be significantly less effective.

The Development Department generates income for both revenue activities and capital projects. The major fundraising programme is *Opening up the Soane* which is a £7M capital project. Phases 1 and 2 of this project, for which £6.5M has been raised, met our fundraising targets for the year. Notable successes this year for this project include major grants from the Wolfson Foundation, the Foyle Foundation, the Garfield Weston Foundation and the City Bridge Trust, amongst others. The project has been considerably helped by a generous grant of \$1M from Sir John Soane's Museum Foundation, which is an independent US 501(c)(3) organisation that helps the Museum. The Development Department works closely with the Foundation to coordinate fundraising and PR activities in the US.

The Development Department runs two membership schemes – a Patrons' Circle and a Supporters' Circle. Membership of the Patrons' Circle is growing steadily and has reached 180 members – an increase of 20% on the previous year. Patrons make annual donations of at least £1,000 to the Museum. The Supporters' Circle consists of approximately 300 members (an increase of 20% on the previous year) who make donations of between £30 and £500 p.a. Innovations in the current year include the creation of *iSoane* – a group of individuals who receive regular copies of the Museum *Newsletter* by email. The production of the Museum *Newsletter* is also co-ordinated and managed by this Department and produced quarterly.

The Department has invested in a new database system – IRIS – which in enabling a more efficient approach to managing contact data as the number of contacts is growing rapidly – due to both the success of the OUTS appeal and more overt solicitation of those visiting the Museum.

Revenue activities were supported via donations in favour of the Museum's education programme; the exhibition programme and for various conservation projects including the dramatic new hang of the Picture Room and the completion of the West Chamber conservation store. Cataloguing projects were also supported relating to the Library and to both the Robert Adam drawings collection and the Soane drawings collection. An 'Adam Owners' interest group was formed to complement the 'Soane Owners' group created last year. The Soane Owners' group paid a very successful visit to Chillington Hall, Staffordshire, on 28 June 2010 at the kind invitation of John and Crescent Giffard. A Development initiative – the publication of a children's book *The Journal of Mrs Soane's Dog, Fanny* came to fruition this year and is now providing regular income for the Museum via its sale in the Museum shop. The book was paid for by 30 subscribers drawn from the ranks of the Patrons' Circle.

The Department also organises an events programme for Patrons and other friends and over the course of the year 18 events were organised at the Museum and off site, including a major fundraising event at the Banqueting House in October to benefit the appeal. The series 'Great Collectors at the Soane' continues as part of this programme with notable contributions from Christian Levett and Paul Ruddock. Additionally, the Museum hosts special visits from the Patrons and supporters of sister organisations based in the UK and internationally. As part of its fundraising activities, the Development

Department organised *Inspired by Soane*, a selling exhibition of more than 200 artworks contributed by Architects, Designers and Artists including many internationally famous names (see p.30).

In 2011-12 the Department aims to complete the capital fundraising required for *Opening up the Soane* phase 3 (£500,000). The team aims to increase Patrons' income from £100,000 last year to £120,000 and to play an active role in future planning to secure additional income for the Museum in the medium to long term in the wake of the 15% reduction in grant-in-aid announced by the government this year. Consolidation of recent gains and successes will be important as will securing the longer term benefits of OUS and protecting the Museum from the effects of any fluctuations in core income will be a priority for the coming years.

THE STAFF

Staff

In April 2010, Magnus Copps joined the Development Department for a year as Appeal Coordinator. His term was later extended for six months to enable him to cover for Claudia Bertel (formerly Celder), Development Officer, while she was on a six months' unpaid leave from January 2011.

At the beginning of May 2010 Sue Palmer, Archivist, became Archivist and Head of Library Services, assuming responsibility for running the Research Library and line-managing the Library staff.

Jo Elford, part-time Warder, left the Museum on 12 May 2010 to work in a private art gallery.

Michelle Bowker joined the Museum as a part-time Warder on 1 June 2010 and moved to a full-time Warder post on 4 January 2011.

Frances Sands joined the staff on 12 July 2010 in the newly-created fixed-term post of Catalogue Editor (Adam drawings project).

The Museum's Administrator, Satinder Bhatti, left in August 2010. After considering more than 200 applications and carrying out two rounds of interviews the Museum appointed Claire Lucky, who took up her post in September 2010.

Peter Collins left the Museum on 15 October 2010 having worked as a Warder since 1997. Peter had been off work for a long time through illness and is much missed as a valued friend and colleague.

Peter Callow joined us as a part-time Warder on 4 January 2011 and David Smith as a full-time Warder on 18 January 2011. Peter and David are both on fixed-term contracts and are funded as part of the OUTS project.

Finally, on 7 February 2011 Julia Cort joined the Education Department as the Community Outreach Officer, and HLF-funded post as part of the OUTS project.

Volunteers

Lisa Attard, Joni Rendon and Fred Woodward all spent time as short-term volunteer interns at the Museum. Jane Honess volunteered for one day a fortnight working on the editing of the Catalogue of Antiquities from August 2010 to March 2011. Margarida Andrade continued to volunteer for one day a week for the Conservation Department until June 2010 and Maxwell Maldon worked as a Conservation Intern for the Summer of 2010 helping with the deep clean of the Nymph Recess and various OUTS related projects. John Curran continued to volunteer for the Development Department for one day a month and likewise Pam Bianco for one day a week. Jess Rensch volunteered in the Development Department for three months, helping with the organization of the fundraising event at the Banqueting House in October 2010 and the related exhibition *Inspired by Soane* (see p.30). Dorothy Hirsch continued to work as a long-term library volunteer for one day a week. Philippa Cowley-Thwaites began work as a long-term volunteer with the Development Department. Alexandra Epps assisted Helen Dorey with the new edition of *The Soane Canalettos* and Philomena Epps acted as temporary secretary in the interim period between the departure of Satinder Bhatti and Claire Lucky taking up her appointment. Three further volunteers and three school work experience pupils are listed under the report of the Education Department (see p.25).

Sickness Absence

The average staff sickness rate for 2010-11 was 8.02 days per person. However, this includes (and is therefore skewed by) one staff member off on long-term sick leave. When this case is excluded the average staff sickness rate was 5.12 days per person (2009-10 3.24 days).

FINANCE

The Statement of Financial Activities shows that the Museum generated a net increase in funds of £2,034,731. The large increase is the result of fundraising during the year for the *Opening Up The Soane* (OUTS) project for which building work started at the end of the financial year in March.

The presentation of Resources Expended in 2010-11 in the Statement of Financial Activities aligns with the narrative in the Annual Report. The Statement shows that 33% of unrestricted expenditure was incurred to generate funds (10% banquet expenditure, 5%

purchasing goods for resale, 18% salary and other development and trading costs), 14% on refurbishing and maintenance of the buildings, 11% on the care and conservation of the Museum's collections and 38% on providing services to visitors. Governance costs, including audit and legal costs, accounted for 4%.

The increase in expenditure on generating funds is due to the employment of development staff for the first full year after transfer from Sir John Soane's Museum Society (they were only employed for 4 months in the previous financial year). This investment in development has generated funds and pledges sufficient to permit commencement of the ambitious capital programme.

Performance

The relationship between Sir John Soane's Museum and its sponsoring body, the DCMS, is largely defined by a Funding Agreement. 2010-11 was the third year of a three-year agreement. The Agreement sets out the following Strategic Priorities:

Building Projects

Bring No.14 Lincoln's Inn Fields into full operation in 2008/9 including the Education Centre, Research Library, Drawings Collection and offices. This will enable the Museum to expand and build upon its existing educational programme of classes, tours and workshops, allowing it to reach out more effectively to DCMS's Strategic Priority children and adults, especially in the local community.

Complete the refurbishment of the 3rd floors of Nos 12 and 13 and the 4th floor of No.12 as new staff office accommodation and bring these areas into full operation in 2008/9.

Planning for the Future

Prepare and commence the Soane Masterplan Core Project – 'Opening Up the Soane'. This project, initiated by the new Director in July 2005 with the support of the Museum's Trustees, seeks to implement improvements to the way the Museum makes use of and presents Nos 12 and 13 Lincoln's Inn Fields. The Core Project will, by opening two extra public floors – reinstating Soane's Private Apartments and Model Room in No.13 and providing a 60% larger Gallery in No.12 – and widening the circulation route, enable an increase in visitor capacity in excess of 25%, improve visitor reception and visitors' experience of the Museum, provide full disabled access to all public floors, enlarge the conservation studios, add a shop to help with income generation and help preserve the Museum – the house and collections – for future generations.

Following a successful Preparatory Project funded by the Heritage Lottery Fund, the Museum will progress its Stage 1 application to HLF and, if successful, develop the project in detail to Stage 2 with a view to starting on site in 2010. The new Gallery will open in the spring of 2012 (with an exhibition on historic stadia for the Olympic year) and the other works will be completed by the end of 2012.

The Core Project includes a significant activity element (about 20% of spend) aimed at audience development, increasing participation, interpretation, a volunteer scheme and others. These will be put in place in 2010-12 and continued thereafter.

Fire and Security

Fire continues to be the No.1 Risk to the Museum and during the Masterplan Core Project (and in completing the new office floor) the Museum will have regard to its Fire Prevention Assessment which it will continue to discuss with our Fire Adviser and with the Assistant Fire Commissioner. The addition of No.14 Lincoln's Inn Fields to the Museum, and the implications of the Soane Masterplan Core Project, mean that Security provision for the Museum will also need to be reviewed and improved.

Disabled Access

Improving provision for disabled access is another strategic priority of the Museum. An Access Plan, written in support of the Core Project, sets out future tasks. Investigations for the HLF Stage 1 application have confirmed that an unused lift shaft in No.12 Lincoln's Inn Fields (and a platform lift in the No.12 area) can be used to bring disabled visitors to the public floors of the Museum. Once again, all proposals must respect the historic fabric and character of Soane's unique house-museum and are subject to listed building consent.

Education

The opening of new facilities in No.14 Lincoln's Inn Fields, supported by the Education Manager appointed in 2006, will enable the Museum's educational programme to grow and develop. The Museum is hoping to increase further the number of children visiting it in the next five years, and wishes to develop formal academic links with architecture and art colleges both in London and in the regions.

Outreach and Audience Development

The Audience Development Plan, written in support of the Core Project, sets targets for audience diversification, and this will be implemented through outreach to specific groups and communities in the local catchment. It is also important that the Museum continues to reach out to audiences outside London or abroad. Almost half its visitors come from outside Britain, but the Museum needs to improve its accessibility to its public in the regions. Where appropriate, the Museum will continue to lend works of art to exhibitions in Britain and abroad. Other 'outreach' initiatives include upgrading the website under the Masterplan Core Project: this includes making it disability compatible and more attractive to a wider audience.

Sharing what the Museum owns

As well as promoting visits, the Museum must also continue to improve its knowledge of Soane's architecture and collections. It will continue to press forward with the online publication of catalogues of the collections in the Museum.

Caring for the Collections

The Masterplan Core Project provides a Conservation Studio double the size of the present room. With this the Museum will continue the programme of conservation of the collections, and of improving their display and storage conditions in line with the Conservation Management Plan prepared in 2007/8. A new training programme for conservation cleaners will be continued.

Fundraising

In order to achieve the objectives above, fundraising will be an increasingly important activity in the Museum in 2008 onwards. The Museum will be carrying forward a Fundraising Plan to match HLF funding, if secured, or to raise money for the whole scheme albeit on a slower timescale without HLF funding. Most of the improvements noted in this Funding Agreement would be greatly expedited by an HLF grant.

Efficiency

The Museum is determined to continue improving its efficiency. The Report commissioned by the Museum on maximising income from selling merchandise, hosting events, and other activities form the basis for future action, especially in creating a new shop, merchandising and pursuing licensing opportunities. The additional space freed up by the opening of No.14 will enable the Museum to make more use of volunteers and interns, while the reorganisation of the offices will create a better working environment for all Museum staff. The Training Plan, written in preparation for the Core Project, will be rolled forward.

This report demonstrates that these objectives have been and continue to be achieved. Planning and preparatory work for the *Opening Up the Soane* project continued and the project commenced on site at the beginning of May 2010. The section on Educational Activities details the expansion in that department's programme over the year. A significant number of new catalogue entries for the Museum's holdings were made available online via the Museum's website. The report of the Development Director outlines the ongoing success in fundraising, whilst the section on Commercial Activities highlights a substantial rise in income from venue hire during the year and a higher than predicted 9.5% increase in turnover over the previous year.

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

Performance indicators

	2010/11	2009/10
Number of visits to the Museum (excluding virtual visits)	109,604	107,447
Number of unique website visits	365,099	323,149
Number of visits by children under 16	3,735	2,061
Number of overseas visits	34,505	22,740
Percentage of visitors who would recommend a visit	98%	96%
Number of visits by UK adults aged 16 and over from NS-SEC groups 5-8	9,730	6,246
Number of visits by UK adults aged 16 and over from an ethnic minority background	9,765	9,370
Number of visits by UK adults aged 16 and over who consider themselves to have a limiting long-term illness, disability or infirmity	4,365	4,164
Number of facilitated and self-directed visits to the Museum by children under 16 in formal education	1,511	1,307
Number of instances of children under 16 participating in on-site organised activities	2,284	309
Number of instances of children under 16 participating in outreach activities outside the Museum	2,988	2,948
Number of instances of adults aged 16 and over participating in organised activities at the Museum	4,384	5,719
Number of instances of adults aged 16 and over participating in outreach activities outside the Museum	3,147	785
Admissions income	£27,102	£23,281
Trading income	£307,770	£272,202
Fundraising income	£2,568,205	£848,901
Number of UK loan venues	7	4

Reserves Policy

In 2009, the Museum was seeking to establish a level of unrestricted free reserves equal to the routine annual cost of running the Museum, excluding the contribution of Grant-in-Aid, then estimated at £300,000. At the end of March 2011, unrestricted free reserves stood at £409,877. The Trustees regard this increase to be a prudent response to the changing economic climate and increased risks of a drop in donated income and downturn in commercial activity. The uncertainty of the outlook suggests that reserves are needed to safeguard the Museum as a going concern through a turbulent period, as well as to guarantee cash-flow capability while the capital programme gets under way. The Trustees are therefore resolved to maintain a level of unrestricted reserves of £300,000 to be held as a designated strategic reserve.

Payment Terms

The Museum pays invoices in accordance with agreed terms of contract, aiming to pay all undisputed invoices within thirty days of receipt (achieved in 80% of cases) (2009-10 80%).

Five-Year Summary

Year ended 31 March	2011 £000	2010 £000	2009 £000	2008 £000	2007 £000
Incoming resources	4,172	2,430	2,103	2,291	2,276
Resources expended	(2,137)	(1,975)	(1,827)	(1,704)	(1,326)
Investment gains or (losses)	0	1	(22)	0	4
Net increase in funds	2,035 (a)	457 (a)	254 (a)	587 (a)	954 (a)
Total funds (b)	5,738	3,703	3,246	2,992	2,406

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

(b) figures adjusted for rounding differences

REMUNERATION REPORT

Remuneration Policy

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

When determining salaries under normal conditions, the Trustees take account of a number of factors including whether the proposed salaries are affordable within planned budgets, the need to retain suitably qualified and experienced staff, and the relative responsibilities of each post. This year was the first of two years of mandatory pay freeze of all government employees and staff at the Museum were not exempted from this restriction.

There were no 'exit packages' awarded to staff leaving during the year.

Employees

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

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

The following details are subject to audit:

The Director

The Director, Mr Tim Knox, had a five-year contract from 1 May 2005 which was renewed in 2010 for a further five years. The notice period is three months. Termination payments are in accordance with the Museum's contractual terms. There are no benefits in kind. He is subject to an annual appraisal of performance. His objectives are agreed with the Chairman. Being subject to the pay freeze his remuneration for 2010-11 was frozen at £65,000 (2009-10 £65,000). He received no bonus payments during the year.

The Director is a member of the Civil Service pension scheme arrangements. As his employer, the Museum paid £14,170 (2009-10 £14,170) to the scheme.

Pension Entitlements of the Director

Accrued pension at age 60 as at 31/3/10, and related lump sum	Real increase in pension, and related lump sum at age 60	CETV at 31/3/10	CETV at 31/3/11	Real increase in CETV
£ 000	£ 000	£ 000	£ 000	£ 000
5-7.5	0-2.5	65	82	9

Note: CETV – CASH EQUIVALENT TRANSFER VALUE

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

Note: The CETV at 31/3/11 figures are different from the closing figure in the prior year's accounts. This is due to the CETV factors being updated to comply with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008.

TRUSTEES

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

Date: 29 June 2011

Simon Swynfen Jervis
Chairman of Trustees

Tim Knox
Director and Accounting Officer

Sir John Soane's Museum

FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2011

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Sir John Soane's Museum
Statement of Trustees' and Accounting Officer's Responsibilities

Law applicable to charities in England and Wales requires the Board of Trustees to prepare for each financial year a statement of accounts in the form and on the basis determined by the Secretary of State for Culture, Olympics, Media and Sport, with the consent of HM Treasury. The financial statements are prepared on an accruals basis and must give a true and fair view of the Museum's financial activities during the year and of the financial position of the Museum at the end of the year.

In preparing the financial statements the Trustees should follow best practice and:

- observe the Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis;
- make judgments and estimates that are on a reasonable basis;
- state whether applicable accounting standards and statements of recommended practice have been followed and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis.

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

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

1. Scope of responsibility

We, as the Chairman of the Board of Trustees (as representative of the Board of Trustees) and the Accounting Officer, have responsibility for maintaining a sound system of internal control that supports the achievements, policies, aims and objectives of Sir John Soane's Museum, whilst safeguarding the public funds and assets for which we are personally responsible in accordance with the responsibilities assigned to us in 'Managing Public Money'. The Museum has a three-year funding agreement with the Department for Culture, Media and Sport (DCMS). The Museum supplies regular financial information and returns against agreed performance indicators demonstrating its contribution to the delivery of DCMS's departmental strategic objectives.

2. The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of policies, aims and objectives, to evaluate the likelihood of those risks being realised and their impact should they occur, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 March 2011 and up to the date of approval of the Annual Report and Accounts, and accords with Treasury guidance.

3. Capacity to handle risk

The Accounting Officer and Chairman of the Board of Trustees have overall joint responsibility for the Museum's risk management framework. The Management Team coordinate the management of risk across the work of the Museum, with feedback from the Internal Auditor. The Museum's Risk Register is kept up to date and is now reviewed bi-annually by the Audit Committee. The key risks are identified by the Management Team and reported to the Trustees. The Internal Audit provider performed audit work to cover all key systems to provide an overall assurance report for the year. His findings are being actively addressed; there were no fundamental weaknesses reported. In this year he reviewed in particular the data protection issues (pursuant to the Cabinet Office Security Policy Framework) and the transactions relating to the capital programme.

4. The risk and control framework

The Trustees meet at least four times a year to consider the plans and overall strategic direction of the Museum. The Management Team meets on a weekly basis to manage all executive activities. The overall responsibility lies with the Trustees to determine the way risk or change in risk has been identified, evaluated and controlled. The Trustees review the Risk Register (prepared by the Deputy Director and the Management Team) bi-annually and delegate ongoing scrutiny to the Audit Committee. We have responsibility for ensuring that staff are suitably trained to manage risk in a way appropriate to their authority and duties.

The Management Team is responsible for identifying the major risks, which are set out in the Risk Register, and for implementing a system to assess and monitor them. All staff within the Museum have a responsibility to manage risk in their own areas of responsibility taking appropriate action to mitigate, anticipate or exploit the threats or opportunities that arise. All staff report matters relating to risk to the Deputy Director who manages the Risk Register. The Trustees set the level of risk remaining after internal controls have been exercised and which they deem to be acceptable and justifiable. Risks of doing and not doing particular work are considered in all proposals and at each level of business planning and assessed by the Management Team and Trustees as appropriate within the risk management framework.

In the current financial climate the Trustees are most concerned to ensure that all new projects are fully funded and that no part of the existing running of the Museum is impacted by the undertaking of new projects.

5. Review of effectiveness

We also have responsibility for reviewing the effectiveness of the system of internal control. Our review of the effectiveness of the system of internal control is informed by the Management Team, who have responsibility for the development and maintenance of the internal control framework, by reports from the internal auditor, and by comments made by the external auditor in management letters and other reports.

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- budgeting systems and an annual budget, in discussion with the Finance Committee;
- regular reports to the Trustees of periodic and annual financial information which indicate financial performance against the budgets;
- setting targets, with the Finance Committee, to measure financial and other performance;
- scrutiny by the Audit Committee and Trustees; and
- as appropriate, formal project management disciplines.

We have been advised on the implications of the result of our review of the effectiveness of the system of internal control by the Trustees and the Audit and Finance Committees, and we will ensure that work towards continuous improvement is maintained. We also plan to address any weaknesses and ensure continuous improvement of the system.

6. Significant internal control problems

There are no significant internal control problems to report.

Date: 29 June 2011

Simon Swynfen Jervis
Chairman

Tim Knox
Director and Accounting Officer

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements of Sir John Soane's Museum for the year ended 31 March 2011 under the Government Resources and Accounts Act 2000. These comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Trustees, the Director and Auditor

As explained more fully in the Statement of Trustees' and Accounting Officer's Responsibilities, the Board of Trustees and the Director as Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the incoming and expended resources have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on Regularity

In my opinion, in all material respects, the incoming and expended resources have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on Financial Statements

In my opinion:

- the financial statements give a true and fair view of the state of Sir John Soane's Museum's affairs as at 31 March 2011 and of its incoming resources and application of resources for the year then ended;
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and Secretary of State directions issued thereunder.

Sir John Soane's Museum
Independent Auditor's Report (continued)

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and

- the information given in History, Aims and Objectives of the Museum; Structure, Governance and Management; Review of the Year; the Buildings; the Collections; Visitors, Education and Interpretation; Services; Development Department; the Staff; and Finance sections of the Annual Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.

Amyas C E Morse
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP
7 July 2011

Sir John Soane's Museum
Statement of Financial Activities for the year ended 31 March 2011

	Note	2011 Unrestricted Funds	2011 Restricted Funds	2011 Endowment Funds	2011 Total Funds	2010 Total Funds (restated)
		£	£	£	£	£
Incoming Resources from						
Generated funds						
Grants from Department for Culture, Media and Sport	2	1,140,000	109,651	-	1,249,651	1,281,000
Voluntary income Other grants and donations	3	151,526	2,416,679	-	2,568,205	848,901
Activities for generating funds						
Room hire		97,940	-	-	97,940	51,610
Reproduction, filming and hire fees		10,774	-	-	10,774	11,258
Licensing		18,005	-	-	18,005	50,651
Sales of publications		181,051	-	-	181,051	162,511
Charitable activities						
Visitors		27,102	-	-	27,102	22,238
Investment income	4	1,213	-	-	1,213	1,436
Other sources		17,947	-	-	17,947	458
TOTAL INCOMING RESOURCES		1,645,558	2,526,330	-	4,171,888	2,430,063
RESOURCES EXPENDED						
Cost of generating funds						
Development, fundraising and trading		571,146	-	-	571,146	271,702
Charitable activities						
Buildings		246,463	119,858	-	366,321	686,638
Collections		196,015	228,767	-	424,782	273,692
Visitor services		645,733	66,303	-	712,036	677,194
Governance costs		63,108	-	-	63,108	65,352
TOTAL RESOURCES EXPENDED	5	1,722,465	414,928	-	2,137,393	1,974,578
Total resources expended including notional costs		1,722,465	414,928	-	2,137,393	1,974,578
NET INCOMING RESOURCES		(76,907)	2,111,402	-	2,034,495	455,485
Net (losses) / gains on investment assets	9	-	-	236	236	1,208
NET INCREASE IN FUNDS		(76,907)	2,111,402	236	2,034,731	456,693
Transfers between funds		-	-	-	-	-
Fund balances brought forward		3,195,085	495,127	12,679	3,702,891	3,246,198
Fund balances carried forward	16-18	3,118,178	2,606,529	12,915	5,737,622	3,702,891

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

The notes on pages 53 to 64 form part of these financial statements.

Sir John Soane's Museum
Balance Sheet at 31 March 2011

	Note	2011 £	2011 £	2010 £	2010 £
Fixed Assets					
Intangible assets	8		15,484		6,000
Tangible assets	7		3,441,470		3,077,089
Investments	9		<u>12,915</u>		<u>12,679</u>
			3,469,869		3,095,768
Current Assets					
Stock		83,383		90,378	
Debtors	10	205,334		124,515	
Cash at bank and in hand	11	<u>2,779,651</u>		<u>1,292,171</u>	
		3,068,368		1,507,064	
Liabilities					
Amounts falling due within one year	12	<u>(800,615)</u>		<u>(899,941)</u>	
Net Current Assets					
			2,267,753		<u>607,123</u>
NET ASSETS					
	15		<u><u>5,737,622</u></u>		<u><u>3,702,891</u></u>
UNRESTRICTED FUNDS					
	16				
General fund		396,324		448,518	
Designated fund, heritage property		2,721,854		<u>2,746,567</u>	
Total unrestricted funds			3,118,178		3,195,085
RESTRICTED FUNDS					
	17		2,606,529		495,127
ENDOWMENT FUND					
	18		12,915		12,679
TOTAL FUNDS					
			<u><u>5,737,622</u></u>		<u><u>3,702,891</u></u>

The notes on pages 53 to 64 form part of these financial statements.

Approved by the Trustees on 29 June 2011

Simon Swynfen Jervis
Chairman

Tim Knox
Director and Accounting Officer

Sir John Soane's Museum
Cash Flow Statement for the year ended 31 March 2011

	Note	2011	2011	2010	2010
		£	£	£	(restated) £
RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH FLOW FROM OPERATING ACTIVITIES					
Net incoming resources					
before other recognised gains and losses			2,034,495		455,485
Adjustments to Statement of Financial Activities					
Investment income	4	(1,213)		(1,436)	
Depreciation - Tangible	7	35,659		34,566	
Depreciation - Intangible	8	4,246		1,500	
Creation of provision	13	-		(14,227)	
Balance sheet movements					
(Increase)/Decrease in stock		6,995		(11,523)	
Decrease/(Increase) in debtors		(80,819)		(38,569)	
Increase/(Decrease) in creditors (excluding capital creditors)		(99,326)		652,719	
Total adjustments			(134,458)		623,030
Net cash inflow from operating activities			<u>1,900,037</u>		<u>1,078,515</u>

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

Net cash inflow from operating activities			1,900,037		1,078,515
Return on investments					
Investment income	4		1,213		1,436
Capital expenditure and financial investment					
Payments to improve tangible and intangible fixed assets	7 & 8		(413,770)		(313,700)
Net increase in cash for the year			<u>1,487,480</u>		<u>766,251</u>

Cash at bank increased with deferred income from the Monument Trust for OUTS and from John Murray Trust for Library fund

ANALYSIS OF CHANGES IN NET CASH BALANCES

Net cash balances brought forward			1,292,171		525,920
Net increase in cash for the year			1,487,480		766,251
Net cash balances carried forward	11		<u>2,779,651</u>		<u>1,292,171</u>

The notes on pages 53 to 64 form part of these financial statements.

1 Accounting Policies

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

a) Accounting Basis and Standards

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of listed investments, and in accordance with applicable accounting standards and the Statement of Recommended Practice on Accounting and Reporting by Charities (SORP 2005). The financial statements have also been prepared in accordance with the Accounts Direction issued by the Secretary of State for Culture, Olympics, Media and Sport, with the approval of HM Treasury, a copy of which can be obtained from the Museum.

b) Incoming Resources

All income is accounted for on a receivable basis.

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

c) Resources Expended

All expenditure is accounted for on an accruals basis.

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

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

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

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

d) Leases

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

e) Taxation

Apart from venue hire, the majority of the Museum's trading activity is the sale of books and similar literature, the subject of which is of an educational nature in accordance with the Museum's objects. It is therefore considered to be exempt from corporation tax under Section 505, Income and Corporation Taxes Act 1988.

f) VAT

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

g) Notional Cost of Capital

The Museum no longer shows a notional charge for cost of capital in the Statement of Financial Activities. This is a change in accounting policy in accordance with the Financial Reporting Manual (FRM) published by HM Treasury. As such comparative figures in the Statement of Financial Activities and Cash Flow for 2009-10 have been restated accordingly.

1 Accounting Policies (continued)

g) Fixed Assets and Depreciation/Amortisation

Tangible fixed assets

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

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

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

The Museum's main exhibit is the building itself and its arrangements of objects, which must be maintained as nearly as possible in their original state. The building - Nos. 12 and 13 - and the objects displayed fall within the definition of heritage property, and they are considered to be inalienable. As permitted by SORP 2005 and HM Treasury Accounting Guidelines as well as FRS30, no valuation has been included in the accounts for those assets in respect of which appropriate and relevant information could only be available at a cost that is disproportionately large compared to the benefits to users of the accounts, as detailed in the Annual Report. Recently acquired heritage property - No. 14 - is shown at its valuation at the date of transfer to the Museum, together with subsequent restoration and refurbishment costs, less accumulated depreciation.

Intangible fixed assets

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

h) Investments

Investments are stated at market value. Realised and unrealised gains and losses on investments are dealt with in the Statement of Financial Activities. Investment income is credited to incoming resources on a receivable basis, see Note 9.

i) Stock

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

j) Fund Accounting

Funds are not held for grant-making purposes.

Unrestricted funds comprise general funds and designated funds, see Note 16. General funds are available for use at the Trustees' discretion in furtherance of the general objectives of the Museum and have not been designated for other purposes. Designated funds represent unrestricted funds which have been designated by the Trustees for specific purposes in furtherance of the general objects of the Museum.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the Museum for particular purposes. The aim and use of each restricted fund is set out in Note 17.

The endowment fund represents capital funds which have been donated to the Museum to be held on a permanent basis, see Note 18. Income from the fund is to be applied towards the furtherance of the Museum's objects. The permanent endowment does not contain any power to convert capital into income except by application to the Charity Commission.

l) Reserves Policy

In 2009, the Museum was seeking to establish a level of unrestricted free reserves equal to the routine annual cost of running the Museum, excluding the contribution of Grant-in-Aid, then estimated at £300,000. At the end of March 2011, unrestricted free reserves stood at £409,877. The Trustees regard this increase to be a prudent response to the changing economic climate and increased risks of a drop in donated income and downturn in commercial activity. The uncertainty of the outlook suggests that reserves are needed to safeguard the Museum as a going concern through a turbulent period, as well as to guarantee cash-flow capability while the capital programme gets under way. The Trustees are therefore resolved to maintain a level of unrestricted reserves of £300,000 to be held as a designated strategic reserve.

m) Going Concern

These accounts have been prepared on a going concern basis.

2 Grants from the Department for Culture, Media and Sport (DCMS)	2011	2010
	£	£
Grant-in-Aid - current, unrestricted income	1,140,000	1,131,000
Grant-in-Aid - capital, restricted income	29,000	50,000
Museums Improvement Grant (Wolfson Trust)	80,651	100,000
	<u>1,249,651</u>	<u>1,281,000</u>

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

Capital Grant-in-Aid was provided towards the cost of renewal of building fabric.

Museums Improvement Grant was provided towards the cost of renewing the Ante-room, prior to *Opening Up The Soane*.

DCMS is a related party, see Note 22.

3 Other Grants and Donations	Unrestricted	Restricted	2011	2010
	£	£	Total	Total
			£	£
Deferred Income for OUTS project (see below)	-	648,963	648,963	126,130
Heritage Lottery Fund - Masterplan OUTS project	-	17,811	17,811	88,734
Museums, Libraries and Archives Council (Note 22)	-	78,308	78,308	3,750
Monument Trust grant for OUTS project	-	303,000	303,000	-
Garfield Weston Foundation for OUTS project	-	250,000	250,000	-
Other capital grants for OUTS project	-	841,078	841,078	117,211
Grants and donations for other capital projects	-	21,628	21,628	74,500
Grants and donations for acquisitions	-	-	-	40,600
Grants and donations for revenue projects	-	255,891	255,891	177,509
Other donations and Gift Aid recoverable	151,526	-	151,526	200,467
Donation of goods for resale (stock)	-	-	-	20,000
	<u>151,526</u>	<u>2,416,679</u>	<u>2,568,205</u>	<u>848,901</u>

Contributions from Sir John Soane's Museum Society, a separate entity which was wound up by 31st March 2010, were deferred by the Directors of the Society for expenditure by the Museum not before 1st April 2010.

4 Investment Income	2011	2010
	£	£
Dividends and interest receivable, all unrestricted	<u>1,213</u>	<u>1,436</u>

5 Resources Expended

a) Cost of generating funds	2011	2010
	£	£
Direct costs, development & fundraising	244,952	66,827
Direct costs, publications (inc. newsletter)	18,539	10,556
Direct costs, trading, inc. legal advice	26,741	18,528
Direct costs, stock for trading	84,111	74,615
Direct costs, room hire	1,716	924
Allocated staff costs	179,718	90,900
Allocated support costs, see Note 5e	15,369	9,352
	<u>571,146</u>	<u>271,702</u>

b) Charitable activities, including staff costs see Note 5c

	Buildings	Collections	Visitors	2011 Total	2010 Total
	£	£	£	£	£
Building projects	41,770	-	-	41,770	344,371
Building maintenance	149,062	-	-	149,062	147,645
Works of art, Objects & Pictures	-	33,040	-	33,040	14,326
Publications (re collections)	-	28,054	-	28,054	20,748
Research, library and archive	-	69,266	-	69,266	44,989
General Conservation	-	988	-	988	4,139
Visitor services	-	-	8,168	8,168	9,672
Visitors, virtual access	-	-	8,122	8,122	1,050
Educational activities	-	-	61,721	61,721	53,498
Exhibitions	-	-	18,992	18,992	40,531
Allocated staff costs	155,898	261,007	526,095	943,000	842,986
Allocated support costs	19,591	32,427	88,938	140,956	113,569
at 31 March 2011	<u>366,321</u>	<u>424,782</u>	<u>712,036</u>	<u>1,503,139</u>	-
at 31 March 2010	<u>686,638</u>	<u>273,692</u>	<u>677,194</u>	<u>-</u>	<u>1,637,524</u>

Sir John Soane's Museum
Notes to the Financial Statements for the year ended 31 March 2011

5 Resources expended (continued)

Resources expended include: **2011** 2010
£ £

c) Staff costs, see Note 6a

Costs of generating funds	179,718	90,900
Buildings	155,898	155,157
Collections	261,007	174,738
Visitor services	526,095	513,091
Governance	31,223	31,853
	1,153,941	965,739

d) Governance, including staff costs see Note 5c

Internal audit - current year	5,950	6,450
External audit - current year	14,000	14,000
- in respect of prior years	27	5,032
Other administrative expenses	9,476	6,120
Allocated staff costs	31,223	31,853
Allocated support costs	2,432	1,897
	63,108	65,352

The Comptroller and Auditor General is the auditor of the Museum's Financial Statements. The audit fee for the work was £14,000 (2010: £14,000); no other non-audit work was provided.

e) Allocated support costs

Cost of generating funds, see Note 5a	15,369	9,352
Buildings, see Note 5b	19,591	39,465
Collections, see Note 5b	32,427	14,752
Visitor services, see Note 5b	88,938	59,352
Governance	2,432	1,897
	158,757	124,818

6 Employee and Trustee Information

a) Staff costs

	2011	2010
	£	£
Salaries	940,038	782,729
Employer's national insurance	69,141	55,058
Employer's pension contributions, see Note 21	144,762	127,952
	<hr/>	<hr/>
Total employment costs	1,153,941	965,739
Recruitment	2,022	183
Payroll services, training and other staff costs	17,885	15,443
	<hr/>	<hr/>
Total staff costs	1,173,848	981,365
	<hr/> <hr/>	<hr/> <hr/>

b) Staff numbers

	2011	2010
	£	£
The average number of persons employed, analysed by function was:		
Cost of generating funds	3.6	2.9
Buildings	5.5	4.6
Collections	5.8	4.6
Visitor services	22.3	18.5
Governance	0.7	0.6
	<hr/>	<hr/>
	37.9	31.2
	<hr/> <hr/>	<hr/> <hr/>

The increase in year relates to a) development department staff employed by Museum for only last three months of 09-10, but for the full twelve months of 10-11, b) extra warding and outreach staff engaged as part of the commitment to *Opening Up The Soane* and c) short term staff undertaking other funded project work, particularly cataloguing drawings.

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

	2011	2010
£60,001 - £70,000	1	1

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

c) Trustees

The Trustees neither received nor waived any emoluments during the year (2010 - £Nil). No claims for travel or other expenses were made by any Trustee in the year (2010: nil).

7 Tangible Assets

	Heritage Assets Additions to Collection £	Assets in course of Construction £	Freehold Heritage Property £	Security Equipment £	Office Equipment £	Fixtures & Fittings £	Retail Equipment £	Total £
Cost								
At 1 April 2010	41,000	252,985	2,771,280	79,194	20,297	68,373	10,125	3,243,254
Additions and improvements	-	389,102	-	-	10,938	-	-	400,040
At 31 March 2011	41,000	642,087	2,771,280	79,194	31,235	68,373	10,125	3,643,294
Depreciation								
At 1 April 2010	-	-	24,713	79,194	7,937	50,641	3,680	166,165
Charge for the year	-	-	24,713	-	6,033	2,888	2,025	35,659
At 31 March 2011	-	-	49,426	79,194	13,970	53,529	5,705	201,824
Net Book Value								
At 31 March 2011	41,000	642,087	2,721,854	-	17,265	14,844	4,420	3,441,470
At 1 April 2010	41,000	252,985	2,746,567	-	12,360	17,732	6,445	3,077,089

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

In 2009 the Museum performed an impairment review by which it was established that there was no need to write down the value of the property.

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

During the year, work began on Phase 1 of the main works of *Opening Up the Soane*. Selected expenditure on these works relating to enhancement have been capitalised in accordance with FRS15.

Treatment of heritage assets is detailed in Note 25.

8 Intangible Assets

Cost	
At 1 April 2010	7,500
Additions and improvements	13,730
At 31 March 2011	21,230
Amortisation	
At 1 April 2010	1,500
Charge for the year	4,246
At 31 March 2011	5,746
Net Book Value	
At 31 March 2011	15,484
At 31 March 2010	6,000

9 Investments

	2011 £	2010 £
Market value at 1 April 2010	12,679	11,471
Listed investments donated to the Museum	-	-
Net (loss) / gain on investments	236	1,208
Market value at 31 March 2011	12,915	12,679
Historic cost at 31 March 2011	28,920	28,920

The investment is listed on a recognised UK Stock Exchange.

Sir John Soane's Museum
Notes to the Financial Statements for the year ended 31 March 2011

10 Debtors	2011	2010
	£	£
Prepayments and accrued income	42,793	14,544
VAT recoverable	57,390	46,896
Other debtors, including Gift Aid recoverable	105,151	63,075
	<u>205,334</u>	<u>124,515</u>

11 Cash at bank and in hand	2011	2010
	£	£
Cash at bank	2,775,132	1,286,612
Cash in hand	4,519	5,559
	<u>2,779,651</u>	<u>1,292,171</u>

Cash at bank increased with the transfer of £535,255 deferred income from Monument Trust for OUTS and from John Murray Trust for the Library Fund. In addition, more than £2m was raised during the year to enable commencement of the major capital programme in February.

12 Creditors: amounts falling due within one year	2011	2010
	£	£
Trade creditors	183,015	97,982
Taxation, social security and pensions	37,877	33,808
Accruals	44,468	49,689
Deferred income (from Monument Trust for OUTS and from J Murray Trust for Library Fund, for expenditure not before 1.4.11)	535,255	718,462
	<u>800,615</u>	<u>899,941</u>

13 Provisions

There were no provisions.

14 Operating lease commitments	2011	2010
	£	£
Annual commitments in respect of equipment leases ending within one year	-	-
Annual commitments in respect of equipment leases ending between two and five years	1,464	1,464
Annual commitments in respect of equipment leases ending after more than five years	-	-
	<u>1,464</u>	<u>1,464</u>

15 Analysis of net assets	Restricted Funds	General Fund	Designated Fund	Endowment Fund	Total Funds
	£	£	£	£	£
Represented by:					
Intangible Fixed Assets	15,484	-	-	-	15,484
Tangible Fixed Assets	683,087	36,529	2,721,854	-	3,441,470
Investments	-	-	-	12,915	12,915
Current Assets	2,443,213	625,155	-	-	3,068,368
Liabilities	(535,255)	(265,360)	-	-	(800,615)
Provisions	-	-	-	-	-
Balances at 31 March 2011	<u>2,606,529</u>	<u>396,324</u>	<u>2,721,854</u>	<u>12,915</u>	<u>5,737,622</u>

16 Unrestricted Funds

	General Fund £	Designated Fund £	Total £
Balances at 1 April 2010	448,518	2,746,567	3,195,085
Income	1,645,558	-	1,645,558
Expenditure	(1,722,465)	-	(1,722,465)
Transfers, see below	24,713	(24,713)	-
Balances at 31 March 2011	<u>396,324</u>	<u>2,721,854</u>	<u>3,118,178</u>

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

17 Restricted Funds

	1 April 2010	Income	Expenditure	Transfers	31 Mar 2011
Acquisition Fund	40,600	-	-	-	40,600
Conservation & Publications Fund	43,101	11,613	(37,811)	-	16,903
Exhibition Fund	-	43,795	(20,891)	-	22,904
Library Fund	81,815	254,998	(190,956)	-	145,857
Education Fund	35,443	23,793	(45,412)	-	13,824
Masterplan Fund	7,740	2,060,852	(100,843)	(389,102)	1,578,647
Capital Fund for Enabling Works	33,443	131,279	(19,015)	-	145,707
Masterplan Construction Fund	252,985	-	-	389,102	642,087
Total	<u>495,127</u>	<u>2,526,330</u>	<u>(414,928)</u>	<u>-</u>	<u>2,606,529</u>

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

- the Acquisition Fund relates to funds raised to acquire additions to the collection;
- the Conservation Fund hold funds raised specifically for conservation purposes, including publications;
- the Exhibition Fund is specifically for creating and running exhibitions;
- the Library Fund was set up for library cataloguing work, including the digitisation of the Adam and other drawings;
- the Education Fund was set up to support and promote the Museum's education projects within and beyond the Museum;
- the Masterplan Fund holds funds for work on *Opening Up The Soane* major capital programme.
- the Capital Fund for Enabling Works holds funds for work prior to *Opening Up The Soane* major capital programme.
- the Masterplan Construction Fund relates to expenditure on the development phase of *Opening Up The Soane*, capitalised in accordance with FRS15.

18 Endowment Fund

	Total £
Balance at 1 April 2010	12,679
Investments donated to the Museum	-
Net (loss) / gain on investment assets	236
Balance at 31 March 2011	<u>12,915</u>

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

19 Capital Commitments

At the balance sheet date (2010: £nil) the Museum was contractually committed to the sum of £2,198,764 to Fairhurst Ward Abbots (FWA) for Phase 1 of the *Opening Up The Soane* (OUTS) project. This includes a number of provisional sums, the total value of which is £1.13m. At 31 March 2011, the total contract expenditure was £66,262.

20 Contingent Liabilities

There were no contingent liabilities.

21 Pension Arrangements

Most employees of Sir John Soane's Museum are members of the Principal Civil Service Pension Scheme arrangements (PCSPS). The PCSPS is an unfunded multi-employer defined benefit scheme and as such Sir John Soane's Museum is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis. For 2010-11, employers contributions of £144,762 were payable to PCSPS (2009-10 £127,952) at one of three rates in the range 16.7% to 21.8% of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. From 2011-12, the contributions based on salary bands will remain in the range of 16.7% to 21.8%. The contribution rates are set to meet the cost of the benefits accruing during 2010-11 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

22 Related Party Transactions

Sir John Soane's Museum is a Non-Departmental Public Body whose sponsor department is the Department for Culture, Media and Sport. The DCMS is regarded as a related party. During the year, Sir John Soane's Museum has had material transactions with the Department and with the Heritage Lottery Fund and the Museums, Libraries and Archives Council, for which the Department is regarded as the parent department. These transactions are shown in Notes 2 and 3.

During the year, the Museum benefited from a donation of £30,000 from the Leche Trust, of which Simon Jervis, Chairman of the Museum's Trustees, is Chairman.

23 Post-Balance Sheet Events

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

24 Financial Instruments

FRS29 *Financial Instrument Disclosures* requires entities to provide disclosures which allow users of the accounts to evaluate the significance of financial instruments for the entity's financial position and the nature and extent of risks arising from financial instruments during the period.

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

Liquidity Risk

Over 75% of the museum's income is provided as Grant-in-Aid from the Department for Culture, Media and Sport. The remaining income comes from self-generated income which is more volatile. As the cash requirements of the Charity are met largely through the Grant-in-Aid, financial instruments play a more limited role in creating risk than would apply to a non-public sector body of a similar size. The museum has sufficient unrestricted funds to cover its current liabilities.

Credit Risk

The museum is not exposed to significant credit risk as its trade debtors are less than £25,000. Its cash is held by the museum's bankers and it has not suffered any loss in relation to cash held by bankers.

Interest Rate Risk

The museum is not exposed to significant interest rate risk as it earned less than £2,000 from dividend and interest income and does not rely on interest income.

Foreign Currency Risk

The museum does not receive any income in foreign currencies, it does not have any exposure to foreign currency risk.

Investment Risk

The investments held are endowed funds and therefore cannot be sold. Expected dividends from this source are not included in the budgeting process for the Museum and therefore a fall in dividends is not considered a risk.

25 Statement on Heritage Assets

FRS30, *Heritage Assets*, was applicable from 1 April 2010 and required heritage assets to be reported on the Balance Sheet where information is available and to enhance disclosures relating to all heritage assets regardless of whether these were reported on the Balance Sheet.

Of the heritage assets held by Sir John Soane's Museum, only the building at No. 14 Lincoln's Inn Fields and a ring that once belonged to Sir John Soane have been capitalised and recognised on the Balance Sheet.

Nature of the Collection

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

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

A third property, No. 14 Lincoln's Inn Fields, was donated to the Museum on 26 March 2004 by Sir John Soane's Museum Society. At that date it was valued at £980,000, complying with HM Treasury Accounting Guidelines for non-operational heritage assets. Since acquiring No.14, the Museum has expended £1,782,090 to restore the property. The restoration costs are capitalised in accordance with HM Treasury guidelines. The property was acquired by the Society with the support of the National Lottery through the Heritage Lottery Fund, and cannot be disposed of by the Museum without the approval of the Trustees of the National Heritage Memorial Fund. The Trustees consider it to be inappropriate to spend further funds on annual revaluation. The building entered into use during 2009 and therefore is subject to depreciation over its estimated useful life, set at 100 years for the purposes of the accounts.

Proposed Valuation

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

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

25 (cont.)

Information about the Collection

The Museum's website includes a full list of its holdings - more than 52,000 items under fourteen categories - together with a Summary of Holdings and a Note on Provenance. The most significant items held in the collection include the original paintings of the Rake's Progress by Hogarth, the 3,000 year old alabaster sarcophagus of Seti I, three paintings by Canaletto including one of his finest, and three paintings by Turner. The accuracy of this listing is subject to internal audit, most recently carried out with respect to Library and Archive holdings in 2010. A long-term project is under way to complete the cataloguing of those elements of the collection which are not yet fully catalogued in detail. Further information about individual items is available from curatorial staff by appointment on request.

Acquisition and Disposal

As a closed collection, the Museum has no programme of acquisition, although some small gifts of books or drawings have been received. An exception was made to this rule in 2009 when Trustees agreed to take advantage of a rare opportunity to purchase, with funds provided for the purpose, a valuable ring which had once belonged to Sir John Soane. This acquisition is listed on the balance sheet.

Disposal of inalienable heritage assets contravenes the rules of the charity. No disposals have been made.

Preservation and Management

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



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