

THE STORY MUSEUM
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 AUGUST 2014

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Company number: 4780380
Charity number: 1107809

THE STORY MUSEUM TRUSTEES' REPORT

Legal and Administration Information

The full name of the company is The Story Museum.

The company number is 4780380. The registered charity number is 1107809.

The trustees that served during the year were as follows:

Dr Will Bowen
Mr David Fickling
Ms Pamela Hartigan
Mr John Lange
Mr David Wood OBE
Mr Michael Heaney
Mrs Jill Hudson

The office address of the charity is 42 Pembroke Street, Oxford, OX1 1BP.

The registered office is Laytons, 2 More London Riverside, London, SE1 2AP.

The company's auditors are Critchleys LLP, Greyfriars Court, Paradise Square, Oxford, OX1 1BE.

The company's solicitors are Laytons, 2 More London Riverside, London, SE1 2AP.

The company's bankers are Barclays Bank plc of Cornmarket Street, Oxford, OX1 3HS.

Structure, Governance and Management

The charity is governed by its Memorandum and Articles of Association.

The procedures for the appointment of Trustees are set out in the Articles of Association. At each AGM, one third of the trustees shall retire from office but are eligible for reappointment.

Objects and Activities for the Public Benefit

The objects of The Story Museum are to advance the education of the public in relation to children's literature and the history of the City of Oxford, in particular by:

- a) establishing and maintaining a museum dedicated to these subjects;
- b) conserving, interpreting and developing collections and heritage assets relevant to children's literature and the City of Oxford;
- c) providing learning opportunities for and promoting literacy and creativity among children, young people and families.

The Trustees have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

THE STORY MUSEUM

TRUSTEES' REPORT (CONTINUED)

Introduction by the Acting Chairman

2013-14 was a year of firsts for The Story Museum. We completed the first 'chapter' of our building master plan, opened a shop and cafe, created our first major exhibition and started operating as a permanent venue, albeit on part of our site. We also introduced an integrated in-house learning programme, launching a range of schools workshops as well as courses for children, adults and teachers, and an array of public ticketed events from touring shows to teddy bear sleepovers.

As a result around 11,000 people visited the re-opened museum for the first time, responding enthusiastically to our evolving building and programme. It was particularly pleasing to welcome visitors from the schools and communities who have hosted our outreach work over the years and, increasingly, to involve these and other partners in shaping our most unusual museum-in-the-making.

While much has been achieved and learned, we still have a long way to go to fully realise our vision of enriching lives, especially young or disadvantaged lives, through story. The board would like to thank our hard-working staff and volunteers and our generous supporters for joining us on this journey. During 2014-2015 we aim to continue building our audiences and impact and to refine our capital plans before we embark on our next exciting chapter.

David Wood OBE, Acting Chairman

Directors' report

Our August 2013 directors' report looked forward to a year in which we would:

- Complete our 'Chapter 1' construction and fit out for opening in April 2014
- Establish a shop and cafe
- Create a major exhibition and accompanying activity programme
- Put the people and processes in place to operate as a permanent venue
- Begin our capital appeal to refurbish the rest of our building
- Continue developing and delivering projects to engage children and young people in our most disadvantaged communities and build a community-wide sense of ownership.

The following sections review what we achieved and learned during the year and set out our objectives for 2014-15.

The capital project

In September 2013 builders Kingerlee Ltd started work on Chapter 1, the first phase of our capital development master plan, fencing off our courtyard for safety and decanting our staff and volunteers into temporary offices in the north wing of our building.

Chapter 1 set out to bring 25% of our building into year-round use and create a more accessible, comfortable and sustainable venue in which to offer visitors memorable encounters with stories. At a total cost of £853,500, this was made possible by a capital grant of £465,000 from Arts Council England and other major contributions from WREN, the Foyle Foundation, Mr and Mrs JA Pye's Charitable Settlement, Garfield Weston, Sir Siegmund Warburg and others. Work completed on time and budget in March 2015 and we were delighted to be able to report to our funders that the project had achieved all its objectives.

THE STORY MUSEUM

TRUSTEES' REPORT (CONTINUED)

Our street-facing ground floor rooms were completely remodelled to create a quirky, family-friendly public space which now accommodates a 24 cover cafe, a small book and gift shop, and our ticket and information desk. The shop opened in April 2014 thanks to an interim arrangement with Blackwells, and the cafe in October 2014 under the management of Sophie Grigson. Story-themed gifts were sourced with the help of dedicated volunteers, and both shop and cafe now attract additional passing trade as well as offering museum visitors more ways to enjoy stories.

Chapter 1 also included the creation of the Long Room, a flexible ground floor space for up to 60 people, which quickly proved its usefulness for toddler sessions, learning workshops, small performances and private hires. Permanent open plan offices were created on the second floor, with 16 desks, a library for quiet working and meetings, and a staff kitchen. Our two attic rooms were transformed into attractive studios carefully retaining their original features and distressed textures. These as well as our creative and meeting spaces are being increasingly used by visiting writers and artists as well as literary societies and other groups.

New gas central heating and window insulation brought our Pembroke Street building into year-round use, improving energy efficiency by more than 60 per cent compared with our temporary electrical heating. A platform lift to the first floor was welcomed by wheelchair users and the less ambulant, especially the many grandparents who bring children to the museum. Our first floor visitor facilities were further improved with an additional seven toilets including nappy changing and child-height basins.

Wherever possible we incorporated up-cycled furniture and architectural features to save carbon and to add character. We refurbished 20 cast iron radiators, acquired the wooden dresser from Tolkien's kitchen in Northmoor Road, and converted salvaged chapel screens into a beautiful 'portal' with the help of a generous donation of skilled carpentry. Our creative use of up-cycled materials and colourful treatment of the courtyard windows, with paint donated by Farrow & Ball, received a Special Mention at the Oxford Preservation Trust 2014 Conservation Awards.

Our artists-in-residence added further fairy dust. Neill Cameron painted comic strip hoardings that intrigued passers-by and distinctive signs for our new toilets. Ted Dewan playfully repurposed three Victorian lights for our frontage. Touches such as these, and Philip Cooper's topsy-turvy cafe design, have been much photographed and attract continuing accolades.

Throughout the programme, The Story Museum's building committee, notably Andrew Ryan and Will Bowen, offered invaluable time and wise counsel as work progressed. We also benefitted from the imagination and enthusiasm of our Young Curators, who specified the lighting in the Long Room and hosted opening season events.

Jack Tilbury of Plann Limited played a vital part in setting up and scheduling the project, handing over to the in-house team led by Tish Francis and Sarah Fussell once works started on site. Design and contract administration was led by Purcell, working alongside structural, mechanical and engineering consultants, Ramboll. Cost engineering was monitored by quantity surveyors Burke Hunter Adams working with the in-house team.

It is a testament to the effort and goodwill of all parties – staff, consultants, contractors and our planning authority – that positive relationships and momentum were sustained in the face of a very challenging schedule, post-contract additions, asbestos hold-ups and last-minute requirements by Building Control. This was all the more impressive given that we were concurrently preparing to launch our 26 Characters exhibition in April 2014, one month after the works' designated completion date.

THE STORY MUSEUM

TRUSTEES' REPORT (CONTINUED)

Developing content with partners and stakeholders

In December 2013 Arts Council England generously approved a Grants for the Arts Award for us to create and open '26 Characters', a major exhibition with accompanying book and website, engagement and access programmes. This provided our creative and commercial theme for 2014, and an opportunity to demonstrate how we could populate our building with stories and storytellers, and strengthen our ties within the artistic, educational and heritage sectors as well as the wider community.

Specially commissioned photographs of 26 leading children's authors dressed as their favourite story characters were displayed in themed story worlds in which visitors could hear story extracts and author interviews. Visitors were invited to dress up as their favourite characters, be announced by a talking throne, upload photographs of themselves into a digital gallery, and engage with a range of story-making activities.

Created in less than four months, the exhibition was the result of an exciting collaboration between The Story Museum team and volunteers, photographer Cambridge Jones, 26 authors (from Malorie Blackman to Benjamin Zephaniah) and a dozen designers drawn from the worlds of television, film, theatre, interiors, comics, publishing, graphics, radio and augmented reality. We hosted two new artistic residencies, Neill Cameron as our first Comic Artist in Residence, and Caroline Hardman, our first Digital Storyteller in Residence, charged with developing digital storytelling workshops and building our links with games developers.

26 Characters opened on 6 April alongside a public programme that set out to engage audiences of all ages and abilities with different forms of story and story making. We attracted new visitors, nearly half of whom were children, selling 12,000 tickets until the end of August which included 4,500 primary age pupils and 700 teachers. Some visitors returned as many as six times, prompting us to introduce season tickets.

In the five months to the end of our financial year we ran 230 events and sessions for the public. These ranged from 49 'ABC Story' toddler sessions and 5 'Story Songbook' events designed to build our preschool audience, to 2 academic lectures and 2 literary speed-dating events for adults. We ran 6 courses in oral storytelling, comic illustration, printing and digital storytelling and a further 8 print workshops. Primary aged children and their families enjoyed 20 author and illustrator events, 15 storyteller performances, 12 shows, 8 story collecting sessions, 35 readings, 32 literary walks, 13 craft sessions, 7 free courtyard events, 5 films and our first teddy bear sleepover, which provoked much online interest. We launched our first access events, with 5 relaxed performances, a touch tour and BSL interpreted tour. We also hosted 3 festival days: the Phoenix Children's Comic Festival, our first Discworld Celebration, and Alice's Day, our seventh city-wide celebration of Lewis Carroll and his stories.

Press and public responses were overwhelmingly positive. In a six-page feature, *The Economist's Intelligent Life* magazine described the museum as 'A place of wit and wonder'. Radio 4 broadcast Open Book from the exhibition and the museum was shortlisted for the prestigious Eleanor Farjeon Award for Services to Children's Literature.

THE STORY MUSEUM

TRUSTEES' REPORT (CONTINUED)

Increasing educational and social impact

Kate Sayer joined the museum team in August 2013 as Head of Learning and Participation, a post funded for three years by the Esmée Fairbairn Foundation. She immediately began working with the directors on audience development and learning plans and on designing workshops and events to complement the 26 Characters exhibition.

At the heart of the learning plan is our commitment to developing great ways of engaging people with great stories, especially children and young people, and most especially those from 'word poor' households. Kate led a series of successful projects targeting these groups including Learning through Stories, a touring exhibition and activities for primary age children; Alice's Day and Maggie's Day outreach workshops and Artsworld-funded digital storytelling workshops. Kate supervised the final year of our storytelling pilot in 10 London schools in partnership with StorytellingSchools.com, SHINE and others, and the preparation of the University of Winchester's evaluation report which showed that children participating in the project made progress in reading and writing above that of children in the same borough who were not participating.

Once we opened Kate also delivered most of our schools workshops, toddler and family sessions and walking tours, demonstrating sufficient demand for us to advertise for a learning and participation officer. We appointed ex-teacher Cath Hogan, a former volunteer, shortly after the year end, and expect to appoint and develop additional freelance session leaders to serve our paying audiences, allowing Kate to focus on developing high impact programmes for disadvantaged groups.

2013-14 also saw the development and deepening of partnerships with many artistic, educational and heritage organisations including the Bodleian Library, Oxford Literary Festival and Oxfordshire Library Services as well as other story centres such as Seven Stories in Newcastle-upon-Tyne and Discover in Stratford, East London.

People

In addition to Cath Hogan, 2013-14 we made other new appointments to serve the demands of a permanent venue. Tom Donegan was appointed Front of House and Volunteer Manager, with part-time freelance support from Duncan Saunders, Emily Pickin, Sam Taylor and Mazz Images, and funding towards his volunteer development role from Woodroffe Benton. Sophie Hiscock's job was broadened from Campaign Manager to Fundraising and Communications Manager, with support from development consultant Caroline Jones, and marketing officer Alex Coke.

Finance and fundraising

We began the year with brought forward unrestricted reserves of £100,179 and restricted reserves of £374,153, in preparation for the capital project and new exhibition. At the end of the year we carried forward £75,248 of unrestricted general reserves and £69,976 of restricted reserves, having capitalised £635,368 of property improvements that arose out of the capital project.

Our main fundraising priority was to match funding for the Chapter 1 project from a range of sources including charitable trusts, corporate sponsors and individuals. We also raised revenue funding towards core costs such as administration and volunteer management, as well as for co-curation projects such as a grant from Clore Duffield to develop a team of young literature producers. Despite the best efforts of consultant Caroline Jones, the five-strong senior team was too busy opening and then running the building and programme to launch a further capital appeal. It also became clear that we should incorporate learnings from this first year of opening into our master plan and business model.

The exponential increase in transactions, not to mention the setting up of EPOS and box office systems, placed heavy demands on our finance manager, prompting a decision after the year end to advertise for a part-time bookkeeper.

THE STORY MUSEUM

TRUSTEES' REPORT (CONTINUED)

Reserves policy and risk management

Our reserves policy continued as before: a ring-fenced reserve for capital commitments and restricted funds and, within general funds, a long term aim to establish a reserve to cover 12 months of running costs and 3 months of salaries and on costs. As at 31 August 2014 general funds were £75,248 and the Trustees acknowledge they need to increase the level of such funds in order to achieve their long term aim.

We continued to update our risk register and review it every six months with our trustee board and when making major decisions. Our capital project director monitored a detailed risk throughout the construction project.

Governance

During the year there were no changes to our trustee board which met more frequently during the construction period, and was advised by our Building Panel chaired by trustee Dr Will Bowen. We are hugely grateful to our trustees for their continuing advice and support.

Lessons learned during the year

As well as a year of firsts, 2013-14 was also a year of intense learning. Our small team adapted rapidly to these learnings, although inevitably there was much more we would have liked to do.

Through the building works we learned more about our old buildings, reducing unknowns for future works, establishing good working relationships with designers and contractors, and completing £500,000 worth of works identified in our 2012 master plan.

Running a capital project while building a major exhibition and maintaining an outreach programme placed significant demands on our team in the run up to opening in April 2014. In future we will allow longer lead times for creating and marketing major exhibitions, and build in additional project management when construction projects run in parallel.

In the months since April 2014 the team has had to adapt to being stretched across seven days a week in order to open to the public for six days, and fit meetings and scheduled maintenance into the seventh. Our hard-working volunteers did much to assist but we learned that we need to expand staff capacity to reliably sustain this level of activity.

By August 2014 it was clear that as well as keeping our shop and workshop spaces open through the winter we would need to extend our exhibition to meet demand from schools and families. We decided to adapt the exhibition, install temporary heating and open with slightly reduced hours. Improving the heating and access to the first floor highlighted just how much could be achieved by extending the heating and creating lift access to the second floor, prompting us to prepare funding applications for a further small phase of works in 2015.

Operating the building also revealed the need to adjust our allocation of spaces to improve the visitor experience and maximise earned income. We applied to ACE for funding to review our master plan, strategy and business model, work that is scheduled for completion in spring 2015.

THE STORY MUSEUM

TRUSTEES' REPORT (CONTINUED)

Looking forward from August 2014

We continue to work towards five long-term goals:

- To enrich lives through story, especially young lives and those facing disadvantage, using stories in all their forms to inspire learning and improve wellbeing, and so help people fulfil their potential.
- To establish a resilient organisation, maximising earned income and building the capacity of our leadership, staff, trustees, associates and volunteers.
- To create a 'wonder', an unusual museum that attracts audiences, hosts inspiring and enjoyable experiences, works physically and financially and is environmentally sustainable.
- To develop and share great ways of engaging with great stories, and help people to create stories of their own.
- To expand audiences, increase diversity and deepen community involvement with the museum and our shared story heritage.

Our priorities for 2014-15 are to:

- Analyse learnings from our first year programme and plan our activity programme for the next three years, allowing longer lead times for fundraising, marketing and delivery.
- Develop projects to advance our story collection and build community involvement.
- Develop creative projects that engage children and young people from our most disadvantaged communities and demonstrate our educational and social impact.
- Develop our commercial operations to increase earned income.
- Review our master plan, business model and strategic plan and launch a capital appeal to complete the refurbishment of the building.
- Commence a 'Chapter 1a' construction phase to further extend heating and access.
- Build staff and board capacity and organisational systems to enable us to make this possible.

If we were ever in any doubt, the responses of the many people we have encountered this year convince us, more than ever, of the need for The Story Museum and of its potential to inspire and delight.

THE STORY MUSEUM**TRUSTEES' REPORT (CONTINUED)****Statement of Trustees' Responsibilities**

The Trustees are responsible for preparing the Annual Report and accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the incoming resources and application of resources of the charity for that period. In preparing those financial statements, the Trustees are required to select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent; and prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

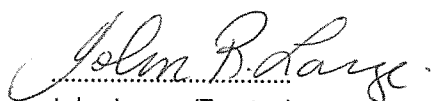
So far as the Trustees are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and

Each Trustee has taken all steps that he ought to have taken as a director in order to make himself aware of relevant audit information and to establish that the company's auditors are aware of that information.

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

This report was approved by the Trustees on29th April 2015


John Lange (Trustee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE STORY MUSEUM

We have audited the financial statements of The Story Museum for the year ended 31 August 2014 which comprises the Statement of Financial Activities, the Balance Sheet and the related notes. 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).

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 work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors including 'APB Ethical Standard – Provisions Available for Small Entities (Revised)' in the circumstances set out in note 1 to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2014 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 Companies Act 2006; and

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE STORY MUSEUM
(CONTINUED)**

Matters on which we are required to report by exception

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 Trustee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the Trustees were not entitled to prepare the Trustees' Report in accordance with the small companies regime and take advantage of the small companies exemption from the requirements to prepare a strategic report



Colin Mills (Senior Statutory Auditor)
for and on behalf of Critchleys LLP, Statutory Auditor

Oxford

22 May 2015

THE STORY MUSEUM

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Incoming resources					
Incoming resources from generated funds:					
Voluntary income		75,403	707,731	783,134	920,252
Interest receivable		520	-	520	67
Incoming resources from charitable activities	3	<u>145,813</u>	<u>-</u>	<u>145,813</u>	<u>78,653</u>
Total incoming resources		<u>221,736</u>	<u>707,731</u>	<u>929,467</u>	<u>998,972</u>
Resources expended					
Costs of generating funds:					
Costs of generating voluntary income	4	52,643	-	52,643	89,856
Charitable activities	5	191,489	376,540	568,029	416,336
Governance costs	7	<u>2,535</u>	<u>-</u>	<u>2,535</u>	<u>2,808</u>
Total resources expended		<u>246,667</u>	<u>376,540</u>	<u>623,207</u>	<u>509,000</u>
Net incoming/(outgoing) resources Before transfers		(24,931)	331,191	306,260	489,972
Gross transfers between funds	12	<u>635,368</u>	<u>(635,368)</u>	<u>-</u>	<u>-</u>
Net incoming/(outgoing) resources		610,437	(304,177)	306,260	489,972
Fund balances brought forward		<u>2,290,179</u>	<u>374,153</u>	<u>2,664,332</u>	<u>2,174,360</u>
Fund balances carried forward		<u>2,900,616</u>	<u>69,976</u>	<u>2,970,592</u>	<u>2,664,332</u>

The notes on pages 13 to 19 form part of these financial statements.

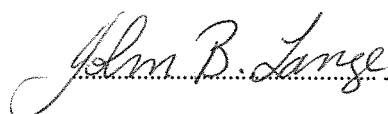
THE STORY MUSEUM
(Company no: 4780380)

BALANCE SHEET
AS AT 31 AUGUST 2014

			2014	2013
	Note		£	£
FIXED ASSETS				
Tangible assets	9		2,833,607	2,195,368
CURRENT ASSETS				
Debtors	10		162,282	66,530
Cash at bank and in hand			<u>82,048</u>	<u>453,436</u>
			244,330	519,966
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11		<u>(107,345)</u>	<u>(51,002)</u>
NET CURRENT ASSETS/(LIABILITIES)			<u>136,985</u>	<u>468,964</u>
NET ASSETS			<u>2,970,592</u>	<u>2,664,332</u>
FUNDS				
Restricted	12		69,976	374,153
Unrestricted	13		<u>2,900,616</u>	<u>2,290,179</u>
			<u>2,970,592</u>	<u>2,664,332</u>

The notes on pages 13 to 19 form part of these financial statements.

These financial statements were approved and authorised for issue by the trustees on 29th April 2015

 John Lange (Trustee)

THE STORY MUSEUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014

1 ACCOUNTING POLICIES

In common with many other charities of our size and nature we use our auditors to assist with the preparation of the financial statements.

a) Basis of accounting

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with all applicable accounting standards.

b) Presentation of the financial statements

The financial statements have been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities (Revised 2005) and the Companies Act.

c) Incoming resources

Voluntary income is included when received. Other incoming resources are included in the SOFA on an accruals basis.

d) Resources expended

All expenditure is accounted for on an accruals basis and includes irrecoverable VAT. Resources expended are included as costs of generating funds, charitable activities or governance costs depending on the purpose of the expenditure.

e) Tangible fixed assets

Tangible fixed assets are capitalised and depreciated over their useful life as follows:

Equipment - 33% straight line.

Long leasehold buildings – will be depreciated over their useful economic life once the relevant part of the buildings have undergone major improvements.

The amount paid for the long lease on the building has been capitalized as fixed assets. In previous years other costs relating to the building (including remedial works, minor refurbishment and design fees) carried out in the year have been expensed. However during the year ended 31 August the Charity embarked on major works on part of the building and these costs have now been capitalised within fixed assets as leasehold improvements.

f) Fund accounting

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements. Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objects of the charity. Designated funds represent unrestricted funds that have been set aside by the trustees for particular purposes, details of which are set out in the notes to the financial statements.

THE STORY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014 (CONTINUED)

2 VOLUNTARY INCOME

	2014		2013	
	Restricted £	Unrestricted £	Restricted £	Unrestricted £
Individual and corporate donations				
Anonymous	15,000			
Humphrey and Ginny Battcock			8,000	200,000
David Wood		5,000		
Dragon School Charity Sale		1,000		1,5000
Robert and Kati Evans	1,500		3,500	
Edward Knighton			3,000	
Clare Fuller		1,000		
Other		3,475		
Cash and CAF donations				3,618
Gift Aid reclaimed		1,928	2,000	50,006
Trusts and Foundations				
Anonymous		60,000	10,000	60,000
Barnsbury Charitable Trust			2,000	
Bernard Morris Charitable Trust		3,000		
Bernard Sunley Charitable Foundation	10,000			
Clore Duffield Foundation	10,000			
Doris Field Charitable Trust	1,000			
Drapers' Charitable Fund			5,000	
Ernest Cook Trust	3,000			
Esme Fairbairn Foundation	40,000			
Foyle Foundation	50,000			
Mr & Mrs J A Pye's Charitable Settlement	1,000		21,000	
Paul Hamlyn Foundation Happy Museum F			2,500	
Garfield Weston Foundation			250,000	
Anonymous	25,000		25,000	
Peter Minet Trust			3,000	
Prince's Foundation for Children & The Arts Start Programme			460	
Sir Siegmund Warburg's Voluntary Settl.	25,000			
St Michael and All Saints Charity	2,500			
The Schroder Charity Trust			3,000	
Woodroffe Benton Foundation	5,000			
Woodward Charitable Trust			7,500	
Grants and Partnerships				
Artwork Digital Practice	5,000			
Artwork Learning through Stories	11,800			
National Lottery through Arts Council England	384,491		217,077	
Heritage Lottery Fund			17,091	
The Evans Faimly, in memory of Maggie	4,500			
Oxford City Council	25,000	-		
SHINE	20,000	-	25,000	
OCC Youth Ambition Project	940			
University of Oxford	2,000			
WREN	65,000	-	-	-
	<u>707,731</u>	<u>75,403</u>	<u>605,128</u>	<u>315,124</u>
	<u>783,134</u>		<u>920,252</u>	

THE STORY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014 (CONTINUED)

3 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES	2014	2013
	£	£
Retailing	14,217	15,690
Rent and room hire	7,911	11,735
Publishing income	14,523	-
Ticketed events	51,999	18,596
Schools programme and teacher training	52,246	30,382
Corporate sponsorship		
Whittards of Chelsea	1,000	-
Critchleys	2,500	1,000
One Ltd	417	1,250
HMG Law	<u>1,000</u>	<u>-</u>
	<u>145,813</u>	<u>78,653</u>
4 COSTS OF GENERATING VOLUNTARY INCOME	2014	2013
	£	£
Fundraising services and expenses	772	11,853
Staff costs	<u>51,871</u>	<u>78,003</u>
	<u>52,643</u>	<u>89,856</u>
5 COSTS OF CHARITABLE ACTIVITIES	2014	2013
	£	£
Professional fees and expenses relating to outreach, exhibitions and events programme, and trading	189,836	100,934
Staff costs relating to outreach exhibitions and events programme	71,924	45,367
Professional fees relating to museum building development	42,396	38,870
Staff costs relating to museum building development	<u>70,004</u>	<u>21,141</u>
	374,160	206,312
Support costs (note 6)	<u>193,869</u>	<u>210,024</u>
	<u>568,029</u>	<u>416,336</u>
6 SUPPORT COSTS	2014	2013
	£	£
Staff costs	43,154	123,023
Depreciation	5,190	5,653
Office, marketing and professional costs	<u>145,525</u>	<u>81,348</u>
	<u>193,869</u>	<u>210,024</u>

THE STORY MUSEUM

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014 (CONTINUED)**

7 GOVERNANCE COSTS	2014	2013
	£	£
Auditor's remuneration	2,500	2,500
Board meetings	<u>35</u>	<u>308</u>
	<u>2,535</u>	<u>2,808</u>

No Trustee received any remuneration or reimbursement of expenses during the year (2013: £nil).

8 EMPLOYEE COSTS	2014	2013
	£	£
Salaries	217,456	118,994
National Insurance	<u>19,497</u>	<u>11,156</u>
	<u>236,953</u>	<u>130,150</u>

The average number of employees was 5.4 (2012: 3.25). No employees' emoluments exceeded £60,000 in the year.

9 TANGIBLE ASSETS	Leasehold improvements	Long Leasehold Property	Equipment	Total
Cost	£	£	£	£
At 1 September 2013	-	2,190,000	27,624	2,217,624
Additions	<u>631,812</u>	-	<u>11,617</u>	<u>643,429</u>
At 31 August 2014	<u>631,812</u>	<u>2,190,000</u>	<u>39,241</u>	<u>2,861,053</u>
Depreciation				
At 1 September 2013	-	-	22,256	22,256
Charge for year	<u>-</u>	<u>-</u>	<u>5,190</u>	<u>5,190</u>
At 31 August 2014	<u>-</u>	<u>-</u>	<u>27,446</u>	<u>27,446</u>
Net Book Value				
At 31 August 2014	<u>631,812</u>	<u>2,190,000</u>	<u>11,795</u>	<u>2,833,607</u>
At 31 August 2013	<u>-</u>	<u>2,190,000</u>	<u>5,368</u>	<u>2,195,368</u>

10 DEBTORS	2014	2013
	£	£
Trade debtors	12,608	8,495
Gift Aid	1,886	27,000
VAT debtor	-	11,053
Other debtors	538	-
Accrued income	<u>147,250</u>	<u>19,982</u>
	<u>162,282</u>	<u>66,530</u>

THE STORY MUSEUM

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014 (CONTINUED)**

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2014	2013
	£	£
Trade creditors	61,057	47,502
Accruals	19,223	3,500
Loan	15,000	-
Deferred income (see below)	4,750	-
VAT	842	-
Tax and social security	<u>6,473</u>	<u>-</u>
	<u>107,345</u>	<u>51,002</u>
Deferred income		
Deferred income brought forward	-	7,870
Released to incoming resources in the year	-	(7,870)
Incoming resources deferred in the current year	<u>4,750</u>	<u>-</u>
Deferred income carried forward	<u>4,750</u>	<u>-</u>

Deferred income relates to learning and participation projects invoiced in advance.

THE STORY MUSEUM

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014 (CONTINUED)**

12 RESTRICTED FUNDS	At 1 September 2013	Incoming Resources	Resources expended	Transfers	At 31 August 2014
	£	£	£	£	£
Programme and projects					
Storytelling Schools projects	42,684	45,000	(77,684)	-	10,000
Learning Through Stories	-	19,800	(8,115)	-	11,685
Alice's Day 2014	-	22,000	(22,000)	-	-
Other including education and outreach	(282)	66,940	(60,000)	-	6,658
Cambridge Jones Photography exhibition	1,208	-	(1,208)	-	-
Arts Council G4A programme	-	89,991	(89,991)	-	-
Total outreach projects	43,610	243,731	(258,998)	-	28,343
Capital project					
Design, construction and project management	<u>330,543</u>	<u>464,000</u>	<u>(117,542)</u>	<u>(635,368)</u>	<u>41,633</u>
TOTAL CAPITAL PROJECT	<u>330,543</u>	<u>464,000</u>	<u>(117,542)</u>	<u>(635,368)</u>	<u>41,633</u>
TOTAL RESTRICTED FUNDS	<u>374,153</u>	<u>707,731</u>	<u>(376,540)</u>	<u>(635,368)</u>	<u>69,976</u>

These all represent voluntary income provided for a specific purpose with the closing balance being the unexpended amount at the year end. Where restricted income is used to cover costs capitalised as fixed assets, these are transferred to unrestricted funds.

13 UNRESTRICTED FUNDS	At September 2013	Incoming resources	Resources expended	Transfers	At 31 August 2014
	£	£	£	£	£
Designated – Leasehold property	2,190,000	-	-	635,368	2,825,368
General funds	<u>100,179</u>	<u>221,736</u>	<u>(246,667)</u>	-	<u>75,248</u>
	<u>2,290,179</u>	<u>221,736</u>	<u>(246,667)</u>	<u>635,368</u>	<u>2,900,616</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014 (CONTINUED)**

14 ANALYSIS OF NET ASSETS BY FUND	Unrestricted funds	Restricted Funds	Total
	£	£	£
Fixed assets	2,833,607	-	2,833,607
Net current assets/(liabilities)	<u>67,309</u>	<u>69,676</u>	<u>136,985</u>
	<u>2,900,616</u>	<u>69,676</u>	<u>2,970,592</u>

15 CAPITAL COMMITMENTS

As at 31 August 2014 the charity had no capital commitments.

16 SUBSIDIARY UNDERTAKING

The charity owns 100% of the Story Museum Trading Limited, a company incorporated in England & Wales. This company has been dormant since incorporation and has no reserves.

17 RELATED PARTY TRANSACTIONS

During the year a loan of £20,000 was granted to The Story Museum from W Bowen. As at 31 August 2014 £15,000 was outstanding.