

**REGISTERED CHARITY
ENGLAND AND WALES NO. 278455**

SIR MAX AITKEN MUSEUM TRUST

**ACCOUNTS
YEAR ENDED 30 SEPTEMBER 2020**

**Moore (South) LLP
Chartered Accountants**

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FOR THE YEAR ENDED 30 SEPTEMBER 2020

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SIR MAX AITKEN MUSEUM TRUST

**LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

REGISTERED OFFICE:

The Prospect
83 High Street
Cowes
Isle of Wight
PO31 7AJ

FOUNDER:

The Late Sir Max Aitken Bt.DSO.DFC.

TRUSTEES:

The Trustees who served during the year, were as follows:

C. G. Little Esq. (Chairman- appointed 11 October 2019)
C. M. de Selincourt Esq. OBE
J. A. N. Hoare Esq. (Retired 9 October 2020)
R. M. Bicket Esq.
R. Power Esq.
R. Powell Esq.

SECRETARY:

J. Nicholson

GOVERNING DOCUMENT

Trust deed dated 29 June 1979

CHARITABLE STATUS

Registration Number: 278455
Inland Revenue Reference: XN51416

SOLICITORS

Womble Bond Dickinson
Oceana House
39-49 Commercial Road
Southampton
SO15 1GA

BANKERS:

Messrs C Hoare & Co
37 Fleet Street
London
EC4P 4DQ

ACCOUNTANTS:

Moore (South) LLP
Chartered Accountants
9 St Johns Place
Newport
Isle of Wight
PO30 1LH

**TRUSTEES' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

The Trustees present their annual report with the financial statements of the Trust for the year ended 30 September 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Sir Max Aitken Museum is an unincorporated registered charity. Further legal and administrative information is given on page 1. New Trustees may be appointed by a resolution meeting of the Trustees and training is given at the appropriate level. Trustees meet a minimum of twice a year.

The Trustees consider they have complied with their duty to have due regard to the Charity Commissioners public benefit guidance.

RISK MANAGEMENT

The Trustees continually update and review the Risk Schedule and assess the major risks to which the charity is exposed, in particular those related to the operation and finances of the Trust, and are satisfied that systems are in place to mitigate any exposure to the major risks.

OBJECTIVES AND ACTIVITIES

Mission Statement:

"HISTORY. The Founder, Sir Max Aitken, created the Museum from his personal collection of pictures, yachting trophies and memorabilia. It is contained in the former Ratsey sail loft which was an integral part of Sir Max's home, the Prospect at Cowes.

The Prospect and adjoining properties occupy an important position in Cowes whether viewed from the sea or the High Street. Sir Max devoted time and energy after the 1939-45 war to the revitalising of Cowes as the leading yachting centre and it was his vision that the Prospect would play an important role. As well as the Prospect, he restored or rebuilt a number of properties on the waterfront to improve the appearance of the town to visitors.

Sir Max perceived that the presence in Cowes of the Royal Ocean Racing Club was essential in the promotion of Cowes as an international yachting centre and he encouraged this by making the premises available to them and entertaining competitors in their events at the Prospect. He equally encouraged off-shore powerboating to make Cowes its main venue.

THE TRUSTEES INTEND to manage their funds and properties consistently with the objects of the Trust. Within these confines, they will continue to manage the Museum as Sir Max intended. They will leave the collection in the Museum broadly as he had it and will seek to ensure that it is maintained in proper condition.

They will maintain the Prospect and the adjoining properties in their ownership in the best possible order.

They will co-operate with the Royal Ocean Racing Club in their wish to occupy part of the adjoining premises (at a proper rent) and will hire the Museum for functions to bodies which they believe enhance the community and business interests of Cowes."

Continued

**TRUSTEES' REPORT (CONT)
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

ACHIEVEMENTS AND PERFORMANCE

The ability of the Trustees to open the Museum to visitors and hold events has been severely curtailed by the Covid-19 pandemic. This has obviously had dramatic consequences on the ability to generate revenue but we are fortunate the local Government grant has allowed us to achieve revenue above the level for last year.

The Trustees have continued the extensive maintenance program to the fabric of the Museum and the Prospect dwelling. The Trustees look forward to reopening the Museum, a return to more normal conditions and remain positive about the future activities of the Trust. In planning activities the Trustees have kept in mind the Charity Commission's guidance on public benefit.

In 2019 the Trustees transferred the investment management from Blackrock to Saranac which has allowed the opportunity to broaden the investment horizon and invest in stocks outside the UK. This has given greater control over risk and has resulted in higher investment returns than otherwise would have been achieved.

FINANCIAL REVIEW

The Trust incurred expenditure from works to the fabric of the building, resulting in a net deficit of £39,289 (£139,263 in 2019), which was met from the sale of investments.

Investment income will be reinvested.

RESERVE POLICY

The level of free reserves at the end of the financial year is £901,406 (£939,970 in 2019). The reserves are required to ensure that the income from the investments, together with the rents and museum hire, is sufficient to meet the normal annual expenditure.

PLANS FOR FUTURE PERIODS

The Trustees continually review the state of the buildings to ensure they are kept in good condition; the usual remedial works to be carried out as required, in particular refurbishment of the office and further exterior paintwork.

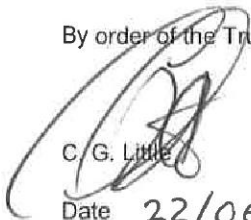
TRUSTEES' RESPONSIBILITIES

Law applicable to Charities in England and Wales/Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the Trust's financial activities during the year and its financial position at the end of the year (unless the charity is entitled to prepare accounts on the alternative receipts and payments basis). In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust to enable them to ascertain the financial position of the Trust and enable them to ensure that the financial statements comply with section 17(5) of the Charities Act 2011. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Trustees



C. G. Little

Date 22/06/21

**INDEPENDENT EXAMINER'S REPORT FOR THE TRUSTEES OF SIR MAX AITKEN MUSEUM TRUST
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

The charity's Trustees are responsible for the preparation of the accounts.

The charity's Trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 ("the Charities Act") and that an independent examination is needed.

It is my responsibility to:

- (1) examine the accounts under section 145 of the Charities Act,
- (2) to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
- (3) to state whether particular matters have come to my attention

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no material matters have come to my attention which gives me cause to believe that in, any material respect:

- (1) the accounting records were not kept in accordance with section 130 of the Charities Act; or
- (2) the accounts did not accord with the accounting records; or
- (3) the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Esme Shakeshaft FCCA
On behalf of Moore (South) LLP
Chartered Accountants
9 St Johns Place
Newport
Isle of Wight
PO30 1LH

Date: 30th June 2021

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

		2020	2019
		Unrestricted	Unrestricted
		Funds	Funds
	Note	£	£
Income from:			
Charitable activities	2	46,530	42,149
Investments	3	9,264	21,276
Other		270	1,324
Total income		56,064	64,749
Expenditure on:			
Raising funds	5	1,862	1,973
Charitable activities	5	84,347	190,359
Governance costs	5	4,784	5,734
Total expenditure		90,993	198,066
Net income / (expenditure)		(34,929)	(133,317)
Net gains / (losses) on investments	13	(4,360)	(5,946)
Net movement in funds		(39,289)	(139,263)
Reconciliation of funds:			
Fund balances as at 1 October 2019		2,112,851	2,252,114
Fund balances as at 30 September 2020		2,073,562	2,112,851

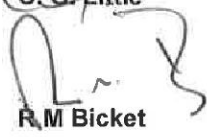
SIR MAX AITKEN MUSEUM TRUST

**BALANCE SHEET
AS AT 30 SEPTEMBER 2020**

	Note	£	2020 £	£	2019 £
Fixed assets					
Tangible assets	10		658,462		659,187
Heritage assets	11		513,694		513,694
Investments	12/13		893,249		895,016
			<u>2,065,405</u>		<u>2,067,897</u>
Current assets					
Debtors	14	13,967		9,835	
Cash at bank and in hand		<u>16,614</u>		<u>62,831</u>	
		30,581		72,666	
Creditors: amounts falling due within one year	15	<u>(22,424)</u>		<u>(27,712)</u>	
Net current assets			8,157		44,954
Total assets less current liabilities			<u>2,073,562</u>		<u>2,112,851</u>
Charity funds:					
Unrestricted funds			2,073,562		2,112,851
Total funds			<u>2,073,562</u>		<u>2,112,851</u>

Approved by the Trustees and signed on their behalf:


C. G. Little


R. M. Bicket

Date: 22/06/21

1. ACCOUNTING POLICIES

Basis of accounting

The Trust is a registered unincorporated charity and constitutes a public benefit entity as defined by FRS102. The charity's legal and administrative information can be found on page 1. The financial statements have been prepared in accordance with 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), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity, and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Trust and which have not been designated for other purposes.

Income recognition policies

All incoming resources are included in the Statement of Financial Activities (SoFA) when the Trust is legally entitled to the income and amount can be measured reliably. The following specific policies are applied to particular categories of income:

- Rental income is recognised as the charity's right to receive payment is established.
- Investment income is earned through holding assets for investment purposes such as shares.
- Income from trading activities include income earned from hire of museum and its facilities.
- Income from government grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably.

Debtors

Trade and other debtors are recognised at the settlement due.
Prepayments are valued at the amount prepaid.

Resources expended

All expenditure is accounted for on an accrual basis. All costs are shown in full and no netting off with income occurs. Irrecoverable VAT is charged as an expense against the activity for which the expenditure arose. It is categorised under the following headings:

- Cost of generating funds which comprise of costs associated with maintaining the property and attracting visitors.
- Support costs include central function and have been allocated to activity cost categories on a basis consistent with the use of resources.
- Governance costs include costs of the preparation and examination of the statutory accounts, cost of Trustees meetings and the costs of any legal advice to Trustees on governance of constitutional matters.

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

Tangible Fixed assets and depreciation

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Short leaseholds	Over the life of the lease
Fixtures and fittings	10% straight line
Improvements to property	10% reducing balance

Heritage assets and freehold land and buildings are not depreciated.

Heritage assets

Heritage assets are recognised on the balance sheet and initially measured at cost when purchased or if donated, their valuation. Assets are subsequently stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Fair values for donated assets are estimated by reference to market prices.

Where information on the cost or valuation of heritage assets is not available or the cost of providing such information significantly outweighs any benefit to the users of the accounts then heritage assets are not recognised on the balance sheet.

Acquisitions only arise when donated to the Trust or if it is believed that they will further the Trust's objectives. Once acquired they will be preserved by the Trust in order to keep their historical, artistic, scientific, technological, geophysical or environmental qualities to such a high level as to contribute to knowledge and culture. A register of all assets held by the Trust is available and the assets themselves are accessible with prior agreement. Heritage assets are to be held for the foreseeable future.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains/(losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably.

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

Creditors and provisions

Creditors and provisions are recognised where the Trust has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due can be measured reliably.

Taxation

The Trust is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Cash

Cash at bank and in hand includes cash and short term highly liquid investments with short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	2020 Unrestricted	2019 Unrestricted
	£	£
2 ACTIVITIES FOR GENERATING FUNDS		
Hire of Museum and facilities	1,250	6,986
Rental income (note 4)	35,280	35,120
Sale of catalogues	-	43
Government grants	10,000	-
	<u>46,530</u>	<u>42,149</u>

	£	£
3 INVESTMENT INCOME		
Investment income	9,264	21,258
Bank interest	-	18
	<u>9,264</u>	<u>21,276</u>

Since the transfer of the investments to Saranac, investment income is reinvested and monies are drawn as required to meet liabilities.

	£	£
4. RENTAL INCOME		
All assets in the UK		
The Disrespect	15,500	15,500
The Prospect flat	10,055	10,055
The Retrospect flat	8,640	8,480
Service charge contributions - Retrospect	370	370
- Disrespect	715	715
	<u>35,280</u>	<u>35,120</u>

					2020 £ Total	2019 £ Total
		Staff costs	Direct costs	Support costs		
5. ANALYSIS OF RESOURCES EXPENDED						
	note					
Charitable activities:						
Museum Expenses	6/7/8	36,560	44,564	3,223	84,347	190,359
Fundraising costs		-	1,862	-	1,862	1,973
Governance costs	9	-	4,784	-	4,784	5,734
		<u>36,560</u>	<u>51,210</u>	<u>3,223</u>	<u>90,993</u>	<u>198,066</u>

Support costs are allocated on an actual basis.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	2020	2019
6. STAFF COSTS		
	£	£
Total staff costs	36,560	34,833
	<u>36,560</u>	<u>34,833</u>

The average number of full time equivalent employees is 3 (2019: 3)

There were no employees who received a total employee benefit of more than £60,000

7. MUSEUM DIRECT EXPENSES		
	£	£
Heating and lighting	2,399	2,630
Insurance and security	10,562	10,688
Repairs, renewals, maintenance and restoration	23,037	127,847
Repairs and maintenance of The Prospect flat	(1,230)	828
Rates	598	1,488
Rent	264	364
Investment management fees	6,670	-
Alarms and fire equipment	1,427	1,494
Telephone	614	605
Depreciation	223	223
	<u>44,564</u>	<u>146,167</u>

8. SUPPORT COSTS		
	£	£
Administration costs	779	569
Postage and stationery	1,496	729
Legal and professional fees	-	3,798
Sundry items	295	3,610
Depreciation	502	558
Bank charges	151	95
	<u>3,223</u>	<u>9,359</u>

9. GOVERNANCE COSTS		
	£	£
Accountancy fees	3,641	3,180
Bookkeeping fees	629	1,090
Trustees meetings	514	1,464
	<u>4,784</u>	<u>5,734</u>

During the year no Trustee received remuneration.

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

10. SCHEDULE OF FIXED ASSETS**a) Freehold and Leasehold Property**

	Freehold		Leasehold	
	The Prospect No 83 £	The Disrespect No 82 £	No 83/84 £	Total £
Cost or Valuation				
At 1 October 2019	402,152	251,259	5,000	658,411
At 30 September 2020	<u>402,152</u>	<u>251,259</u>	<u>5,000</u>	<u>658,411</u>
Amortisation				
At 1 October 2019	-	-	4,999	4,999
At 30 September 2020	<u>-</u>	<u>-</u>	<u>4,999</u>	<u>4,999</u>
Net Book Value				
At 30 September 2020	<u>402,152</u>	<u>251,259</u>	<u>1</u>	<u>653,412</u>
At 30 September 2019	<u>402,152</u>	<u>251,259</u>	<u>1</u>	<u>653,412</u>

The Trustees consider the value of the properties to be in excess of the cost shown. The freehold property consists of the museum and related property. A valuation of the properties was obtained in 2017, by Spence Willard Chartered Surveyors, and at that time the market value of the combined museum property was £2,815,000.

b) Fixtures, Fittings, Furnishings and Equipment

	Fixtures and Fittings		Expenditure		
	No 82 £	The Disrespect £	Kitchen & Office Equipment £	The Prospect £	Total £
Cost or Valuation					
At 1 October 2019	12,659	15,507	15,922	95,662	139,750
At 30 September 2020	<u>12,659</u>	<u>15,507</u>	<u>15,922</u>	<u>95,662</u>	<u>139,750</u>
Depreciation					
At 1 October 2019	12,561	15,506	15,264	90,644	133,975
Provided in year	50	-	173	502	725
At 30 September 2020	<u>12,611</u>	<u>15,506</u>	<u>15,437</u>	<u>91,146</u>	<u>134,700</u>
Net Book Value					
At 30 September 2020	<u>48</u>	<u>1</u>	<u>485</u>	<u>4,516</u>	<u>5,050</u>
At 30 September 2019	<u>98</u>	<u>1</u>	<u>658</u>	<u>5,018</u>	<u>5,775</u>

TOTAL ASSETS

Net Book Value	
At 30 September 2020	<u>658,462</u>
At 30 September 2019	<u>659,187</u>

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

11. Heritage assets

	2020	2019
	£	£
At 1 October 2019	513,694	513,694
Additions	-	-
At 30 September 2020	<u>513,694</u>	<u>513,694</u>
Replacement value (Bonhams valuation 01/04/2011)	<u>2,066,370</u>	<u>2,066,370</u>

12. INVESTMENTS

	2020	2019
	Value	Value
	£	£
UK Quoted investments	893,249	895,016
	<u>893,249</u>	<u>895,016</u>

13. INVESTMENTS

	2020	2019
	£	£
Market value 1 October 2019	895,016	1,054,754
Disposals	-	(1,053,792)
Acquisitions	-	900,000
Cash movements	2,593	-
Net investment gains/(losses)	-	(5,946)
Net unrealised investment gains/(losses)	30,012	-
Net realised investment gains/(losses)	<u>(34,372)</u>	<u>-</u>
Market value 30 September 2020	<u>893,249</u>	<u>895,016</u>

Investments in individual holdings held at 30 September 2020 which are over 5% of the portfolio are:

		Market Value	Market Value
		2020	2019
		£	£
Gold	5.81%	51,905	-

14. Debtors

	2020	2019
	£	£
Other debtors	5,070	85
Prepayments and accrued income	8,897	9,750
	<u>13,967</u>	<u>9,835</u>

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

15. Creditors

	2020	2019
	£	£
Other creditors	1,018	1,015
PAYE	378	-
Accruals and deferred income	21,028	26,697
	<u>22,424</u>	<u>27,712</u>

16. CAPITAL COMMITMENTS

At the year end the Trustees had no capital commitments.

17. CONTROL

The Charity is controlled by the Board of Trustees.

18. RELATED PARTY TRANSACTIONS

There were no related party transactions in the period.