

Registered number: 02057180
Charity number: 295303

THE FAN MUSEUM TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

THE FAN MUSEUM TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021**

Trustees	Mr J C Hayes Mrs H E Alexander FRSA MBE Mr P F Degen Mr J H Hughes Mrs L Zeitlin Mrs S Mordaunt-Crook Mr T Burnett Mr I Keys (resigned 2 October 2021)
Company registered number	02057180
Charity registered number	295303
Registered office	12 Crooms Hill Greenwich London SE10 8ER
Company secretary	Mrs K Kuhn
Independent auditors	Williams Giles Professional Services Ltd Chartered Accountants & Statutory Auditors 12 Conqueror Court Sittingbourne Kent ME10 5BH
Bankers	HSBC Bank Plc 85 Lewisham High Street Lewisham London SE13 6BE
Solicitors	Tinklin Springall 9-11 Rectory Road Beckenham Kent BR3 1JB
Investment Manager	SG Kleinwort Hambros Bank Limited 8 St. James's Square London SW1Y 4JU

THE FAN MUSEUM TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report together with the audited financial statements of the Charity for the 1 April 2020 to 31 March 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The principal object of the Charity is to advance the education of the public with particular regard to fans, fan making and their history and development.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Activities undertaken to achieve objectives

The Charity has sought despite the limitations imposed by Covid-19 pandemic to continue to pursue its aims, namely to provide a centre of excellence for the study, appreciation and enjoyment of the art and craft of fans and fan making. These are usually realised mainly by mounting three themed exhibitions each year to complement the Museum's permanent display, thus allowing a wide variety of the Museum's collections to be accessed and enjoyed by the public and by students who utilise the collection for study and research.

Normally besides the exhibitions, the Museum hosts an "In Celebration" programme that includes a variety of talks on subjects that are related to fans as well as a series of plays. Details of these can be found on our website www.thefanmuseum.org.uk Also to increase its accessibility the Museum participate in both "Open London House" and the "Local Community Day" events, which are enjoyed by the public who participate in these days.

Furthermore the Museum has begun to hold series of talks via video link. These have been successful and received welcome support and enabled us to reach a welcome wider audience. Details of these can be found on our website www.thefanmuseum.org.uk

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

c. Main activities undertaken to further the Charity's purposes for the public benefit

Owing to the restrictions established by the Government due to the Covid-19 pandemic the Museum has not hosted any exhibitions this year. Instead, it has been, within Government operating guidelines, maintaining and conserving the collection of fans it holds as well as planning future exhibitions for when the Museum reopens to the public. The intention is for that to happen in mid-November 2021.

During this difficult period the Trustees wish to express their thanks to the staff, volunteers and friends for their continuing and much appreciated support.

The Museum's lost admission income has been partly offset by the Government's furlough scheme and other financial support including a general Covid-19 grant from The Royal Borough of Greenwich.

The market value of investments, including cash, at year end was £3.5m (2020: £2.9m).

Achievements and performance

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

b. Reserves policy

The Trustees believe that it is important that when setting the annual Museum budgets that its income will exceed its expenditure so that it can accumulate reserves to facilitate its growth and provide it with financial stability. This year the Trustees note that the Museum achieved a net surplus before net gain/(loss) on investments of £116k (2020: Deficit £58k) as set out in the Statement of Financial Activities.

The balance sheet remained strong with total Net Assets of £6.2m (2020: £5.7m). It should be noted that most of the balance sheet is represented by unrestricted funds.

The total reserves at the year end were £6.2m (2020: £5.7m). The split of these being unrestricted £5.6m (2020: £5.1m) and permanent endowment of £664k (2020: £664k). The permanent endowment funds represent Museum collections and are recognised as heritage asset on Balance Sheet. These funds are, therefore, excluded from the reserves policy.

The Trustees review annually the policy regarding unrestricted liquid funds which amounted to £317k (2020: £433k) at the end of year. They have decided there is a need for the Trustees to retain sufficient funds to meet any:

- accrued and future management costs which cannot be met from existing funds due to an unexpected fall in investment income.
- exceptional expenditure, for example, repairs & renewals, acquisition of Museum collections or to fund an opportunity that is too good to be missed as it will allow the Trustees to deliver their mission in a more effective or comprehensive way.

The Trustees have established a policy whereby the Charity maintains sufficient unrestricted funds to cover management and administration and support costs after taking into account the continued support from the Victor Adda Foundation for the year ahead.

c. Material investments policy

The Trustees have considered the most appropriate policy for investing surplus funds is to employ the services of SG Kleinwort Hambros Bank Limited as their Investment Manager with direction to structure the investment portfolio so that the primary objective is to deliver an attractive and growing level of income over time. While capital growth is secondary, the aim is to grow capital ahead over inflation over the long term. The strategy aims to generate a real return ahead of inflation, while accepting a relatively moderate level of risk similar to the long-run historical risks of investing in a blended portfolio of 50% bonds and 50% equities.

d. Principal risks and uncertainties

The Trustees are mindful of the risks faced by the Charity. These are recognised as being financial, personnel, health and safety, physical risk and compliance with the Trustees' Statutory responsibilities. These risks are reviewed by the Trustees at their meetings to see they are appropriately addressed, and that relevant policies and procedures are maintained. It is recognised that this is a continual process.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

e. Principal funding

The Charity's principal funding sources are:
Donation from a trustee - around £100k per annum
Donation from Victor Adda Foundation - £30k per annum
Income from investments - around £115k per annum.

Structure, governance and management

a. Constitution

The Fan Museum Trust is registered as a charitable company limited by guarantee and is governed by its Memorandum and Articles of Association dated 18th August, 1986 and is registered with the Charity Commission.

b. Methods of appointment or election of Trustees

The management of the Charity is the responsibility of the Trustees. The Board of Trustees, which must consist of at least 3 trustees, meets 3 times a year. Trustees are recruited and appointed as appropriate to provide a range and variety of different skills for the management of the Museum. Usually, the Trustees happen to be trustees of other unrelated charities and they use their knowledge and experience to fulfil their role, and undertake training as and when appropriate.

c. Related party relationships

None of the Trustees received any remuneration or other benefit from their work with the Charity. It should be noted that one of the Trustees makes a substantial annual donation through Gift Aid to the Museum.

The Charity receives support from both the Charitable Funds of The Worshipful Company of Fan Makers and The Victor Adda Foundation. Mr J H Hughes is a member of The Charities Committee of The Worshipful Company of Fan Makers and both Mrs H E Alexander and Mrs L Zeitlin are trustees of The Victor Adda Foundation.

The Museum has full accreditation under Arts Council of England Accreditation Scheme.

The Charity has a 99% owned subsidiary, Fans Limited, which was established to operate the commercial functions of The Museum, such as The Orangery and the Museum's shop.

d. Financial risk management

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

e. Trustees' indemnities

The Charity has continued to maintain indemnity insurance for trustees.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Members' liability

The Members of the Charity guarantee to contribute an amount not exceeding £1 to the assets of the Charity in the event of winding up.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material 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 business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and 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 Companies Act 2006. 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.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Williams Giles Professional Services Ltd, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

.....
Mrs H E Alexander FRSA MBE
Trustee
Date: 21.12.2021



THE FAN MUSEUM TRUST
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FAN MUSEUM TRUST

Opinion

We have audited the financial statements of The Fan Museum Trust (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of financial activities, the balance sheet, the statement of cash flows and the related notes, 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 charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FAN MUSEUM TRUST (CONTINUED)

Other Information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FAN MUSEUM TRUST (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

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

Extent to which the audit was considered capable of detecting Irregularities, including fraud:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to Irregularities:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

The nature of the industry and sector, control environment and business performance including the design of the entity's remuneration policies, results of our enquiries of management about their own identification and assessment of the risks of irregularities and any matters we identified having reviewed the entity's policies and procedures; the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in relation to revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the entity operates in and focused on those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities Act 2011.

Audit response to risks identified

As a result of performing the above, we identified revenue recognition as key audit matter related to the potential risk of fraud. Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FAN MUSEUM TRUST (CONTINUED)

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of our report

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



Williams Giles Professional Services Ltd
Chartered Accountants & Statutory Auditors
12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

Date: 21/12/2021

Williams Giles Professional Services Ltd are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income and endowments from:					
Donations and legacies	3	207,572	-	207,572	141,673
Charitable activities	4	124	-	124	26,642
Investments	5	125,328	-	125,328	130,346
Other income	6	31,979	-	31,979	32,934
Total income and endowments		365,003	-	365,003	331,595
Expenditure on:					
Raising funds	7	20,692	-	20,692	24,255
Charitable activities	8	227,943	-	227,943	365,766
Total expenditure		248,635	-	248,635	390,021
Net income/(expenditure) before net gains/(losses) on investments		116,368	-	116,368	(58,426)
Net gains/(losses) on investments		360,250	-	360,250	(430,053)
Net movement in funds		476,618	-	476,618	(488,479)
Reconciliation of funds:					
Total funds brought forward		5,084,529	664,093	5,748,622	6,237,101
Net movement in funds		476,618	-	476,618	(488,479)
Total funds carried forward		5,561,147	664,093	6,225,240	5,748,622

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

The notes on pages 14 to 36 form part of these financial statements.

THE FAN MUSEUM TRUST
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REGISTERED NUMBER: 02057180

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	82,298	99,211
Heritage assets	14	2,355,557	2,355,558
Investments	15	3,496,630	2,884,958
		<u>5,934,485</u>	<u>5,339,727</u>
Current assets			
Debtors	16	48,585	40,028
Cash at bank and in hand		268,764	392,623
		<u>317,349</u>	<u>432,651</u>
Creditors: amounts falling due within one year	17	(26,594)	(23,756)
Net current assets		<u>290,755</u>	<u>408,895</u>
Total assets less current liabilities		<u>6,225,240</u>	<u>5,748,622</u>
Net assets excluding pension asset		<u>6,225,240</u>	<u>5,748,622</u>
Total net assets		<u><u>6,225,240</u></u>	<u><u>5,748,622</u></u>
Charity funds			
Endowment funds	19	664,093	664,093
Restricted funds	19	-	-
Unrestricted funds	19	5,561,147	5,084,529
Total funds		<u><u>6,225,240</u></u>	<u><u>5,748,622</u></u>

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011.

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

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BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



.....
Mrs H E Alexander FRSA MBE
Trustee

Date: 31/12/2021

The notes on pages 14 to 36 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. General information

The charity is a private company limited by guarantee without share capital and incorporated in England & Wales. The registration numbers of the charity and company are 295303 and 02057180. The registered office of the charity which is also a principal place of business is:

12 Crooms Hill, Greenwich, London, SE10 8ER

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Fan Museum Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The Museum has been temporarily closed since March 2020 due to the lockdown as a consequence of COVID-19. The restrictions and lockdowns have negatively affected the charitable company's income. The Trustees have assessed that the charitable company has sufficient resources to support the charitable company's fixed and operational costs for the foreseeable future and to pay its liabilities when they fall due. The Trustees believe that there is no material uncertainty over the ability of the charitable company to continue in operational existence for the foreseeable future and, accordingly, these financial statements are prepared on a going concern basis.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the Charity's accounting policies.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the statement of financial activities as the related expenditure is incurred.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the statement of financial activities.

2.8 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Furniture, fixtures & equipment - 13%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of financial activities.

THE FAN MUSEUM TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.9 Heritage assets

The Company holds a diverse collection of heritage assets which are held in support of its primary objective of education of the public with particular regard to fans, fan making and history thereof.

The majority of the heritage assets are not valued on the Balance Sheet on the basis that a valuation does not exist and could not be obtained at a proportionate cost. A small number of heritage assets have been acquired in the past and, in the case of these assets, the cost of purchase is known. The aggregate cost of these assets is shown on the balance sheet.

Where heritage assets have been purchased, they are initially recognised at cost. After recognition, under the cost model, heritage assets are measured at cost less any accumulated impairment losses. Expenditure which in the Trustees' view, is required to preserve or clearly prevent further deterioration of individual items is recognised in the Statement of Financial Activities when it is incurred.

Where heritage assets have been donated, the initial valuation at fair value has been treated at deemed cost. After recognition, in this situation, the assets are measured at deemed cost less accumulated depreciation and any accumulated impairment losses.

Where heritage assets have been donated, they should initially be recognised then subsequently measured at fair value. Any reliable valuation technique to estimate the fair value of a heritage asset may be used; however, it must reflect any particular historic or heritage qualities inherent in the asset being valued, meaning that depreciated replacement cost may not be an applicable technique in all circumstances.

Building

The charitable company holds a 999 year lease from 25 March 1988 of its Museum premises at 10-12 Crooms Hill, Greenwich, from The Victor Adda Foundation which had paid £352,820 for the freehold. As the lease was granted at no cost to the charitable company, a sum equal to cost to the freeholder has been taken as the initial value of the lease and included in the cost figure in the financial statements. The resulting reserve has been transferred to the General Fund.

The Trust is responsible for the listed property at 10-12 Crooms Hill. The Trustees consider that owing to the incomparable nature of property in its current use and the fact that a conventional valuation approach would lack sufficient reliability that, even if a valuation could be obtained, the cost would be onerous compared with the additional benefits derived by the Museum and user of the financial statements. As a result the value reported in the financial statements represents cost of long-term leasehold, cost of improvements and the value of a legacy by the way of a surrendered underlease.

The cost of associated major repairs is reported in the Statement of Financial Activities in the year it is incurred. Having taken professional advice, the Trustees have reclassified the building as an inalienable asset, depreciation has not been provided on the building as this is considered to have an indefinite life.

Museum collections

These include Museum acquisitions. The Trustees do not consider that a reliable cost or valuation information can be obtained for the vast majority of items without the Trust incurring cost which would be disproportionate in comparison to the benefits derived by the Museum and user of the accounts. This is because of the diverse nature of the items held, their high volume and lack of

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FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.9 Heritage assets (continued)

comparable market values. The Museum also recognises that the Trustees do not consider it appropriate to charge depreciation.

2.10 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.12 Cash at bank and in hand

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

2.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the statement of financial activities as a finance cost.

2.14 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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NOTES TO THE FINANCIAL STATEMENTS
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2. Accounting policies (continued)

2.15 Operating leases

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

2.16 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

2.17 Fund accounting

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

Endowment funds are property of the Charity, (such as cash or investments) which the Trustees may not spend as if it were income. It is held permanently in order to produce an income for the Charity. The Trustees cannot normally spend the Permanent Endowment without authority from the Charity Commission. The terms of the Endowment permit assets within the fund to be sold and reinvested.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Income from donations and legacies

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations			
Donations - Victor Adda Foundation	30,000	30,000	30,000
Donations: Other	1,138	1,138	9,113
Subtotal	31,138	31,138	39,113

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

3. Income from donations and legacies (continued)

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Covenants and Gift Aid	107,503	107,503	102,560
Government grants	68,931	68,931	-
Subtotal	176,434	176,434	102,560
	207,572	207,572	141,673
Total 2020	141,673	141,673	

4. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from charitable activities - Museum admission	124	124	26,642
Total 2020	26,642	26,642	

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**NOTES TO THE FINANCIAL STATEMENTS
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5. Investment Income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from local listed investments	125,251	125,251	129,828
Investment income - local cash	77	77	518
	<u>125,328</u>	<u>125,328</u>	<u>130,346</u>
<i>Total 2020</i>	<u>130,346</u>	<u>130,346</u>	

6. Other incoming resources

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Rental income	25,979	25,979	20,117
Sundry receipts	6,000	6,000	12,817
	<u>31,979</u>	<u>31,979</u>	<u>32,934</u>
<i>Total 2020</i>	<u>32,934</u>	<u>32,934</u>	

7. Investment management costs

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment management fees	20,692	20,692	24,255
<i>Total 2020</i>	<u>24,255</u>	<u>24,255</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Charitable activity - Fan Museum	227,943	227,943	365,766
<i>Total 2020</i>	<i>365,766</i>	<i>365,766</i>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Charitable activity - Fan Museum	2,164	225,779	227,943

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Charitable activity - Fan Museum	7,584	358,182	365,766

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Fan Museum 2021 £	Total funds 2021 £	Total funds 2020 £
Museum expenses	2,164	2,164	7,584
<i>Total 2020</i>	<i>7,584</i>	<i>7,584</i>	

Analysis of support costs

	Fan Museum 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	113,512	113,512	139,246
Depreciation	17,321	17,321	11,983
Museum Admin & management	91,646	91,646	157,659
Loans written off	-	-	45,994
Governance costs	3,300	3,300	3,300
	225,779	225,779	358,182
<i>Total 2020</i>	<i>358,182</i>	<i>358,182</i>	

10. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	3,300	3,300

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Staff costs

	2021 £	2020 £
Wages and salaries	105,741	129,002
Social security costs	4,887	7,578
Contribution to defined contribution pension schemes	2,884	2,666
	<u>113,512</u>	<u>139,246</u>

The average number of persons employed by the Charity during the year was as follows:

	2021 No.	2020 No.
Engaged in charitable activities	4	5
Administration	1	1
	<u>5</u>	<u>6</u>

No employee received remuneration amounting to more than £60,000 in either year.

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £NIL).

13. Tangible fixed assets

	Furniture, fixtures and equipment £
Cost or valuation	
At 1 April 2020	141,235
Additions	408
At 31 March 2021	<u>141,643</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

13. Tangible fixed assets (continued)

	Furniture, fixtures and equipment £
Depreciation	
At 1 April 2020	42,024
Charge for the year	17,321
At 31 March 2021	59,345
Net book value	
At 31 March 2021	82,298
At 31 March 2020	99,211

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

14. Heritage assets

Assets recognised at cost

	Museum buildings 2021 £	Museum collection 2021 £	Total 2021 £
Carrying value at 1 April 2020	1,691,465	664,092	2,355,557
	<u>1,691,465</u>	<u>664,092</u>	<u>2,355,557</u>

Analysis of heritage asset transactions

	2021 £	2020 £	2019 £	2018 £	2017 £
Purchases					
Museum collections - at cost	-	14,033	-	6,858	24,543
Total additions	<u>-</u>	<u>14,033</u>	<u>-</u>	<u>6,858</u>	<u>24,543</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

14. Heritage assets (continued)

Analysis of heritage asset transactions (continued)

	2021 £	2020 £	2019 £	2018 £	2017 £
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Museum buildings

Heritage leasehold property consists of following:

- a. The cost of long term leasehold £352,820
- b. Cost of improvements £963,645
- c. Value of underlease surrendered by the way of a legacy. This was valued at £375,000 by Messrs Humphrey Skitt & Co, a firm of chartered surveyors on 29 November 2001.

The building is on 999 years lease from 25 March 1988.

Museum collections

Museum collections include various items donated to or acquired by the Charity and form part of the overall collection of the Museum. There were no specific conditions attached when these items were donated other than standard conditions applying to Registered Museums and in line with the adopted policy these form part of the Endowment Fund.

The Museum holds a large and diverse collection of heritage assets which are of significant importance in achieving its objective. The Museum aims to maintain the condition of all its heritage assets and has a rolling programme of maintenance and restoration to ensure condition of such assets does not become degraded.

The Collection is under the Control of an experienced team who work with the Trustees. The collection is managed in accordance with policy approved by the Trustees. Assets from any of the Museum collection are only disposed of where in the opinion of the Trustees, an item does not contribute to the interest or diversity of the Museum's collection.

The Museum occasionally makes available on loan items from the collection to other museums and also accepts objects on loan from other museums. The Museum usually has three different exhibitions in a year and collection items are rotated according to their conservation needs and the thematic requirements of the exhibitions.

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Fixed asset investments

	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 April 2020	100	2,884,858	2,884,958
Additions	-	1,168,669	1,168,669
Disposals	-	(917,248)	(917,248)
Revaluations	-	360,251	360,251
At 31 March 2021	<u>100</u>	<u>3,496,530</u>	<u>3,496,630</u>

16. Debtors

	2021 £	2020 £
Due within one year		
Amounts owed by group undertakings	12,207	-
Other debtors	23,848	30,641
Prepayments and accrued income	12,530	9,387
	<u>48,585</u>	<u>40,028</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other loans	-	2,896
Trade creditors	12,422	9,552
Other taxation and social security	3,606	1,054
Accruals and deferred income	10,566	10,254
	<u>26,594</u>	<u>23,756</u>

18. Financial Instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>268,764</u>	<u>392,623</u>

Financial assets measured at fair value through income and expenditure comprise cash and cash equivalents.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

19. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds					
General Funds - all funds	5,084,529	367,008	(250,640)	360,250	5,561,147
Endowment funds					
Endowment Funds - all funds	664,093	-	-	-	664,093
Total of funds	5,748,622	367,008	(250,640)	360,250	6,225,240

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
Unrestricted funds						
General Funds - all funds	5,641,039	331,597	(390,021)	(68,033)	(430,053)	5,084,529
Endowment funds						
Endowment Funds - all funds	596,060	-	-	68,033	-	664,093
Total of funds	6,237,099	331,597	(390,021)		(430,053)	5,748,622

20. Summary of funds

Summary of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2021 £
General funds	5,084,529	367,008	(250,640)	360,250	5,561,147
Endowment funds	664,093	-	-	-	664,093
	5,748,622	367,008	(250,640)	360,250	6,225,240

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Summary of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2020 £</i>
General funds	5,641,039	331,597	(390,021)	(68,033)	(430,053)	5,084,529
Endowment funds	596,060	-	-	68,033	-	664,093
	<u>6,237,099</u>	<u>331,597</u>	<u>(390,021)</u>	<u>-</u>	<u>(430,053)</u>	<u>5,748,622</u>

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Tangible fixed assets	82,298	-	82,298
Fixed asset investments	3,496,630	-	3,496,630
Heritage assets	1,691,464	664,093	2,355,557
Current assets	317,349	-	317,349
Creditors due within one year	(26,594)	-	(26,594)
Total	<u>5,561,147</u>	<u>664,093</u>	<u>6,225,240</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

21. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Endowment funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	99,211	-	99,211
Fixed asset investments	2,884,958	-	2,884,958
Heritage assets	1,691,465	664,093	2,355,558
Current assets	432,651	-	432,651
Creditors due within one year	(23,756)	-	(23,756)
Total	5,084,529	664,093	5,748,622

22. Contingent liabilities

A grant totalling £90,000 from the Heritage Lottery Fund would become repayable any time before 2084 if any of the terms of the grant are breached. In 2016, an Elizabethan Fan was purchased. The Heritage Lottery fund and Arts Foundation gave grants totalling £25,000 towards this purchase on condition that if this fan was to be sold without the prior approval of these bodies or the Fan Museum was to be declared bankrupt the grants would become repayable.

23. Pension commitments

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the charitable company to the fund and amounted to £2,884 (2020: £2,666) during the year. Balance of £700 (2020: £235) was payable to the fund at the balance sheet date and is included in creditors.

24. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

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NOTES TO THE FINANCIAL STATEMENTS
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25. Related party transactions

During the year the following related party transactions took place:

a. The Fan Museum Trust charged Fans Ltd, its 99% subsidiary, £7,407 (2020: £19,856) for the cost of shared staff and other operating overheads. Fans Ltd owed balance of £12,207 to the charity.

b. During the year, Mrs H E Alexander, one of the trustees, made a gift aid donation of £77,240 (2020: £71,406), this has been included in the income of the Museum under unrestricted funds as there were no specific conditions attached to this gift other than the standard conditions applying to Registered Museums.

The Charity received storage charges of £6,000 (2020: £6,000) from Mrs H E Alexander for storage of fans.

The Charity also received an interest free loan from Mrs H E Alexander in previous years and the balance outstanding at the year end was £Nil (2020: £2,896).

c. During the year, the Charity received donations of £30,000 (2020: £30,000) from Victor Adda Foundation and £10,957 from Worshipful Company of Fan Makers.

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**NOTES TO THE FINANCIAL STATEMENTS
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26. Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Class of shares
Fans Limited	01979781	12 Crooms Hill, Greenwich, London SE10 8ER	Ordinary

Holding

99%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £
Fans Limited	56,349	14,659	41,690

**Net assets
£**

21,887