

Charity registration number 1112854

Company registration number 5467415 (England and Wales)

THE FREUD MUSEUM LONDON
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

THE FREUD MUSEUM LONDON

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Susan Prevezer KC
Miss S Bardgett
Miss W Monkhouse
Mr A Spiro
Mr S Kon
Miss A Biggs
Mr P Chilton
Juliet Rosenfeld
Anne Worthington
Susanna Abse
Ms L Hillman

Charity number

1112854

Company number

5467415

Registered office

20 Maresfield Gardens
London
NW3 5SX

Auditor

SBM Associates Limited
24 Wandsworth Road
London
SW8 2JW

THE FREUD MUSEUM LONDON

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THE FREUD MUSEUM LONDON

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

The Trustees are pleased to present their annual report together with the financial statements of the charity for the year ended 31 March 2023 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Chair's report

The Museum welcomed its new Director Giuseppe Albano, who took up his post on 29 July 2022, and said a sad farewell to Carol Seigel, its outgoing Director, to whom the Museum is hugely indebted for all her hard work, kindness and support of the Museum.

The Museum also said goodbye this year to two long serving Trustees, Trevor Moross and Dan Chambers, who concluded their terms in November 2022 and February 2023, respectively. The Museum has been greatly assisted by both Trevor and Dan and thanks them for all they have done for the Museum.

The Museum extends its gratitude to the present Trustees of the Museum for their unwavering support and thanks and recognizes the dedication of the Director and all the Museum staff in navigating the challenges of the past year.

In addition, the Museum would like to extend special thanks to Lucian Freud's children (especially Rose Boyt, Frank Paul, Bella Freud, Esther Freud, and Susie Boyt who joined our Patrons Circle) and to David Freud for his continued support of the Museum.

Finally, the Freud Museum London looks forward to welcoming visitors, both in person and remotely, and continues its mission of promoting the legacies of Sigmund and Anna Freud, while championing mental health.

THE FREUD MUSEUM LONDON

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Objectives and activities

Principal activity and public benefit

The Freud Museum London is a charitable company. In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging.

The Museum relies on grants and the income it raises from, amongst other activities, admission fees and the public programme. We are therefore a fee charging charity, but feel that the admission prices are low enough that no one is prevented from coming to the Museum on grounds of cost. Concessionary fees are available for low income groups, parties of senior citizens and school parties. Free admission is offered to members of the local neighbourhood association. We also undertake outreach projects which offer free access to Museum services.

As set out in the Memorandum and Articles of Association, the purposes of the Freud Museum London which all serve to promote public benefit are as follows:

- to promote, encourage, improve, advance and disseminate knowledge and awareness of the life, work, medical, psychoanalytic and other scientific activities and intellectual and current cultural legacy of the late Sigmund Freud, and knowledge and awareness of their relevance to contemporary society;
- to maintain, operate and improve a museum to collect, safeguard and make accessible articles and other items connected with his life, his work, his family, in particular his daughter Anna Freud, and the history of psychoanalysis at the property located at 20 Maresfield Gardens, London NW3 5SX and at such other property as may from time to time be required or expedient and to provide access to the premises to the public so that they can explore the museum and its collections for inspiration, learning and enjoyment;
- to advance the appreciation of the historical nature of the property located at 20 Maresfield Gardens, London NW3 5SX and its significance as the late Sigmund Freud's last home, the place of his death and the repository of his study, library, couch and collection of antiquities and other articles connected to him;
- to discover, assemble, and collect books, manuscripts, photographs, other publications, furniture, information and articles of whatever kind relating to the life, work, medical, psychoanalytic and other scientific activities and intellectual legacy of the late Sigmund Freud, and to ensure their preservation for the benefit of the public;
- and to conduct research into the life, work, medical, psychoanalytic and other scientific activities and intellectual and cultural legacy of the late Sigmund Freud and to publish the results of all such research.

The strategies employed to achieve the charity's aims and objectives are to:

- ensure the highest standards in conservation and care of the collections
- run active public, exhibition and education programmes
- encourage research into the collections and archives, and related publications
- market the Museum widely to encourage increasing numbers of visitors
- enter into appropriate partnerships that will help to achieve the key aims of the Museum
- keep the Museum financially robust and manage risks as carefully as possible

THE FREUD MUSEUM LONDON

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance

The year 2022-23 marked a significant turnaround for the Freud Museum, following two challenging years under the shadow of the Covid-19 pandemic. Notably, it was the first full year since the Museum's inception in 1986 that it had to operate without any funding from the New-Land Foundation or Covid recovery grants. In this report, we outline some of the Museum's achievements and performance during this pivotal year.

Despite the financial challenges, the Museum demonstrated resilience with robust ticket and merchandise sales and an unexpected increase in visiting groups. During the January-March 2023 period alone, visitor numbers surged by 74% more than the previous year, accompanied by a doubling of in-house shop sales. This overall growth in revenue was further underscored by a 27% rise in income from private hire events.

Although overall visitor numbers were 13% lower than the last full pre-Covid year of 2019-20, at the close of the 2022-23 year the Museum remained optimistic about returning to pre-pandemic levels of visitor numbers in the 2023-24 financial year in light of the upward trend in visitor and group numbers, as well as the quality of our exhibitions programme and the sustained media interest in Freud and in the Museum, particularly arising from the forthcoming film *Freud's Last Session*, starring Anthony Hopkins as Sigmund Freud. Throughout the year the Museum received extensive media coverage, highlighting its role in exploring mental health issues and its status as a 21st-century institution. Substantial articles in *The New York Times*, *New Yorker*, *The Guardian* and *Observer*, BBC Online, and *The Times* showcased the Museum's relevance and impact, as well as a report on ITV News from the Museum in November 2022 to mark the unveiling of a replica of one of the Parthenon sculptures owned by the British Museum which was displayed at the Freud Museum, and international TV reports including a feature on Polish breakfast TV in February 2023.

Following the closure of the *Freud and China* exhibition, which had run from February to June 2022, the Museum welcomed a new show, *Lucian Freud: The Painter and His Family*, on 6 July 2022. Curated by art historian Martin Gayford, this exhibition, celebrating the centenary of the birth of the artist Lucian Freud (Sigmund Freud's grandson), drew a substantial number of visitors, introducing many lovers of contemporary art to the Museum within the context of Lucian Freud's centenary celebrations which saw a number of other shows across London, including a major retrospective of the artist's work at the National Gallery.

The success of the exhibition played a pivotal role in our increased visitor revenues and optimism and fostered stronger ties with Lucian Freud's children, who actively participated in the Museum's public programmes and loaned art works and books to the exhibition. This success was continued by the follow up exhibition *Freud's Antiquity* which was co-curated with Professor Miriam Leonard (University College London), Professor Daniel Orrells (King's College London), and Professor Richard Armstrong (University of Houston) and funded by grants from their respective institutions. Collaborations with various lenders and supporters, including Frieze Masters, extended the Museum's reach. The Lucian Freud exhibition's positive impact extended beyond commercial success, significantly boosting morale within the Museum.

To capitalize on the interest generated by the Lucian Freud exhibition, in October 2022 the Museum extended its opening days to include Fridays, resulting in a 26% increase in visitors that month compared to the previous month. Guided talks and new volunteers aimed to enhance community engagement.

Generous contributions from organisations such as the Tangent Charitable Trust (from whom we received £20,000 this year), Rothschild Hanadiv Foundation Europe and the Peter Samuel Charitable Trust played a vital role in sustaining the Museum's cultural programme and development fund. We are also immensely grateful to all our Patrons, Members and individual supporters, including Dr Judith Nowak, Peter Henson, and Jon Mason who made donations this year. In December 2022 we hosted a charity auction organised and sponsored by the Institute for Digital Archaeology to auction contemporary art works donated for the purpose of raising funds for the Museum. The event included readings by poets Ruth Padel and Simon Armitage and £6,000 was raised for the Museum on the night.

THE FREUD MUSEUM LONDON

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

In October 2022, the Museum celebrated its first 'Anna Freud Month,' commemorating the life and legacy of Anna Freud forty years on from her death. A special display and events including a reading by poetry performer and local Hampstead Ruth Rosen of Anna's letters to her father, along with a generous gift of a large rug from the Anna Freud Centre, marked this occasion. As part of the anniversary month the Museum opened its refurbished Learning Suite (located in Anna Freud's former bedroom) to visitors. Going forward this room will be used for immersive, interactive displays as well as for didactic purposes following the success of 'Anna Freud Month'.

The Museum hosted a large number of successful and enjoyable events throughout the year, including a series of 'Lucian Lates' talks, performances and even a pub quiz associated with our Lucian Freud exhibition, and an evening bringing together archaeology, psychoanalysis and poetry led by Ruth Padel to mark the opening of our Freud's Antiquity exhibition. Special mention should also be made of a joint fundraising event held with Milton's Cottage which brought Professor Joe Moshenska together with psychoanalyst Adam Philips to discuss Sigmund Freud as a reader of Milton's poetry.

We held a very successful *Kaffee und Kuchen* Viennese coffee morning in February 2023, the first in a relaunched series of Viennese coffee mornings. The occasion was attended by a number of people from overseas, including from the USA and Brazil. Dr Matthew Moosey, a psychologist based in Virginia, told us that he had been keen to visit the Museum while in London and had also joined the Membership scheme to support the Museum. The event was also attended by American journalist Peter Meilaender, who produced a highly positive review of the coffee morning for US magazine *The Dispatch*, titled 'Having Coffee with Dr. Freud'.

In early 2023 the Museum hosted brilliant student volunteer teams from Worcester Polytechnic Institute (Massachusetts, USA) and from University College London, fostering collaboration and research on visitor engagement at the Museum and on audio guides.

The Museum received a number of special gifts over the year in the form of acquisitions to our collection. Particular mention should be made here of the donation from the Harvey family in the USA of a knitted cardigan made by Anna Freud for Muriel Gardiner's grand-daughter, which has now been accessioned into our collection as a permanent item having previously been loaned to the Museum for our *Codename Mary* exhibition. We also welcomed a beautifully hand bound volume of unpublished letters addressed to the Austrian physician and early follower of Freud Dr Wilhelm Stekel on the occasion of his birthday in 1928. This extremely generous gift containing unpublished letters in the hands of psychologists and psychoanalysts from around the world in the 1920s was given to us by Mr Giles Grant who'd inherited the book from his father, who had in turn been adopted by Dr Tobias Sternberg, a close friend of Stekel. We also received a fascinating portrait sketch of Sigmund Freud by Milein Cosman who had spent much of her professional life as an artist living in Hampstead. We are grateful to the Cosman Keller Art and Music Trust for their donation.

During the year the Museum also received an extremely generous, and unexpected offer of a donation in the form of an archive relating to Masud Khan, the major British-Pakistani psychoanalyst and disciple of Anna Freud. The archive belonged to Martine Bacherich, the widow of Khan's colleague and correspondent Wladimir Granoff, and we are grateful to Professor Dany Nobus for his role in bringing the archive to the Freud Museum.

Efforts to monitor and control environmental conditions across the Museum and our collections continued throughout the year. The National Conservation Service assessed environmental and pest monitoring processes, ensuring the preservation of the collection, and produced a detailed report on the state of conservation of Sigmund Freud's library, which identified around fifty volumes in need of intervention. This report will form the basis of a fundraising appeal to be launched next year so that supporters may adopt books from Freud's study and support necessary conservation work. Recommendations for treatment of recent acquisitions (including the Stekel correspondence) as well as the Sandor Ferenczi Archive were outlined, and a successful application was made by the Museum to the National Manuscript Conservation Trust in March 2023 for funding towards conservation work on the Ferenczi Archive to be completed in 2023, the 150th anniversary of the Hungarian psychoanalyst's birth.

The upgrade of Adlib, the Museum's collections management system, to a newer version started this year and is being supervised by our Digital Manager. This will significantly improve the Museum's database, both in-house and online and allow remote access with no need to log onto the Server. The digitisation of the archive is also underway, which will result in greatly improved accessibility for visitors, researchers and academics.

THE FREUD MUSEUM LONDON

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

The Museum closed the 2022-23 financial year with 10,476 active subscribers to our monthly E-Newsletter, 413 Members (a 33% increase in new Members compared with the previous year), 19 Patrons, and tens of thousands of followers across our social media platforms.

Activities 2022-23 to promote public benefit

The Museum always recognises its purpose to promote public benefit, as part of its wider mission. Its activities are designed to reach a wider community, to promote Sigmund and Anna Freud's legacy and support good mental health.

Much of what has already been covered above has a public benefit component, as well as what is described below.

The Museum concluded its *Freud and China* Learning Season in July 2022 with a successful online event in partnership with the International Psychoanalytical Association China, attracting over 10,000 viewers. A detailed outreach report was produced by our Outreach Manager which highlights key insights, including participation from diverse audiences, notably vulnerable individuals, and significant online engagement, with many participants having little prior knowledge of Freud. The programme's budget of £8,500, approved by the Ho Foundation who had supported the *Freud and China* exhibition and related programming, ensured that all activities were offered free of charge. Feedback from participants reflected strong interest and inspiration, particularly arising from the initiative 'Freudian Wisdom for the Times of Turmoil', which had gained popularity during the Covid crisis in China.

The summer saw a return of international students to the Museum, leading to increased interest in bespoke sessions and accessible introductory learning. Partnerships with educational institutions, such as Kensington Park School Sixth Form, supported aspiring students from Eastern Europe.

The Freud Museum collaborated with London South Bank University and the British University in Egypt to develop a successful summer school for female undergraduate psychology students from Egypt, generating income and interest in expanding online learning.

The Museum's engagement with refugee and migrant organisations also expanded during the year under review, focusing on psychological complexities, migration experiences, and Sigmund and Anna Freud's stories. Our online programme "Freudian Wisdom for the Times of Turmoil" continued to engage NHS staff, with plans to expand its reach among non-clinical and administrative staff.

The Freud Museum maintains its commitment to engaging elderly audiences and underserved community groups, with plans to resume the ACE Outreach and Ambassadors Programme, aligning with World Mental Health Day's theme. Efforts to improve accessibility are also ongoing, including provision for SEN/SEND groups. The Museum is also actively engaging young audiences through TikTok and shaping its appeal to this demographic.

The number of group visits from schools was consistently high across the academic year. In the autumn term we welcomed almost 2,000 group visitors, while in the spring term this figure rose to 2,068. Most of the participants were A Level Psychology students who came to the Museum to learn about Sigmund Freud's legacy. Interest in the Museum's bursary scheme, which is made available to schools in which over 30% of pupils are eligible for free school meals and which would not otherwise be able to access our learning offer, also increased. In the autumn term we awarded six bursaries to schools who applied but we realise we must do more to promote the scheme to eligible schools, which will be one of our priorities for next year as well as increasing the number of teaching days of our Education Manager to meet ever growing demand.

Finally, the Director's engagement with the Netherhall Residents Association, who invited him to speak about the Freud Museum as a place of secular, intellectual pilgrimage at their AGM in March 2023, demonstrated the Museum's commitment to positive community relations within the surrounding area. Efforts are being made to engage and include the local community in more of our activities, and all members of the Netherhall Residents Association may visit the Museum for free. Our immediate neighbour Anthony Coles remains ever committed to promoting the Museum's public programme to the local community, and we are extremely grateful to him.

THE FREUD MUSEUM LONDON

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Financial review

Income

This year's total income of £732k is an increase of £102k on the prior year (2022: £630k). Much of this increase resulted from the successful Lucian Freud and Freud's Antiquity exhibitions, whereby admission income for the year of £344k increased by £199k (2022: £145k).

Total grants, together with donations and membership fees totalled £197k, of which £89k were unrestricted, a small reduction on prior year (2022: £228k, of which unrestricted £120k).

Premises hire £66k increased by £14k (2022: £52k) reflecting a full year unaffected by the pandemic.

Public programmes generated £68k, a £34k decrease from prior year (2022: £102k) which reflects declining demand for online events and a slower return to in-house events.

The Museum's trading arm, Freud Museum Enterprises Ltd, has had a strong year, with turnover of £250k a significant increase on prior year (2022: £144k) and gross profit £91k (2022: £66k).

Expenditure

This year's total expenditure of £775k exceeds the prior year by £110k (2022: £665k), a reflection of the increased exhibition and museum activity during the year.

The cost of raising funds has remained similar at £110k (2022: £101k).

The cost of charitable activities is £664k, an increase of £100k on the prior year (2022: £564k) reflecting the increase in museum activities and impacts of staffing changes during the year.

Net position and cash balance

The Museum had net expenditure of £42k in the year (£26k unrestricted and £16k restricted) compared to net expenditure of £35k for the previous year.

The Museum's year-end cash balances decreased by £106k to £298k.

Reserves Policy and Going Concern

The Trustees review our reserves policy every year and our reserves position each quarter. At 31 March 2023 the total funds held by the Museum amounted to £4m (2022 £4.1m). Of these funds, £233k are unrestricted and £3.8m are restricted. The required reserves at 31 March 2023 were £200k which includes three months' operating costs. Free reserves at 31 March 2023 were the £233k unrestricted funds, of which £172K are liquid. Trustees consider that the Museum will have sufficient funds to meet its obligations during the next 12 months and is a going concern.

Investment policy

The Trustees, having regard to the liquidity requirements of operating the museum, have kept a portion of available funds in an interest-bearing deposit account.

THE FREUD MUSEUM LONDON

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Risk management

The Trustees have a risk management strategy which comprises:

- An annual review of the principal risks and uncertainties that the charity face;
- The establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- The implementation of procedures designed to minimise or manage any potential impact on the charity should the elected trustees step down.

This work has identified that financial sustainability is the major financial risk for the charity. A key element in the management of financial risk is a regular review of available liquid funds to settle debts as they fall due, regular liaison with the bank and active management of trade debtors and creditors balances to ensure sufficient working capital by the Museum.

Attention has also been focused on non-financial risks arising from fire, health and safety of patrons, and management of artefacts. These risks are managed by ensuring accreditation is up to date, having robust policies and procedures in place, and regular awareness training for staff working in these operational areas.

Structure, governance and management

The Freud Museum opened to the public in 1986. During the first two decades of its existence, the Museum was constituted as a Charitable Trust, under a Deed of Declaration dated 30 September 1980. In 2004, in accordance with current best practice in the museum world the Trustees of the 1980 Charitable Trust decided to reorganise the Museum and to reconstitute it as a Charitable Company limited by guarantee.

The Freud Museum London was registered on 31 January 2006 as a Charity with the Registration Number 1112854, and on 1 April 2006 received all the assets and liabilities of the 1980 Charitable Trust, including 20 Maresfield Gardens and its contents. This new charitable company is governed by its Memorandum and Articles of Association. These are available from the Charity Commission or from the Company Secretary at 20 Maresfield Gardens.

The Freud Museum is governed by a Board of Directors, known as the Trustees. During the financial year ending 31 March 2023 the following Trustees have held office.

Susan Prevezer KC

Mr D Chambers

(Resigned 8 February 2023)

Miss S Bardgett

Miss W Monkhouse

Mr T Moross

(Resigned 22 November 2022)

Mr A Spiro

Mr S Kon

Miss A Biggs

Mr P Chilton

Juliet Rosenfeld

Anne Worthington

Susanna Abse

Ms L Hillman

Appointment of trustees

When Trustees reach the end of their term of office, the Nominations Committee, a working subcommittee of the Board, is responsible for recruiting new Trustees with appropriate skills. The Nominations Committee makes its recommendations to the full Board for approval.

THE FREUD MUSEUM LONDON

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Organisation

The board of Trustees, which can have up to 13 members, administers the charity. The board normally meets five times a year and there are sub-committees covering a range of issues. A Chief Executive is appointed by the Trustees to manage the day to day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by Trustees, for operational matters including finance, employment and artistic performance related activity.

The Trustees hold board meetings five times a year. At these meetings, which are also attended by the Museum's Director and other staff as necessary, the Trustees review performance, set goals and receive reports from the staff. Future programmes and events are proposed by the Director and confirmed by the Board. Management accounts are prepared each month and monitored and reviewed against the budget set at the beginning of each financial year.

Day-to-day management of the Museum is delegated by the board to the Director. Decisions relating to the Museum's overall strategic direction, to long term financial commitments or to re-structuring of resources are made by the Board following detailed briefing and consultation with the Director and relevant staff.

Trustee Induction and training

New Trustees undergo orientation to brief them on: their obligations under charity law and Charity Commission guidance on public benefit; the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During the Induction day they meet key employees and other Trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Key management personnel:

Giuseppe Albano

Other management personnel

Duncan Lynch

Monica Law

Iveta Rozlapa

Bryony Davies

Francisco da Silva

THE FREUD MUSEUM LONDON

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

A brief biography of all current Trustees is given below:

Sue Prevezer KC (Chair)

Currently practising as an arbitrator and mediator at Brick Court Chambers, Sue has had a distinguished career in commercial and corporate litigation at the Bar and as a solicitor. From 2008 to 2020, Susan was the co-managing partner of the London office of the US litigation law firm, Quinn Emanuel LLP, and since 2018, Sue has been a non-executive director of S4 Capital plc and Bloc Ventures LLP. Sue also sits on the Board of the Hampstead Theatre.

Susanna Abse

Susanna Abse is a psychoanalytic psychotherapist. She was Chair of The British Psychoanalytic Council from 2018-2021 and was CEO of Tavistock Relationships from 2006-16. Alongside her psychotherapy practice, Susanna works as an organisational consultant and coaches senior leaders in the corporate section, the NHS, in charities and higher education. Susanna is also a Senior Fellow of The Tavistock Institute of Medical Psychology; a Fellow of the Centre for Social Policy at Dartington, and Series Co-Editor of "The Library of Couple and Family Psychoanalysis" for Routledge Books. Her first book Tell Me Truth About Love, for Ebury Press was published in May 22 and her other publications include writings for the New Statesman, New Associations and for the Open Society European Policy Institute.

Suzanne Bardgett

Suzanne Bardgett is Head of Research and Academic Partnerships at Imperial War Museums, where she is responsible for initiating research projects across the IWM's remit. Past achievements include leading the team that created the Holocaust Exhibition which ran at IWM London from 2000 to 2021. Suzanne is also Series Editor with Ben Barkow of the Palgrave Macmillan's The Holocaust and its Contexts. Her book, Wartime London in Paintings, about the IWM's officially commissioned paintings of London during the Second World War, was published in 2020, and a further book on the Air War in Paintings will be published by the IWM in 2024.

Anne Biggs

Director of the Jewel in the Strand, a large-scale heritage project, Anne has worked at various cultural organisations including the Philharmonia, Historic Royal Palaces, and English National Ballet. Anne is also on the board of Teatro Vivo. Previously, she mentored through Mentoring Pathways, was an Enterprise Advisor within the Mayor of London's Enterprise Network, and was a Management Committee member of Angelshed, an inclusive theatre company.

Paul Chilton

Fellow of the Royal Institution of Chartered Surveyors and Director of Chilton Associates, a property consultancy. Paul has over 35 years of property experience acting on behalf of a number of UK Charities as well as managing a top 20 firm of Chartered Surveyors.

Louise Hillman

Louise Hillman qualified as a chartered accountant with Deloitte & Touche. Louise worked for Credit Suisse before moving to the social sector, working for an international NGO and a charity which helped others scale their social impact, before taking on her current role as Director of Finance for the Medical Research Foundation.

Stephen Kon

Stephen Kon is a practising solicitor of 40 years standing, specialising in EU and competition law. He was previously an academic in the School of European studies at Sussex University and Senior Partner of a City law firm. He chaired for five years the London Jewish Cultural Centre and is currently a Trustee of the Association of Jewish Refugees

Wendy Monkhouse

Wendy Monkhouse has wide ranging curatorial experience and currently works as Senior Curator (South) for English Heritage. She has worked extensively for the National Trust, historic house museums and as an independent curatorial consultant. She has a PhD in Egyptian Archaeology from University College London, and teaches Egyptian and Near Eastern Archaeology at MA and BA level.

THE FREUD MUSEUM LONDON

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Juliet Rosenfeld

Juliet Rosenfeld is a psychoanalytic psychotherapist and writer who works in London. After Oxford she had a ten year career in advertising and marketing, before working briefly in the Civil Service. Juliet retrained and qualified in 2012 as an integrative psychotherapist and since then has always worked to widen access to psychotherapy, alongside a private practice. She trained at Camden Psychotherapy Unit and the Tavistock Clinic as an honorary psychotherapist and in 2019 was made an elected Board Member of the UKCP (United Kingdom Council of Psychotherapy) representing 12000 psychotherapists. She joined the Freud Museum Board as a clinical trustee in 2021 as her most long standing interest is in psychoanalysis, and how valuable an understanding of our own unconscious is. Serving on the Freud Board she is involved in events that strengthen and maintain Freud's legacy and love of literature. Her second book "Affairs" will be published by Pan Macmillan in 2024.

Anthony Spiro OBE

Anthony is a chartered engineer who worked for a FTSE 100 company principally in financial communications. He is a Justice of the Peace and member of the Independent Monitoring Board at Wandsworth Prison. Anthony is a trustee of the Association of Jewish Refugees and chair of MiD Mediation and Counselling. He was chair of the Wiener Holocaust Library from 2004 to 2018 and was appointed an OBE in the 2021 New Year's Honours List for voluntary service to Holocaust remembrance.

Anne Worthington

Anne is a psychoanalyst and is currently Chair of the Centre for Freudian Analysis & Research and a member of the College of Psychoanalysts UK and the Guild of Psychotherapists.

Related parties and co-operation with other organisations

None of our Trustees receive remuneration or other benefit from their work with the charity. Any connection between a Trustee and senior manager of another museum must be disclosed to the full board of Trustees in the same way as any other contractual relationship with a related party. In the year under review, no such related party transactions were reported.

Pay policy for senior staff

The board considers that its members, who are the Trust's Trustees, and the senior management team comprise the key management personnel in charge of directing and controlling, running and operating the charitable trust on a day to day basis. All Trustees give of their time freely and no Trustee received remuneration in the year. Details of any Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of the staff is reviewed annually and normally increased in accordance with inflation. In view of the nature of the charity, the Trustees benchmark against pay levels in other museums of similar size.

Auditor

In accordance with the company's articles, a resolution proposing that SBM Associates Limited be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditors

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

THE FREUD MUSEUM LONDON

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) ***FOR THE YEAR ENDED 31 MARCH 2023***

The Trustees' report was approved by the Board of Trustees.

Susan Prevezer KC
Trustee

20 September 2023

THE FREUD MUSEUM LONDON

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

The Trustees, who are also the directors of The Freud Museum London for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the museum and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the museum will continue in operation.

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

THE FREUD MUSEUM LONDON

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE FREUD MUSEUM LONDON

Opinion

We have audited the financial statements of The Freud Museum London (the 'museum') for the year ended 31 March 2023 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows 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 charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, 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 museum 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 museum's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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 within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE FREUD MUSEUM LONDON

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE FREUD MUSEUM LONDON

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the museum for the purpose 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 museum's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the 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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

THE FREUD MUSEUM LONDON

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE FREUD MUSEUM LONDON

Our approach was as follows:

To identify risks of material misstatement due to irregularities we assessed events or conditions that could lead to irregularities. Our risk assessment procedures included:

- Enquiring of Trustees and management and inspection of policy documentation as to the Charity's high-level policies and procedures to prevent and detect irregularities, as well as whether they have knowledge of any actual, suspected, or alleged fraud or breaches of relevant laws and regulations.
- Reading Board minutes.
- Using analytical procedures to identify any usual or unexpected relationships.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience through discussion with the Trustees and management (as required by auditing standards). We communicated with the Trustees and management the policies and procedures in place regarding compliance with laws and regulations.

We identified the legal and regulatory frameworks that are applicable to the entity and determined that the most significant are those that relate to the Charities Act 2011, The Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (the SORP), and relevant tax legislation.

In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. We identified the following areas as those most likely to have such an effect: health and safety and employment law, recognising the nature of the Charity's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will cannot be relied upon to detect that breach.

We communicated identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above and assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The engagement partner considers the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

As required by auditing standards and considering possible pressures to meet internal key performance indicators and our knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that income is recorded in the incorrect accounting period and the risk that management may be in a position to make inappropriate accounting entries.

THE FREUD MUSEUM LONDON

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE FREUD MUSEUM LONDON

We assessed the risks of material misstatement in respect of fraud as follows:

- Our audit team discussed whether there were any areas that were susceptible to misstatement as part of our discussion on fraud.
- We challenged assumptions and judgements made by management in their significant accounting estimates and judgements.

Based on the results of our risk assessment we designed our audit procedures to identify and to address material misstatements in relation to fraud, including, designing appropriate audit procedures, including:

- Incorporating an element of unpredictability in the selection of the nature, timing, and extent of our audit procedures.
- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation;
- Inspecting the relevant income agreements and their accounting to confirm their recognition in line with the SORP for different revenue streams;
- Inspecting stock count sheets;
- Obtaining third party bank confirmations; and
- Assessing the design and effectiveness of controls in place over areas such as procurement and cash.

We considered the extent to which the audit was considered capable of detecting irregularities: There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentation, or through collusion.

A further description of our responsibilities is available on the FRC's website at:

<https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/descriptionof-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Stephen McAlpine (Senior Statutory Auditor)
for and on behalf of SBM Associates Limited

9 November 2023

Chartered Accountants
Statutory Auditor

24 Wandsworth Road
London
SW8 2JW

SBM Associates Limited is eligible for appointment as auditor of the museum by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE FREUD MUSEUM LONDON

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

Current financial year

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
<u>Income and endowments from:</u>					
Donations and legacies	3	89,625	107,581	197,206	228,394
Income from charitable activities	4	412,309	-	412,309	246,563
Income from other trading activities	5	76,259	-	76,259	53,044
Investment income	6	1,681	-	1,681	52
Management fees		45,000	-	45,000	23,500
Other income	7	-	-	-	78,778
Total income		624,874	107,581	732,455	630,331
<u>Expenditure on:</u>					
Costs of raising funds	8	71,014	38,753	109,767	101,199
Cost of charitable activities	9	626,692	37,108	663,800	563,848
Other	12	979	-	979	-
Total expenditure		698,685	75,861	774,546	665,047
Net (outgoing)/incoming resources before transfers		(73,811)	31,720	(42,091)	(34,716)
Gross transfers between funds		48,126	(48,126)	-	-
Net expenditure for the year/ Net movement in funds		(25,685)	(16,406)	(42,091)	(34,716)
Fund balances at 1 April 2022		258,929	3,868,673	4,127,602	4,162,318
Fund balances at 31 March 2023		233,244	3,852,267	4,085,511	4,127,602

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE FREUD MUSEUM LONDON

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

Prior financial year

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
<u>Income and endowments from:</u>				
Donations and legacies	3	119,138	109,256	228,394
Income from charitable activities	4	246,563	-	246,563
Income from other trading activities	5	53,044	-	53,044
Investment income	6	52	-	52
Management fees		23,500	-	23,500
Other income	7	78,778	-	78,778
Total income		521,075	109,256	630,331
<u>Expenditure on:</u>				
Costs of raising funds	8	34,263	66,936	101,199
Cost of charitable activities	9	510,263	53,585	563,848
Total expenditure		544,526	120,521	665,047
Net (outgoing)/incoming resources before transfers		(23,451)	(11,265)	(34,716)
Net expenditure for the year/ Net movement in funds		(23,451)	(11,265)	(34,716)
Fund balances at 1 April 2021		282,380	3,879,938	4,162,318
Fund balances at 31 March 2022		258,929	3,868,673	4,127,602

THE FREUD MUSEUM LONDON

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	14	3,765,109		3,762,973	
Investments	15	100		100	
		<u>3,765,209</u>		<u>3,763,073</u>	
Current assets					
Stocks	16	4,440		4,830	
Debtors	17	118,854		75,006	
Cash at bank and in hand		298,436		404,857	
		<u>421,730</u>		<u>484,693</u>	
Creditors: amounts falling due within one year	19	(77,332)		(86,398)	
Net current assets		<u>344,398</u>		<u>398,295</u>	
Total assets less current liabilities		<u>4,109,607</u>		<u>4,161,368</u>	
Creditors: amounts falling due after more than one year	20	(24,096)		(33,766)	
Net assets		<u><u>4,085,511</u></u>		<u><u>4,127,602</u></u>	
Income funds					
Restricted funds	23	3,852,267		3,868,673	
General unrestricted funds		233,241		258,926	
Members funds		3		3	
		<u><u>4,085,511</u></u>		<u><u>4,127,602</u></u>	

THE FREUD MUSEUM LONDON

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2023

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 20 September 2023

Susan Prevezer KC
Trustee

Company registration number 5467415

THE FREUD MUSEUM LONDON

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash absorbed by operations	27		(84,354)		(63,652)
Investing activities					
Purchase of tangible fixed assets		(14,078)		(1,822)	
Investment income received		1,681		52	
Net cash used in investing activities			(12,397)		(1,770)
Financing activities					
Repayment of bank loans		(9,670)		(7,901)	
Net cash used in financing activities			(9,670)		(7,901)
Net decrease in cash and cash equivalents			(106,421)		(73,323)
Cash and cash equivalents at beginning of year			404,857		478,180
Cash and cash equivalents at end of year			298,436		404,857

THE FREUD MUSEUM LONDON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

The Freud Museum London is a private company limited by guarantee incorporated in England and Wales. The registered office is 20 Maresfield Gardens, London, NW3 5SX.

1.1 Accounting convention

The financial statements have been prepared in accordance with the museum's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The museum is a Public Benefit Entity as defined by FRS 102.

The Museum is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties. The principal accounting policies adopted are set out below.

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The Company has therefore taken advantage of the exemptions provided by section 405 of the Companies Act 2006 not to prepare group accounts.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the museum has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

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

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the museum is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the museum has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor (s) to the Museum that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

THE FREUD MUSEUM LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised and refer to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Income from government and other grants, whether 'capital' grants or 'revenue' grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Resources expended comprise of the following:

- The costs of activities in furtherance of the charity's objectives comprise expenditure on the charity's primary purpose as described in the Report of the Trustees.
- Costs of raising funds comprise the costs of commercial trading including the shop and their associated support cost.

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Allocation of support costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity, it is necessary to provide support in the form of financial procedures, provision of office services and equipment and a suitable working environment.

Management and administration costs include expenditure to ensure compliance with constitutional and statutory requirements.

THE FREUD MUSEUM LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

The bulk of the Museum's fixed assets are historic and inalienable. They consist of the freehold property occupied by the Museum at 20 Maresfield Gardens, and the Collection held by the Museum. The building was the home of Sigmund Freud in 1938 and 1939 and the place of his death, and subsequently the home of his daughter Anna Freud. It was purchased from Miss Freud at a cost of £70,000 on September 30 1980, and formed the principal asset of the Charitable Trust established by a Deed of Declaration of Trust by Sigmund Freud Archives Inc. The contents include the library, personal effects, and collection of antiquities formerly owned by Sigmund Freud and bequeathed to the Trust on the death of Miss Freud in 1982.

In the spring of 2005, the Charity commissioned an external valuation of 20 Maresfield Gardens from Stiles Harold Williams, a firm of chartered surveyors. Made in accordance with the Practice Statements in the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors, their report dated 7 April 2005 appraised the market value of the freehold interest at £3.75m. In view of the high standard of physical maintenance of 20 Maresfield Gardens and the prime quality of the house as a residential property in a sought-after part of London, the Trustees consider that it is unlikely that the value of the asset has declined since 2005. In the light of the high cost of valuation fees, the Trustees have decided that to conduct a new valuation would bring no commensurate benefit of a kind which would promote the objects of the charity.

This valuation was valid at 1st April 2016 and is considered the deemed cost under FRS 102 transitional requirements of the property going forward.

No value is attributed in the balance sheet to the Collection. Under FRS 102 and the SORP transitional rules, non-capitalisation is permitted if the value to the charity cannot be estimated, or where the cost of obtaining a valuation is burdensome. The Collection consists of a very large number of items, which would be costly to value individually, with no commensurate benefit to the Objects of the Charity.

The Museum has maintained since 1985 an Acquisitions and Disposals Policy in accordance with its stated objects. This was superseded in March 2005 by a new policy, modelled on the standard wording recommended by the Museums, Libraries and Archives Council. Detailed guidelines and procedures regulate disposals. These include a provision that no material shall be de-accessioned purely for financial gain, and a requirement that acquisitions or disposals should first be subject to discussion with a number of other specified museums and archives with objects and collections similar to the Freud Museum's. A copy of the policy may be obtained on written request from the Trustees.

The freehold property has a useful life in excess of 50 years and is subject to an annual impairment review. Hence no depreciation is provided.

Other tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	20% Straight Line
Office equipment	20% Straight Line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

A subsidiary is an entity controlled by the museum. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

THE FREUD MUSEUM LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting end date, the museum reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The museum has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the museum's balance sheet when the museum becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the museum's contractual obligations expire or are discharged or cancelled.

THE FREUD MUSEUM LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the museum is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the museum's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

THE FREUD MUSEUM LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Donations and gifts	46,036	-	46,036	30,204	-	30,204
Grants receivable	17,227	107,581	124,808	68,708	109,256	177,964
Membership fees	26,362	-	26,362	20,226	-	20,226
	<u>89,625</u>	<u>107,581</u>	<u>197,206</u>	<u>119,138</u>	<u>109,256</u>	<u>228,394</u>

THE FREUD MUSEUM LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

3	Donations and legacies				(Continued)
	Grants receivable for core activities				
	Arts Council England/Culture Recovery Fund	-	-	-	40,000
	Arts Council England/ Outreach and Ambassadors	-	-	-	4,050
	Botsiber Foundation - Muriel Gardiner project	-	-	-	6,034
	Joir & Kato Weisz Foundation - Ferenczi project	-	-	-	1,200
	Robert H.N. Ho Family Foundation	-	41,177	41,177	44,053
	Marie-Louise von Motesiczky Charitable Trust	-	-	-	2,921
	New Land Foundation - Muriel Gardiner Book	-	-	-	3,857
	Rothschild Foundation Hanadiv Europe	-	-	-	7,141
	Tangent	-	20,000	20,000	-
	King's College London	-	4,987	4,987	-
	University College London	-	7,990	7,990	-
	University of Houston	-	2,427	2,427	-
	Rothschile Foundation	-	25,000	25,000	-
	Judith Szekacs	3,150	-	3,150	-
	Pilar Ordovas	5,000	-	5,000	-
	Museum of London	3,400	-	3,400	-
	Coronavirus Job Retention Scheme	-	-	-	46,099
	Camden Council Coronavirus Relief	-	-	-	22,000
	Other	-	6,677	6,677	609
		11,550	113,258	124,808	109,256
					177,964

THE FREUD MUSEUM LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

4 Income from charitable activities

	2023 £	2022 £
Admissions	344,269	144,813
Public programmes	68,040	101,750
	<u>412,309</u>	<u>246,563</u>

5 Income from other trading activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Premises hire	66,130	51,711
Sponsorships and social lotteries	1,300	-
Sundry income	8,829	1,333
	<u>76,259</u>	<u>53,044</u>
Income from other trading activities		

6 Investment income

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Interest receivable	1,681	52

7 Other income

	Total Unrestricted funds 2023 £	Total Unrestricted funds 2022 £
Insurance claim	-	78,778

THE FREUD MUSEUM LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

8 Costs of raising funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
<u>Fundraising and publicity</u>						
Programmes	59,999	32,355	92,354	19,885	54,375	74,260
Archive and conservation	2,461	6,398	8,859	731	4,577	5,308
Marketing	8,554	-	8,554	13,647	7,984	21,631
Fundraising and publicity	71,014	38,753	109,767	34,263	66,936	101,199
	71,014	38,753	109,767	34,263	66,936	101,199

THE FREUD MUSEUM LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

9 Cost of charitable activities

	2023 £	2022 £
Staff costs	509,276	447,267
Depreciation and impairment	11,942	10,483
Insurance and security	49,388	15,963
Light and heat	9,266	6,954
Repairs, maintenance and cleaning	14,530	23,451
Travelling & entertainment	442	41
Telephone	5,151	4,945
Computer running costs	19,064	12,134
Printing, postage and stationery	3,139	3,238
Hire of equipment	1,131	1,094
Professional and consultancy fees	18,825	20,251
Auditors remuneration	6,669	8,112
General expenses	3,948	1,599
Subscriptions	1,206	1,963
Bank & other charges	2,650	2,776
Bad debts	1,266	(728)
Other charitable expenditure	5,907	4,305
	<u>663,800</u>	<u>563,848</u>
Analysis by fund		
Unrestricted funds	626,692	510,263
Restricted funds	<u>37,108</u>	<u>53,585</u>
	<u>663,800</u>	<u>563,848</u>

10 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the museum during the year.

THE FREUD MUSEUM LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

11 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
	19	17
	<u> </u>	<u> </u>
Employment costs	2023	2022
	£	£
Wages and salaries	468,833	411,780
Social security costs	31,337	28,063
Other pension costs	9,106	7,424
	<u> </u>	<u> </u>
	509,276	447,267
	<u> </u>	<u> </u>

Ex-gratia payments totalling £nil (2022: £22,800) were made during the year.

There were no employees whose annual remuneration was more than £60,000.

12 Other

	Unrestricted funds	Total
	2023	2022
	£	£
Financing costs	979	-
	<u> </u>	<u> </u>
	979	-
	<u> </u>	<u> </u>

13 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

THE FREUD MUSEUM LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

14 Tangible fixed assets

	Freehold property £	Collection acquisitions £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 April 2022	3,750,000	700	92,186	91,082	3,933,968
Additions	-	-	7,598	6,480	14,078
At 31 March 2023	3,750,000	700	99,784	97,562	3,948,046
Depreciation and impairment					
At 1 April 2022	-	-	92,186	78,809	170,995
Depreciation charged in the year	-	-	158	11,784	11,942
At 31 March 2023	-	-	92,344	90,593	182,937
Carrying amount					
At 31 March 2023	3,750,000	700	7,440	6,969	3,765,109
At 31 March 2022	3,750,000	700	-	12,273	3,762,973

15 Fixed asset investments

	Other investments
Cost or valuation	
At 1 April 2022 & 31 March 2023	100
Carrying amount	
At 31 March 2023	100
At 31 March 2022	100

	Notes	2023 £	2022 £
Other investments comprise:			
Investments in subsidiaries	26	100	100

THE FREUD MUSEUM LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

16 Stocks

	2023 £	2022 £
Finished goods and goods for resale	4,440	4,830

17 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	20,598	8,075
Amounts owed by subsidiary undertakings	17,703	13,404
Other debtors	57,636	47,192
Prepayments and accrued income	22,917	6,335
	118,854	75,006

18 Loans and overdrafts

	2023 £	2022 £
Bank loans	32,429	42,099
Payable within one year	8,333	8,333
Payable after one year	24,096	33,766

A Bounce Back loan of £50,000 was taken out in June 2020. No repayment was required, and no interest accrued, for the first 12 months of the loan up to June 2021. The loan is repayable within 5 years from June 2021 and incurs interest at a rate of 2.5% per annum. Repayments are made by monthly instalments.

THE FREUD MUSEUM LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

19 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans	18	8,333	8,333
Other taxation and social security		11,582	8,979
Deferred income	21	2,989	46,303
Trade creditors		22,203	10,901
Other creditors		5,714	3,875
Accruals and deferred income		26,511	8,007
		<u>77,332</u>	<u>86,398</u>

20 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans	18	<u>24,096</u>	<u>33,766</u>

21 Deferred income

	2023 £	2022 £
Other deferred income	<u>2,989</u>	<u>46,303</u>

Deferred income is included in the financial statements as follows:

	2023 £	2022 £
Deferred income is included within:		
Current liabilities	<u>2,989</u>	<u>46,303</u>
Movements in the year:		
Deferred income at 1 April 2022	46,303	84,629
Released from previous periods	(43,314)	(41,898)
Resources deferred in the year	<u>-</u>	<u>3,572</u>
Deferred income at 31 March 2023	<u>2,989</u>	<u>46,303</u>

THE FREUD MUSEUM LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

22 Retirement benefit schemes

Defined contribution schemes

The museum operates a workplace pension scheme through the National Employee Savings Trusts (NEST) for all qualifying employees.

The charge to profit or loss in respect of defined contribution schemes was £9,106 (2022 - £7,424).

THE FREUD MUSEUM LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

23 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2021 £	Movement in funds			Balance at 1 April 2022 £	Movement in funds			Transfers £	Balance at 31 March 2023 £
		Incoming resources £	Resources expended £			Incoming resources £	Resources expended £			
150 Appeal	8,326	-	(3,420)		4,906	-	-		(4,906)	-
Neil Kreitman Foundation	21,974	-	(5,736)		16,238	-	(5,712)		(10,527)	-
Judith Nowack Foundation	7,385	-	-		7,385	-	-		(7,385)	-
Freud Antiquity Exhibition	-	-	-		-	15,404	(15,404)		-	-
Lucian Freud Exhibition	-	-	-		-	31,000	(31,000)		-	-
Ho Foundation - Freud in China	-	44,053	(44,053)		-	41,177	(15,868)		(25,309)	-
Arts Council England	-	40,000	(40,000)		-	-	-		-	-
Other	-	18,061	(18,061)		-	-	-		-	-
Total Development Project	92,253	7,142	(9,251)		90,144	20,000	(7,877)		-	102,267
Freehold reserve	3,750,000	-	-		3,750,000	-	-		-	3,750,000
	3,879,938	109,257	(120,521)		3,868,673	107,581	(75,861)		(48,126)	3,852,267

Detailed analysis of Development Project Fund:

New- Land Foundation	39,242	-	(2,109)		37,133	-	(7,877)		-	29,256
Tangent	20,000	-	-		20,000	20,000	-		-	40,000
Anna Freud Foundation	2,011	-	-		2,011	-	-		-	2,011
Lord Freud	12,500	-	-		12,500	-	-		-	12,500
The Joir and Kato Weisz Foundation	10,000	-	-		10,000	-	-		-	10,000
MJ Samuel Charitable Trust	8,500	-	-		8,500	-	-		-	8,500
Rothschild Foundation	-	7,142	(7,142)		-	-	-		-	-
	92,253	7,142	(9,251)		90,144	20,000	(7,877)		-	102,267
Total Development Project Fund										

THE FREUD MUSEUM LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

24 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Fund balances at 31 March 2023 are represented by:						
Tangible assets	85,109	3,680,000	3,765,109	82,973	3,680,000	3,762,973
Investments	100	-	100	100	-	100
Current assets/(liabilities)	172,131	172,267	344,398	210,860	187,435	398,295
Long term liabilities	(24,096)	-	(24,096)	(33,766)	-	(33,766)
	<u>233,244</u>	<u>3,852,267</u>	<u>4,085,511</u>	<u>260,167</u>	<u>3,867,435</u>	<u>4,127,602</u>

25 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023	2022
	£	£
Aggregate compensation	<u>40,231</u>	<u>29,306</u>

26 Subsidiaries

Details of the museum's subsidiary at 31 March 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Freud Museum Enterprises Limited	England and Wales	Operates the gift shop within the Freud Museum and hosts events.	Ordinary	100.00

At the year end, in addition to the balances noted at note 17 above, there was the following balance with the subsidiary were included in the accounts:

Trade debtors - £468 (2022: £Nil).

During the year the charity received management fees of £45,000 (2022: £23,500) and a donation of £19,229 (£15,000) from Freud Museum Enterprises Limited.

THE FREUD MUSEUM LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

27 Cash generated from operations	2023 £	2022 £
Deficit for the year	(42,091)	(34,716)
Adjustments for:		
Investment income recognised in statement of financial activities	(1,681)	(52)
Depreciation and impairment of tangible fixed assets	11,942	10,483
Movements in working capital:		
Decrease in stocks	390	450
(Increase)/decrease in debtors	(43,848)	28,118
Increase/(decrease) in creditors	34,248	(29,609)
(Decrease) in deferred income	(43,314)	(38,326)
Cash absorbed by operations	(84,354)	(63,652)
28 Analysis of changes in net funds		
	At 1 April 2022 £	Cash flowsAt 31 March 2023 £
Cash at bank and in hand	404,857	(106,421) 298,436
Loans falling due within one year	(8,333)	- (8,333)
Loans falling due after more than one year	(33,766)	9,670 (24,096)
	<u>362,758</u>	<u>(96,751)</u> <u>266,007</u>