

THE STORY MUSEUM
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 AUGUST 2017

INDEX

Page	1-10	Trustees' report
	11-13	Independent auditors' report
	14-15	Statement of financial activities
	16	Balance sheet
	17	Statement of Cash Flows
	18-24	Notes to the financial statements

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 Brian Buchan (DL)
Ms Maggie Farrar (CBE) – joined 26 September 2016
Mr David Fickling
Mr Michael Heaney
Mrs Jill Hudson
Mr John Lange
Mr Tim Suter
Mrs Maggie Whitlum
Mr David Wood (OBE)

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

The registered office is 42 Pembroke Street, Oxford, OX1 1BP.

The company's auditors are Critchleys Audit LLP, Beaver House, 23-38 Hythe Bridge Street, Oxford OX1 2EP.

The company's solicitors are HMG Law, 126 High Street, Oxford, OX1 4DG

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

Structure, Governance and Management

The company is limited by guarantee.

The charity is governed by its Memorandum and Articles of Association. The Board of Trustees delegates certain areas of business to the Finance and Audit Committee and to the Building Committee. The Finance and Audit Committee consider the remuneration of the Directors as part of the annual budgeting cycle using supplied sector benchmarks.

The procedures for the appointment of Trustees are set out in the Articles of Association. Trustees are appointed to serve an initial three-year term which is renewable for a maximum of two further terms. Trustee renewals, resignations and new appointments are ratified at the AGM. Newly appointed Trustees are offered induction and ongoing engagement through events, observation, committee and advisory panel appointments and by aligning with certain strategic areas of business and projects.

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)

1. Introduction by Chairman

The year 2016-17 was one of continued growth for the Story Museum, reaching more visitors, more young people, more artists and beginning more new stories than ever before. We welcomed nearly 46,000 people to the Museum and through outreach projects - an increase of 25% on the previous year – engaging them in an exciting and eclectic programme offering six different exhibitions, and 449 separate events involving over 100 authors, illustrators, performers and other storymakers.

Importantly, we began a concerted and creative conversation with our visitors – especially our younger visitors – about what they wanted to see in the future Story Museum. Through our interactive installation 'Ever After', thousands of people made suggestions about which stories we should collect and explore. We combined this information with expert advice from our Story Crew and our own accumulated knowledge to create our 1,001 stories framework; the basis for our future collection and interpretation activity. Seeing this ambition come together has been hugely exciting and I can't wait to see where it takes us next.

Alongside welcoming people to a busy creative programme and developing our Collection, we have made significant progress towards Chapter 2 of our ongoing capital redevelopment. Designs were advanced to RIBA 4 and the funding campaign reached 70% of target including Stage 2 confirmation from Arts Council England and Round 1 from the Heritage Lottery Fund. A huge thank you to those generous funding bodies and individuals who have made leadership gifts to our Campaign so far, paving the way for others to follow. And we need many more donors to follow. Getting to the 90% required to start on-site work remains a big step and will be a major focus of the next period.

My fellow Trustees worked hard over the year through our Committees and advisory panels to provide support and scrutiny on key areas of business including the development of the future Museum offer. We expanded membership of our Committees to secure additional expertise and welcomed Gary Baker from HMG Law to serve as our Company Secretary, following Roland Fuggle's retirement.

During the year we faced an unexpected challenge when our newly recruited Museum Director resigned after only a few months in the post. The Board took swift action in re-instituting a dual leadership model with Capital Project Director Tish Francis and Executive Director Caroline Jones both stepping up. Founding Director and now Associate Curator Kim Pickin remains at the centre of the Museum's collection development and content planning. I am grateful to the Museum's Executive and Trustees for steering a steady course through a testing time, and to our major funders and others for their support of our chosen path.

2017-18 will be a truncated financial year as we change our year end to align with our major funders and simplify our reporting obligations, but we will be packing a lot into those seven months. We are ready for a busy public offer and schools' programme, continued exploration around the story universe in our Ever After Story Craft, the culmination of our HLF Round 1 activity and preparation for our first year as an Arts Council England's National Portfolio Organisation (NPO) which begins in April 2018. Being awarded the NPO was a highlight of the last year and we feel it is testament to what we have achieved so far as well as our future potential. This is particularly in relation to our work with children and young people, which ACE and many others regard as distinctive and successful. We can't wait to take our place amongst the UK's leading national cultural organisations, from where we can extend our reach and impact across the sector.

I would like to thank all those who have supported us over 2016-17 with donations, pledges and the precious gift of time and advice. In particular, my heartfelt thanks to the Arts Council England, Heritage Lottery Fund, Oxford City Council, the Cave Foundation and our Magic Genie, who once again waved her wand and made it true.

Tim Suter, Chairman

THE STORY MUSEUM TRUSTEES' REPORT (CONTINUED)

2. Directors' Report

Over the year we worked to deliver against our stated priorities for the period with the following highlights.

- i) **We continue to build audiences including first time visitors and successfully engaged target groups: children, young people and families.**

A total of 43,835 visits were made to our exhibitions, events and schools programme, an increase of 8,811 visits (25%) on the previous year, with a record breaking Summer holiday season averaging 157 visitors per day. A further 2,047 school students were involved in outreach work. Over 50% of visitors and participants were aged under 16 and the majority of Museum visitors are attending in family groups; 65% are from Oxfordshire and 6% visited from outside the UK. Visitor satisfaction ratings maintained at least 96% 'good or excellent' and feedback gathered through questionnaires and ongoing consultation were resoundingly positive.

10/10 I would like to live here (young visitor questionnaire March 2017)

I liken the story museum to an unpolished diamond: it's quirky and wonderful. Children and adults immerse themselves in a land of stories. We've visited a few times and every time it just gets better as they build up better and better exhibits. (Trip Advisor review Nov 2016)

I can confidently confirm that @TheStoryMuseum is the best fun place we've ever visited. It even has Narnia! Pure joy. (Twitter comment Feb 2017)

School visitors to the Museum on our Open Access programme totalled over 7,400, an increase of 24%, and repeat visits are strong with 66% of bookers having visited before. Our targeted outreach projects, working with schools and families within deprived communities in Oxford and Banbury, reached over 2,000 young people and at least 121 of them and their families subsequently attended the Museum with a Golden Ticket, which is cost-free to them.

I just wanted to say a big thank you on behalf of staff and students for a wonderful visit. We had a fabulous time, our pupils fell in love with the museum itself and our visit was made all the better by the warm welcome given by your staff. We had a truly memorable trip – our pupils are still bubbling with enthusiasm over their experience with you. (School visit June 2017)

It's exciting being part of a programme of study that promotes the arts, inspires creativity and strengthens core literacy studies (Teacher Banbury Academy Start Project Sept 2016)

The activities felt like we were in the story we were reading. (Extreme Reading participant Oct 2016)

Where there were less positive comments, they usually related to a mismatch between public expectations and experience of the Museum. This misunderstanding of the Museum's 'part-made' and temporary nature is likely to continue until we are able to present the completed offer in 2020. We continue to mitigate the effects of this through communications and effective visitor services.

My 3-year old daughter loved this museum. Having read previous reviews, yes it is a bit cold and needs a bit of a paint, but the amount of imagination that has gone into making the place magical more than outweighs this (Trip Advisor review Feb 2017)

Through our targeted funded projects, creative consultation activity and new initiatives like our 'teen-take over group', we have engaged and deepened relationships with selected priority groups; this will be developed over the forthcoming period to the mutual benefit of participants and the Museum, which is so much richer for being created in collaboration with its communities.

THE STORY MUSEUM TRUSTEES' REPORT (CONTINUED)

ii) Our creative programme embraced stories from around the world and attracted diverse artists and audiences

The Museum's public offer over the year was a potent mix of home-grown and visiting exhibitions and installations, live events and interpretation activity. We are proud to have worked with and presented some of the UK's leading young as well as more established authors, illustrators and story makers of all forms.

We continued our ongoing conversation with audiences and artists about the work of the Museum, with an increased sense of purpose around our collection and future Museum planning. 'Steering the Craft' was an extended creative consultation about the stories, objects and experiences that should make The Story Museum. The project used a playful narrative to engage young visitors with steering a fictional craft, the 'Ever After', through the story universe to collect treasures for the museum. The related exhibition space 'Mission Control' opened in February 2017 and captured thousands of suggestions for stories and objects to collect for the museum, with over 17,000 responses over 6 months. The 'Ever After' craft was crewed by six artists who created a 12-chapter story which unfolded online and in Mission Control. Responding to audience suggestions, the Crew visited the Lands of Humour, Fantasy, Adventure, Poetry, Science Fiction, Traditional Tales and Comics, to gather objects that ranged from Winnie the Pooh's honey pot to a baby dragon. Their findings are informing plans for the museum's collection, galleries, programme and partnerships, and deepening relationships with target audiences

This was such a remarkable space - whimsical, engaging, fun! Its core mission of inspiring children (and adults) to love and treasure stories simply shines through every facet of the museum Visitor

Our accompanying picture book exhibition, 'Wild About Colour', celebrated the art of 13 leading illustrators including Brian Wildsmith, Anthony Browne, Mini Grey, Korky Paul and Helen Cooper. Through embedded response mechanisms, we gathered nearly 500 story suggestions for younger children for taking forward into the future Museum.

3 generations of the family came and really enjoyed it Visitor

Other Museum spaces presented ongoing exhibitions Animal, Time for Bed, World of Stories, the Throne Room and elements of 26 Characters from 2014 – Narnia, Anansi and Hanuman – and our film den. New interpretation activity provided fresh content and deepened visitor engagement such as guided Story Safaris around Animal and an outdoor Secret Garden space with interactive story telling over the Summer.

Thank you - when my mum said we were going to a museum I was annoyed but it is much better Young visitor

We offered a varied live programme with one off and regular events for a range of ages, exploring stories in different forms and featuring a range of artists. Our adult events series 'Shelf Life' brought together public figures such as John Sergeant, Neil Pearson and David Baddiel with Story Museum regular Nicolette Jones to share the books that have been most influential in their lives. Renowned Storytellers Sandra Agard and poet Joseph Coelho performed their contemporary work. Family favourites such as Deep Frozen weekend, Harry Potter Night, Elmer Day and Discworld Day are now annual fixtures in the Museum programme and are always particularly successful in attracting new and diverse visitors. Our well-established rolling programme of Saturday morning sessions for early years groups – run alternately by Nick Cope, Emma Boor and Baby Boogie - explore story through music and dance; whereas a regular activity like Comics Club with Resident Artist Neil Cameron, and our day and week-long story-building holiday courses are aimed at slightly older children. As with previous years, our musical Christmas show was hugely successful, selling out to family and schools audiences over several weeks. 'Three Bears' featured familiar seasonal tales 'East of the sun and West of the moon' and the Three Bears, with actor Andy Owens entertaining audiences of all ages from 3 to 93.

THE STORY MUSEUM TRUSTEES' REPORT (CONTINUED)

Over 2017-18 we continue to interpret our Exhibitions offer with fresh, new live events featuring both established and newer authors and story makers. Our 4th Christmas show built on the success of 'Three Bears' by again weaving together traditional festive tales drawn from around the world – France, Austria and West Africa. Performed by Amantha Edmead, 'Jingle's Magic Sleigh' attracted even more schools.

iii) Working through partnerships has enabled us to increase our reach and impact, particularly on children and young people

Our funded projects in partnership with schools ranged in depth of encounter and number of participants. We have two initiatives creating a deeper engagement with a targeted group of students and a number of smaller projects that enable initial encounters with our work. In 2016-17 these included:

- Start project funded by Children & the Arts and Artswork: a three-year transition project involving 382 students from three schools in an area of higher than average socio-economic deprivation in Banbury (a secondary school and its two feeder primary schools), involving collaborative story-making activities strengthening the students' Spiritual, Moral, Social and Cultural needs as identified by Ofsted as presently inadequate. The Students were also enabled to work towards their Arts Award with 153 participants gaining their 'Discover' Award.
- Story Worlds, a two-term project involved two successive immersive environment created by the Story Museum and installed in New Marston, a primary school rated as inadequate after an Ofsted inspection in 2016. The Story Museum led story sessions for all year groups from EYFS to Year 6 within the dedicated story space, reaching a total of 253 students. Alongside this they ran more targeted, sustained work with 2 classes of Year 5 students to help them become inspired by story through literacy-themed activities. The children have since become ambassadors for story for the rest of the school. *I think this partnership was important for the school as many of the children grow up without the 'cultural capital' that children from more affluent areas in the city have. Working with the story museum opened doors for some of these children. Teacher, New Marston*
- Maggie's Day: A project allowing 500 students from nine schools situated in Oxford's most challenging areas to benefit from free visits and literacy sessions at the Museum, culminating in a performance of poetry at a special celebration event alongside professional poet Joseph Coelho.
- Extreme Reading Adventures: an annual six-week project involving twelve 8-11 year olds from eight different schools, identified by teachers and parents as reluctant readers. The children are involved in tangible activities linked to the books they are reading to foster an emotional connection with reading which is an important factor in becoming a reader for pleasure. This was evaluated in depth by Coventry University in February 2017.
- Our Golden Tickets: distributing free family tickets (each for 4 people) to children we work with in school, with varying levels of take-up and a peak of 25% in 2016.

Our targeted projects deliberate engage children and young people from diverse groups by carefully selecting the schools we partner with. Our Open Access programme - available to all primary schools – also reaches a diverse group. In 2016-17 we had consecutive annual visits from Dixons MacMillan and Dixons Trinity Academies in Bradford where 34% of the students are identified as disadvantaged and 15% have English as an Additional Language; also Langley Academy in Slough where 34% students are disadvantaged and 17% have English as an Additional Language. Prospectus, a company in Poland, have been bringing 35 students from across the country every year for week long storytelling workshops. We hosted several visits arranged by Into University, an innovative programme that supports young people from disadvantaged backgrounds to access either a university place or another chosen aspiration.

We enjoy a number of programme partnerships that broaden our story content and appeal. We again hosted several events for the Oxford Literary Festival in March, welcomed Science Oxford for a number of story-based events over the year and introduced a monthly session with Dancin' Oxford for their baby-boogie events.

THE STORY MUSEUM TRUSTEES' REPORT (CONTINUED)

Our 10th Alice's Day in July, produced by the Story Museum working with 13 partners across the city, was themed around Riddles and Games. An estimated 10,000 visitors of all ages (including some visiting from Europe and beyond) enjoyed a day of street theatre, live music, circus skills and family fun across Oxford, in celebration of Alice's Adventures in Wonderland. We are grateful for the continued support of Oxford City Council for Alice's Day.

iv) This was the year we shaped our heritage ambitions with the support of the Heritage Lottery Fund

With the support of a Round 1 grant from the HLF we brought together a number of heritage professionals to advance our planning in this core area. A staff team of three was led by Kim Pickin Associate Curator, joined by two interns and a voluntary Heritage Advisory Panel, to devise our approach to collections development, create the necessary infrastructure for effective conservation, and to imagine how this will translate into the highest quality visitor experience through gallery design, display, interpretation and engagement.

This was done in consultation with our visitors, including children and young people through the 'Ever After' project outlined above, as well as several targeted exercises with our priority visitor groups to ensure our offer is accessible and enjoyable for them. Through interviews, discussions and creative workshops our consultation team gathered ideas and insights from 1,000 people from our target groups within disadvantaged local communities including 645 primary, 288 secondary students and a newly establish Teen Takeover group.

The heritage team and their inspiring work will continue as they prepare several key documents to capture our strategic approach and detailed plans, inform detailed design in the new Museum spaces and prepare for opening five new semi-permanent exhibitions in 2020.

Alongside the heritage specific planning, we worked with heritage consultants SAM to develop an Activity Plan and leading cultural sector consultant Dawn Langley who guided us in creating our 4-year Business Plan. Both are foundational documents for the ongoing development and delivery of the Museum over the next few years. The Board are expected to adopt the plans at the end of 2018 and to move forward from there in confidence, towards Chapter 2 and a challenging time ahead, knowing that we've charted our course.

v) We advanced towards delivery of Chapter 2 and the completion of the Story Museum, bringing ever nearer the day that visitors can enjoy a fully accessible site and a transformed public offer

Design development for both architectural and non-architectural elements continued over the year with the involvement of our Architects Purcell and Design Consultants Tom Piper and Alan Farlie and, Ramboll. Focus has been on visitor flow and experience, in parallel with the content plans emerging from the heritage team; which by the end of the year had reached an exciting clarity enabling us to visualise the coherent visitor journey around all 10 future spaces.

Early archaeology was completed in the Courtyard along with other site investigations, stakeholder and planning negotiations. This work was advanced with Stage 2 support from Arts Council England and a Round 1 grant from the Heritage Lottery Fund. Our capital fundraising total reached £4.2m (70%) by the end of the year with new gifts from The Wolfson Foundation, Charles Hayward Foundation and Bernard Sunley Foundation alongside gifts from individuals and smaller Trusts. The Backstage Trust supported the commission of a feasibility study which enabled us to take stock of early progress and strengthen our capacity going forward into the final – and toughest – third of the campaign. Success in fundraising was frustrated over the Summer through lack of resource and leadership over-stretch, something we need to recover as soon as possible over 2018.

We prepared to deliver an advanced package of works for Chapter 2 on our 2nd floor flexible space 'The Link Room' in Autumn 2017 which will enable us to host public and private activity from early 2018, including much needed revenue generation over the construction phase 2018-2020.

vi) We grew and diversified earned income to reach record levels within the year and met fundraising targets to support activity costs, achieving a 50/50 balance of earned and fundraised income

The significant growth in recorded visitors (24% for museum day entry and events) belies an actual drop in box office takings of 3.5% on the previous year. This is part explained by a one-off partnership project in the previous year which generated significant ticket income, a number of free events on site with over 3,000 people and the c.500 visits made for free with Golden Tickets.

THE STORY MUSEUM TRUSTEES' REPORT (CONTINUED)

Again, footfall drove a growth of 34% in café gross takings which, alongside improved margins, demonstrates that the café is well established and has the potential to be significant net contributor. Income from our book and gift shop increased by a more modest 7% and not in line with visitor figures, suggesting that retail is an opportunity we have yet to fully exploit. Our new café and retail spaces in the completed Museum will help us to optimise this income.

Earnings from the work of the learning and participation team are an important part of our mixed income model and include workshop fees and contributions to project costs from participating schools. There was a 6% drop in earnings from L&P over the year, despite there being an increase in schools' visits. This is explained by a reduced offer around teacher training, as well as more resource and staff time being invested in the targeted projects outlined previously, which take a considerable amount of delivery time and deliberately seek a deeper quality of engagement with fewer children. The work of the department still 'washed its own face' through funded projects,

Having taken the decision to maximise income earning from some of our available temporary spaces, we expanded our long-term lets with hire of our Attic spaces to a local young film company, who join the long established Broken Spoke bike workshop as fellow inhabitants of our site. This helped to contribute to a 64% increase in income from hires and lets. One-off space hires continue to grow with the number of repeat bookings and growing demand proving that we are making good use of our conveniently located and distinctive spaces. We held 21 children's parties over the year which, although the margins are modest, are a good way of utilising our available spaces and skills, and offering family visitors a new experience.

Our revenue fundraising exceeded the annual goal by 10%, allowing us to take an unrestricted reserve into the 2017-18. We secured another GFA from Arts Council England for the Ever After project and a repeat of Oxford City Councils' annual grant. New gifts were secured from the Shanley Foundation and the Ernest Cook Foundation as well as forward pledges realised from the Cave Foundation, the Evans Family, Pye Foundation, Children & The Arts, and the Patsy Wood Foundation. We are so grateful to these grant-makers for their generous and in many cases, continued support.

vii) We continue to develop our organisational and leadership capacity to provide the strongest, most resilient basis from which to deliver our public programmes and impact

The full Board met five times over the year to offer guidance around key areas of strategic oversight including risk, finance and strategic planning. The two committees of the Board – Building and Finance & Audit – met as needed to provide more detailed oversight of their respective areas of business.

One new Trustee was appointed bringing the Board to full complement of 10 members. Maggie Farrar brings 30 years' experience in teaching, leadership and leadership development, including as interim Chief Executive of the National College for School Leadership, and chairs our Learning Advisory Panel. Two new appointments were made to the Finance & Audit Committee. Sally Vine, Head of Assurance and Risk Management at Oxford University and Ewen Cameron Watt, former Chief Investment Strategist for BlackRock, bring excellent skills and experience. A new three-year term of service was introduced for all Trustees to ensure the Board retain the most relevant skills base for the organisation and its ongoing evolution.

Work continues at an operational level to strengthen our policies and procedures, develop our staff, organisation, finances and planning. We have updated and re-issued our Staff Handbook detailing our employment policies, and a new standard terms of employment contract. A business planning process begun in Summer 2017 and due to conclude in early 2018 has enabled the Executive and Senior Management Team to reflect on the organisations' vision, mission and values, and ensure these are threaded through every aspect of our practice and future planning. There have been several opportunities for whole team involvement in this process which we feel has helpfully rooted some core principals and behaviours.

THE STORY MUSEUM TRUSTEES' REPORT (CONTINUED)

Apart from the unexpected nature of the change in Museum leadership, the staff team remained stable over the year with only one resignation for career development reasons. Four new fixed term appointments were made related to the development phase of our HLF funded project, introducing skills and expertise around collections and conservations, public consultation activity and the management of our growing volunteer pool; as well as administrative support for the Directors. Two paid 'heritage' specific internships enhanced the team as did several other internships over the year, some funded by the Evans Family Foundation and some with our own core funds. We are fortunate to benefit from a pool of around 100 active volunteers whose generosity and skills we continue to rely upon at the senior level of Board, Committee and Advisory Panels through to operational support front of house and in the office.

The core Museum staff numbered 34 employees at September 2017, an increase of 10 people on previous year; this relates to new fixed term posts and an increase in front of house positions. The Story Museum team proved once again a dedicated and talented group who worked hard in pursuit of our shared goals.

viii) Finance

We began the year with brought forward unrestricted general reserves of £46,483 and restricted and designated reserves (excluding those represented by fixed assets) of £221,314 relating to the ongoing capital project and funded activity. At the end of the year we carried forward £44,286 of unrestricted general reserves and £67,036 of restricted and designated reserves (excluding those represented by fixed assets) having made a small operating loss of £2,197. A total of £170,323 was capitalised through property improvements made as part of the ongoing capital project.

At the start of our new financial year 2017-18 and given that it is a short year, we are cautiously projecting only 5% growth across all earned income streams, related to anticipated growth of 10% in Museum visitors. Fundraised income targets for activity and operational support have been set as a proportion of 2016-17 achievement; we start the year with 60% already committed. Our parallel capital campaign targets must be a priority for the staff and volunteer team over the year to reach target in a challenging fundraising environment.

Reserves policy

This was the first full year with the recently revised reserves policy. The policy now states: The Story Museum aims to maintain (i) a ring-fenced reserve for capital commitments and (ii) within general funds, a reserve equivalent to 25% of the annual fund-raising target or of the earned income target, whichever is greater. This policy required £59,400 in a general reserve at the close of 2016-17 (25% of the earned income target for the following year), compared with the £44,286 available. Our 4-year financial plan shows the Museum working towards our stated reserves requirement by 2022. In the meantime, we flex to meet our changing circumstances, which will be particularly acute over the period of redevelopment due to begin Autumn 2018.

Risk Management

We continued to update and review our risk register, working to mitigate the risks through our management action plan. Risks considered to have a significant likelihood and impact were highlighted to the Finance & Audit Committee bi-annually and then considered again at the full board. These discussions over the past year have focused on:

- 1) Failure to maintain a sustainable financial model
- 2) Lower than anticipated earned and fundraised income
- 3) Insufficient time and resources to support the development of a sufficiently high-quality future offer

THE STORY MUSEUM TRUSTEES' REPORT (CONTINUED)

The first risk is being mitigated through delivery of a new business plan including a 4-year budget, the NPO support starting in April 18, and ongoing development of organisational capacity including additional expertise on the Finance & Audit Committee. The most effective action we can take to address sustainability is to complete our Museum and reach full operation which would significantly increase our operating income. Achieving this is subject to securing the necessary Capital funding. Progress with our campaign has been frustrated by the challenging fundraising environment. We have already extended the timetable to complete and re-open the Museum, and are keeping further options of scope changes and timing under close review.

In this context, the second risk around revenue generation carries a higher impact as there is no cushioning through reserves or unused staff and volunteer capacity. We therefore monitor income and expenditure closely, and align activity planning and resource – financial and human – carefully. Due to the growth in footfall, an appealing offer and concentrated effort at developing our café and retail operations, our earnings continue our internally generated earnings continue to increase – in real terms and as a proportion of overall income. However, external fundraising to support our everyday operations isn't enjoying the same growth as we prioritise raising funds for our Chapter 2 capital project.

The risk around development of the future Museum offer was effectively mitigated over the year with an investment in increased staff and activity, an intense period of creative consultation and planning, alongside progress in the building design. We now have an exciting future content plan. The forthcoming priority is to communicate this vision effectively and generate the funds to deliver it.

ix) Looking forward from September 2017 we will continue to work in pursuit of our mission: to enrich lives, especially young lives, through story. Our five key objectives remain to:

- i. Develop and share great ways of engaging with great stories and to help people to create stories of their own.
- ii. Create a 'wonder', an unusual museum that attracts audiences, hosts inspiring and enjoyable experiences, works physically and financially and is environmentally sustainable.
- iii. Develop, understand and share a collection of great stories, in different forms, and demonstrate their importance to human culture, heritage, learning and well-being.
- iv. Expand audiences, increase diversity and deepen community involvement with the museum and our shared story heritage.
- v. Establish a resilient organisation, maximising earned income and building the capacity of our staff, trustees, associates and volunteers.

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). The financial statements comply with the Charities Act 2011, the Companies Act 2006, FRS 102, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015). 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.

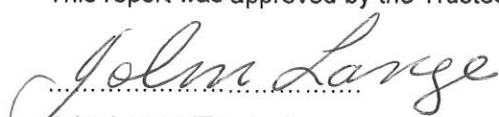
So far as the Trustees are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and

Each Trustee has taken all steps that s/he ought to have taken as a director in order to make her/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 on 22 March 2018


John Lange (Trustee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE STORY MUSEUM

Opinion

We have audited the financial statements of The Story Museum (the "Charity") for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Charity'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 Charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 August 2017 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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 auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.
- the trustees were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement [set out on page 10], the trustees 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

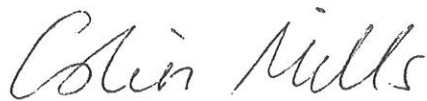
In preparing the financial statements, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charity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

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

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

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 auditor's report.



Colin Mills (Senior Statutory Auditor)
for and on behalf of Critchleys Audit LLP, Statutory Auditor
Beaver House, 23-38 Hythe Bridge Street, Oxford OX1 2EP

26 March 2018

THE STORY MUSEUM
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	General Funds £	Designated Funds £	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Income from:							
Donations	2	186,787	82,433	269,220	411,163	680,383	810,875
Interest receivable		-	-	-	-	-	154
Other – profit on sale of fixed assets		-	-	-	-	-	6,333
Charitable activities	3	<u>373,731</u>	<u>-</u>	<u>373,731</u>	<u>-</u>	<u>373,731</u>	<u>343,193</u>
Total income		<u>560,518</u>	<u>82,433</u>	<u>642,951</u>	<u>411,163</u>	<u>1,054,114</u>	<u>1,160,555</u>
Expenditure on:							
Raising funds	4	9,330	-	9,330	97,773	107,103	74,429
Charitable activities	5/6	<u>552,003</u>	<u>259,034</u>	<u>811,037</u>	<u>172,358</u>	<u>983,395</u>	<u>821,456</u>
Total expenditure		<u>561,333</u>	<u>259,034</u>	<u>820,367</u>	<u>270,131</u>	<u>1,090,498</u>	<u>895,885</u>
Net income/(expenditure)		(815)	(176,601)	(177,416)	141,032	(36,384)	264,670
Transfers between funds	12/13	<u>(1,382)</u>	<u>172,097</u>	<u>170,715</u>	<u>(170,715)</u>	<u>-</u>	<u>-</u>
Net movement in funds		(2,197)	(4,504)	(6,701)	(29,683)	(36,384)	264,670
Reconciliation of funds:							
Total funds brought forward		<u>46,483</u>	<u>3,208,261</u>	<u>3,254,744</u>	<u>32,568</u>	<u>3,287,312</u>	<u>3,022,642</u>
Total funds carried forward		<u>44,286</u>	<u>3,203,757</u>	<u>3,248,043</u>	<u>2,885</u>	<u>3,250,928</u>	<u>3,287,312</u>

The notes on pages 18 to 24 form part of these financial statements.

THE STORY MUSEUM
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2016 (for comparative purposes)

	Note	General Funds	Designated Funds	Unrestricted Funds	Restricted Funds	Total 2016
		£	£	£	£	£
Income from:						
Donations	2	184,926	179,500	364,426	446,449	810,875
Interest receivable		154	-	154	-	154
Other – profit on sale of fixed assets		6,333	-	6,333	-	6,333
Charitable activities	3	<u>337,858</u>	<u>5,335</u>	<u>343,193</u>	<u>-</u>	<u>343,193</u>
Total income		<u>529,271</u>	<u>184,835</u>	<u>714,106</u>	<u>446,449</u>	<u>1,160,555</u>
Expenditure on:						
Raising funds	4	55,985	-	55,985	18,444	74,429
Charitable activities	5/6	<u>518,541</u>	<u>64,936</u>	<u>583,477</u>	<u>237,979</u>	<u>821,456</u>
Total expenditure		<u>574,526</u>	<u>64,936</u>	<u>639,462</u>	<u>256,423</u>	<u>895,885</u>
Net income/(expenditure)		(45,255)	119,899	74,644	190,026	264,670
Transfers between funds	12/13	<u>(35,979)</u>	<u>255,340</u>	<u>219,361</u>	<u>(219,361)</u>	<u>-</u>
Net movement in funds		(81,234)	375,229	294,005	(29,335)	264,670
Reconciliation of funds:						
Total funds brought forward		<u>127,717</u>	<u>2,833,022</u>	<u>2,960,739</u>	<u>61,903</u>	<u>3,022,642</u>
Total funds carried forward		<u>46,483</u>	<u>3,208,261</u>	<u>3,254,744</u>	<u>32,568</u>	<u>3,287,312</u>

THE STORY MUSEUM
(Company no: 4780380)

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Tangible assets	9	3,139,606	3,019,515
CURRENT ASSETS			
Stocks		12,011	12,428
Debtors	10	28,328	110,612
Cash at bank and in hand		<u>150,342</u>	<u>217,713</u>
		190,681	340,753
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	<u>(79,359)</u>	<u>(72,956)</u>
NET CURRENT ASSETS		<u>111,322</u>	<u>267,797</u>
NET ASSETS		<u>3,250,928</u>	<u>3,287,312</u>
THE FUNDS OF THE CHARITY			
Restricted income funds	12	2,885	32,568
Unrestricted			
Designated funds	13	3,203,757	3,208,261
General funds	13	<u>44,286</u>	<u>46,483</u>
		<u>3,250,928</u>	<u>3,287,312</u>

The notes on pages 18 to 24 form part of these financial statements.

These financial statements were approved and authorised for issue by the trustees on 22 March 2018.

 John Lange (Trustee)

THE STORY MUSEUM
(Company no: 4780380)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	2017	2016
	£	£
Cash flows from operating activities:		
Net cash provided by operating activities (analysed below)	<u>104,726</u>	<u>312,392</u>
Cash flows from investing activities:		
Purchase of property, plant and equipment	(172,097)	(223,790)
Net cash (used in) investing activities	<u>(172,097)</u>	<u>(223,790)</u>
 Change in cash and cash equivalents in the reporting period	 (67,371)	 88,602
Cash and cash equivalents at the beginning of the reporting period	<u>217,713</u>	<u>129,111</u>
Cash and cash equivalents at the end of the reporting period	<u>150,342</u>	<u>217,713</u>
Note:		
Reconciliation of net movement in funds to net cash flow from operating activities		
	2017	2016
	£	£
Net movement in funds for the reporting period (as per the statement of financial activities)	(36,384)	264,670
Adjustments for:		
Depreciation charges	52,006	37,297
Decrease/(increase) in stock	417	(5,814)
Decrease in debtors	82,284	50,030
Increase/(decrease) in creditors	<u>6,403</u>	<u>(33,791)</u>
Net cash provided by operating activities	<u>104,726</u>	<u>312,392</u>

THE STORY MUSEUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1 ACCOUNTING POLICIES

a) General information

This Company is a Charitable Company Limited by Guarantee incorporated in the United Kingdom. The Story Museum is a public benefit entity, registered office 42 Pembroke Street, Oxford, OX1 1BP

b) Presentation of the financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Charities (Accounts and Reports) Regulations and Statement of Recommended Practice "Accounting and Reporting by Charities" (FRS 102) and the Companies Act 2006. These financial statements have been prepared in accordance with Financial Reporting Standard 102, the financial Reporting Standard applicable in the UK and Republic of Ireland.

c) Income

Donations are included when received. Other income is included in the SOFA on an accruals basis.

d) Expenditure

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	- 3 years
Building improvements	- 25 years

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

The amount paid for the long lease on the building has been capitalized as fixed assets. Major works on parts of the building are now being 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.

g) Volunteer policy

No entries are recorded in the financial statements of the services provided by volunteers.

h) Pension costs

The charity operates a defined contribution pension scheme. Contributions are recognised as an expense when they fall due.

THE STORY MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017 (CONTINUED)

2 DONATIONS	2017	2016
	£	£
Grants - Arts Council		
Chapter 1a	-	169,298
Chapter 2	94,833	104,815
G4A	68,910	53,900
Masterplan	-	2,500
Grants – Heritage Lottery	72,653	-
Grants - Oxfordshire County Council / Oxford City Council	20,000	36,681
Other grants and donations	<u>423,987</u>	<u>443,681</u>
	<u>680,383</u>	<u>810,875</u>
3 INCOME FROM CHARITABLE ACTIVITIES	2017	2016
	£	£
Café income	82,591	61,514
Retailing	34,532	31,987
Rent and room hire	56,410	34,320
Publishing income	325	1,700
Ticketed events	155,507	161,196
Schools programme and teacher training	44,366	47,141
Corporate sponsorship		
Other	-	5,335
	<u>373,731</u>	<u>343,193</u>
4 EXPENDITURE ON RAISING FUNDS	2017	2016
	£	£
Fundraising services and expenses	28,298	9,703
Staff costs	<u>78,805</u>	<u>64,726</u>
	<u>107,103</u>	<u>74,429</u>
Expenditure on raising funds has increased in 2016-2017 as the capital campaign moved into its first full year and picked up momentum. Cost as a percentage of fundraised income has increased because much of the current effort is towards generating pledges that have yet to be realised.		
5 EXPENDITURE ON CHARITABLE ACTIVITIES	2017	2016
	£	£
Professional fees and expenses relating to outreach, exhibitions and events programme, and trading	188,355	225,058
Staff costs relating to outreach exhibitions and events programme and trading	285,002	166,460
Professional fees and expenses relating to museum building development	107,086	15,203
Staff costs relating to museum building development	<u>64,997</u>	<u>58,462</u>
	645,440	465,183
Support costs (note 6)	<u>337,955</u>	<u>356,273</u>
	<u>983,395</u>	<u>821,456</u>

THE STORY MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017 (CONTINUED)

6 SUPPORT COSTS	2017	2016
	£	£
Staff costs	129,860	181,506
Depreciation	52,007	37,297
Office, marketing and professional costs	152,812	134,779
Governance costs (note 7)	<u>3,276</u>	<u>2,691</u>
	<u>337,955</u>	<u>356,273</u>

As income from charitable activities, including trading, increases and the Chapter 2 fundraising campaign develops pace, more staff resource is being dedicated to these activities rather than strictly supporting activity.

7 GOVERNANCE COSTS	2017	2016
	£	£
Auditor's remuneration	3,000	2,575
Board meetings	201	59
Other	<u>75</u>	<u>57</u>
	<u>3,276</u>	<u>2,691</u>

One Trustee received payment for books of £75 during the year (2016: accommodation of £57). In addition to the auditors' remuneration above, the auditors received fees of £4,589 (2016: £1,556) for other services.

8 EMPLOYEE COSTS	2017	2016
	£	£
Salaries	517,546	347,414
National Insurance	42,043	28,662
Employer's Pension	<u>8,011</u>	<u>3,192</u>
	<u>567,600</u>	<u>379,268</u>

The average number of employees was 29 (2016: 17). The total key management personnel compensation (including employers' national insurance) disclosure was £165,090 (2016: £142,231).

No employees' emoluments exceeded £60,000 in either year.

No Trustees received any remuneration in either year.

THE STORY MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017 (CONTINUED)

9 TANGIBLE ASSETS	Leasehold improvements £	Long Leasehold Property £	Equipment £	Total £
Cost				
At 1 September 2016	848,621	2,190,000	79,246	3,117,867
Additions	<u>170,323</u>	<u>-</u>	<u>1,774</u>	<u>172,097</u>
At 31 August 2017	<u>1,018,944</u>	<u>2,190,000</u>	<u>81,020</u>	<u>3,289,964</u>
Depreciation				
At 1 September 2016	51,086	-	47,266	98,352
Charge for year	<u>33,944</u>	<u>-</u>	<u>18,062</u>	<u>52,006</u>
At 31 August 2017	<u>85,030</u>	<u>-</u>	<u>65,328</u>	<u>150,358</u>
Net Book Value				
At 31 August 2017	<u>933,914</u>	<u>2,190,000</u>	<u>15,692</u>	<u>3,139,606</u>
At 31 August 2016	<u>797,535</u>	<u>2,190,000</u>	<u>31,980</u>	<u>3,019,515</u>
10 DEBTORS			2017 £	2016 £
Trade debtors			20,867	9,314
Donations/grants receivable			5,000	55,000
Gift Aid			-	34,479
Prepayments			-	7,538
VAT debtor			2,211	1,508
Other debtors			<u>250</u>	<u>2,773</u>
			<u>28,328</u>	<u>110,612</u>
11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			2017 £	2016 £
Trade creditors			62,398	59,925
Other creditors			3,200	3,189
Deferred income			2,500	-
Pension creditor			952	442
Accruals			<u>10,309</u>	<u>9,400</u>
			<u>79,359</u>	<u>72,956</u>

THE STORY MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017 (CONTINUED)

12 RESTRICTED FUNDS	At 1 September 2016 £	Income £	Expenditure £	Transfers £	At 31 August 2017 £
Programme, Learning and Participation projects	<u>2,509</u>	<u>198,434</u>	<u>198,058</u>	<u>-</u>	<u>2,885</u>
Capital projects					
Chapter 2	<u>30,059</u>	<u>212,729</u>	<u>72,073</u>	<u>(170,715)</u>	<u>-</u>
TOTAL CAPITAL PROJECTS	<u>30,059</u>	<u>212,729</u>	<u>72,073</u>	<u>(170,715)</u>	<u>-</u>
TOTAL RESTRICTED FUNDS	<u>32,568</u>	<u>411,163</u>	<u>270,131</u>	<u>(170,715)</u>	<u>2,885</u>
	At 1 September 2015 £	Income £	Expenditure £	Transfers £	At 31 August 2016 £
Programme, Learning and Participation projects	<u>11,630</u>	<u>170,954</u>	<u>180,075</u>	<u>-</u>	<u>2,509</u>
Capital projects					
Chapter 1a	<u>50,273</u>	<u>169,298</u>	<u>210</u>	<u>(219,361)</u>	<u>-</u>
Chapter 2	<u>-</u>	<u>106,197</u>	<u>76,138</u>	<u>-</u>	<u>30,059</u>
TOTAL CAPITAL PROJECTS	<u>50,273</u>	<u>275,495</u>	<u>76,348</u>	<u>(219,361)</u>	<u>30,059</u>
TOTAL RESTRICTED FUNDS	<u>61,903</u>	<u>446,449</u>	<u>256,423</u>	<u>(219,361)</u>	<u>32,568</u>

These all represent 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.

THE STORY MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017 (CONTINUED)

13 UNRESTRICTED FUNDS	At 1 September 2016 £	Income £	Expenditure £	Transfers £	At 31 August 2017 £
Designated – long leasehold property and property improvements	2,987,535	-	33,945	170,323	3,123,913
Designated – other fixed assets	31,980	-	18,061	1,774	15,693
Designated – Chapter 1a	9,246	-	9,246	-	-
Designated – Chapter 2	179,500	82,433	197,782	-	64,151
	<u>3,208,261</u>	<u>82,433</u>	<u>259,034</u>	<u>172,097</u>	<u>3,203,757</u>
General funds	<u>46,483</u>	<u>560,518</u>	<u>561,333</u>	<u>(1,382)</u>	<u>44,286</u>
	<u>3,254,744</u>	<u>642,951</u>	<u>820,367</u>	<u>170,715</u>	<u>3,248,043</u>
	At 1 September 2015 £	Income £	Expenditure £	Transfers £	At 31 August 2016 £
Designated – long leasehold property and property improvements	2,810,069	-	25,814	203,280	2,987,535
Designated – other fixed assets	22,953	-	11,483	20,510	31,980
Designated – Chapter 1a	-	5,335	27,639	31,550	9,246
Designated – Chapter 2	-	179,500	-	-	179,500
	<u>2,833,022</u>	<u>184,835</u>	<u>64,936</u>	<u>255,340</u>	<u>3,208,261</u>
General funds	<u>127,717</u>	<u>529,271</u>	<u>574,526</u>	<u>(35,979)</u>	<u>46,483</u>
	<u>2,960,739</u>	<u>714,106</u>	<u>639,462</u>	<u>219,361</u>	<u>3,254,744</u>

Designated – Chapter 1a and 2 represent donations which the Trustees have set aside to assist with the next stage of building works.

14 ANALYSIS OF NET ASSETS BY FUND	Unrestricted funds £	Restricted Funds £	Total £
2017			
Fixed assets	3,139,606	-	3,139,606
Net current assets/(liabilities)	<u>108,437</u>	<u>2,885</u>	<u>111,322</u>
	<u>3,248,043</u>	<u>2,885</u>	<u>3,250,928</u>
2016			
Fixed assets	3,019,515	-	3,019,515
Net current assets/(liabilities)	<u>235,229</u>	<u>32,568</u>	<u>267,797</u>
	<u>3,254,744</u>	<u>32,568</u>	<u>3,287,312</u>

THE STORY MUSEUM**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017 (CONTINUED)****15 CAPITAL COMMITMENTS**

As at 31 August 2017 the charity had capital commitments amounting to £119,592 (2016: £ Nil).

16 RELATED PARTY TRANSACTIONS

During the year, donations totalling £12,473 (2016: £51,250) were received by the Charity from Trustees. The charity paid £6,250 (2016: £Nil) at arms length for consultancy work done by the husband (Moss Cooper) of a Trustee.

17 CONTINGENT LIABILITIES

The Charity had a contingent liability of £4,646 at 31 August 2017 relating to disputed insurance premiums.

18 SUBSIDIARY UNDERTAKINGS

The Charity acquired a dormant subsidiary (The Story Museum Trading Limited) in March 2017. This Company commenced trading after the year end.