

THE STORY MUSEUM
ACCOUNTS FOR THE YEAR ENDED
31 AUGUST 2011

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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 Maureen Freed
Ms Pamela Hartigan
Mr Edward Knighton
Mr John Lange
Mrs Susan Robinson
Mr David Wood OBE

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

The registered address is The Story Museum, Laytons, 50 Victoria Embankment, London, EC4Y 0LS.

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

The company's solicitors are Laytons, 50 Victoria Embankment, London, EC4Y 0LS.

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 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission.

THE STORY MUSEUM

TRUSTEES' REPORT (CONTINUED)

Introduction by the Acting Chairman

2011-12 was an exciting year in which we put in place the people and plans to realise our founding vision of creating a magical museum of stories. Major milestones included moving into refurbished offices in our building, appointing our capital design team, and planning an exciting audience development programme for 2012-13. Meanwhile we continued to embed our successful storytelling schools programme in Oxfordshire schools and began developing a model for extending this to schools elsewhere.

We had several notable fundraising successes, and some disappointments, in what proved to be an increasingly adverse fundraising climate. However we were able to control costs and end the year with a ring-fenced fund to cover capital project design work well into 2012. As ever, we are hugely grateful to our dedicated team and growing band of volunteers for their hard work, and to our supporters for their generosity. As budgets, especially public budgets, contract still further we know we have a challenging year ahead, but we begin in optimistic spirit and with widespread encouragement.

David Wood OBE, Acting Chairman

Directors' report

Our financial year 2010-11 began with us bringing our team together under one roof for the first time into offices created in the semi-dilapidated Rochester House/GPO building in central Oxford. This was made possible by grants from Arts Council England South East and The Staples Foundation and a generous individual donation. The move immediately boosted our productivity, making collaboration much easier and allowing us to host meetings and accept offers of volunteer time. In January 2011 we were joined by arts colleagues, CIAO! (Children's International Arts Organisation), who rent an office on the first floor.

Our team and trustees agreed three main objectives for the year, enshrined in our business plan:

- to prepare for a major capital project for completion in 2014-15, when Oxford hopes to be UNESCO World Capital of the Book;
- to involve stakeholders and partners in developing the artistic, educational and heritage content of the museum;
- to develop the outreach programme strategically, exploring ways of increasing our educational and social impact without placing additional demands on fundraising or management time during this capital phase.

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

The capital project

During 2011, with help from Simon Daykin, Twin City Developments, Malcolm Reading Consultants and our newly formed building advisory panel, we worked through the OJEU procurement process to select an architect-led design team from 64 impressive submissions. In July architects Purcell Miller Tritton emerged triumphant, in partnership with structural, mechanical and electrical engineers from the Ramboll Group and lighting designers Light and Design Associates. Through competitive tenders we separately appointed quantity surveyors Burke Hunter Adams; and later project manager Jack Tilbury of Plann Limited, acousticians Charcoal Blue, CDM consultants Ridge & Partners, access consultant All Clear Design, transport consultants WSP Group and catering consultant Real Knowledge.

Members of our fundraising panel generously contributed the £200,000 plus gift aid towards this work, allowing us to ring-fence funds and issue contracts in July for design and master-planning to RIBA Stage D (planning application) on a two-phase development, with a first phase estimated at £3.5 million construction costs. Design work started in September 2011 and we completed Stage C (outline plans) in February 2012.

THE STORY MUSEUM

TRUSTEES' REPORT (CONTINUED)

Developing content with partners and stakeholders

In spring 2011 we refurbished the first-floor room that had housed Oxford's first automatic telephone exchange to create 'The Story Exchange', a temporary gallery space in which to host events and consultations and pilot a range of activities.

Early highlights included creative and consultation workshops with primary children arranged in partnership with Bookfeast and the Maggie Evans Fund; performances by Michael Rosen, the Etherington Brothers, Chris Smith, Adam Guillain and Storytelling Laureate Taffy Thomas; events for our neighbours, Oxfordshire Open Doors, the Oxfordshire Lieutenancy, KidsLitQuiz, School Librarians Association, Oxfordshire Writers' Group and Oxfordshire County Council Early Years Team, plus numerous tours. These brought some 2,000 people into buildings that have been standing empty for over a decade, and collected some famous names in our visitors' book.

With grants from WREN Landfill and The Barcapel Foundation and support from the Bodleian Library we purchased a stairclimber to make our first floor wheelchair accessible and prepared two further rooms on this floor to accommodate the Bodleian Library's five historic printing presses while the Bodleian's new Weston Library is being built. These presses are used by the University of Oxford to teach graduate students about early printing methods and are proving popular for family workshops and evening courses.

Heritage researcher Jane Cockcroft continued our researches into the history of our building and neighbourhood, collaborating with BT Heritage to interview people who had worked in the building, and with archivists in Oxfordshire Studies, Merton College and Oxford Jewish Heritage to explore the site's deeper history. Images collected by Jane are now displayed throughout the building and interview clips can be heard on a repurposed vintage telephone.

We began to evolve a programme of street installations and activities to provoke curiosity and offer a glimpse of things to come. Our artist-in-residence Ted Dewan installed a shop window for Rochester's Story Supplies, a convenience store for fictional folk, as well as an intriguing lamp and doorbells by our front door. These were later joined by the beautifully displayed 'VIPea', an installation by illustrator Mini Grey, of 'the legendary princess selection legume'. Both provoke discussion and laughter among passers-by. A dozen young people wheeled an animatronic dinosaur from the Natural History Museum to The Story Museum, prompting numerous tweets and blogs, and we 'adopted', for one pound, the red telephone box outside our gates to house future 'Art and Mischief'.

In June we were granted permission by Arts Council England South East to exceed regional limits for Grants for the Arts Awards and apply for £200,000 for an 18-month programme of artistic, audience and organisational development. We submitted our application in September 2011 and were delighted to learn in December that this had been successful. Our first act was to appoint poet, broadcaster and former Children's Laureate Michael Rosen as our Curator of Stories, to lead the process of collecting '1001' of the world's greatest stories, in all forms, and identify the objects that will help to bring them to life.

Our 4th Alice's Day in July 2011 deepened our partnerships with Oxford Inspires and 15 colleges, cultural and commercial venues across and around the city, attracting 10,000 visitors as well as local and national press and media coverage. Immediately this was over Alice's Day coordinator Eka Morgan, chair Mari Prichard and their committee began planning an even more ambitious Alice's weekend for 2012 to celebrate the 150th anniversary of the first telling of the story that became *Alice's Adventures in Wonderland* and a turning point in children's literature.

In July we became one of six museums in the UK to receive grants from the Paul Hamlyn Foundation as part of their Happy Museum project to 're-imagine museums for a changing world'. Our grant will primarily be used to pay experts on well-being and sustainability to mentor our architectural and organisational development and share lessons learned with our heritage colleagues.

THE STORY MUSEUM
TRUSTEES' REPORT (CONTINUED)

Outreach programme

Our storyteller-trainers Dr Chris Smith and Adam Guillain continued to embed and evaluate story-based learning in our 30 partner Storytelling Schools, funded by contributions from the schools themselves and several educational grants. We hosted a learning network day, bringing together literacy coordinators to exchange experiences, share learnings and solve problems. On Valentine's Day we ran our first conference to showcase our storytelling schools methodology, with leading authority Pie Corbett as our keynote speaker. This sold out and was attended by 150 teachers and head teachers from 7 local authorities as well as educational charities and policy makers.

Following the conference SHINE, a charity that supports educational initiatives that improve achievement levels, partnered with us to introduce our storytelling schools approach to primary schools in Lambeth and Tower Hamlets that have a high proportion of pupils on free school meals. With help from SHINE and the Walcot Foundation we recruited 11 schools and started training two London-based storytellers. During the year Chris Smith and Adam Guillain also wrote a handbook for teachers wishing to transform their schools into Storytelling Schools. This will be published by The Story Museum in summer 2012.

In June 2011 one of our Oxfordshire storytelling schools, Pegasus School in Blackbird Leys, announced dramatically improved SATS results, with Jill Hudson, the school's inspirational head teacher, describing storytelling as the 'it' she had been looking for. From September 2011 the school has released its literacy and storytelling coordinator, Nanette Stormont, for one day a week to advise five other schools in its cluster, as part of a joint initiative with The Story Museum.

We began a new Heritage Lottery Funded partnership with Soldiers of Oxfordshire to create learning resources for their exhibition, 'Children and War'. Story Museum storyteller Adam Guillain is designing a creative writing programme to accompany a handling collection for Oxfordshire schools.

We were one of nine cultural organisations out of 250 applying to receive a Start project award from the Prince's Foundation for Children and the Arts to bring secondary school children into a cultural venue and engage them with a new art form, in our case storytelling. The project will run during the 2011-12 academic year.

People

Our team has slowly expanded to accommodate the additional demands of the capital programme. Some part-time employees increased their days, and we were extremely fortunate to benefit from the time and talents of five impressive interns who assisted us during the year: Jen Thorp, Willow Sainsbury, Rosie Simm, Eva Matzner and Emily Hunter. We also enjoyed the help of some 30 volunteers, working across the organisation from research and administration, to events and hospitality, to painting and decorating.

THE STORY MUSEUM
TRUSTEES' REPORT (CONTINUED)

Finance and fundraising

Once the accounts are adjusted for the one-off £2.2 million lease purchase and the 15-month financial period in 2009-10 they show an increase of 52% in our underlying income with costs remaining much the same. This reflects planned growth in the organisation and our bank balance to prepare for the capital project and eventual opening.

Our finance manager and finance committee continued to keep a close watch on cash flow and instituted a reserves policy to cover major cost commitments and running costs. We also prepared a detailed risk register for our October 2010 application for a Heritage Lottery development grant. This first application, as is sometimes the case, proved unsuccessful but we continue to monitor the risk register regularly, and have since submitted a revised application to HLF on which we are awaiting a decision.

In addition to the grants described above we were fortunate to receive ongoing core support from the Cave Foundation. We also received a one-off gift of £100,000 from the winding up of the Young Writers Charitable Trust in memory of Kate Jones, the founder of the trust, of which £65,000 was received during the financial year and the balance of which has been received in 2011-2012. We would also like to thank the Kathleen Hannay Memorial Charity, Woodward Charitable Trust for their continuing support as well as several individuals who would prefer to remain anonymous.

Our fundraising activity increased during the year in preparation for the launch of the capital campaign in 2012. In Autumn 2011 we began searching for a development director, later appointing consultant Jane Hellings of Kingston Smith.

Reserves Policy

In May 2011 the Trustee Board declared its intention to set aside an amount from unrestricted funds to establish a designated fund. The purpose of this fund will be to underwrite financial commitments to cover running costs of the building for 12 months and staff salaries and associated costs for 3 months. The level of these reserves will be monitored during the year in the light of the charity's financial circumstances but it is envisaged that an amount of approximately £30,000 will be required. In addition, the Board also recommended that the Executive team do not sign major contracts until relevant funds are raised and ring-fenced, unless this has been fully discussed and approved in advance by the Board.

Governance

During the year the executive team continued to introduce a range of systems to improve the management and administration of a busy, and growing, organisation. These included a range of financial systems to cover purchase ordering and invoicing as well as weekly team meetings and updated job descriptions, induction processes for volunteers, and our first 'away day' to plan our work during 2011-12.

The Story Museum trustees continued to demonstrate great commitment to the project despite the increased demands on their time resulting from more frequent board meetings to accommodate the capital project process. In January 2011 we established a Building Panel chaired by trustee Dr Will Bowen, a leading theatre consultant and designer, to oversee the capital project. Other panel members include Andrew Ryan and Andy Bramwell, both experienced architects and project managers.

Towards the end of the year the trustees and Joint Directors conducted an audit of board skills and skill gaps to develop person specifications for a Chair and two other trustees for appointment during 2012, and to prepare plans for their induction and training. Training for current board members took the form of briefings by senior Story Museum staff and advisors, within board meetings and at capital project workshops.

THE STORY MUSEUM
TRUSTEES' REPORT (CONTINUED)

Risk Management

In October 2010 the Directors prepared a risk register for The Story Museum that is now regularly updated and reviewed by the Trustee Board.

Lessons learned during the year

Perhaps our biggest lesson during the year was that it is difficult to bring a new organisation into being, particularly at a time of reduced funding for the arts, and particularly if you are trying to be create something a bit different.

People who visit our building or work with us on projects rapidly become enthusiastic advocates of the power of story for inspiring learning, and of the need for a place where visitors can enjoy stories in all their forms and create stories of their own. But it can be hard to convey this on paper, and to convince specialist heritage, arts or education funders that now is the time, despite the many demands on their funding, to invest in an organisation that embraces all three.

Overcoming this will require ingenuity and determination. We hope that potential donors will be encouraged by innovative funders like the Paul Hamlyn Foundation who are supporting us through their Happy Museum project, or by the leading educational, academic and creative figures who are choosing to support us. We hope to persuade others through the exciting visuals we are creating and the evidence we are assembling on need and impact. We hope that others still will be impressed by our sheer persistence.

Looking forward from August 2011

The year from September 2011 to August 2012 promises to be an even busier one, laying the foundations organisationally and financially, if not physically, for our capital project.

We plan to appoint the remaining members of the capital project team, and complete the design work to RIBA Stage D so we can apply for planning permission and a change of use by the end of our financial year. We will also appoint our content development team to develop our collections, interpretation and audience development strategies and, funds permitting, further develop our education strategy and business plan.

We will bring artists and audiences into rough spaces in our building, as part of an 'interim' programme of exhibitions, performances and workshops. This will require some basic enabling works and checks on the building, as well as ensuring all the relevant systems and policies are in place, work that will rely on our ability to recruit and retain an army of volunteers.

We will continue to extend and deepen our outreach programme: embedding story-based learning in our partner primary schools in Oxfordshire, replicating this approach in London primaries and running pilot projects in Oxfordshire secondary schools. Funds permitting, we will continue to create and offer training resources – from training to handbooks – to support teachers and students.

Apart from the design work to RIBA D for which funds are ring-fenced, this will depend on our ability to continue raising funds from a wide range of supporters in an increasingly adverse financial climate. This will be the year in which we need to identify the major blocks of public and private funding towards the creation and construction of the museum: an estimated £7.7 million.

We have challenging times ahead but remain confident in the strength of our vision.

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.

This report was approved by the Trustees on 24 April 2012.

.....
Edward Knighton (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 2011 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 3, 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.

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 2011 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.

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 option:

- 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.

Robert Kirtland (Senior Statutory Auditor)
for and on behalf of Critchleys LLP, Statutory Auditor

Oxford

25 April 2012

THE STORY MUSEUM

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2011

	Note	Unrestricted Funds	Restricted Funds	Total 2011	Total 2010 15 months
		£	£	£	£
Incoming resources					
Incoming resources from generated funds:					
Voluntary income		171,664	343,790	515,454	2,606,693
Interest receivable		81	-	81	89
Incoming resources from charitable activities	2	<u>32,134</u>	<u>-</u>	<u>32,134</u>	<u>31,983</u>
Total incoming resources		<u>203,879</u>	<u>343,790</u>	<u>547,669</u>	<u>2,638,765</u>
Resources expended					
Costs of generating funds:					
Costs of generating voluntary income	3	80,285	-	80,285	65,809
Charitable activities:					
Development of children's literature museum	4	170,626	31,071	201,697	261,609
Outreach	4	46,708	11,094	57,802	119,091
Family events	4	<u>11,232</u>	<u>-</u>	<u>11,232</u>	<u>16,835</u>
		228,566	42,165	270,731	397,535
Governance costs	6	<u>1,900</u>	<u>-</u>	<u>1,900</u>	<u>1,100</u>
Total resources expended		<u>310,751</u>	<u>42,165</u>	<u>352,916</u>	<u>464,444</u>
Net incoming / (outgoing) resources before transfers		(106,872)	301,625	194,753	2,174,321
Gross transfers between funds	11	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net incoming resources		(106,872)	301,625	194,753	2,174,321
Fund balances brought forward		<u>208,276</u>	<u>2,146,667</u>	<u>2,354,943</u>	<u>180,622</u>
Fund balances carried forward		<u>101,404</u>	<u>2,448,292</u>	<u>2,549,696</u>	<u>2,354,943</u>

The notes on pages 11 to 15 form part of these accounts.

THE STORY MUSEUM

**BALANCE SHEET
AS AT 31 AUGUST 2011**

	Note	2011 £	2010 £
FIXED ASSETS			
Tangible assets	8	2,195,561	2,194,712
CURRENT ASSETS			
Debtors	9	61,189	388,672
Cash at bank and in hand		<u>326,946</u>	<u>129,623</u>
		388,135	518,295
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	<u>(34,000)</u>	<u>(358,064)</u>
NET CURRENT ASSETS		<u>354,135</u>	<u>160,231</u>
NET ASSETS		<u>2,549,696</u>	<u>2,354,943</u>
 FUNDS			
Restricted	11	2,448,292	2,146,667
Unrestricted		<u>101,404</u>	<u>208,276</u>
		<u>2,549,696</u>	<u>2,354,943</u>

The notes on pages 11 to 15 form part of these accounts.

These accounts were approved and authorised for issue by the trustees on 24 April 2012.

..... Edward Knighton (Trustee)

THE STORY MUSEUM

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2011**

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 accounts.

a) Basis of accounting

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

b) Presentation of the accounts

The accounts 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. Direct costs are allocated to the particular activity. All other costs that cannot be immediately allocated to a specific activity (including salaries and office costs) are allocated across the activities using the Trustees' estimate of the percentage of costs incurred on each activity.

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 buildings are brought into use as a Museum.

The amount paid for the long lease on the building has been capitalized as fixed assets. Other costs relating to the building (including remedial works and minor refurbishment) carried out in the year have been expensed. The Trustees feel this is the most appropriate policy as the works so far have not added significantly to the value of the property and the project to design and develop the museum is in its preliminary stage

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 accounts. Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objects of the charity.

2 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2011	2010
	£	15 months
		£
Outreach	13,500	29,328
Family events	1,116	2,055
Other	<u>17,518</u>	<u>600</u>
	<u>32,134</u>	<u>31,983</u>

THE STORY MUSEUM

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2011 (CONTINUED)

3 COSTS OF GENERATING VOLUNTARY INCOME	2011	2010
	£	15 months £
Fundraising services	28,119	14,194
Salaries	52,166	28,083
Professional costs	<u>-</u>	<u>23,532</u>
	<u>80,285</u>	<u>65,809</u>

4 CHARITABLE ACTIVITIES	Activities undertaken directly	Support costs (note 5)	Total 2011	Total 2010
	£	£	£	15 months £
Development of children's literature museum	99,404	102,293	201,697	261,609
Outreach	39,750	18,052	57,802	119,091
Family events	<u>11,232</u>	<u>-</u>	<u>11,232</u>	<u>16,835</u>
	<u>150,386</u>	<u>120,345</u>	<u>270,731</u>	<u>397,535</u>

5 SUPPORT COSTS	2011	2010
	£	15 months £
Salaries	38,769	50,911
Depreciation	3,644	1,537
Office, marketing and professional costs	<u>77,932</u>	<u>134,741</u>
	<u>120,345</u>	<u>187,189</u>

Support costs are allocated in the ratio 85:15:0 (2010: 75:20:5) across the three charitable activities.

6 GOVERNANCE COSTS	2011	2010
	£	15 months £
Auditor's remuneration	1,265	1,100
Under accrual re prior year	<u>635</u>	<u>-</u>
	<u>1,900</u>	<u>1,100</u>

No Trustee received any remuneration or reimbursement of expenses during the year (2010: £nil).

THE STORY MUSEUM

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2011 (CONTINUED)

7	STAFF COSTS	2011	2010
		£	15 months £
	Salaries	82,078	72,365
	National Insurance	<u>7,897</u>	<u>6,629</u>
		<u>89,975</u>	<u>78,994</u>

The average number of employees was 3 (2010: 3). No employees' emoluments exceeded £60,000 in the year.

8	TANGIBLE ASSETS	Long Leasehold Property £	Equipment £	Total £
	Cost			
	At 1 June 2010	2,190,000	13,123	2,203,123
	Additions	<u>-</u>	<u>4,493</u>	<u>4,493</u>
	At 31 August 2011	<u>2,190,000</u>	<u>17,616</u>	<u>2,207,616</u>
	Depreciation			
	At 1 June 2010	-	8,411	8,411
	Charge for year	<u>-</u>	<u>3,644</u>	<u>3,644</u>
	At 31 August 2011	<u>-</u>	<u>12,055</u>	<u>12,055</u>
	Net Book Value			
	At 31 August 2011	<u>2,190,000</u>	<u>5,561</u>	<u>2,195,561</u>
	At 31 May 2010	<u>2,190,000</u>	<u>4,712</u>	<u>2,194,712</u>

The lease on the property is held until 2141.

9	DEBTORS	2011	2010
		£	£
	Trade debtors	6,637	2,213
	Gift Aid	51,163	29,870
	VAT debtor	<u>3,389</u>	<u>356,589</u>
		<u>61,189</u>	<u>388,672</u>

THE STORY MUSEUM

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2011 (CONTINUED)

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2011 £	2010 £
Trade creditors	7,600	21,108
Accruals	6,870	4,101
Deferred income (see below)	19,530	4,355
Loans	<u>-</u>	<u>328,500</u>
	<u>34,000</u>	<u>358,064</u>
Deferred income		
Deferred income brought forward	4,355	-
Released to incoming resources in the year	(4,355)	-
Incoming resources deferred in the current year	<u>19,530</u>	<u>4,355</u>
Deferred income carried forward	<u>19,530</u>	<u>4,355</u>

Deferred income includes Outreach Project income received in advance.

11 RESTRICTED FUNDS	At 1 September 2010 £	Incoming resources £	Resources expended £	Transfers £	At 31 August 2011 £
Outreach projects	2,890	11,496	(11,094)	-	3,292
Capital Project (initial purchase)	2,190,000	-	-	-	2,190,000
Capital Project (other funding)	(51,223)	332,294	(31,071)	-	250,000
Architecture model	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
	<u>2,146,667</u>	<u>343,790</u>	<u>(42,165)</u>	<u>-</u>	<u>2,448,292</u>

These all represent voluntary income provided for a specific purpose with the closing balance being the unexpended amount at the year end.

The £2,190,000 balance on the Capital Project (initial purchase) fund represents a donation to fund the cost of the underlease on Rochester House. The donation is potentially repayable to the donor in 2016 (see note 14).

12 ANALYSIS OF NET ASSETS BY FUND	Unrestricted Funds £	Restricted Funds £	Total £
Fixed assets	5,561	2,190,000	2,195,561
Net current assets	<u>95,843</u>	<u>258,292</u>	<u>354,135</u>
	<u>101,404</u>	<u>2,448,292</u>	<u>2,549,696</u>

THE STORY MUSEUM**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2011 (CONTINUED)****13 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.

14 CONTINGENT LIABILITIES

During the period to 31 August 2010 the company received a donation of £2,190,000 to fund the purchase of the underlease of the Rochester House site, for the purpose of establishing it as a permanent home for The Story Museum in Oxford.

If the site is not open to the public as a permanent home for The Story Museum on a regular basis by September 2016, the charity may be called upon to repay the £2,190,000 donation or the total amount of the sale value of the site whichever is the lesser, at the donor's discretion.