

London Transport Museum Limited

Annual report and financial statements 2022/23

Registered Office
5 Endeavour Square
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Contents

Strategic Report	3
Messages from the trustees	3
Our purposes and principles	4
Strategic framework	4
Achievements and performance	6
Successful recovery from the pandemic	7
Highlights of 22/23	8
Future plans	9
Financial review	10
Trustees Report'	
Structure, governance and management	12
Reserves policy	12
Disclosure of information to auditors	25
Trustees' statement	26
Trustees and advisers	27
Independent Auditor's report	30
Consolidated statement of financial activities for the year ended 31 March 2023	35
Balance sheets as at 31 March 2023	36
Notes to the financial statements	37
Our supporters	57

Strategic report

Message from the Trustees 22/23

This at last was our first full uninterrupted year since the onset of the pandemic in March 2020. The Museum's strong recovery across all activities in the portfolio was a revelation, at a rate significantly ahead of other London museums. This was underpinned by visitor numbers recovering from 64 per cent last year to 100 per cent of pre-pandemic visitor numbers at Covent Garden. Amongst strong commercial performance across all lines, Retail had its most successful year ever with sales onsite at Covent Garden 35 per cent ahead of 2019/20 and retail sales, on site and online together reaching £3.9m, £1m better than any previous year.

Our outreach programmes were welcomed back into schools after the digital interlude, the in-person approach being welcomed back for Junior Citizenship and in-school presentations (77,717). Corporate membership and sponsorship exceeded targets, boosted by the strong decarbonisation theme of the Interchange thought leadership programme and by a keen interest in promoting skills and employment to serve the engineering and transport industry with 46,456 taking part in facilitated sessions and bespoke programmes and 102,723 taking part in programming during school holidays. Venue Hire experienced high and short-term demand as well as developing the opportunity of film and location hire at the Acton Depot.

Innovative approaches and digital delivery learned during the lockdowns continued to enrich and increase the reach of much of our public programming. Hidden London tours recovered to pre-pandemic levels of demand, supported by new approaches to staffing and new locations such as Shepherd's Bush. The Hidden London Hang-Outs crossed the Rubicon of one hundred episodes, and 141 Patreons, while viewings on YouTube rose steadily through the year to regularly exceed 50,000 per episode. New and authentic web content, upgraded museum galleries, and recording the third series of Secrets of the London Underground reflected our belief in the power of authentic and engaging story telling.

The tenacity and creativity of the Museum's staff group continues to be the energetic driver of recovery by being agile in learning lessons about digital opportunity and the power of experiences while reaping the benefits of a strong position with domestic audiences in the recovery. The support of TfL at every level, the collaborative, open and honest leadership of the executive team and the ready support of the Trustee group have powered business recovery and provided a platform to reset the Museum's future vision and strategy. Work to regain and regroup our volunteers was reflected in once more achieving the Investors in Volunteers standard.

We ended the year with an operating surplus before depreciation and capital income of £2.3m, due to beating our admissions and commercial budgets. Industry awards for the Venue Hire team, the Legacies exhibition, the Hidden London tours and the Venue Hire teams demonstrated our reputation for innovation and excellence amongst our peers.

We owe a massive debt of gratitude to Arts Council England, the Department for Digital Culture Media and Sport, HM Treasury, Transport for London, LTM Friends, members, donors, volunteers and followers for standing by us and returning to enjoy a full roster of

museum visits, thought leadership events, schools outreach, guided tours, open days, vehicle outings, Friday Lates, our TV series and digital offer. A remarkable collection of staff and volunteers have gripped the opportunity to reset the upward course of the Museum across our broad portfolio of activities and lay the groundwork for a sustainable future.

In November 2022, Director & CEO Sam Mullins told the board he would be stepping down after 29 years. In May 2023, after a comprehensive search and selection process, Elizabeth McKay, the current Chief Operating Officer was appointed as his successor. She will take up the role from August this year.

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

Our purpose and principles

Our purpose

Igniting curiosity to shape the future.

Our work is guided by four principles:

- **For everyone**
Everyone feels the Museum, collections and experiences are for them.
- **Entrepreneurial and playful**
Everything we do is creative, dynamic and resourceful.
- **Relevant and authentic**
We are a window on the past, present and future of how transport keeps London working and growing.
- **Dedicated and personal**
We go the extra mile to deliver.

Strategic framework

Our strategic aims

We had four strategic priorities this year to combat the challenges of our recovery from the pandemic. In setting London Transport Museum's aims and planning our activities, the Trustees have carefully considered the Charity Commission's guidance on public benefit.

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

We conserve and enhance our world class collection, making it accessible for exhibitions, education, online and events. We are a window on the past, present and future of transport in London. Our concept of 'content' embraces the collection and associated stories and the duty to hand it on in great shape to future generations.

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

Experiences – create experiences that delight and inspire

Our aim is to stimulate creativity from an early age and inspire the next generation to realise their potential. We have exciting learning and public programming that delivers engaging initiatives on and offsite and through digital platforms. We are committed to provoking debate and advocacy about transport's central role in London's future.

People make their own meanings and we support this by helping our visitors, audiences and customers make connections through unique experiences. In the overall experience, from planning a visit to the memories they take away, our aim is to delight and inspire people. Meeting or exceeding our customers' expectations are essential to our financial sustainability; we depend on this income stream for eighty percent of our revenue.

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

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

Everyone should feel the Museum, its collections and experiences are for them. Our priority is to broaden our reach, build awareness, support and influence for LTM as widely as possible in all our communications and public-facing activities. We will promote the diversity of our staff, visitors and our volunteers to support this aim.

We are committed to creating a culture that supports our purpose and encourages behaviour that is inclusive, collaborative, courageous and active. We continue to pursue an inclusive culture where everyone is treated fairly and to make our workforce reflective of London's diversity. Our intent is for a culture where everyone can realise their potential. We are also committed to addressing poor performance where found and to improving leadership capability.

We have continued to invest time and energy this year embedding the strategic framework to guide all that we do and believe it has given added structure and supported the strategic priorities leading to a successful recovery.

We consider Reach, Quality, Impact and Value-for-Money for all our activities and regularly report progress of the key performance indicators to the Board within our LTM Dashboard.

Money – generate the funds that make a difference

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

Financial sustainability for LTM requires reserves to fund capital investment, and this depends on the success of key income streams to fund our purpose. Our main income

streams are from visitors, fundraising and our Enterprise businesses including retail, venue hire, corporate membership, commercial sponsorship, food and beverage, and Hidden London.

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

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

Achievements and performance

We have seen recovery this year in every line of our activities, led by a return to pre-pandemic levels of visits to the Museum in Covent Garden (399,000) and outstanding Trading sales of £6.8m; two million more than ever achieved before. Our bounce back was significantly enabled by the government and TfL support, which helped us weather the Covid years by allowing us to retain staff whose capacity and creativity then fuelled the recovery.

Our achievements this year have been significant and generally ahead of the pack. Only two attractions in London showed a faster recovery than LTM. With our businesses recovering quickly and many lessons learned from the response to the pandemic years, we are now able to plan with some confidence for the longer term, despite the ongoing uncertainties in the world around us.

We pursued four key strategic priorities, Content, Experiences, People and Money to integrate our work and focus on recovery.

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

Context- successful recovery from the pandemic

The onset of the coronavirus pandemic in March 2020 threatened the very existence of the Museum. As the year 2022/23 closes, we have put this behind us and recovered across the broad spectrum of all our activities to pre-pandemic levels and in many cases significantly ahead of 2019/20.

In 2022/23, the Museum was open once more for 361 days, that is the whole year, and visitor numbers climbed back to 2019/20 levels, while Retail store sales ended the year 35 per cent higher than the previous best year. This has enabled a return to a comfortable operating surplus, to be reinvested in the Museum's capital programme and long-term growth.

The culture of LTM remains strong and continues to be an organisation where innovation is encouraged, our charitable aims well embedded, and our people pull together to create high-quality experiences, content and products for our visitors, audiences and customers. Nevertheless, the employment environment remains volatile, the reward and retention of our workforce an area of high strategic risk and the health and wellbeing of colleagues a priority.

Financial response

We remained prudent in budgeting, cautious about sustaining the recovery in visitor numbers, and whether trading activities would recover, in the light of uncertain macroeconomic conditions and restrictions.

We were delighted to achieve a return to 100 per cent of 2019/20 visitor figures and associated outstanding performance in our commercial lines. We did face challenges in delivering the level of capital investment intended, compounded by internal and external challenges around resourcing, securing supplier availability and procurement, and we remain mindful of the increasing inflationary challenges in this area.

With a forward view which remains cautiously optimistic, we have been able to devise a five-year strategy with a healthy reserves base available for investment in people and systems to secure long term growth. We will focus on a greatly expanded programme of capital investment in critical areas to restore the value of our asset base, with a targeted focus on Green and sustainable capital work. We will make key investments in headcount and systems to support our outstanding colleagues to deliver their visions for LTM.

We are deeply grateful to Arts Council England (ACE) for continued support via National Portfolio Funding and to our parent organisation, TfL, for its ongoing financial and soft support. Our corporate members and sponsors have tangibly demonstrated their loyalty and commitment to LTM and we value their input and financial support.

Page 10 sets out the financial review of the year's performance.

Highlights of 2022/23

Whilst the past year has seen significant recovery, we continue to be an organisation which learns quickly and is agile in programming and seeing funding opportunities.

People – nurture a culture united behind our purpose

New appointments to both boards have strengthened the purpose and capacity of our governance group. The return to regular in-person meetings has increased our contact with board members and involved them earlier in investment decisions, strategy development and major projects through informal groups and committees.

The weekly LTM Life bulletin remains a key internal and stakeholder communications medium, enabling us to bring together staff, volunteers, contractors, Friends, Patrons and board members in our well-informed, open and agile working culture. Investment in a creative and committed staff group culture has also been fostered through collaborative work on equality, diversity and inclusion and is reflected in a positive improvement in key staff survey scores on job pride, satisfaction, commitment and collaboration across teams.

Our People group really came into its own, feeding back on Viewpoint scores and concerns to each level and department of the Museum. The All Change group created a definition for inclusion at LTM across staff, volunteers, audiences, culture and ways of working: For LTM, inclusion is about actively involving people with different backgrounds and personal characteristics in what the Museum is and does.

We have built on our ability to engage audiences through participatory practice, especially in developing the Acton Access projects based on the Depot.

The major hurdle of retendering and installing a new ticketing system was successfully crossed, reversing the poor service from our interim provider. A similar approach will now procure and install a customer relationship management system to enhance our ability to secure and retain customer loyalty.

Our People Group advised us on the results of the Viewpoint staff survey and helpfully presented an action list department by department to the staff group. The return and review of volunteering was supported by once more achieving the Investing in Volunteers standard.

The offices at 39 Wellington Street were remodelled to better facilitate new ways of working. We began the search to replace our Albany House premises where the lease will end in December 2024.

Experience – creating experiences that delight and inspire

We now think holistically across the experiences we provide through our collections and stories. We appreciate that real experiences remain highly valued, so we think in hybrid terms and for multi-platform delivery. We envisage making efficient and multiple use of our fresh and authentic content across all strands of our activity using what we have learned from Hidden London, with tours, virtual tours, YouTube Hangouts and web content.

Our Interchange thought leadership programme published its latest report - Decarbonising Public Transport – which was well received by the extended transport community and continued to be a benefit to our partnerships with the industry.

Poster loans have been secured as part of the launch of the new Poster Gallery later in 2023, while an innovative partnership has been created for the new Photography Gallery to include contemporary photographs of shelterers in the Kyiv metro alongside Tube sheltering in London in the Second World War.

Our Legacies exhibition was shortlisted for a national award and continued to be a beacon of participatory practice for our other public programmes. New Hidden London tours were developed at Shepherd's Bush along with taster tours to introduce the nine locations now in our repertoire.

The collecting of 40+ interviews to record the Crossrail legacy has just commenced with funding from the project and the support of former CEO Mark Wild.

Series 3 of Secrets of the London Underground has been recorded and will be broadcast in 2023.

Experience highlights – creating experiences that delight and inspire

LTM supported TfL's Tube160 campaign, Love the Tube, with press work at the Baker Street launch, heritage vehicle runs and new merchandise.

A return to timed tickets has been needed to manage and reduce queuing at Covent Garden and spread high demand through the museum day as visitors have returned in high numbers especially during holiday periods. Visits during the Easter holidays were high, with 33,000 visitors and the February half term was exceptionally busy with 27,747 in nine days. The March Depot Open Weekend returned to open access with 6,625 visitors, record takings on the Miniature Railway and in the Shop and for Friends memberships.

Hidden London tour sales at 31,690 climbed ahead of 2019/20 numbers and were supported by more sustainable staffing models including more permanently contracted guides.

Our Learning programme extended its reach by innovative means; a livestream 'Connecting the Capital' event reached 3,000 primary students across the UK. Meanwhile, we supported TfL's Project Guardian, which was delivered to 145 schools and 8,868 students. Our 'progression into work' programmes were attended by 148 young people.

Future plans

The strategy for the next five years supports the rebuilding of our businesses by investing in key strategic priorities - the people, projects, and systems which provide a sound platform to sustain and develop our business lines into the future.

Following the pandemic, the reshaping of our city centres along greener and more sustainable lines towards zero net carbon by 2030 is an immediate political imperative and a high priority for Londoners, our corporate members and our visitors. LTM has embarked upon its own 'green journey' to reach zero net carbon as an organisation by 2030, aiming for a leadership position within the cultural sector.

Four strategic priorities have been identified for 2023/24 to sustain our recovery: Making Great Memories, Real Green Leadership, Get Stuff Done and Life Skills for Londoners. They align well with the strategic priorities of TfL and ACE.

Key drivers include:

Getting Stuff Done in recruitment, reward and retention, in procurement and in IT support has made removing blockages in these supporting systems a strategic priority. Other key drivers operate across the organisation:

- **Being Green**
The shift in focus towards a more sustainable and greener future cuts across all that we do. Green Journey and Climate Crossroads programmes - looking inwards to how we work as an organisation and outwards to the content and programming we share externally – represent a significant commitment to decarbonise our operations by 2030.
- **Impact**
We have made a renewed commitment to making a discernible impact on people's lives and futures. All programming is aligned to the three key impact areas as outlined in our ambitious Learning vision and strategy, the environment, social mobility and sense of place.
- **Relevance**
The collaborative approach to developing the Legacies exhibition has led to a rich and innovative way of working that we will extend to all content and programming notably in the Acton Access projects.
- **People**
Led by the People and All Change staff groups we have been challenged to become an even more open and inclusive organisation to access the benefits of diversity and reflect the city we work in.

Financial review

Following the uncertainty of the previous two years, the Museum delivered a strong and sustainable financial position in 2022-23, without additional funding as in previous years from the Arts Council England Cultural Recovery Fund, TfL, or the Coronavirus Job Retention Scheme.

Underpinning this was the outstanding recovery of visitor income and Enterprise businesses, well ahead of budgeted expectations.

Reconciliation of operating surplus to SOFA net surplus	Unrestricted £000	Restricted £000	Total £000
Operating surplus	2,285	4	2,289
Depreciation/amortisation	(1,541)	0	(1,541)
Capital income	0	221	221
Net surplus / (deficit)	744	225	969

Overall income rose to £17.2m (2022: £15.4m), driven by a rise in income from trading activities from £4.4m to £6.8m, reflecting outstanding performance in our commercial lines associated with the removal of restrictions and enthusiastic return of audiences, alongside a rise in museum admissions from £2.2m to £3.8m. These rises more than offset a drop in donations and legacies of £1.4m which was primarily due to the temporary Cultural Recovery Fund award of £1.3m received in the prior year.

Total expenditure increased to £16.2m (2022: £14.5m) predominantly due to the increased costs associated with higher volumes of commercial trading and onsite activity.

Capital expenditure totalled just £0.7m (2022: £0.6m) due to challenges in resourcing and procuring projects, causing the capital fund to reduce to £19.3m (2022: £20.1m) as depreciation exceeded investment. The Capital fund forms the majority of the Museum's reserves and represents the net book value of the Museum's fixed assets, rather than liquid funds readily available for use.

Restricted funds increased to £1.0m (2022: £0.8m) due to the recognition of restricted income secured close to year end, ahead of the associated programme spend planned in subsequent years. Total unrestricted non-Capital funds increased to £8.5m (2022: £6.9m).

Trustees' report

Structure, governance and management

Legal status and governing documents

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

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

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

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

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

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

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

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

Organisation

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

The Managing Director (CEO) and Chief Operating Officer (COO) are considered to represent the 'key management personnel' of the charity, those persons having authority and responsibility for planning, directing and controlling the day-to-day activities of the charity.

Trustees

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

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

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

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

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

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

Four Trustee meetings were scheduled during 2022/23 and attendance was 80 per cent.

Trustee	May 2022	July 2022	October 2022	February 2023	Total
M Arthur	0	1	1	1	3
B Ferris	1	1	1	1	4
C Major	0	1	0	1	2
L Williams	1	0	1	1	3
S Mullins	1	1	1	1	4
M Creagh	N/A	1	1	1	3
K Ludeman	1	1	1	1	4
A Smith	1	1	1	1	4
P Hendy	0	0	1	0	1
O Nwofor*	1	1	1	1	4
G Powell*	1	0	N/A	N/A	1

W Hull*	1	1	1	1	4
P Rosser	0	1	1	1	3
Lilli Matson*	N/A	N/A	N/A	0	0
Total	8	10	11	11	40

* nominated by TfL

There have been some changes to the Trustees in 2022/23.

We welcomed Mary Creagh and Lilli Matson to the Board in July 2022 and November 2022 respectively.

Mary is an Independent Trustee and chairs Lexington Responsible Business Practice. Lilli is Chief Safety Health and Environment Officer at TfL as such is one of the TfL nominated Trustees.

Gareth Powell retired from the Board during the year.

At 31 March 2023, there were 13 Trustees. More information and short biographies of the Trustees can be found on the Museum website: <https://www.ltmuseum.co.uk/about-us/governance>

Trustee induction and training

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

Committees

The Board of Trustees has four committees:

- The Audit and Risk Committee assists and advises the Board of Trustees of LTM and the Directors of LTM(T)L on audit matters, oversees the relationship with TfL Internal Audit and external auditors, and oversees the Museum's risk management process. The committee's activities include detailed review of the Annual Accounts and consideration of Internal Audit Reports. From April 2023 the Audit and Risk Committee will be combined with the Finance Committee to form the Finance, Risk and Audit Committee.
- The Finance Committee assists and advises the Trustees on issues relating to financial matters including financial objectives, financial strategy, budgeting and reporting. The committee reviews budgets and plans and scrutinises performance information including management accounts.
- The Nominations Committee advises the Board on issues relating to the mix of skills, background and knowledge represented by the Board, succession planning for Trustees, and Trustee recruitment. In particular, the Committee makes recommendations to the Board regarding the appointment of independent Trustees.

- The Remuneration Committee reviews the level and structure of remuneration for the Chief Executive and other members of LTM's Senior Leadership Team on behalf of the Board. The committee also oversees matters related to the setting of the Museum's pay ranges, the gender pay gap and the annual pay review for all staff.

Three sub-committees also operate:

- The Investment and Planning Sub-Committee provides advice and support on the development of the Museum's five-year strategy, capital plans and engagement with Arts Council England's 'Let's Create' Strategy.
- The Green Journey Steering Committee reviews the Museum's progress against its sustainability commitments including its goal to be carbon neutral by 2030.
- The Compliance and Assurance Committee advises on all matters of compliance both statutory and non-statutory.

Relationship with TfL

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

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

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

Employment policies

At the end of March 2023, the Museum directly employed 132 full-time equivalents, excluding staff employed via agencies.

The Museum is part of the TfL Framework for Consultation and Collective Bargaining. Pay negotiations for the majority of staff are conducted between the TfL Company Council for Collective Bargaining and the recognised trades unions which are the National Union of Rail, Maritime and Transport Workers (RMT) and the Transport Salaried Staff Association (TSSA). The Museum retains responsibility for the distribution of base pay budgets and the

level and distribution of performance awards. As part of TfL's review of its Framework, LTM is seeking to devolve greater responsibility for consultation and collective bargaining to Museum management working with local TU representatives.

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

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

Charitable objectives and public benefit

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

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

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

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

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

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

LTM delivers benefits to visitors onsite, offsite and online: at the Museum in Covent Garden and the Depot in Acton; to school children and audiences across Greater London who take part in our educational, community and engagement activities at the Museum and elsewhere; to users of our website and audiences who engage with our content on social media channels. Our audience development and community outreach work, our skills development work, and our employability programmes including those funded by Arts Council England engage with people who would not normally visit museums and galleries and help inspire the next generation of engineers and transport professionals.

The Museum at Covent Garden is fully accessible, and we welcome visitors on all but three days of the year. We have resumed our 'usual' activity including special early morning events for families with children who have special educational needs, and our schools' programmes throughout term time.

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

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

Safeguarding

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

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

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

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

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

Fundraising

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

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

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

- **Brand alignment** – is the relationship with a potential sponsor/donor consistent with our organisational values, mission and plan?
- **Reputational risk** – could the sponsor/donor relationship bring either London Transport Museum or TfL into disrepute?
- **Nature and scale of risk** – what are the risks/likelihood of the risks, versus the potential benefits?
- **Funding need** - does the relationship deliver on a real need for the organisation?
- **Voice of the beneficiaries and audiences** – has the Museum considered the voice of our beneficiaries or audiences in the acceptance of a donation or sponsorship?
- **Value of the partnership** – what is the value of the partnership to London Transport Museum compared with the investment the Museum will need to put in to secure and manage it? Will the partnership deliver value to the Museum in the long term?

Financial stability – are we confident that the sponsor/donor will honour the terms of the relationship, contractual and otherwise?

The above assessments are made by Museum staff. We do not employ the services of professional fundraisers or commercial participators.

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

activities. Further information about how LTM uses personal information can be found in our privacy statement: <https://www.ltmuseum.co.uk/privacy>

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

We have received no complaints regarding our fundraising in 2022/23. The Trustees are content that all donations are in line with the Museum's policies.

Information transparency

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

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

Reserves policy

The total held in reserves at 31 March 2023 is £28.7m (2022: £27.8m) of which £27.7m (2022: £27.0m) is unrestricted, including £19.3m (2022: £20.1m) which comprises the non-cash Capital fund.

The charity has three types of reserves:

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

The Museum has no endowment funds.

General reserves

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

The target range for general reserves is between £1.1m to £2.3m. The year-end level of general reserves is £2.3m (2022: £1.2m). A transfer of £0.4m has been made to the Museum Asset Development Fund to support the Museum's planned investment in capital works as part of its upcoming five-year strategy.

Designated reserves

The Museum holds three designated reserves funds.

1. Museum Asset Development Fund

To contribute towards the cost of asset renewals and other future capital expenditure associated with the Museum's premises, facilities and fixed assets.

The Museum's capital expenditure needs are variable and although external capital grants are usually sought, they can be difficult to secure and are unlikely to meet project costs in full. The level of the Museum Asset Development Fund at year end is £4.7m (2021: £1.1m). A transfer of £3.1m was made from the Museum Strategic Development Fund and a transfer of £0.4m was made from the general fund to the Museum Asset Development Fund to cover the planned investment in capital works over the Museum's five-year strategy from 2023-24.

2. Strategic Development Fund

To enable the Museum to fund important projects such as gallery and exhibition improvement and educational programmes. This enables the Museum to plan ahead for long lead-time exhibitions and educational programmes by providing some level of cover for the costs of such activities as the Museum cannot always wait until it raises all the funds for a project before committing to that project. Although there is no target level for this fund, Trustees have agreed a comprehensive LTM Capital Masterplan which sets out a five-year outline of major projects and costs. The level of the Strategic Development Fund at year end is £1.5m (2022: £3.5m). A transfer of £1.1m was made from the Education Outreach Fund (now closed) to the Museum Strategic Development Fund. A transfer of £3.1m was made from the Museum Strategic Development Fund to the Museum Asset Development Fund.

3. Capital Fund

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

The majority of these assets were transferred to LTM from TfL on 1 April 2008, and have been subsequently depreciated, added to with capital purchases and reduced by asset disposals. Reserves equivalent to the net balance sheet value of the assets are set aside in a designated fund as they do not represent funds readily available for other purposes. From this, the value of the fund equals the net book value of the tangible fixed assets. The level of the Capital Fund at year end is £19.3m (2022: £20.1m).

Restricted reserves

The largest restricted fund is the Collections Development fund (CDF) which was established in 2012 following the auction of 400 surplus posters. The Museums Accreditation scheme requires that the disposal of any collection object creates an obligation to spend the income in a way which benefits the remaining collection. Accordingly, the Collections Development fund can only be used for acquisitions and conservation. The Museum holds £0.5m in this fund (2022: £0.6m).

The Heritage Lottery Fund, Arts Council England, Friends of London Transport Museum, DCMS/Wolfson and the Luke Rees-Pulley Charitable Trust, amid others, are all important supporters of LTM projects and programmes. Where the restricted funds supplied by these organisations only meet a proportion of project expenditure, transfers are made from unrestricted funds to meet the remaining cost. Further details concerning restricted funds can be found in the notes to the financial statements. The Museum has £1.0m (2022: £0.8m) net reserves in funds subject to restrictions.

Risk management

The Museum continues to categorise risks into Level 1 (strategic) risks and Level 2 (operational, asset, programme, and project) risks. This approach follows the risk categorisation adopted in TfL and is clear and easy to use and well understood by LTM staff and Trustees.

An exercise to identify strategic risks was included in the annual Board awayday in November 2022. This approach ensured that multiple views on risk are solicited, considered and refined as part of strategic planning. It was agreed that the five by five

matrix continues to be an effective reporting tool and is unchanged. Following the workshop, two of the risks had descriptions revised: Safety and Staff. The other risks remained unchanged. The Board approved the new risk map at the February 2023 meeting and it is included in the two-year plan and budget.

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

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

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

- **Staff**
The museum is unable to attract and retain sufficient staff which significantly impacts services. Pressures from workload, fatigue and uncertainty has an impact on health and morale
- **Infrastructure: location and condition**
The age and condition of museum accommodation and infrastructure impacts services. Extreme weather damages buildings and impedes access due to transport links. Long term uncertainty with the future of leases at Covent Garden and the Depot at Acton limit future prospects.

To mitigate these risks, the Trustees and/or Leadership Team have undertaken the following actions:

- Committed to an ambitious People Plan including focus on supporting an improving and inclusive culture. Improving our working spaces and environments and being flexible in respect of working practices for those that can work remotely. We continue to bring more HR recruitment responsibilities into LTM from TfL to simplify and speed up processes.
- Significant work to respond to challenges for retention and recruitment of key staff has been undertaken with TfL HR based on a new cultural sector benchmark report to review SLT and Heads of Department roles, facilitated by the TfL lifting the pay freeze and restarting performance pay

- Maintained a programme of regularly revised budgets and regular reviews and reforecasts;
- Developed a solid and prudent programme to return to investment in our buildings and infrastructure. This is funded by a combination of external funding and reserves;
- Made a commitment to focus on all sites in our estate, including Hidden London, the offices and the Flower Market to future proof our footprint and buildings and deliver on our Green priority objectives;
- Maintained Finance working group with senior TfL Finance colleagues; and
- Maintained the investment and planning sub-committee with Trustees to ensure early sight and alignment on crucial and essential investment.

Disclosure of information to auditors

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

Trustees' statement

Statement of responsibilities of the Trustees of London Transport Museum Limited in respect of the Trustees' Annual Report and the Financial Statements

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

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

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

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

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

This report was approved by the Board of Trustees on 20 July 2023 and signed on its behalf by:



Keith Ludeman
Chair of Trustees
London Transport Museum Limited

Trustees and advisers

Trustees and Directors

Board of Trustees

Keith Ludeman (Chair)
Sam Mullins OBE (Managing Director)
Marcus Arthur
Lilli Matson* (from 21 November 2022)

Bill Ferris CBE
Peter, Lord Hendy of Richmond Hill
Mary Creagh (from 14 July 2022)

Winsome Hull BEM*
Christine Major
Obi Nwofor*
Gareth Powell* (resigned 15 September 2022)
Pam Rosser
Andrew Smith CVO
Liz Williams MBE

* nominated by TfL

Audit and Risk Committee

Andrew Smith CVO (Chair)
Keith Ludeman
Sam Mullins OBE
Obi Nwofor
Pam Rosser

Finance Committee

Keith Ludeman (Chair)
Marcus Arthur
Bill Ferris
Winsome Hull BEM
Sam Mullins OBE
Andrew Smith CVO

Nominations Committee

Keith Ludeman (Chair)
Lilli Matson (from 21 November 2022)
Sam Mullins OBE
Gareth Powell (resigned 15 September 2022)
Liz Williams MBE

Obi Nwofor (temporary member for meeting on 12 October 2022)

Remuneration Committee

Liz Williams MBE (Chair)
Lilli Matson (from 21 November 2022)
Keith Ludeman
Sam Mullins OBE
Gareth Powell (resigned 15 September 2022)
Obi Nwofor (temporary member for meetings on 12 October 2022 and 25 January 2023)

Directors of London Transport Museum (Trading) Limited

Marcus Arthur (Chair)
Sam Mullins OBE (Managing Director)
Sophie Bancroft

Andy McWilliams (resigned 1 November 2022)
Vincent Nolan
Phil Swallow

Rebecca Crook (resigned 1 November 2022) Pam Rosser
Bill Ferris CBE Rikesh Shah

Advisers

Auditors

Moore Kingston Smith LLP
6th Floor
9 Appold Street
London EC2A 2AP

Legal advisers

TfL In-House Legal Department
Endeavour Square
London E20 1JN

Bankers

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

Company secretary

Howard Carter

Museum Senior Leadership Team

To whom day-to-day management is delegated:

- Sam Mullins – Museum Director
- Elizabeth McKay - Chief Operating Officer
- Molly Jackson - Assistant Director - Commerce
- Chris Nix - Assistant Director - Collections and Engagement
- Geoff Rowe - Assistant Director – Customers and Resourcing (resigned 28 October 2022)
- Claire Williamson - Assistant Director - Marketing & Development
- Ruth Brockbank - Chief Financial Officer (maternity leave to 11 October 2022)
- Kim Lassemillante – Interim Chief Financial Officer (to 31 March 2023)
- Tom Campbell – Director of Visitor Experience and Operations (from 6 March 2023)
- Stephen Dolamore – Interim Assistant Director – Customers and Resourcing (from 24 October 2022 to 24 April 2023)

Independent Auditor's report

To the shareholder of London Transport Museum Limited

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and Parent Charitable Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Trustees' Annual Report.

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 26, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees

determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

and performance of the group audit. We remain solely responsible for our audit report.

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

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

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the Charitable Company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the Charitable Company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

Use of our report

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

Moore Kingston Smith LLP

Neil Finlayson
Senior Statutory Auditor
for and on behalf of Moore Kingston
Smith LLP

Date: 14 August 2023
6th Floor
9 Appold Street
London
EC2A 2AP

Consolidated statement of financial activities for the year ended 31 March 2023

	Note	Unrestricted Funds 2023 £000	Restricted Funds 2023 £000	Total Funds 2023 £000	Unrestricted Funds 2022 £000	Restricted Funds 2022 £000	Total Funds 2022 £000
INCOME FROM:							
Donations and legacies							
Core grants		3,360	-	3,360	3,360	-	3,360
Other grants and donations		1,207	660	1,867	2,579	655	3,234
	4	4,567	660	5,227	5,939	655	6,594
Charitable activities							
Education and engagement		1,283	-	1,283	2,204	-	2,204
Access and museum operations		3,811	-	3,811	2,191	-	2,191
Heritage and collections		-	-	-	-	-	-
	5	5,094	-	5,094	4,395	-	4,395
Other trading activities	6	6,754	-	6,754	4,412	-	4,412
Other income		-	-	-	2	-	2
Investments		95	-	95	2	-	2
Total income		16,510	660	17,170	14,750	655	15,405
EXPENDITURE ON:							
Raising funds							
Trading operations	7	4,802	-	4,802	3,751	-	3,751
Other fundraising activities		927	-	927	849	-	849
	8	5,729	-	5,729	4,600	-	4,600
Charitable activities							
Education and engagement		4,085	300	4,385	4,002	292	4,294
Access and museum operations		4,213	36	4,249	3,544	6	3,550
Heritage and collections		1,739	99	1,838	1,889	183	2,072
	8	10,037	435	10,472	9,435	481	9,916
Net loss on disposal of fixed assets		-	-	-	-	-	-
Total expenditure	8	15,766	435	16,201	14,035	481	14,516
Net (expenditure)/income		744	225	969	715	174	889
Transfers between funds	16	-	-	-	154	(154)	-
Net movement of funds in year		744	225	969	869	20	889
Reconciliation of funds							
Total funds brought forward		26,982	772	27,754	26,113	752	26,865
Total funds carried forward	16	27,726	997	28,723	26,982	772	27,754

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

Balance sheets as at 31 March 2023

	Note	Group 2023 £000	Group 2022 £000	Museum 2023 £000	Museum 2022 £000
Fixed assets					
Intangible fixed assets	11	475	329	475	329
Tangible fixed assets	12	18,798	19,749	18,798	19,749
Investments		-	-	-	-
		19,273	20,078	19,273	20,078
Current assets					
Stock		792	560	-	-
Debtors	13	1,528	1,612	3,488	1,832
Cash at bank and in hand	14	9,760	8,905	7,926	7,955
		12,080	11,077	11,414	9,787
Current liabilities					
Creditors falling due within one year	15	(2,578)	(3,399)	(1,964)	(2,111)
Net current assets		9,502	7,678	9,450	7,676
Total assets less current liabilities		28,775	27,756	28,723	27,754
Non-current liabilities					
Creditors falling due after one year	15	(52)	(2)	-	-
Net assets		28,723	27,754	28,723	27,754
Funds					
Share capital	19	-	-	-	-
Restricted funds	16	997	772	997	772
Unrestricted funds	16	27,726	26,982	27,726	26,982
Total funds		28,723	27,754	28,723	27,754

The notes on pages 37 to 56 form part of these accounts.

These financial statements were approved by the Trustees on 20 July 2023 and signed on their behalf by:



Keith Ludeman
Chair of Trustees
London Transport Museum Limited

Notes to the financial statements

1. Basis of preparation

a) Statement of compliance

The financial statements have been prepared in accordance with:

- the Companies Act 2006
- the Charities Act 2011
- Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2019)
- United Kingdom Accounting Standards and generally accepted accounting practice, including Financial Reporting Standard 102 (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

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

b) Basis of measurement

The accounts are made up to 31 March 2023 and have been prepared under the accruals concept and in accordance with the historical cost accounting convention.

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

The financial statements have been prepared to give a 'true and fair' view and comply with the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (effective 1 January 2019).

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

c) Group financial statements

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

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

dates. Amounts held in foreign currencies as at the balance sheet date have been translated into Sterling at rates of exchange ruling at the balance sheet date.

2. Uses of estimates and judgements

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

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

As per SORP 2019 section 1.38, measurement issues, including attributing an economic value to the contribution of general volunteers, prevent the value of services provided by volunteers being incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the body of the Trustees' Annual Report.

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

As at 31 March 2023, no estimates or assumptions made are considered to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Accounting policies

a) Income

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

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

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

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

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

Investment income is recognised on a receivable basis.

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

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

b) Expenditure

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

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

Where costs relate directly to an activity they have been allocated against that activity. Support costs (including governance costs) that relate to more than one activity have been allocated to activity cost categories on the basis of direct costs in each area of activity (see Note 7).

c) Tangible and intangible fixed assets

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

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

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

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

d) Heritage assets

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

e) Operating leases

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

f) Stock

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

g) Funds structure

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

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

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

h) Pensions

The Museum participates in a pension scheme operated by TfL providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Museum. The charity is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as permitted by the multi-employer exemption in FRS 17 'Retirement Benefits', it is accounted for as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period. The disclosures required under FRS 102 are given in Note 20.

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

j) Taxation

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

k) Cash flow

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

l) Financial instruments

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

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

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

- **Trade and other debtors**

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

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

- **Cash and cash equivalents**

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

- **Trade creditors and other payables**

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

4. Donations and legacies

	2023 Unrestricted £000	2023 Restricted £000	2023 Total £000	2022 Total £000
Legacies				
Grants from TfL	-	-	-	50
Other grants	3,360	-	3,360	3,360
Cultural Recovery Fund	-	-	-	1,325
Arts Council funding	-	372	372	333
Donated services				
Seconded staff	14	-	14	-
Central services from TfL	317	-	317	300
Other	95	-	95	105
Benefit dinners	555	-	555	489
Other donations	226	288	514	632
Total	4,567	660	5,227	6,594

5. Charitable activities

a) Analysis by source of income

	2023 Unrestricted £000	2023 Restricted £000	2023 Total £000	2021 Total £000
Museum admissions	3,811	-	3,811	2,191
STARS income	1,260	-	1,260	2,154
Other charitable income	23	-	23	50
Total	5,094	-	5,094	4,395

b) Analysis by type of charitable activity

	2023 Education and engagement £000	2023 Access and museum operations £000	2023 Heritage and collections £000	2023 Total £000	2022 Total £000
Museum admissions	-	3,811	-	3,811	2,191
STARS income	1,260	-	-	1,260	2,154
Heritage vehicle events and station tours	-	-	-	-	-
Other charitable income	23	-	-	23	50
Total	1,283	3,811	-	5,094	4,395

6. Other trading activities

	2023	2022
	£000	£000
Retail turnover	3,936	2,752
Other turnover		
Venue hire	468	231
Hidden London	1,238	538
Commercial sponsorship	483	395
Corporate membership	608	480
Other revenue	21	16
Total turnover	6,754	4,412

7. Expenditure

a) Direct and apportioned costs

	2023	2023	2023
	Direct costs	Support costs	Total
	£000	£000	£000
Cost of goods sold	1,631	-	1,631
Other trading subsidiary costs	2,903	268	3,171
Other fundraising activities	408	519	927
Costs of raising funds	4,942	787	5,729
Education and engagement	1,932	2,454	4,386
Access and museum operations	1,873	2,376	4,249
Heritage and collections	810	1,027	1,837
Charitable activities	4,615	5,857	10,472
Total	9,557	6,644	16,201

	2022	2022	2022
	Direct costs	Support costs	Total
	£000	£000	£000
Cost of goods sold	1,182	-	1,182
Other trading subsidiary costs	2,337	232	2,569
Other fundraising activities	352	497	849
Costs of raising funds	3,871	729	4,600
Education and engagement	1,776	2,518	4,294
Access and museum operations	1,469	2,081	3,550
Heritage and collections	857	1,215	2,072
Charitable activities	4,102	5,814	9,916
Total	7,973	6,543	14,516

b) Support costs allocation

	2023	2023	2023	2023	2023
	Education and engagement	Access and museum operations	Heritage and collections	Raising funds	Total
	£000	£000	£000	£000	£000
Premises and facilities	1,581	1,532	662	591	4,366
Finance and management	548	531	230	116	1,425
Marketing	183	177	77	39	476
Systems	73	70	30	15	188
Design and presentation	66	63	27	14	170
Governance	3	3	1	12	19
Total 2023	2,454	2,376	1,027	787	6,644

	2022	2022	2022	2022	2022
	Education and engagement	Access and museum operations	Heritage and collections	Raising funds	Total
	£000	£000	£000	£000	£000
Premises and facilities	1,663	1,374	802	551	4,390
Finance and management	568	469	274	112	1,423
Marketing	147	122	71	29	369
Systems	82	68	40	16	206
Design and presentation	38	31	18	7	94
Governance	20	17	10	14	61
Total 2022	2,518	2,081	1,215	729	6,543

8. Net expenditure

This is stated after charging:

	2023	2022
	£000	£000
Depreciation	1,510	1,515
Amortisation	45	36
Auditor's remuneration		
Audit – Museum	43	32
Audit – Trading company	10	10
Other non-audit services	-	-
Operating lease costs	802	816

9. Trading subsidiary

The Museum has a single subsidiary company, London Transport Museum (Trading) Limited (LTM(T)L), company number 06527755, having an issued share capital of £1, wholly owned by London Transport Museum Limited.

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

LTM(T)L profit and loss account for the year ended 31 March 2023

	2023 £000	2022 £000
Turnover	6,754	4,412
Cost of goods sold	(1,601)	(1,182)
Gross profit	5,154	3,230
Operating expenses	(3,210)	(2,569)
Profit from ordinary activities before taxation	1,943	661
Tax on ordinary activities	-	-
Total comprehensive income for the year	1,943	661

LTM(T)L balance sheet as at 31 March 2023

	2023 £000	2022 £000
Current assets		
Stock	792	560
Debtors	237	471
Cash and cash equivalents	1,835	951
Total current assets	2,864	1,982
Creditors falling due within one year	(2,812)	(1,980)
Net current assets	52	2
Total assets less current liabilities		
Creditors falling due after more than one year	(52)	(2)
Net assets	-	-
Capital and reserves		
Profit and loss account	-	-
Share capital	-	-
Equity shareholder's funds	-	-

10. Staff costs and staff numbers

a) Total remuneration

	2023	2022
	£000	£000
Wages and salaries	4,519	4,087
Social security costs	491	434
Pension costs	914	1,054
Total	5,924	5,575

During the year there were no redundancies (2022: nil) and no severance payments (2022: nil).

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

	2023	2022
£60,000 - £70,000	-	2
£70,001 - £80,000	3	2
£80,001 - £90,000	1	-
£90,001 - £100,000	1	2

b) Key management personnel

The key management personnel of the Museum comprise the Trustees, Director and CEO, and COO (see Trustees and advisers pages 27 to 29). The total employee benefits including employer's pension and national insurance contributions of the key management personnel were £233,131.55 (2022: £247,359.69).

The Managing Director is the only Director employed by the Museum and received emoluments, including salary, fees, benefits in kind and other emoluments, totalling £110,432 (2022: £112,547). The Museum made nil contributions to the TfL Pension Fund, a defined benefit scheme, on behalf of the Managing Director for the year (2022: nil). The Managing Director did not receive any emoluments in his role as a Trustee (2022: nil).

Other than the Managing Director, no other trustees received employee benefits from the Museum (2022: £246) for participation on an Advisory Board for the Legacies exhibition.

TfL-nominated Trustees are also employees of TfL, a related party.

TfL Trustee and role	Salary (including fees & allowances)	Employer's pension contributions	Benefits in kind	Total excl. Pension contributions
Lilli Matson, Chief Safety, Health and Environment Officer	£200,000	£46,921	£1,740	£201,740
Winsome Hull BEM, Senior Business Strategy Manager	£79,040	£19,235	£784	£79,824
Obi Nwofor, Senior Operating Officer	£93,964	£23,192	£1,740	£95,704
Former employee: Gareth Powell, Chief Customer & Strategy Officer	*£188,074	-	£1,120	£189,194

* salary, fees and allowances include an allowance paid as a result of the individual opting out of part or all of the benefits provided by the TfL Savings for Retirement Plan or TfL Pension Fund.

Reimbursements of £439.41 for two trustees in the year for travel costs to board meetings (2022: nil).

c) The average number of full-time equivalent employees was:

	2023	2022
Education and engagement	24.5	20.3
Access and museum operations	30.8	29.1
Heritage and collections	10.8	10.2
Activities to generate funds	28.9	24.2
Support functions	27.0	24.4
Total	122.0	108.2

11. Intangible fixed assets

	Software	Assets under construction	Total
	£000	£000	£000
Group and Museum			
Cost			
At 1 April 2022	291	97	388
Additions	4	187	191
Transfers	80	(80)	-
Disposals	-	-	-
Reclassifications	-	-	-
At 31 March 2023	<u>375</u>	<u>204</u>	579
Amortisation			
At 1 April 2022	(59)	-	(59)
Charge for the year	(45)	-	(45)
Amortisation on disposal	-	-	-
Reclassifications	-	-	-
At 31 March 2023	<u>(104)</u>	<u>-</u>	(104)
Net book value			
At 1 April 2022	<u>232</u>	<u>97</u>	329
At 31 March 2023	<u>271</u>	<u>204</u>	475

12. Tangible fixed assets

	Property and buildings £000	Plant and equipment £000	Assets under construction £000	Total £000
Group and Museum				
Cost				
At 1 April 2022	36,886	2,209	340	39,435
Additions	330	-	215	545
Transfers	236	7	(243)	-
Disposals	-	-	-	-
Reclassifications	-	-	-	-
At 31 March 2023	37,452	2,216	312	39,980
Depreciation				
At 1 April 2022	(17,962)	(1,724)	-	(19,686)
Charge for the year	(1,320)	(176)	-	(1,496)
Depreciation on disposal	-	-	-	-
Reclassifications	-	-	-	-
At 31 March 2023	(19,282)	(1,900)	-	(21,182)
Net book value				
At 1 April 2022	18,924	485	340	19,749
At 31 March 2023	18,170	316	312	18,798

13. Debtors

	Group 2023 £000	Group 2022 £000	Museum 2023 £000	Museum 2022 £000
Trade debtors	225	463	64	75
Amounts due from TfL group	207	449	2,485	835
Other debtors	101	53	19	53
Prepayments and accrued income	995	647	920	869
	1,528	1,612	3,488	1,832

14. Cash at bank and in hand

	Group 2023 £000	Group 2022 £000	Museum 2023 £000	Museum 2022 £000
Current accounts and in hand	4,740	3,865	2,926	2,955
Short-term deposit accounts	5,020	5,040	5,000	5,000
	9,760	8,905	7,926	7,955

15. Creditors

a) Amounts falling due within one year

	Group	Group	Museum	Museum
	2023	2022	2023	2022
	£000	£000	£000	£000
Trade creditors	344	524	283	401
Amounts due to TfL group	-	-	21	55
Taxation and social security	59	64	59	-
Other creditors and accruals	1,729	1,831	1,601	1,643
Deferred income	446	980	-	12
	2,578	3,399	1,964	2,111

b) Amounts falling due after one year

	Group	Group	Museum	Museum
	2023	2022	2023	2022
	£000	£000	£000	£000
Deferred income	52	2	-	-
	52	2	-	-

c) Deferred income

	Group	Group	Museum	Museum
	2023	2022	2023	2022
	£000	£000	£000	£000
Brought forward	982	1,757	12	1,294
Utilised in year	(980)	(1,749)	(12)	(1,294)
Deferred in year	496	974	-	12
Carried forward	498	982	-	12
Amounts falling due within one year	446	980	-	12
Amounts falling due after one year	52	2	-	-

16. Statement of group funds

a) Total funds

	1 April 2022 £000	Income £000	Expenditure £000	Transfers £000	31 March 2023 £000
Restricted					
ACE- Making a Poster	19	(19)	-	-	-
ACE MEND	-	137	-	-	137
ACE NPO	-	254	(254)	-	-
Collections Development fund	557	-	(17)	-	540
LTM Friends	17	44	(51)	-	10
Luke Rees-Pulley Charitable Trust	94	65	(59)	-	100
Elizabeth Line Legacy	-	95	(10)	-	85
Q Stock	24	2	-	-	26
DCMS/Wolfson	-	72	-	-	72
Kusuma Trust	31	-	(26)	-	5
Art Fund	30	-	(18)	-	12
Poster Gallery	-	10	-	-	10
	<u>772</u>	<u>660</u>	<u>(435)</u>	<u>-</u>	<u>997</u>
Unrestricted funds					
Designated funds					
Capital fund	20,078	-	-	(805)	19,273
Museum strategic development fund	3,485	-	-	(1,985)	1,500
Future exhibitions and education fund	-	-	-	-	-
Museum asset development fund	1,120	-	-	3,533	4,653
Education outreach fund	1,106	-	-	(1,106)	-
General funds	1,193	16,510	(15,766)	363	2,300
	<u>26,982</u>	<u>16,510</u>	<u>(15,766)</u>	<u>-</u>	<u>27,726</u>
Total funds	<u>27,754</u>	<u>17,170</u>	<u>(16,201)</u>	<u>-</u>	<u>28,723</u>

Restricted funds

Arts Council England support is comprised of the National Portfolio Organisations (NPO) grant and funding via the Museum Estate and Development Fund (MEND) grant programme. NPO funding provides support for a diverse range of Museum programmes and activities. MEND funding is for essential work to lifts and chillers at the Covent Garden site.

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

LTM Friends supports a range of Museum programmes and activities including vehicle restoration and Acton community projects.

The Luke Rees-Pulley Charitable Trust (LRPCT) funds the Impact and Evaluation Manager role and a Learning Officer role.

The Q stock fund will be used for future conservation work on this heritage asset.

Kusuma Trust UK supports the pilot Inspire Engineering Careers project.

The Art Fund Reimagine grant supports the Progressing Participatory Practice programme.

The Elizabeth Line legacy funding supports the capture of oral history relating to the project. The DCMS/Wolfson grant supports the forthcoming Photography Gallery at Covent Garden.

£10k towards the Poster Gallery has been received from The Finnis Scott Foundation.

Designated funds

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

Other designated funds carried forward totalled £25.4m (2022: £25.8m).

b) Analysis of group net assets between funds

	Unrestricted funds £000	Restricted funds £000	Total funds £000
Fund balances at 31 March 2023:			
Fixed assets	19,273	-	19,273
Current assets	11,083	997	12,080
Current liabilities	(2,578)	-	(2,578)
Long term liabilities	(52)	-	(52)
Total net assets at 31 March 2023	27,726	997	28,723
Total net assets at 31 March 2022	26,982	772	27,754

17. Operating leases

	2023 £000	2022 £000
Within one year	802	802
Between two and five years	3,204	3,208
Over five years	11,849	12,651
Total	15,855	16,661

On 17 September 2018 the London Transport Museum entered into a new building contract at Albany House. The new contract is a licence fee arrangement, between TfL and London Transport Museum, which expires on 18 December 2024.

While the Albany House licence fee is in substance an operating lease, as the terms are cancellable, there is no requirement to disclose this as an operating lease. Under this contract there is a rent-free period of 15 months and this is accounted for on a straight-line basis, over the term of the licence. The annual rental is £316k.

18. Capital commitments

Capital commitments at the end of the year not otherwise included in the accounts are as follows:

	2023 £000	2022 £000
Cubic foyer	-	32
Cycle hire vehicle interpretation point	-	9
Online library	-	7
Elizabeth Line display	-	6
Ticketing System	26	-
Total capital commitments	26	54

19. Share capital

	2023 £	2022 £
Authorised		
1 ordinary share of £1	1	1
Allotted, issued and fully paid up		
1 ordinary share of £1	1	1

As permitted by FRS 102 and SORP 2019, because no new equity shares have been issued, the Museum has not produced a separate statement of changes in equity for the reporting period.

20. Pensions

Background

The Museum offers retirement plans to its employees. The majority of the Museum's staff are members of the Public Sector Section of the TfL Pension Fund, which is a final salary scheme established under trust. Benefits are based on an employee's length of service and final pensionable pay. The Fund's Trustee is the TfL Trustee Company Limited, a wholly owned subsidiary of TfL. Under the rules of the Fund, its 18 Trustee Directors are nominated in equal numbers by TfL and on behalf of the Fund's membership.

Every three years, the TfL Pension Fund actuary makes valuations and recommends the level of contributions to be made by the participating employers to ensure the long-term solvency of the Fund. The latest available valuation of the Fund was carried out as at 31 March 2021 by the Actuary, a partner of consulting actuaries Willis Towers Watson, using the projected unit method. A revised Schedule of Contributions was agreed between the Trustee and the employers following the formal funding valuation of the Public Sector Section.

Under the valuation report, the Fund held a surplus of £179m as at 31 March 2021. Assets totalled £13,085m and the defined benefit obligation totalled £12,906m. A revised Schedule of Contributions was agreed between the Trustee and the employers following the formal funding valuation. This set out a future service contribution rate of 27.3 per cent for the employers and five per cent for members.

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

As at the Balance Sheet date, no allocation of the surplus of the Fund has been made between the various TfL Group companies, including London Transport Museum. Should this position change in future, an

allocation may be made, and the Museum may, at that point, become liable for its share of the deficit or surplus. There are no present plans for such an allocation to be made.

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

Accounting

The Museum's ultimate parent, Transport for London, and the Museum's fellow subsidiaries participate in the Public Sector Section of the TfL Pension Fund. Because the Museum is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis, as permitted by FRS 102, the Museum treats contributions to the Public Sector Section as if they were contributions to a defined contribution plan. The Museum's contributions to the Fund of £1,016,325 (2021: £981,987) have been charged to the Consolidated Statement of Financial Activities.

Other pension schemes

Pension contributions of £7,236 (2022: £19,262) have been made to the London Pension Fund Authority Pension Fund, a funded multi-employer defined benefit scheme, administered by the London Pension Fund Authority. The underlying assets and defined benefit obligation of the London Pension Fund Authority Pension Fund cover a number of TfL Group entities and cannot be readily split between each undertaking. The TfL Corporation has recognised the TfL Group's share of the net defined benefit obligation in its own accounts.

LTM also made employer contributions to two defined contribution schemes totalling £6,212 (2022: £18,854).

21. Related party transactions

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

In line with paragraph 33.1A of FRS 102, the Museum, as a wholly owned subsidiary of TTL, is not required to disclose transactions with other wholly owned members of the group headed by TfL.

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

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

The Museum also entered into transactions with other related parties during the year as set out below.

Party	Nature of relationship	Transaction	2023 Income £000	2023 Expenditure £000	2023 Debtor £000	2023 Creditor £000
LTM Friends	Sam Mullins is a Trustee of LTM Friends	Grant awarded during the year and reimbursement of volunteer expenses	105	6	105	6

During 2021/22 the Museum entered into transactions with other related parties as set out below.

Party	Nature of relationship	Transaction	2022 Income £000	2022 Expenditure £000	2022 Debtor £000	2022 Creditor £000
LTM Friends	Sam Mullins is a Trustee of LTM Friends	Grant awarded during the year and reimbursement of volunteer expenses	105	6	105	6
International Association of Transport and Communications Museums (IATM)	Sam Mullins is the President of the IATM	IATM contribution towards communications, webinar and office support from LTM	2	-	2	-
SS Great Britain Trust	Sam Mullins is Vice Chair of SS Great Britain	Payment of expenses for attendance at annual board awayday	-	1	-	-
UKTV Media Limited	Marcus Arthur is Chief Executive Officer of UKTV	Income for additional venue hire event costs	3	-	-	-

In addition to the financial transactions summarised above, the Museum also provides London Transport Museum Friends with office and IT facilities, and support for marketing and other activities.

Sir Peter Hendy and Phil Swallow are also Patrons of the Museum.

A number of Museum Trustees, Directors of LTM(T)L and key management personnel of TfL, also received leaving and thank you gifts of LTM(T)L retail merchandise during the year.

Andy McWilliams and Rebecca Crook, Enterprise board members received a Moquette Cube each (retail price -£200) as a leaving gift. Sadiq Khan, Mayor of London received a Christmas jumper (retail price- £38).

A number of key management personnel of TfL which is a related entity also received gifts. Andy Byford, Commissioner, Andy Lord Chief Operating Officer and Mark Wild all received an Elizabeth line T-shirt (retail price-£30). Andy Lord also received a Christmas jumper (retail price- £38).

Our supporters

Corporate members

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* denotes three-year membership

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

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Richard West
Nicholas Woolf OBE and Fiona Woolf DBE
Mark Yexley

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