

REGISTERED COMPANY NUMBER: 02057180 (England and Wales)
REGISTERED CHARITY NUMBER: 295303

THE FAN MUSEUM TRUST

Financial Statements for the Year Ended 31 March 2023

Xeinadin Auditing
Chartered Accountants and Statutory Auditors
Becket House
36 Old Jewry
London
EC2R 8DD

THE FAN MUSEUM TRUST

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THE FAN MUSEUM TRUST

Reference and Administrative Details for the year ended 31 March 2023

TRUSTEES	Mrs H E Alexander MBE FRSA T A J Burnett J C Hayes (resigned 8.7.23) J H Hughes Mrs S Mordaunt Crook Mrs L Zeitlin P F Degen (deceased 7.9.22) T P Barnes (appointed 18.6.23)
COMPANY SECRETARY	Ms K Kuhn
REGISTERED OFFICE	12 Crooms Hill Greenwich London SE10 8ER
REGISTERED COMPANY NUMBER	02057180 (England and Wales)
REGISTERED CHARITY NUMBER	295303
AUDITORS	Xeinadin Auditing Chartered Accountants and Statutory Auditors Becket House 36 Old Jewry London EC2R 8DD
BANKERS	HSBC Bank Plc 85 Lewisham High Street Lewisham London SE13 6BE
INVESTMENT MANAGER	SG Kleinwort Hambros Bank Limited One Bank Street Canary Wharf London E14 4SG

THE FAN MUSEUM TRUST (REGISTERED NUMBER: 02057180)

Report of the Trustees for the year ended 31 March 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2023. The trustees have 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 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

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.

Significant activities

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 held a 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

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 market value of investments, including cash, at year end was £3.4m (2022: £3.5m).

Public benefit

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)'.

FINANCIAL REVIEW

Principal funding sources

The Charity's principal funding sources are:

Donation from a trustee - around £66k per annum

Donation from Victor Adda Foundation - £30 per annum

Income from investments - around £120k per annum.

Investment policy and objectives

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.

THE FAN MUSEUM TRUST (REGISTERED NUMBER: 02057180)

Report of the Trustees for the year ended 31 March 2023

FINANCIAL REVIEW

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 (£312k) (2022: Surplus £139k) as set out in the Statement of Financial Activities.

The balance sheet remained strong with total Net Assets of £6.1m (2022: £6.4m). It should be noted that most of the balance sheet is represented by unrestricted funds.

The total reserves at the year end were £6.1m (2022: £6.4m). The split of these being unrestricted £5.5m (2022:£5.7m) and permanent endowment of £665k (2022: £665k). 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 £398k (2022:£465k) 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 Addis Foundation for the year ahead.

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.

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.

Financial and risk management objectives and policies

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.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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.

Recruitment and appointment of new 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.

THE FAN MUSEUM TRUST (REGISTERED NUMBER: 02057180)

**Report of the Trustees
for the year ended 31 March 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties

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.

The charity has continued to maintain indemnity insurance for trustees.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Fan Museum Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

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


In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Xeinadin Auditing, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 21/12/2023 and signed on its behalf by:


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

**Report of the Independent Auditors to the Members of
The Fan Museum Trust (Registered number: 02057180)**

Opinion

We have audited the financial statements of The Fan Museum Trust (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet and 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

**Report of the Independent Auditors to the Members of
The Fan Museum Trust (Registered number: 02057180)**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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.

**Report of the Independent Auditors to the Members of
The Fan Museum Trust (Registered number: 02057180)**

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

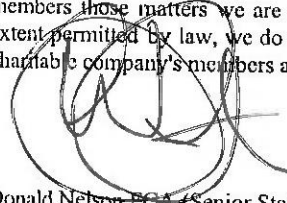
The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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 Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Donald Nelson FCA (Senior Statutory Auditor)
for and on behalf of Xeinadin Auditing
Chartered Accountants and Statutory Auditors
Becket House
36 Old Jewry
London
EC2R 8DD

Date: 17/12/2023

THE FAN MUSEUM TRUST

**Statement of Financial Activities
for the year ended 31 March 2023**

	Notes	Unrestricted fund £	Endowment fund £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	164,995	-	164,995	127,830
Charitable activities	4				
Fan Museum		13,063	-	13,063	3,771
Investment income	3	147,984	-	147,984	118,971
Other income	5	32,347	-	32,347	49,965
Total		<u>358,389</u>	<u>-</u>	<u>358,389</u>	<u>300,537</u>
EXPENDITURE ON					
Raising funds	6	19,851	-	19,851	22,049
Charitable activities					
Fan Museum		289,053	-	289,053	256,794
Total		<u>308,904</u>	<u>-</u>	<u>308,904</u>	<u>278,843</u>
Net gains/(losses) on investments		(312,217)	-	(312,217)	138,654
NET INCOME/(EXPENDITURE)		(262,732)	-	(262,732)	160,348
Transfers between funds	17	(455)	455	-	-
Net movement in funds		<u>(263,187)</u>	<u>455</u>	<u>(262,732)</u>	<u>160,348</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		5,720,902	664,686	6,385,588	6,225,240
TOTAL FUNDS CARRIED FORWARD		<u><u>5,457,715</u></u>	<u><u>665,141</u></u>	<u><u>6,122,856</u></u>	<u><u>6,385,588</u></u>

The notes form part of these financial statements

THE FAN MUSEUM TRUST (REGISTERED NUMBER: 02057180)

**Balance Sheet
31 March 2023**

	Notes	Unrestricted fund £	Endowment fund £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	12	55,251	-	55,251	67,113
Heritage assets	13	1,691,465	665,141	2,356,606	2,356,151
Investments	14	3,336,842	-	3,336,842	3,524,699
		<u>5,083,558</u>	<u>665,141</u>	<u>5,748,699</u>	<u>5,947,963</u>
CURRENT ASSETS					
Debtors	15	58,870	-	58,870	55,040
Cash at bank		<u>339,251</u>	<u>-</u>	<u>339,251</u>	<u>410,089</u>
		<u>398,121</u>	<u>-</u>	<u>398,121</u>	<u>465,129</u>
CREDITORS					
Amounts falling due within one year	16	(23,964)	-	(23,964)	(27,504)
NET CURRENT ASSETS		<u>374,157</u>	<u>-</u>	<u>374,157</u>	<u>437,625</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,457,715</u>	<u>665,141</u>	<u>6,122,856</u>	<u>6,385,588</u>
NET ASSETS		<u>5,457,715</u>	<u>665,141</u>	<u>6,122,856</u>	<u>6,385,588</u>
FUNDS	17				
Unrestricted funds				5,457,715	5,720,902
Endowment funds				<u>665,141</u>	<u>664,686</u>
TOTAL FUNDS				<u>6,122,856</u>	<u>6,385,588</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 21/12/2023 and were signed on its behalf by:


H E Alexander MBE FRSA - Trustee

The notes form part of these financial statements

THE FAN MUSEUM TRUST

Notes to the Financial Statements for the year ended 31 March 2023

1. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The financial statements contain information about The Fan Museum Trust as an individual company and do not contain consolidated financial information as the parent of a group. The charity is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing the financial statements, trustees are required to make judgements, estimates and assumptions which affect reported income, expenses, assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such 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 if the revision effects only that period, or in the period of the revision and future periods if the revision effects both current and future periods.

The key source of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below:

Useful life and residual value of fixed assets and heritage assets

The useful life and residual value of the assets are estimated initially when the asset is purchased and form the basis of the depreciation calculations. The lives of the asset classes are kept under review and adjusted if considered necessary.

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.

THE FAN MUSEUM TRUST

Notes to the Financial Statements - continued for the year ended 31 March 2023

1. ACCOUNTING POLICIES - continued

INCOME

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.

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.

TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 12.5% on cost
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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.

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.

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 FAN MUSEUM TRUST

Notes to the Financial Statements - continued for the year ended 31 March 2023

1. ACCOUNTING POLICIES - continued

HERITAGE ASSETS

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

TAXATION

The charity is exempt from corporation tax on its charitable activities.

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.

THE FAN MUSEUM TRUST

Notes to the Financial Statements - continued for the year ended 31 March 2023

1. ACCOUNTING POLICIES - continued

FUND ACCOUNTING

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.

FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

HIRE PURCHASE AND LEASING COMMITMENTS

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

INVESTMENTS

Fixed asset investments are stated at market value, where market value represents the bid-market price on the last day of trading before the year end. Any unrealised or realised gains arising from investments are taken to the fund for which the investments are held

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments.

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. DONATIONS AND LEGACIES

	2023	2022
	£	£
Donations	78,114	35,448
Covenants and Gift aid	86,881	92,382
	<u>164,995</u>	<u>127,830</u>

THE FAN MUSEUM TRUST

**Notes to the Financial Statements - continued
for the year ended 31 March 2023**

3. INVESTMENT INCOME

	2023	2022
	£	£
Income from listed investments	145,659	118,891
Deposit account interest	2,325	80
	<u>147,984</u>	<u>118,971</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	2023	2022
	£	£
Grants	-	1,000
Museum admissions	13,063	2,771
	<u>13,063</u>	<u>3,771</u>

Grants received, included in the above, are as follows:

	2023	2022
	£	£
Circle of Arts	-	1,000
	<u>-</u>	<u>1,000</u>

5. OTHER INCOME

	2023	2022
	£	£
Sundry receipts	7,133	6,657
Rental income	25,214	25,800
Coronavirus Job Retention Scheme	-	5,508
Government grants	-	12,000
	<u>32,347</u>	<u>49,965</u>

6. RAISING FUNDS

INVESTMENT MANAGEMENT COSTS

	2023	2022
	£	£
Portfolio management	19,851	22,049
	<u>19,851</u>	<u>22,049</u>

THE FAN MUSEUM TRUST

Notes to the Financial Statements - continued for the year ended 31 March 2023

7. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Fan Museum	<u>275,020</u>	<u>221</u>	<u>4,700</u>	<u>279,941</u>

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2023 £	2022 £
Auditors' remuneration	4,700	3,300
Depreciation - owned assets	15,130	17,275
Hire of plant and machinery	2,899	3,569
Deficit on disposal of fixed assets	<u>665</u>	<u>-</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 31 March 2023 nor for the year ended 31 March 2022.

10. STAFF COSTS

	2023 £	2022 £
Wages and salaries	93,192	97,078
Social security costs	3,432	3,479
Other pension costs	<u>2,961</u>	<u>1,875</u>
	<u>99,585</u>	<u>102,432</u>

The average monthly number of employees during the year was as follows:

	2023	2022
Engaged in charitable activities	3	3
Administration	<u>1</u>	<u>1</u>
	<u>4</u>	<u>4</u>

No employees received emoluments in excess of £60,000.

THE FAN MUSEUM TRUST

**Notes to the Financial Statements - continued
for the year ended 31 March 2023**

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	127,830	-	127,830
Charitable activities			
Fan Museum	3,771	-	3,771
Investment income	118,971	-	118,971
Other income	49,965	-	49,965
Total	<u>300,537</u>	<u>-</u>	<u>300,537</u>
EXPENDITURE ON			
Raising funds	22,049	-	22,049
Charitable activities			
Fan Museum	256,794	-	256,794
Total	<u>278,843</u>	<u>-</u>	<u>278,843</u>
Net gains on investments	138,654	-	138,654
NET INCOME	160,348	-	160,348
Transfers between funds	(593)	593	-
Net movement in funds	159,755	593	160,348
RECONCILIATION OF FUNDS			
Total funds brought forward	5,561,147	664,093	6,225,240
TOTAL FUNDS CARRIED FORWARD	<u><u>5,720,902</u></u>	<u><u>664,686</u></u>	<u><u>6,385,588</u></u>

THE FAN MUSEUM TRUST

Notes to the Financial Statements - continued for the year ended 31 March 2023

12. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1 April 2022	
Additions	143,413
Disposals	3,933
	(4,026)
At 31 March 2023	143,320
DEPRECIATION	
At 1 April 2022	
Charge for year	76,300
Eliminated on disposal	15,130
	(3,361)
At 31 March 2023	88,069
NET BOOK VALUE	
At 31 March 2023	55,251
At 31 March 2022	67,113

13. HERITAGE ASSETS

	Total £
MARKET VALUE	
At 1 April 2022	
Additions	2,356,151
	455
At 31 March 2023	2,356,606
NET BOOK VALUE	
At 31 March 2023	2,356,606
At 31 March 2022	2,356,151

14. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Listed investments £	Totals £
MARKET VALUE			
At 1 April 2022			
Additions	100	3,524,599	3,524,699
Disposals	-	864,528	864,528
	-	(1,052,385)	(1,052,385)
At 31 March 2023	100	3,336,742	3,336,842
NET BOOK VALUE			
At 31 March 2023	100	3,336,742	3,336,842
At 31 March 2022	100	3,524,599	3,524,699

There were investment assets outside the UK of £1,167,250 (2022 - £1,037,682).

THE FAN MUSEUM TRUST

**Notes to the Financial Statements - continued
for the year ended 31 March 2023**

14. FIXED ASSET INVESTMENTS - continued

Investments comprise:

	2023	2022
	£	£
Bond holdings	976,725	806,601
Equities holdings	1,736,701	2,042,652
Alternatives and related holdings	623,316	675,346
	<u>3,336,742</u>	<u>3,524,599</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Amounts owed by group undertakings	21,463	17,761
Other debtors	15,594	16,523
VAT	9,656	8,410
Prepayments and accrued income	12,157	12,346
	<u>58,870</u>	<u>55,040</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	5,716	8,484
Social security and other taxes	2,353	2,355
Accruals and deferred income	15,895	16,665
	<u>23,964</u>	<u>27,504</u>

17. MOVEMENT IN FUNDS

	At 1.4.22	Net movement in funds	Transfers between funds	At 31.3.23
	£	£	£	£
Unrestricted funds				
General fund	5,720,902	(262,732)	(455)	5,457,715
Endowment funds				
Endowment fund	664,686	-	455	665,141
TOTAL FUNDS	<u>6,385,588</u>	<u>(262,732)</u>	<u>-</u>	<u>6,122,856</u>

THE FAN MUSEUM TRUST

Notes to the Financial Statements - continued for the year ended 31 March 2023

17. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	358,389	(308,904)	(312,217)	(262,732)
TOTAL FUNDS	<u>358,389</u>	<u>(308,904)</u>	<u>(312,217)</u>	<u>(262,732)</u>

Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.22 £
Unrestricted funds				
General fund	5,561,147	160,348	(593)	5,720,902
Endowment funds				
Endowment fund	664,093	-	593	664,686
TOTAL FUNDS	<u>6,225,240</u>	<u>160,348</u>	<u>-</u>	<u>6,385,588</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	300,537	(278,843)	138,654	160,348
TOTAL FUNDS	<u>300,537</u>	<u>(278,843)</u>	<u>138,654</u>	<u>160,348</u>

Restricted Funds:

Endowment comprises museum collections capitalised as heritage assets.

THE FAN MUSEUM TRUST

Notes to the Financial Statements - continued for the year ended 31 March 2023

18. 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.

19. RELATED PARTY DISCLOSURES

During the year the following related party transactions took place:

a. The Fan Museum Trust charged Fans Ltd, its 99% subsidiary, £6,900 (2022: £6,800) for the cost of shared staff and other operating overheads. As at 31 March 2023 Fans Ltd owed £21,463 (2022: £17,761) to the charity.

b. During the year, Mrs H E Alexander, one of the trustees, made a gift aid donation of £61,259 (2022: £65,500), 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 (2022: £6,000) from Mrs H E Alexander for storage of fans.

c. During the year, the Charity received donations of £64,560 (2022: £30,000) from Victor Adda Foundation and £10,307 (2022: £10,507) from Worshipful Company of Fan Makers Poor Fund.

20. 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.

THE FAN MUSEUM TRUST

Detailed Statement of Financial Activities for the year ended 31 March 2023

	2023 £	2022 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	78,114	35,448
Covenants and Gift aid	86,881	92,382
	<hr/> 164,995	<hr/> 127,830
Investment income		
Income from listed investments	145,659	118,891
Deposit account interest	2,325	80
	<hr/> 147,984	<hr/> 118,971
Charitable activities		
Grants	-	1,000
Museum admissions	13,063	2,771
	<hr/> 13,063	<hr/> 3,771
Other income		
Sundry receipts	7,133	6,657
Rental income	25,214	25,800
Coronavirus Job Retention Scheme	-	5,508
Government grants	-	12,000
	<hr/> 32,347	<hr/> 49,965
Total incoming resources	<hr/> 358,389	<hr/> 300,537
EXPENDITURE		
Investment management costs		
Portfolio management	19,851	22,049
Charitable activities		
Museum expenses	7,083	7,393
Exhibition expenses	1,364	181
Loss on sale of tangible fixed assets	665	-
	<hr/> 9,112	<hr/> 7,574
Support costs		
Management		
Wages	93,192	97,078
Social security	3,432	3,479
Pensions	2,961	1,875
Hire of plant and machinery	2,899	3,569
Rates and water	1,530	791
Carried forward	104,014	106,792

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THE FAN MUSEUM TRUST

**Detailed Statement of Financial Activities
for the year ended 31 March 2023**

	2023	2022
	£	£
Management		
Brought forward	104,014	106,792
Insurance	20,296	18,410
Light and heat	6,408	6,057
Telephone	770	1,240
Postage and stationery	4,638	2,020
Advertising	9,790	5,953
Sundries	6,773	5,359
Repairs & renewals - equipment	4,627	4,225
Information technology costs	3,825	5,314
Repair & maintenance -building	50,137	26,212
Cleaning and general expenses	17,629	10,007
Bookkeeping & accountancy	19,040	19,040
Legal & professional fees	11,943	17,572
Fixtures and fittings	15,130	17,274
	<u>275,020</u>	<u>245,475</u>
Finance		
Bank charges	221	445
Governance costs		
Auditors' remuneration	4,700	3,300
	<u>308,904</u>	<u>278,843</u>
Total resources expended		
	<u>49,485</u>	<u>21,694</u>
Net income before gains and losses		
	<u>49,485</u>	<u>21,694</u>
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	(312,217)	138,654
	<u>(262,732)</u>	<u>160,348</u>
Net (expenditure)/income		
	<u>(262,732)</u>	<u>160,348</u>

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