

CHARLES DICKENS MUSEUM
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

Charles Dickens Museum

CHARLES DICKENS MUSEUM

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CHARLES DICKENS MUSEUM

CHAIR'S STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

As I look back over the past year, I am heartened by the knowledge that the cautious optimism with which we faced 2021/22 was not misplaced, even if the journey has entailed navigating further challenges around the COVID-19 pandemic alongside national and global political and economic uncertainty.

In times like these, we need the insight, comfort and humour of Charles Dickens more than ever, and this has been reinforced by the welcome return of visitors to the Charles Dickens Museum from across the United Kingdom and around the world.

Support from the Culture Recovery Fund enabled us to reopen successfully as soon as we were allowed in May 2021, and to adapt quickly and effectively to changing circumstances as the year progressed. Audiences gradually increased as restrictions eased, and we were delighted to be able to reintroduce onsite school visits and public events in the autumn, while continuing to offer online content and activities for those unable to reach the Museum in person.

We continued the enriching and uplifting work with our local community, providing a range of ways for people to engage with the Museum team and collection, as visitors, participants, volunteers and partners. This, together with a process of internal review and reflection, helped to inform the development of our strategic plan for the next five years, during which the Museum will celebrate its centenary.

During the year, we said goodbye to Louisa Price, our Curator from 2014 to 2021, who is taking time away from work to care for her young family. Louisa made a significant contribution to the development of the collection and to advancing access across all levels of interest. We also bid farewell to Sarah Hutton who relocated to the West Country. Sarah led the remarkable transformation of our learning and engagement work over the past five years.

I am grateful to my Board colleagues for their dedication, advice and support throughout another challenging year, and for the leadership of the Museum's Director, Cindy Sughrue, who leads an outstanding team of staff and volunteers with energy, purpose, creativity, and skill.

Lycia Lobo

Chair

Dated: 15 September 2022

CHARLES DICKENS MUSEUM

TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The Trustee presents its report and financial statements for the year ended 31 March 2022. The Trustee has adopted the provisions of 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 2015).

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's governing document, the Charities Act 2011 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 (FRS 102)" (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The object of the charity is to promote, encourage, maintain, improve and advance education of the public in the life and works of Charles Dickens and to establish and maintain the property at 48-49 Doughty Street in the London Borough of Camden as a Museum to house and preserve all articles having connection with Charles Dickens.

The Charles Dickens Museum has Accredited Museum status and aims to be the leading centre for the study, appreciation and enjoyment of Charles Dickens's life and work. 48 Doughty Street is the only remaining house of Charles Dickens in London and the one in which he began married life, became established as a writer, and rose rapidly to international fame. The Charles Dickens Museum houses the world's finest and most comprehensive collection of material relating to Charles Dickens with over 100,000 items including furniture, personal effects, paintings, prints, photographs, letters, manuscripts, and rare editions. A temporary exhibition programme enhances and complements the Museum's permanent displays.

Public benefit

The Directors of the Trustee have referred to the Charity Commission's general guidance on public benefit, have considered their public benefit obligations under charity law, and believe that they comply with those obligations.

Volunteers

Our volunteers are drawn from a wide range of people, from local residents and students, to retired people with a wealth of knowledge of Dickens and the heritage sector. They are essential to the daily running of the Museum and take on a variety of roles. Many serve as room stewards, who act as guardians of the collection, but equally importantly engage with and inform the visiting public. We also have volunteers who work with the curatorial and learning teams, and others who maintain the Museum's garden.

The COVID-19 pandemic and associated forced closure periods meant that our volunteer programme was interrupted for the whole of 2020/21 and into the start of this year. Although volunteering opportunities were significantly reduced during that time, we kept in touch through a series of virtual talks that provided opportunities to socialise, as well as developed knowledge of different aspects of Dickens's life and work. Nearly all of our volunteers returned to service as soon as the Museum was allowed to reopen in May 2021, and we were pleased to welcome a number of new people to the team. We restarted our structured induction programme, and we continue to offer people keen to embark on a career in museums the opportunity to develop skills for future paid employment.

CHARLES DICKENS MUSEUM

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

ACHIEVEMENT AND PERFORMANCE

Operating environment

The year began shortly after the UK Government published its 'Living with COVID-19' plan, setting out the timeline and conditions for removing the remaining legal restrictions, while the vaccination programme continued to rollout and the development of treatments for severe illness progressed. We were still in our third and lengthiest period of forced closure and had just secured a second grant from the Culture Recovery Fund, administered by Arts Council England on behalf of the Government's Department for Digital, Culture, Media & Sport, in recognition of the ongoing impact of the COVID-19 pandemic. This £111,000 grant supported the Museum to reopen when allowed to do so (week commencing 17 May 2021) and adapt its activities and services as necessary.

Anticipating that the recovery from the impact of the pandemic would be protracted, and possibly interrupted again, we planned online delivery of a range of vital audience engagement activity – and income streams – for the remainder of 2021/22 while strongly promoting general admission visits and onsite experiences.

The emergence of the COVID-19 Omicron variant in November 2021 sparked renewed concern and speculation about a further lockdown in the UK. Although a number of restrictions were re-introduced, which significantly impacted visitor numbers throughout the remainder of the year, and particularly during the festive season – usually our busiest and most lucrative period – there were no further forced closures. As it became clear that the Omicron variant was milder than the previous Delta variant, visitor confidence slowly began to improve, and the removal of all remaining travel restrictions in England on 18 March 2022, exactly two years after the Museum first closed its doors due to the pandemic, marked a key milestone in the recovery process.

CHARLES DICKENS MUSEUM

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Charitable activities

Despite the continued impact of the Covid-19 pandemic on our operations during 2021/22, our Strategic Plan 2019/20-2021/22 remained a relevant overarching strategic framework for the Museum. We continued to adapt our operating model as required by circumstances, gradually increasing onsite activity and staffing.

Ahead of reopening on 19 May 2021, we continued to engage with the public through live virtual sessions, including school learning sessions, volunteer webinars, Easter holiday activities for families and, streamed live from Dickens's house at 48 Doughty Street, 'An Audience with Simon Callow', which included dramatic readings, personal reflections and unique insights into Dickens's life and work.

We reopened operating five days per week, Wednesdays to Sundays, with full access to our permanent displays and special exhibition, and we reintroduced local walking tours and our onsite school programme, which enjoyed some take-up during the remaining school term from nearby schools. We continued to offer online learning sessions alongside onsite school visits, which dramatically gathered pace in the autumn term, returning to pre-pandemic levels.

We reintroduced onsite events during the autumn but continued online delivery to retain and further develop audiences unable to visit and to provide supplementary income while onsite attendance recovered. We continued to create content for the 'Explore' section of our website and to add material to our Collections Online database.

Although onsite visitor numbers slowly increased throughout the year, ongoing social distancing measures, travel restrictions, limited international tourism, and other pandemic effects, such as loss of visitor confidence, meant that onsite visitor numbers continued to track well below pre-pandemic levels, reaching only 19,509 and averaging 35% of normal. However, the Museum continued to benchmark well against other central London museums and heritage sites of a similar scale, as well as against the national museums and galleries, some of which reached only 20-30% of pre-pandemic levels.

In addition to paid visits through general admission, school sessions and family events, we offered free entry opportunities to our local community through a targeted mailing over the Late May Bank Holiday weekend. Fully booked days ahead, this brought forth an enormous groundswell of interest and demonstrated the diversity of our community and the affection and affinity there is both for Dickens and the Museum. We have extended this through the offer of free annual membership for people living in the vicinity.

We also continued to provide a free interactive digital tour on our website, and a free downloadable audio-described tour to enhance the experience of people with visual impairments.

Our website attracted 117,863 unique users during the year and our social media platforms achieved nearly 49,805 followers, an increase of 13%.

We use a variety of criteria and measures to assess our success including visitor numbers, visitor feedback (comments book, post-visit survey, TripAdvisor reviews), learning activity evaluation, website traffic and social media engagement.

CHARLES DICKENS MUSEUM

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Exhibitions

In addition to permanent displays, CDM presents an ongoing series of special exhibitions that allow for in-depth exploration of themes and for the contemporary relevance of Dickens's work to be drawn out. Special exhibitions are central to our audience development strategy, encouraging repeat visits, attracting different audiences, and providing opportunities for new learning and engagement activities. Exhibitions also drive press coverage, which in turn boosts the Museum's visibility and profile, as demonstrated by our track-record in achieving substantial national and international media exposure.

Due to pandemic-linked forced closure periods during 2020/21, amounting to 36 weeks, we decided to extend the run of the exhibition *Technicolour Dickens: The Living Image of Charles Dickens* by four weeks to 16 June 2021. The central theme of the exhibition was seeing Dickens in colour, bringing to life the many vivid contemporary descriptions of Dickens and creating new, highly detailed colourised images based on in-depth archive research aligned to the latest digital technology, giving new clarity to historical photographs. The quality and impact of the new colourised images exceeded expectations, bringing the author to life in a visceral way that extended visitors' dwell time and elicited the most comments, especially around the emotional connection of seeing a 'real' person.

The four-week extension added a further 1,980 visitors to the 3,135 who attended in 2020/21.

Our new special exhibition for 2021/22 was *More! Oliver Twist, Dickens and Stories of the City*, which opened on 30 June 2021 and ran until 13 March 2022. It celebrated one of Dickens's greatest tales in the place where it was created and explored the characters, events, places and personal tales of triumph and tragedy that inspired and shaped *Oliver Twist*, the novel that made Charles Dickens a household name across the world. With connections to the local area that can still be seen today, this novel was pioneering both in placing a child at its centre and in portraying the reality of contemporary life in London, including poverty and crime.

In developing this project, we continued our work to strengthen our relationship with our local community, inviting them to get involved, from the outset, in developing the exhibition themes and content, through a series of online and onsite workshops. In addition to a community forum open to all, we involved two local schools and an older people's support group, providing some of the first opportunities for people to re-engage with social and cultural life after the third and longest pandemic lockdown.

In line with our commitment to addressing racism in Dickens's work, the exhibition included the anti-Semitic portrayal of Fagin and the remarkable efforts of Eliza Davis in challenging Dickens to understand the impact, which Dickens did and made amends. Coinciding with the publication of a new children's book on the subject, *Dear Mr Dickens*, we worked with the author, Nancy Churnin, and the Jewish Museum in London to develop a new school session, which continues as part of our ongoing schools programme.

The exhibition, which was attended by 16,592 people, secured a wide range of national and international media coverage including articles in *The Independent*, *The Guardian*, *The Times*, *The Daily Telegraph*, *The Daily Mail*, *The Observer*, and packages on BBC London News and BBC Radio 4's 'Front Row', as well as coverage in news media in the USA, Europe, China, the UAE, and New Zealand. The 'Dear Mr Dickens' school session attracted interest from the Jewish press in the UK and internationally, including coverage in *The Jewish Chronicle* (UK), *The Times of Israel*, *The Algemeiner* and *Cleveland Jewish News* (both USA).

As the year came to an end, we prepared for the next special exhibition *Picturing Pickwick: The Art of 'The Pickwick Papers'* which opened on 6 April 2022 and runs until 11 September 2022. It explores the connection between Dickens's first novel, *The Pickwick Papers*, and illustration, as well as the rise of a phenomenon that continues today, the appreciation society or fan club. The exhibition features the earliest known Pickwick Club minute book, dating from 1837, alongside contemporary club memorabilia and an array of illustrations spanning nearly a century.

CHARLES DICKENS MUSEUM

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Collection Care & Development

Preventative and remedial conservation work on the collection and building continued during the year, and we optimised the forced closure period for work that would have been difficult to undertaken when operating normally, including refurbishing internal staircases and bannisters.

Following the quinquennial inspection to assess the entire fabric of the building and outline a programme of renewals and repairs, we prepared a timeline for works over the next five years and designated funds accordingly.

We completed the planned replanting scheme in the walled garden to reflect more closely Dickens's own horticultural interests and taste, and we are extremely grateful to our garden volunteers for undertaking day-to-day maintenance.

We continued to extend our collection reach and impact by progressing digitisation and adding content to our Collections Online database. This work has been significantly boosted by a generous grant from the Murray Family, which is supporting a fulltime Collection Cataloguer to help clear the cataloguing backlog, an essential foundation on which further access to the collection depends. As the content on our collection database grows, we are already seeing further benefits, including licensing opportunities and increased researcher, image and loan requests. It remains our aspiration to have a substantial portion of the collection online by the time the Museum reaches its centenary in 2025.

Although the nature and pace of recovery from the pandemic means we have been unable to pursue acquisitions as actively as before, we continued to develop the collection through accepting several important donations, including:

- a substantial scrapbook compiled by one of Charles Dickens's great-granddaughters, which offers an interesting insight into the family and Dickens's legacy;
- a range of memorabilia from the oldest extant Pickwick Club, the Pickwick Bicycle Club, formed two weeks after Dickens's death in 1870;
- a small archive and two original sketches by Percy Home of Dickens's home at No 1 Devonshire Terrace, where he and his family lived from December 1839 until November 1851. These items show how Dickens's legacy was tied to the property until its demolition in 1957.

Education & Engagement

The Museum aims to be the world's leading centre for the study, appreciation and enjoyment of Charles Dickens's life and works. Our activities are targeted at all users and visitors, from children to academics and researchers, and with a view to ensuring that those who engage with the Museum and its work reflect the diversity of our community.

Our suite of sessions for UK schools, which spans Key Stage 1 through to Key Stage 5, provides clear links to the National Curriculum and to individual examination boards. In addition to perennial content, we continued to integrate special exhibition themes and material. However, the delivery of our schools programme was again disrupted by the ongoing impact of the COVID-19 pandemic and, despite offering online and outreach options as well as onsite sessions, there were few bookings until October 2021, at which point demand returned rapidly to pre-pandemic levels.

Our school sessions continued to be very well received, with formal feedback consistently achieving ratings of 'very good' or 'excellent'. Over the course of the year, we reached 2,247 children and young people in formal school settings, a fourfold increase on the previous year, and 66% of pre-pandemic levels.

CHARLES DICKENS MUSEUM

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Education & Engagement (continued)

In addition to family trails and interactives onsite, we continued to expand the family content on the 'Explore' section of our website, all of which is free to access and includes audio-described and British Signed Language signed content. Our family and community engagement activity continued both online and onsite, which received consistently excellent ratings from parents/carers and children alike, with 37 sessions benefitting 236 people onsite and reaching around 30 households online.

We continued to offer specialist sessions for undergraduate students and for overseas education groups through a combination of onsite and virtual delivery.

During 2021/22, despite the impact of the pandemic, the Museum continued to partner the University of Buckingham in delivering the MA in Dickens Studies, now in its sixth year. We remain grateful to Prof John Drew and Dr Pete Orford for providing online alternatives, which we supported with remote access to our collection and research library. We continued our work with Royal Holloway, University of London, supporting two Arts and Humanities Research Council (AHRC) TECHNE PhD students using the Museum's collection to research Dickens and the heritage sector, both of whom were awarded their doctoral degrees during the year.

We continued to support the academic community by providing access to the Suzannet Research Library and by responding to research enquiries. Although onsite access was curtailed by a further forced closure period and subsequent COVID-19 social distancing restrictions, we did see a gradual return to onsite research visits, reaching about 50% of the usual 50+ researchers. We also continued to respond to queries remotely and provide support with digital sources where possible.

The Museum's online profile remained strong with unique visitors to our website averaging around 10,000 each month. We continued to develop our online content, including blogs, vlogs and social media posts, and through the 'Explore' section of our website, drawing together a range of content, including resources and family activities.

Over the year, around 50% of online visitors were from the UK, with international reach extending to nearly 160 countries including smaller African, Middle Eastern and South American nations. The strongest interest continued to be from the USA followed by Canada, Australia, India, Italy, China, Germany, Spain, France and Ireland.

Our social media following also continued to grow, with 18,594 followers on Facebook (up 13%) and 17,700 followers on Twitter (up 5%), The Museum received a TripAdvisor Travellers' Choice Award 2022 and reached TripAdvisor's top 3% of 'things to do' in London and top 4% of museums.

Our Instagram account increased to 13,511 followers (up 29%), around half of whom connected through a festive season campaign – The Twelve Days of 'A Christmas Carol' – encouraging people to read. This was a collaboration with The Duchess of Cornwall's Reading Room and reached more than 315,000 Instagram accounts.

We continued to present a programme of events across the year, reintroducing onsite events as COVID-19 social distancing restrictions eased and visitor confidence grew, while also presenting a number of virtual events to both sustain activity during ongoing uncertainty and serve an audience unable to visit the Museum in person. Overall, we presented 36 events across the year, an increase of 71% on the previous year. 24 onsite events were attended by 1,039 people, with 12 virtual events reaching 949 households.

CHARLES DICKENS MUSEUM

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Operations

As in 2020/21, the Museum, as a central London visitor attraction, has been particularly affected by the collapse of international tourism, the phased reopening of the UK economy, the uncertain course of the pandemic, prevailing social distancing measures, and visitor behaviour and confidence. We took a cautious view of the likely pace of recovery, informed by a range of industry forecasts and research, and anticipated footfall of 25% of normal at the point of reopening in May 2021. As expected, our visitors were predominantly local, but we saw an increase in visitors from elsewhere in the UK over the summer aided by the 'Let's Do London' campaign commissioned by the London Tourism Recovery Board, supported by London & Partners and the Mayor of London. Our visitor numbers initially tracked at around 35% of normal and gradually increased, despite the emergence of the COVID-19 Omicron variant in November, to reach an average of over 50% across the year. We also saw the return of some international visitors as travel restrictions began to ease.

Reduced footfall continued to have a concomitant impact on our primary income streams. However, in contrast to last year, we were able to operate and progress all income streams, although several continued to be severely impacted by the operating environment. We again relied on a number of grants and donations to support our activities during the year. This included a second grant from the Government's Culture Recovery Fund, administered by Arts Council England, and three business support grants from London Borough of Camden.

During the year, we completed a major review of our emergency plan, with invaluable feedback from London Fire Brigade's Heritage Team.

Having previously achieved net-zero carbon emissions, we continued to embed environmental sustainability further into our ways of working, and we will continue to seek ways to reduce our energy consumption. We will use renewable sources wherever possible, and we will research and, if viable, implement our own renewable energy supply.

We have incorporated sustainability principles into all Museum activities and the procurement of goods and services, choosing green and locally sourced procurement options for supplies.

CHARLES DICKENS MUSEUM

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Partnerships

The Museum continued to work both formally and informally with a range of local and sector-specific organisations, including Coram's Fields, The Foundling Museum, Goodenough College, Great Ormond Street Hospital, Holborn Community Association, The Postal Museum, Quentin Blake Centre for Illustration (formerly The House of Illustration), The Jewish Museum, Camden Third Age Project, Knowledge Quarter, Museum Mile, Victoria & Albert Museum, the Duchess of Cornwall's Reading Room Project, and the Wilkie Collins Society.

We continued to have excellent working relationships with various Dickens organisations and collections, including the Dickens Fellowship, Dickens Society, Dickens's Birthplace Museum in Portsmouth, Dickens House in Broadstairs, Gad's Hill Place Trust, and Medway Council's Eastgate House and Guildhall Museum.

Dickens Fellowship

The Museum continued its close and valued relationship with the Dickens Fellowship, the organisation that originally purchased Nos 48 & 49 Doughty Street for posterity in 1922 and opened the Museum in 1925. The Museum serves as the Fellowship's headquarters and hosts regular meetings and occasional events.

Academic Advisors & Patrons

The Museum is extremely grateful for the advice and guidance it receives from its honorary Academic Advisors: Prof Michael Slater MBE, Prof Jenny Hartley, Dr Pete Orford and Dr Tony Williams, who this year were joined by Dr Leon Litvack and Dr Lee Jackson. We also are most grateful to our Patrons – Simon Callow, Mark Dickens, Lucinda Hawksley and Miriam Margolyes – all of whom give of their time so generously to support and promote the Museum.

Donors & Supporters

We are most grateful for the financial support received during the year from a range of private and public sources, including Art Fund, Arts Council England National Lottery Project Fund, Culture Recovery Fund, Dickens Fellowship, and the hundreds of people who support us in an individual capacity through donations and by joining our Friends scheme. We also received a number of donations to support the *Picturing Pickwick* exhibition, including from the City Pickwick Club, Dickens Pickwick Club, the Philadelphia Pickwick Club, the Pickwick Bicycle Club and the Pickwick Ladies Club.

CHARLES DICKENS MUSEUM

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

FINANCIAL REVIEW

Total income and endowment were £842,966, of which £10 was spent on heritage assets (2021: £2,048). Total expenditure amounted to £697,459 (2021: £674,585).

General unrestricted funds available to the Trustee as at 31 March 2022 amounted to £371,366 (2021: £480,775) with designated funds of £354,034, predominantly for capital expenditure identified in the quinquennial inspection. The restricted funds decreased from £5,172,553 to £5,056,069 mainly due to depreciation charge allocated to restricted funds.

The Museum normally generates all of the income required to meet its annual operating costs, with 50% coming from admissions, 34% from shop and café, 9% from events and hires, and the remaining 7% from curatorial and learning activity, the Friends scheme, bank interest & investment income, and onsite donations. Fundraising is normally undertaken for special projects and acquisitions. In 2021/22, the COVID-19 pandemic and associated restrictions and market impact continued to have a significant impact on the Museum's income. The proportion of income from public funding grants and other fundraising reduced to 27% (from 80% in 2020/21), and income from charitable activities returned to pre-pandemic levels. Although trading income increased substantially on 2020/21, it reached only 46% compared with 2019/20.

A successful business interruption insurance claim has helped to rebuild general unrestricted reserves, which is sufficient to cover six months' operating expenses in line with our reserves policy.

Staff remuneration is reviewed annually with reference to sector benchmarking and in consideration of any grant conditions, such as those attached to the Culture Recovery Fund. The Museum does not use unpaid interns but does provide formal short-term work experience placements directly related to a course of study, as well as a range of volunteering opportunities.

Reserves policy

The Charles Dickens Museum holds in trust the property at 48-49 Doughty Street, including the Grade I historic house in which Dickens lived, and an extensive collection of material relating to Dickens's life and work. The Trustee is responsible for the care of these heritage assets and for providing public access in line with its charitable objectives. In addition to designating funds for specific purposes from time to time, the Trustee wishes to ensure that any unplanned closure, or other interruption to income generation, does not threaten the long-term viability of the organisation. The Museum's income streams normally are varied and relatively predictable and fixed costs are stable. However, as a result of the COVID-19 pandemic and the subsequent falling away of insurance cover for communicable diseases, we feel it prudent to hold a minimum of six months' overheads (approximately £300,000).

Investment policy and objectives

In accordance with the trust deed, the Trustee has the power to invest in such stocks, shares, investments and property in the UK as it see fit. The current policy is to adopt a low risk investment strategy based on the maximising income within this strategy.

CHARLES DICKENS MUSEUM

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Risk management

The Trustee has examined the major strategic and operational risks that the charity faces and confirms that, where possible, measures are in place to manage the significant risks, which it has identified as:

- Budget deficit or cashflow issues due to failure to meet income targets or expenditure overspends.
- Inability to deliver core functions and projects due to loss of staff, long-term illness, or organisational exhaustion.
- Major, unforeseen repair or conservation work required to building or object.
- Property development/building work in neighbouring properties impacts on ability to operate (e.g. access, quality or visitor experience, use of garden etc.) with resulting loss of income and potential reputational damage.

A Risk Register is maintained and regularly reviewed.

FUTURE PLANS

As 2022/23 commenced, we were heartened to see a further increase in visitors, including those from abroad. This has continued with the easing of international travel restrictions, particularly in relation to our key US and European markets, which have been aided by the effect of the weak pound against the dollar and the euro.

This progress with recovering from the impact of the COVID-19 pandemic is tempered by the dramatic increase in the cost of fuel and the prospect of future price rises that will affect the Museum, its partners, its suppliers and its audiences. Inflation is now at its highest rate in 40 years, and the Bank of England is forecasting that the UK will enter a recession in late 2022, which will last until 2024, before the UK enters a period of weak growth to 2025. We expect these financial pressures to dampen the recovery of the UK visitor market and, together with continuing uncertainty around the future course of the pandemic, we are adopting a prudent approach to forward planning for the next few years.

We are currently preparing for the next special exhibition, which will open on 5 October 2022 and run until 5 March 2023. *To Be Read at Dusk: Dickens, Ghosts and the Supernatural* will examine Dickens's 'hankering after ghosts' and his interest in the supernatural in his writing and performance. A successful application to Arts Council England's National Lottery Project Grants programme is allowing us to continue to develop our community-based approach to our exhibitions programme.

We continue to strengthen our relationship with our local community, those who live amongst many of the streetscapes and landmarks about which Dickens wrote. Building on the local free-entry weekend in 2021, we extended the offer of free annual membership to those living within a mile of the Museum, alongside expanding our community forum and deepening our work with local schools. We anticipate that this work will become even more vital as people in our local community contend with the dramatic rise in the cost of living and the impact of the predicted recession.

CHARLES DICKENS MUSEUM

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charles Dickens Museum is the working name of the Dickens House and Dickens House Fund which were created by deed dated 9 June 1925. The Trust deed was replaced by a scheme of the Charity Commissioners dated 11 June 2002, which was in turn superseded by a further Scheme, dated 23 November 2012.

The charity is controlled by its governing document, the deed of trust, and constitutes an unincorporated charity. The charity was originally registered with the Charity Commissioner (Registration No. 212172) on 24 August 1974, the main objective being to invest the Trustees with power to administer and manage, in conformity with the Trust Deed of 1925, the property and land with which the charity is possessed.

The Charles Dickens Museum Limited (Company Registration Number: 8204803) is the sole trustee of the charity. Directors of the Charles Dickens Museum Limited are responsible for ensuring that the trustee company acts properly as the sole trustee of the charity.

CHARLES DICKENS MUSEUM

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Reference and administrative details

Registered Charity number

212172

Principal address

48 Doughty Street
London
WC1N 2LX

Trustee

The corporate Trustee is Charles Dickens Museum Limited (Company Number 8204803).

The directors of the Corporate Trustee for the period ended 31 March 2022 were:

Neil Edward Francis Bennett
Elizabeth Bowers
Anne Dilys Byrne (appointed 1 July 2021)
Daisy Rose Christodoulou
Penelope Hines (appointed 1 July 2021)
Eddie Jones (Dickens Fellowship)
Peter Knowles
Lycia Henrietta Marie Lobo (Chair)
Sandra Lynes-Timbrell
Sarah Jane Ridley (appointed 1 July 2021)
Carol Seigel Eccleshare (Vice Chair)
Caroline Trehwhitt (appointed 1 July 2021)
Claire Warrior

Board secretary

Dr Cindy Sughrue OBE

Chief executive

Dr Cindy Sughrue OBE

Auditors

SBM Associates Limited
24 Wandsworth Road
London
SW8 2JW

Solicitors

Farrer & Co. LLP
66 Lincoln's Inn Fields
London
WC2A 3LH

Bankers

Unity Trust Bank plc
Nine Brindley Place
Birmingham
B1 2HB

CHARLES DICKENS MUSEUM

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Organisational structure

The Charity is controlled by a corporate trustee, The Charles Dickens Museum Limited, which has a board of up to thirteen members who meet at least four times a year, with some business devolved to committees. There is one standing committee, (Finance and Operations), which meets quarterly, and one specialist advisory group (Collections Advisory Group), which meets as required. The Board also periodically holds Away Days in order to give space and time to strategic issues and longer-term planning. The Charity employs a fulltime Director.

Recruitment and appointment of new board members

The Board of the corporate Trustee comprises interested and committed individuals from a variety of backgrounds and must include a member of the Dickens Fellowship. Board members may serve as appointed members for two three-year terms. There is also provision for co-opting members on an annual basis for a maximum of four years. To ensure that a range of expertise is maintained on the Board, new board members are appointed to meet specific expertise requirements, which is assessed through a skills and experience audit. Recruitment is carried out through open recruitment processes.

Following a review of the Museum's performance against the Charity Governance Code for Smaller Charities in 2019/20, which identified that good progress had been made with balancing gender and broadening age range, the Board acknowledged that further work was required to improve representation of disability, ethnicity and LGBTQ+. A diversity monitoring framework has been established, and subsequent recruitment processes have actively encouraged applications through explicit reference in briefing documents and through targeted advertising and networking channels. With appointments limited to a maximum of six years, there is scope for a step-change in the short-to medium term.

Induction and training of new board members

New Board members undergo structured induction and receive the Charity Commission's Charity Trustee Welcome Pack. We routinely circulate and discuss guidance and advice from agencies such as the Charity Commission, Charity Governance Code Steering Group, Companies House, Information Commissioners Office, HMRC, and sector bodies such as Arts Council England, Museums Association, Association of Independent Museums, Charity Finance Group, Clore Foundation, and Association of Chairs.

Ongoing training is available from a number of relevant organisations, such as the Association of Independent Museums and London Museum Development, which Board members are encouraged to attend.

CHARLES DICKENS MUSEUM

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Attendance at meetings

Due to the COVID-19 pandemic and associated social distancing regulations, all Board meetings were conducted online during the year. In-person meetings resumed in Spring 2022.

<u>Name</u>	<u>17 June 2021</u>	<u>16 Sept 2021</u>	<u>Away Day 21 October 2021</u>	<u>2 Dec 2021</u>	<u>10 March 2022</u>
Neil Bennett	Yes	Yes	Yes	Yes	Yes
Elizabeth Bowers	Yes	Yes	Yes	Yes	Yes
Anne Byrne	n/a	Yes	Yes	Yes	Yes
Daisy Christodoulou	Yes	Yes	Yes	Yes	Yes
Penelope Hines	n/a	Yes	Yes	Yes	Yes
Eddie Jones	Yes	Yes	Yes	Yes	Yes
Peter Knowles	Yes	Yes	Yes	Yes	Yes
Lycia Lobo	Yes	Yes	Yes	Yes	Yes
Sandra Lynes Timbrell	Yes	Yes	Yes	Yes	Yes
Sarah Ridley	n/a	Yes	Yes	Yes	Yes
Carol Seigel	Yes	Yes	Yes	Yes	No
Caroline Trewitt	n/a	Yes	Yes	Yes	No
Claire Warrior	Yes	Yes	Yes	Yes	Yes

Board performance

The Board conducts a detailed review of its performance every three years, the most recent being in spring 2021. The review covers effectiveness, developing a shared understanding of strong governance, and maintaining a culture of learning and accountability. Board members provided written feedback to a set of questions covering operational effectiveness, Board knowledge, Board member engagement and scope for further contribution, training, and development needs. All Board members were offered the opportunity to discuss written feedback with the Chair. The Vice-Chair conducted a review of the Chair's effectiveness in relation to the Terms of Reference and the Association of Chairs' guidance *What Makes a Good Chair*, to which all Board members contributed.

Recommendations for action were discussed and agreed at the June 2021 Board meeting, which included returning to in-person meetings as soon as possible and establishing secure cloud-based storage for all key documents (including governance, induction, policies and meeting documents).

The Trustee's report was approved by the Board of the Trustee on 15 September 2022 and signed on its behalf by:

Lycia Lobo for and on behalf of The Charles Dickens Museum Limited, the Corporate Trustee

CHARLES DICKENS MUSEUM

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

The Trustee is responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that year.

In preparing these financial statements, the Trustee is 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;
- state whether applicable 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 charity will continue in operation.

The Trustee is responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CHARLES DICKENS MUSEUM

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEE OF CHARLES DICKENS MUSEUM

Opinion

We have audited the financial statements of Charles Dickens Museum (the 'Charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charity's affairs as at 31 March 2022 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 Charities Act 2011.

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 Charity 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 Trustee's 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 Charity'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 Trustee with respect to going concern are described in the relevant sections of this report.

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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.

CHARLES DICKENS MUSEUM

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEE OF CHARLES DICKENS MUSEUM

Matters on which we are required to report by exception

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 Trustee's 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 Trustee

As explained more fully in the statement of Trustee's responsibilities, the Trustee is 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 Trustee determines 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 Trustee is responsible for assessing the Charity'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 Trustee either intends to cease operations, or has 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 Charity 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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, the audit and risk committee ("FINOPS"), 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, audit and risk committee ("FINOPS"), 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.

CHARLES DICKENS MUSEUM

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEE OF CHARLES DICKENS MUSEUM

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 taking into account possible pressures to 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.

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

- We considered the use of remuneration incentive schemes and performance targets for management and did not identify any additional fraud risks
- Our audit team discussed whether there were any areas that were susceptible to misstatement as part of our fraud discussion.
- 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 Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

CHARLES DICKENS MUSEUM

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEE OF CHARLES DICKENS MUSEUM

Use of our report

This report is made solely to the charity's trustee, 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 trustee 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 trustee as a body, for our audit work, for this report, or for the opinions we have formed.

SBM Associates Limited

15 September 2022

**Chartered Accountants
Statutory Auditor**

24 Wandsworth Road
London
SW8 2JW

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

CHARLES DICKENS MUSEUM

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

Current financial year

		Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
	Notes					
Income from:						
Donations, legacies and grants	3	195,723	-	32,578	228,301	651,139
Charitable activities	4	482,554	-	-	482,554	104,191
Income from trading activities	5	129,388	-	-	129,388	53,638
Income from investments	6	2,723	-	-	2,723	1,891
Total income		810,388	-	32,578	842,966	810,859
Expenditure on:						
Cost of raising funds	7	113,511	-	-	113,511	82,855
Costs of charitable activities	8	513,548	-	70,400	583,948	591,730
Total expenditure		627,059	-	70,400	697,459	674,585
Net gains/(losses) on investments	13	5,549	-	-	5,549	4,515
Net incoming/(outgoing) resources before transfers		188,878	-	(37,822)	151,056	140,789
Net incoming/(outgoing) resources before transfers		188,878	-	(37,822)	151,056	140,789
Gross transfers between funds		(221,372)	300,034	(78,662)	-	-
Net movement in funds		(32,494)	300,034	(116,484)	151,056	140,789
Fund balances at 1 April 2021		403,860	54,000	5,172,553	5,630,413	5,489,624
Fund balances at 31 March 2022		371,366	354,034	5,056,069	5,781,469	5,630,413

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

All income and expenditure derive from continuing activities.

CHARLES DICKENS MUSEUM

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

FOR THE YEAR ENDED 31 MARCH 2022

Prior financial year

		Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes				
Income from:					
Donations, legacies and grants	3	624,509	-	26,630	651,139
Charitable activities	4	103,791	-	400	104,191
Income from trading activities	5	53,638	-	-	53,638
Income from investments	6	1,891	-	-	1,891
Total income		783,829	-	27,030	810,859
Expenditure on:					
Cost of raising funds	7	82,855	-	-	82,855
Costs of charitable activities	8	503,024	-	88,706	591,730
Total expenditure		585,879	-	88,706	674,585
Net gains/(losses) on investments	13	4,515	-	-	4,515
Net incoming/(outgoing) resources before transfers		202,465	-	(61,676)	140,789
Gross transfers between funds		(54,000)	54,000	-	-
Net movement in funds		148,465	54,000	(61,676)	140,789
Fund balances at 1 April 2020		255,395	-	5,234,229	5,489,624
Fund balances at 31 March 2021		403,860	54,000	5,172,553	5,630,413

CHARLES DICKENS MUSEUM

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	14	2,142,709		2,197,116	
Heritage assets	15	2,923,703		2,923,693	
Investments	16	68,260		62,711	
		5,134,672		5,183,520	
Current assets					
Stocks	18	35,812		30,870	
Debtors	19	28,382		5,520	
Cash at bank and in hand		673,496		496,663	
		737,690		533,053	
Creditors: amounts falling due within one year	20	(40,893)		(36,160)	
Net current assets		696,797		496,893	
Total assets less current liabilities		5,831,469		5,680,413	
Creditors: amounts falling due after more than one year	21	(50,000)		(50,000)	
Net assets		5,781,469		5,630,413	
Income funds					
Restricted funds	23	5,056,069		5,172,553	
<u>Unrestricted funds</u>					
Designated funds	24	354,034		54,000	
General unrestricted funds		371,366		403,860	
		725,400		457,860	
		5,781,469		5,630,413	

The financial statements were approved by the Trustee on 15 September 2022

Lycia Lobo for and on behalf of The Charles Dickens Museum Limited, the Corporate Trustee

CHARLES DICKENS MUSEUM

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	27		176,835		212,078
Investing activities					
Purchase of tangible fixed assets		(2,715)		-	
Purchase of heritage assets		(10)		(2,048)	
Investment income received		2,723		1,891	
Net cash used in investing activities			(2)		(157)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			176,833		211,921
Cash and cash equivalents at beginning of year			496,663		284,742
Cash and cash equivalents at end of year			673,496		496,663

CHARLES DICKENS MUSEUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

The Charles Dickens Museum is an unincorporated charity registered with the Charity Commission in England and Wales under registered charity Number 212172. The charity's registered address is 48 Doughty Street, London, WC1N 2 LX.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's governing document, the Charities Act 2011 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 (FRS 102) (effective 1 January 2019)". The Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the Charity. 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 certain financial investments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The charity's forecasts and projections, taking account of reasonably possible changes in admission numbers show that the trustee has a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustee in furtherance of its 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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Charity.

1.4 Incoming resources

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Cash donations are recognised on receipt. Other donations are recognised once the Charity 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.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

CHARLES DICKENS MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

1.6 Tangible fixed assets

Assets for use by the charity are capitalised if costing more than £1,000 otherwise cost of such assets is written off in the year of acquisition.

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	- Over 50 years on a straight-line basis
Property improvements	- Over 3 years on a straight-line basis
Fixtures and fittings	- Over 3 years on a straight-line basis
Computers	- Over 3 years on a straight-line basis

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 Heritage assets

Heritage assets are capitalised upon acquisition provided reliable cost information is available. If the Trustee does not believe it possible to attribute a value to donated historic assets, such assets are excluded from the balance sheet.

Heritage assets are not depreciated.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the Charity 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).

CHARLES DICKENS MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.10 Stocks

Stocks are valued at the lower of cost and estimated selling price, after making due allowance for obsolete and slow moving items.

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

1.11 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.

1.12 Financial instruments

The Charity 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 Charity's balance sheet when the Charity 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 Charity's contractual obligations expire or are discharged or cancelled.

1.13 Taxation

As a registered charity the Museum benefits from rates relief and is generally exempt from Income Tax and Capital Gains Tax, but not from VAT. Irrecoverable VAT is shown as a separate expense in the Statement of Financial Activities rather than included in the cost of those items to which it relates. The Trustee considers the cost of detailed calculations and additional record keeping required to allocate VAT irrecoverable under the partial exemption regime would exceed the potential benefit.

CHARLES DICKENS MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.14 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 Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

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

1.16 Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustee.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Donated goods

Other than heritage assets, no value is attributed to donated goods or services.

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustee is 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.

CHARLES DICKENS MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

3 Donations, legacies and grants

	Unrestricted funds general 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds general 2021 £	Restricted funds 2021 £	Total 2021 £
Donations and gifts	24,775	30,564	55,339	128,278	-	128,278
Grants	166,278	2,014	168,292	492,375	26,630	519,005
Friends' subscriptions	4,670	-	4,670	3,856	-	3,856
	195,723	32,578	228,301	624,509	26,630	651,139
Grants receivable for core activities						
Local Government Covid Support	26,000	-	26,000	42,422	-	42,422
Cultural Recovery Fund Grant	133,238	-	133,238	200,144	-	200,144
National Lottery Heritage Fund	-	-	-	184,900	-	184,900
Coronavirus Job Retention Scheme Grants	7,040	-	7,040	64,909	-	64,909
Other	-	2,014	2,014	-	26,630	26,630
	166,278	2,014	168,292	492,375	26,630	519,005

The funds received from the Cultural Recovery Fund provided by Arts Council England were fully expended in the period in compliance with the conditions of the grant.

CHARLES DICKENS MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

4 Charitable activities	Operation of museum 2022 £	Events programme 2022 £	Educational programmes 2022 £	Total 2022 £	Operation of museum 2021 £	Events programme 2021 £	Educational programmes 2021 £	Total 2021 £
Sales within charitable activities	127,747	33,519	22,423	183,689	23,143	26,575	3,983	53,701
Insurance claim	298,865	-	-	298,865	50,000	-	-	50,000
Other income	-	-	-	-	490	-	-	490
	426,612	33,519	22,423	482,554	73,633	26,575	3,983	104,191
Analysis by fund								
Unrestricted funds - general	426,612	33,519	22,423	482,554	73,233	26,575	3,983	103,791
Restricted funds	-	-	-	-	400	-	-	400

CHARLES DICKENS MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

5 Income from trading activities

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Reprographic income	3,661	1,507
Filming	1,200	1,860
Private viewings	10,781	1,262
Shop income	98,943	47,575
Café income	14,803	1,434
	<hr/>	<hr/>
Income from trading activities	129,388	53,638
	<hr/>	<hr/>

6 Income from investments

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Income from listed investments	1,831	1,786
Interest receivable	892	105
	<hr/>	<hr/>
	2,723	1,891
	<hr/>	<hr/>

CHARLES DICKENS MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

7 Cost of raising funds

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
<u>Shop and cafe costs</u>		
Opening stock	30,770	31,044
Purchases	52,994	24,539
Closing stock	(35,712)	(30,870)
Other fundraising costs	11,718	2,230
Staff costs	52,888	55,534
	<hr/>	<hr/>
Shop and cafe costs	112,658	82,477
	<hr/>	<hr/>
<u>Other trading costs</u>		
Museum hire and walking tour costs	853	378
	<hr/>	<hr/>
	113,511	82,855
	<hr/> <hr/>	<hr/> <hr/>

CHARLES DICKENS MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

8 Costs of charitable activities

	Operation of museum 2022 £	Operation of museum 2021 £
Staff costs	262,469	251,582
Depreciation and impairment	57,122	56,216
Rates	1,113	114
Insurance	7,288	8,640
Light and heat	14,463	10,508
Telephone	8,129	8,666
Office supplies	2,309	4,387
Advertising and marketing	12,060	15,721
Sundries	1,605	1,045
Volunteer expenses	1,648	405
Repairs and maintenance	45,481	65,072
Cleaning	21,618	14,960
IT expenses	7,959	11,127
Bank and other financing charges	13,179	5,599
Research and collection	8,433	9,656
Staff travel and expenses	1,596	378
Exhibition expenses	33,029	46,853
Other charitable expenditure	68,530	64,562
	<u>568,031</u>	<u>575,491</u>
Share of support costs (see note 9)	1,552	1,439
Share of governance costs (see note 9)	14,365	14,800
	<u>583,948</u>	<u>591,730</u>
Analysis by fund		
Unrestricted funds - general	513,548	503,024
Restricted funds	70,400	88,706
	<u>583,948</u>	<u>591,730</u>

CHARLES DICKENS MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

9 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £
Director's expenses	185	-	185	-	-	-
Conservation and design professional fees	939	-	939	1,418	-	1,418
Board expenses	428	-	428	21	-	21
Audit fees	-	8,690	8,690	-	7,650	7,650
Accountancy	-	5,675	5,675	-	7,150	7,150
	<u>1,552</u>	<u>14,365</u>	<u>15,917</u>	<u>1,439</u>	<u>14,800</u>	<u>16,239</u>
Analysed between Charitable activities	<u>1,552</u>	<u>14,365</u>	<u>15,917</u>	<u>1,439</u>	<u>14,800</u>	<u>16,239</u>

10 Auditor's remuneration

Fees payable to the Charity's auditor and associates:	2022 £	2021 £
Audit of the Charity's annual accounts	<u>8,690</u>	<u>7,650</u>
Non-audit services		
Audit-related assurance services	1,500	2,500
All other non-audit services	<u>4,175</u>	<u>2,350</u>
Total non-audit fees	<u>5,675</u>	<u>4,850</u>

11 Trustee

None of the directors of the Trustee (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

12 Employees

The average monthly number of employees during the year was:

2022 Number	2021 Number
<u>22</u>	<u>15</u>

CHARLES DICKENS MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

12 Employees

(Continued)

Employment costs	2022 £	2021 £
Wages and salaries	288,132	282,017
Social security costs	19,359	18,091
Other pension costs	7,866	7,008
	<u>315,357</u>	<u>307,116</u>

There no employees who received total employee benefits of more than £60,000 (2021: None).

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

13 Net gains/(losses) on investments

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Revaluation of investments	<u>5,549</u>	<u>4,515</u>

14 Tangible fixed assets

	Freehold buildings £	Property improvements £	Fixtures and fittings £	Computers £	Total £
Cost					
At 1 April 2021	2,675,923	78,298	98,464	2,831	2,855,516
Additions	-	-	-	2,715	2,715
At 31 March 2022	<u>2,675,923</u>	<u>78,298</u>	<u>98,464</u>	<u>5,546</u>	<u>2,858,231</u>
Depreciation and impairment					
At 1 April 2021	481,616	78,298	96,599	1,887	658,400
Depreciation charged in the year	53,408	-	1,865	1,849	57,122
At 31 March 2022	<u>535,024</u>	<u>78,298</u>	<u>98,464</u>	<u>3,736</u>	<u>715,522</u>
Carrying amount					
At 31 March 2022	<u>2,140,899</u>	<u>-</u>	<u>-</u>	<u>1,810</u>	<u>2,142,709</u>
At 31 March 2021	<u>2,194,307</u>	<u>-</u>	<u>1,865</u>	<u>944</u>	<u>2,197,116</u>

CHARLES DICKENS MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

15 Heritage assets

	Collection and library £
At 1 April 2021	2,923,693
Purchases	10
At 31 March 2022	2,923,703

The heritage assets represent the collection and library. The heritage property of 48 Doughty Street, originally endowed to the charity in 1925, is carried at nil value.

The collection and library represent the books, manuscripts, paintings and other historic items associated with Charles Dickens, all of which are open to public access during the Museum's opening hours. The Museum's registration with the UK Museum Accreditation Scheme includes a commitment never to dispose of its historic assets.

5-year summary of transaction	£	£
Balance at 31 March 2017		897,870
Purchases:		
Year ended 31 March 2018	1,650	
Year ended 31 March 2019	15,795	
Year ended 31 March 2020	2,006,330	
Year ended 31 March 2021	2,048	
Year ended 31 March 2022	10	
		2,025,833
		2,923,703

16 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2021	62,711
Valuation changes	5,549
At 31 March 2022	68,260
Carrying amount	
At 31 March 2022	68,260
At 31 March 2021	62,711

CHARLES DICKENS MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

17	Financial instruments	2022	2021
		£	£
	Carrying amount of financial assets		
	Instruments measured at fair value through profit or loss	68,260	62,711
18	Stocks	2022	2021
		£	£
	Finished goods and goods for resale	35,812	30,870
19	Debtors	2022	2021
		£	£
	Amounts falling due within one year:		
	Trade debtors	5,767	1,107
	Other debtors	2,298	-
	Prepayments and accrued income	20,317	4,413
		28,382	5,520
20	Creditors: amounts falling due within one year	2022	2021
		£	£
	Other taxation and social security	-	4,947
	Trade creditors	16,935	18,072
	Other creditors	2,031	2,991
	Accruals and deferred income	21,927	10,150
		40,893	36,160
21	Creditors: amounts falling due after more than one year	2022	2021
		£	£
	Borrowings	50,000	50,000

Borrowings represents an interest free loan of £50,000 from the Heritage Lottery Fund, repayable by 30 June 2023.

CHARLES DICKENS MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

22 Retirement benefit schemes

Defined contribution schemes

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £7,866 (2021:£7,008).

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:

	Movement in funds				
	Balance at 1 April 2021	Incoming resources	Resources expended	Transfers	Balance at 31 March 2022
	£	£	£	£	£
Museum redevelopment 2012	2,277,349	-	(53,407)	(36,055)	2,187,887
Grants for purchase of desk, chair, painting, jewellery, ceramic jug & Pickwick Minute Book	847,412	-	-	-	847,412
Pickwick Exhibition	-	10,564	(6,209)	-	4,355
Grants for purchase of Pickwick Minute Book	2,000	-	-	-	2,000
Grant for conservation work	183,773	-	-	(16,073)	167,700
Private collection acquired in 2019	1,862,019	-	(944)	(24,520)	1,836,555
Technicolour Dickens	-	2,014	-	(2,014)	-
Grant for Collection Cataloguer	-	20,000	(9,840)	-	10,160
	<u>5,172,553</u>	<u>32,578</u>	<u>(70,400)</u>	<u>(78,662)</u>	<u>5,056,069</u>

24 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2021	Transfers	Balance at 31 March 2022
	£	£	£
Collection development, conservation & cataloguing	54,000	10,034	64,034
Capital expenditure	-	290,000	290,000
	<u>54,000</u>	<u>300,034</u>	<u>354,034</u>

CHARLES DICKENS MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

25 Analysis of net assets between funds

Fund balances at 31 March 2022 are represented

by:

	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total 2021 £
Tangible assets	1,810	-	2,140,899	2,142,709	1,865	-	2,195,251	2,197,116
Heritage assets	23,048	-	2,900,655	2,923,703	23,038	-	2,900,655	2,923,693
Investments	68,260	-	-	68,260	62,711	-	-	62,711
Current assets/(liabilities)	278,248	354,034	64,515	696,797	316,246	54,000	126,647	496,893
Long term liabilities	-	-	(50,000)	(50,000)	-	-	(50,000)	(50,000)
	371,366	354,034	5,056,069	5,781,469	403,860	54,000	5,172,553	5,630,413

CHARLES DICKENS MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	57,250	57,250

There were no other disclosable related party transactions during the year (2021 - none).

27 Cash generated from operations

	2022 £	2021 £
Surplus for the year	151,056	140,789
Adjustments for:		
Investment income recognised in statement of financial activities	(2,723)	(1,891)
Fair value gains and losses on investments	(5,549)	(4,515)
Depreciation and impairment of tangible fixed assets	57,122	56,216
Movements in working capital:		
(Increase)/decrease in stocks	(4,942)	174
(Increase)/decrease in debtors	(22,862)	23,539
Increase/(decrease) in creditors	4,733	(2,234)
Cash generated from operations	176,835	212,078

28 Analysis of changes in net funds

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	496,663	176,833	673,496
Loans falling due after more than one year	(50,000)	-	(50,000)
	446,663	176,833	623,496