SEVEN STORIES, THE NATIONAL CENTRE FOR CHILDREN'S BOOKS

England & Wales · Charity number 1056812

Details

Other names	THE CENTRE FOR CHILDREN'S BOOKS, THE CENTRE FOR THE CHILDREN'S BOOK, SEVEN STORIES
Status	Registered
Legal form	Charitable company
Company number	03209411
Registered	1996-07-15
Register	View on the Charity Commission register

Contact

Address	Seven Stories The Centre For Childrens Books 30 Lime Street Newcastle Upon Tyne NE1 2PQ
Phone	03003301095
Email	info@sevenstories.org.uk
Website	www.sevenstories.org.uk

Activities

Objects: TO ADVANCE THE EDUCATION OF THE PUBLIC IN PARTICULAR CHILDREN AND YOUNG PEOPLE IN THE ARTS AND LITERATURE WITHOUT DISTINCTION OF GENDER, SEXUAL ORIENTATION, RACE OR POLITICAL, RELIGIOUS OR OTHER OPINIONS, THROUGH THE PROMOTION OF BRITAIN'S LITERARY HERITAGE FOR CHILDREN AND IN PARTICULAR, BUT NOT EXCLUSIVELY, BY PRESERVING, MAINTAINING AND ADDING TO THE COLLECTION HELD BY THE TRUST AND BY THE PROMOTION OF ACCESS TO THE COLLECTION AND ASSOCIATED ITEMS THROUGH ARTS AND EDUCATION PROGRAMMES AND ACTIVITIES.

Activities: Seven Stories' mission is to champion children's books as an intergral part of childhood and Britian's heritage and culture, with the aim of: Preserving and celebrating Britain's rich heritage of children's literature from 1930's to the present day. Encouraging a lively dialogue that brings books and their creators to life and inspires a love of reading across generations.

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Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** Children/young People, The General Public/mankind

Geography

- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,595,872	£1,611,940	£6,828,205	52
2024-03-31	£1,346,685	£1,561,005	£6,844,273	45
2023-03-31	£2,219,433	£1,617,471	£7,058,222	54
2022-03-31	£2,397,420	£1,805,781	£6,457,411	58
2021-03-31	£1,850,540	£1,490,560	£5,863,928	60

Trustees

Name	Role	Appointed
Claire Riley	Chair	2021-10-22
Annalei Bartlett		2023-03-29
Ben Butler		2018-12-12
Emma Layfield		2023-03-29
Louise Forster		2023-03-29
Matthew McWhinnie		2016-12-07
NICK KEMP		2015-10-21
Rachel Mary Lippe		2019-03-06

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SEVEN STORIES, THE NATIONAL CENTRE FOR CHILDREN'S BOOKS

England & Wales - Charity number 1056812

Accounts

Docusign Envelope ID: D41D4C10-FF8E-4BD7-A32F-B41F3F3AD8E9

Registered number: 03209411
Charity number: 1056812

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Annual report

31 March 2025

Docusign Envelope ID: D41D4C10-FF8E-4BD7-A32F-B41F3F3AD8E9

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Reference and administrative details of the charity, its Trustees and advisers
Year ended 31 March 2025

Trustees	Annalei Bartlett (resigned 26 March 2025) Ben Butler (resigned 12 December 2024) Kim Davies (appointed 26 March 2025) Louise Forster (resigned 26 March 2025) Nick Kemp (resigned 10 December 2025) Emma Layfield (resigned 25 June 2025) Rachel Lippe Matthew McWhinnie Claire Riley OBE, Chair Steve Watson (appointed 26 March 2025) Louise Hunter MBE (appointed 10 December 2025) Paula Strachan (appointed 10 December 2025) Neil Preston (appointed 10 December 2025)
Company registered number	03209411
Charity registered number	1056812
Registered office	30 Lime Street Ouseburn Valley Newcastle upon Tyne NE1 2PQ
Chief executive officer	Wendy Elliott
Independent auditor	UNW LLP Chartered Accountants Citygate St James Boulevard Newcastle upon Tyne NE1 4JE
Bankers	NatWest 4 Bridge Street Morpeth Northumberland NE61 1NG CAF PO Box 289 Kings Hill West Mailing Kent ME19 4TA Unity Trust 9 Brindley Place Birmingham B1 2HB

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Trustees' report
Year ended 31 March 2025

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Seven Stories, The National Centre for Children's Books Limited ("Seven Stories") (the company) for the year ended 31 March 2025. The Trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and activities

Policies and objectives

Seven Stories is the National Centre for Children's Books. Our focus is literature and associated illustrations and related material specifically created for children, and the various ways these are shared, collected, conserved, promoted, and disseminated. We aim to enhance lives through access to stories.

Our vision is to put stories at the heart of every childhood, empowering young people to understand their world and imagine their future.

We celebrate the exceptional achievements of British and international writers and illustrators for children, saving their work as part of our nation's heritage, for the enjoyment and inspiration of current and future generations.

The object of the charity, as set out in our governing document, is to advance the education of the public, in particular, children and young people, in the arts and literature through the promotion of Britain's literary heritage for children, and in particular, but not exclusively, by preserving, maintaining and adding to the Collection held by the Seven Stories Collection Trust and by the promotion of access to the Collection and associated items through arts and education programmes and activities.

Main activities undertaken to further the charity's purposes for the public benefit

The charity undertakes a variety of activities to deliver its objectives, including education and community centred engagement, the promotion of literacy and reading, running an attractive Visitor Centre with an active events programme, digital delivery to ensure accessibility and reach, and developing and maintaining a collection of books, manuscripts, illustrations and related materials.

Our Visitor Centre in Newcastle upon Tyne houses exhibition galleries as well as performance and creative learning spaces, a specialist bookshop and a café. We have a regular and engaging events programme including story-telling, author and illustrator talks, and creativity development and learning. An extensive external programme supports talent development and brings creative activity into schools and communities to reach young people, helping to promote literacy and creativity, via face-to-face engagement and our developing use of digital platforms. During the year we developed Two Tales, a pop up venue in Durham delivering an immersive, interactive space where the community can engage with storytelling, literature and creative activities as part of a high street regeneration initiative.

The Collection is an internationally renowned archive comprising of manuscripts, artwork, related papers and books, dating from the 1930s to the present day. We hold National styling through Arts Council England's accreditation scheme, acknowledging the singularity and significance of our work to protect and share our literary heritage for children. We use our Collection as an artistic, educational and research resource to celebrate the literary and visual arts through exhibitions, displays and learning programmes, both at our Visitor Centre, and in facilities across the UK through our touring programme.

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Objectives and activities (continued)

While entry to our Visitor Centre is free, we do make some charges to our audience for some activities and events, including school visits and to members of the general public for some programmes and events. Our admission charges are kept as low as possible in order to enable wider access, balanced with the need to earn income and ensure the charity's viability. We also ensure community funded places are available for all of our programmes, and seek corporate support for community places on our regular seasonal programmes such as holiday schools and Christmas community events.

We seek to work in communities, particular disadvantaged communities in our local area, and receive financial support for such purposes.

At all of our Trustee meetings we keep in mind the Charity Commission's guidance on public benefit. As Trustees we see the benefits our audience, partners and communities gain from our organisation.

Staff and volunteers

Seven Stories employed an average of 52 people (29 full time equivalent) in total during 2024/25; 25 on permanent contracts and 27 on casual contracts. 16 staff were full time staff and 36 on a part time basis. We have strengthened skills in key areas including education, and are now looking to recruit to strategic business development roles.

6 volunteers have supported us during the year including regular Collection volunteers and seasonal roles helping with Christmas events, as well as marketing and digital support.

Strategic report

Achievements and performance

Accreditation and awards

Seven Stories is a National Portfolio Organisation (Band 2) supported by Arts Council England. It is also an Accredited Museum with National styling.

Review of activities

During 2024/25, Seven Stories remained firmly committed to its core charitable purpose of addressing diminished literacy and oracy levels across the North East, with access, equity and inclusion embedded across all areas of activity. This year marked the continued delivery of our Arts Council England NPO funding for 2023 to 2026, with regular reporting confirming that our charitable, educational, community and cultural programmes remain aligned with both regional and national priorities.

Engagement and Visitor Experience
We were delighted to welcome over 80,000 visitors, our highest annual figure to date, and to see continued growth in visitors from less affluent communities. Maintaining free entry and remaining open six days per week during term time was a significant achievement given the ongoing economic pressures affecting families and cultural venues. The Visitor Centre benefitted from the return of the Elmer and Friends exhibition, refreshed gallery spaces and strengthened public programming including a thriving Writer's Salon series and an exceptionally well-received World Book Day programme for schools and families.

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Strategic report (continued)

Achievements and performance (continued)

The Story Station was redeveloped this year through the generous support of the Winn Group. This allowed us to co-create a sensory, inclusive space with children and families from Byker, and has already improved our ability to deliver accessible programmes for communities most underrepresented in cultural participation. We were also extremely proud to receive the Visit England Quality Rose Mark for 2024/25, recognising the consistently high standard of our visitor experience.

Collections, Learning and Creative Programme
Collection development and access remained central to our mission. We were honoured to receive a long-term loan of Mary Norton materials and to secure the Gerald Rose archive into the Collection, offering new opportunities for creative learning, research and public engagement. Preparatory work began to open Two Tales in Durham, extending our ability to share the Collection across the region.

Investment in the Learning and Community team strengthened our educational offer through new partnerships, expanded community delivery and the development of new story-led resources using our national Collection. World Book Day continued to be a major moment of annual engagement, with large numbers of children and families joining workshops, storytelling and creative sessions.

This year also marked the beginning of our commission from Borderlands, a creative organisation based in Teesside. Through this partnership, our Tellers on Tees storytelling and oracy programme has gone from strength to strength. We have been working closely with four primary schools, including one located on the edge of the recent disturbances, to support children’s confidence, vocabulary development and narrative skills. This sustained, curriculum-aligned approach has highlighted the need for long-term place-based oracy interventions and has strengthened our role in supporting community resilience through storytelling.

Our widening-access work also grew significantly. With support from Karbon Homes, we deepened engagement in communities facing the greatest barriers to participation, working closely with community participants Kim and Nilufa. We invested in workforce development by expanding apprenticeship opportunities for young people, including Abdel and Ben, with Tom joining in early 2025/26. These opportunities are helping local young people to imagine futures within the creative and cultural industries.

This year saw the launch of a formal NHS partnership, placing reading for pleasure and storytelling at the heart of health and wellbeing initiatives. We were also proud to host a delegation from Little Rock, Arkansas, enabling international exchange on cultural partnership and educational priorities.

Events, Touring, Community and Commercial Activity
We delivered a vibrant programme of seasonal activity supported strongly by regional partners, including Christmas events with notable corporate backing and a standout visit from illustrator Korky Paul. Our community events supported by regional partners were well attended with maximised impact focussed on children and families displaced as a result of domestic violence with represented attendance across the whole region. Our emphasis on getting books into more and more of our communities was a legacy impact of this work.
Our touring programme continued with national reach through Judith Kerr’s The Tiger Who Came to Tea facsimile tour and the original artwork tour of Elmer and Friends.

Across the year we continued to develop Two Tales Durham as a new regional platform for engaging underrepresented parts of our region through inclusive exhibitions, learning and storytelling. Seven Stories also benefitted from the transformational legacy of Robert Westall and Lindy McKinnel, announced during 2024/25. Early preparatory work has begun to ensure the Westall portfolio is shared with new audiences in ways that honour their memory and contribution to children’s literature, whilst also ensuring that diversifying income through heritage legacy can be optimised.

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Strategic report (continued)

Achievements and performance (continued)

Our work across the region and the wider North has given us a growing platform for the years ahead. Through the Two Tales pop up, we tested new approaches, gathered invaluable feedback and demonstrated our ability to lead cultural innovation across the region, addressing public health barriers through well thought out well being initiatives. The pop up allowed us to build new partnerships with Durham University, Beamish Museum, local schools, businesses and local authorities. We now have a strong network of contacts, an enhanced reputation and a significant amount of goodwill that will help drive our work into 2026.

As the sector continues to evolve in response to the new school curriculum, increased interest in screen-free experiences and the need for greater entrepreneurial activity among museums and cultural spaces, Seven Stories is well positioned and already adapting with confidence.

Leadership
Continued stability in the leadership and governance structure enabled us to review best practises within the organisation, and our new subcommittee structures took shape.

This was reflected through strengthened relationships with Trusts and Foundations and other external stakeholders including regional universities, local multi-academy Trusts, publishing houses, the NHS and the Combined Authority. This puts us in a strong place for future growth

The Seven Stories Chief Executive has overall management responsibilities for the organisation, supported by a Finance Director, a Director of Systems and Operations, a Director of Collections and Exhibitions and our Creative Lead in Residence. The Chief Executive has overall responsibility for the successful delivery of the business strategy, reporting to the Board.

Fundraising and development

Our small development and relationship team continued to manage fundraising, communications and donor stewardship, delivering strong results during a period of increased organisational activity and growing community demand.

We secured support across Trusts and Foundations, corporate partners, individual donors and earned-income linked campaigns. Our enhanced CRM and digital capacity, supported by Bloomberg Philanthropies Digital Accelerator, strengthened targeted fundraising and improved long-term donor relationships.

Key achievements included significant corporate giving during the Christmas season which supported festive programmes and enabled subsidised access for disadvantaged families; continued cultivation of Collection donors including a major donation of heritage assets valued at £80,000 from the Gerald Rose estate; and strengthened regional partnerships with universities, the NHS and local multi-academy trusts that enhanced our educational and community programmes. Support from the Winn Group enabled the redevelopment of Story Station, directly improving accessibility and inclusion within the Visitor Centre.

The announcement of the Lindy McKinnel and Robert Westall legacy marked a transformational moment. This gift, received 2024/25, will enable significant future work with the Westall Collection and support new forms of public engagement.

Fundraising remains essential to enabling Seven Stories to maintain free entry, expand inclusive programmes, invest in workforce development and conserve and grow the national Collection of Children’s Literature.

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Strategic report (continued)

Financial review

The financial position of the organisation and performance during the year was supported by receipt of a generous legacy from Lindy McKinnel, but still reflects external pressures from cost pressures both directly and affecting our earned income, as well as increased competition for Trust and Foundation funding in the face of frontline need. This meant previous investment in income streams including learning and programme took longer to establish than expected.

A surplus of £80,454 was made on unrestricted funds, compared with a loss of £120,861 in the prior year. Combined with losses on restricted funds and restricted capital funds, there was an overall loss of £16,068 for the year compared with a loss of £213,949 in the preceding year. 2024/25 was the seventh year of delivery of our Arts Council England National Portfolio Organisation activity, which was granted originally to support our work from 2018/19 to 2021/22. The overall annual grant was £588,230.

Other grants and funding awarded during the year included:

- £87,925 from the Enid Blyton Fund for Seven Stories managed by the Community Foundation, including £41,873 for capital refurbishment work
- £25,000 from the Helen Bailey Trust
- £20,000 from the Newcastle Culture Investment Fund managed by the Community Foundation
- £19,566 from Durham County Council
- £14,010 from StreetGames UK

We are grateful to the following organisations who supported our work during the financial year:

Corporate Sponsors & Supporters:
Aspire
Durham County Council
FenwickMuckles
Real Fundraising
Winns Solicitors

Revenue and Project Grants:
Arts Council EnglandCommunity Foundation Enid Blyton Fund for Seven Stories
Community Foundation – Jeremy Beecham Community Foundation Newcastle Culture Investment Fund
The Gillian Dickinson TrustThe Helen Bailey Trust
The James Knott Trust
StreetGames UK
The Shears Foundation

and the Friends of Seven Stories and many other individual supporters

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Management has determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern. It expects that the cost of living pressures will continue to have some impact in relation to expected performance but that these can be mitigated through ongoing cost control and diversification of income and delivery methods. Our charitable objectives already mean we deliver activities that align with the aims of many trusts and foundations.

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Our risk management process enables trustees to have greater assurance and complies with the latest Charity Commission recommendations.

We will continue to develop our business model to ensure resilience and, at the same time, fully deliver our charitable objectives as a viable business and sustainable organisation.

While the challenges we face are in line with other similar organisations, we have strengthened our position to respond due the unique assets we hold. This is aligned to our plans for the building and for external offers including a strong education and community programme. Due to receipt of a generous unrestricted cash legacy from Mirabel Cecil, we are in a strong position to continue to diversify and add resilience to our income streams.

New external educational and community activity is being implemented successfully alongside embedding ourselves regionally. We are expanding digital programming, products and services for families and schools, as well as our award winning community programmes.

Reserves policy

Trustees reviewed the reserves policy in September 2015 following the completion of a capital refurbishment project. It was agreed that the minimum level of cash reserves should be equivalent to those that allow the charity to fulfil its statutory obligations arising on closure and provide sufficient working capital to enable arrangements to be made to re house the Collection. This minimum reserve requirement was estimated to be £175,000 at March 2025.

The Trustees also agreed that additional reserves should be set aside to enable the charity to respond to significant unplanned events, such as unexpected capital expenditure or the loss of a key funding stream. Including provision for these unplanned events, the reserves target is between £350,000 to £425,000.

At 31 March 2025, the group held free reserves of £63,276 in surplus (£60,084 deficit in 2023/24), being £171,511 undesignated unrestricted funds less £16,291 intangible fixed assets and less £91,944 of tangible fixed assets. Our financial strategy will enable the level of reserves to be increased over the next four years as the charity returns to a surplus position on unrestricted funds.

Plans for future periods

Seven Stories will continue to strengthen its regional presence through partnerships. Several key meetings are already scheduled for early 2026 which will shape future collaboration and extend our reach across the North. The Cecil legacy, referenced elsewhere as a post balance sheet event, will enable us to accelerate the work required to reach the next level of impact.

The acquisition of the Jill Murphy materials as a long-term loan in 2025/26 creates significant opportunities to explore the heritage, intergenerational appeal and creative possibilities of her work. Alongside this, we are planning a refresh of the Visitor Centre to meet the needs of both returning and new audiences, including the creation of a quiet space for the increasing number of neurodiverse children visiting.

Our partnership with the NHS continues to grow in importance. As health services place greater focus on community wellbeing and social prescribing, our work with reading for pleasure and storytelling positions us as a key cultural health partner. Our partnership with the Dolly Parton Imagination Library, including hosting the launch at the Visitor Centre and the appointment of our Creative Lead to the national book selection panel for 2027, reflects major confidence in our organisation and its expertise.
As the cultural sector adapts to changes in publishing, the increased use of AI, rising demand for public interaction and growing parental desire for reduced screen time, Seven Stories must remain agile, flexible and responsive. This will require organisational restructuring to ensure we can meet new challenges and opportunities.

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In 2026, we will lead the region during the Year of Reading while also celebrating the twenty first birthday of the Visitor Centre. This will include the launch of our Seven Stories Reading programme, a significant new initiative connecting communities, schools and families through the joy of reading.
We are committed to ensuring financial independence and resilience to external cost pressures. Research across the sector highlights the need for museums and cultural venues to be more entrepreneurial, and we have already taken important steps in this direction highlighted in the Two Tales initiative. We plan to increase commissioned work, make fuller use of the Collection and develop the unique and saleable storytelling expertise within our team.

We are already exploring new ways to reimagine the Collection for contemporary audiences. Inspired by collaborations such as the publishing partnerships between Agatha Christie and the Mr Men series, we are developing fresh approaches to presenting heritage materials in ways that surprise, delight and engage new generations. The next chapter of work around Robert Westall will form an important part of this, creating a Westall 2.0 that reimagines and reintroduces his legacy for today's families and readers. All of this will be achieved by listening and engaging with younger people through the introduction of our Youth Council, an initiative that will inform our board of Trustees

Sector Shifts and Pressures
The wider cultural landscape continues to shift rapidly. There is growing demand for offline, human-led creative experiences from parents, educators and cultural audiences who increasingly value screen-free storytelling and live events. Concerns about AI driven cultural production are rising, with critics arguing that AI generated content can erode human creativity and undervalue artistic skill. Cultural organisations must balance the efficiencies offered by new technologies with the importance of authenticity and integrity of voice. We are already discussing this and taking steps to become one of the leading voices in this area.
Collections are increasingly expected not only to preserve but to be actively reimagined. Classic works require contextual framing for new generations, and heritage materials need to connect meaningfully with contemporary life and diverse communities. Barriers to leadership and authorship persist for working class and marginalised communities, and funders and audiences expect measurable progress in representation and inclusion.

Cultural consumption among younger generations is shifting, shaped by digital first intellectual property such as Bluey rather than the traditional canon, while nostalgia remains powerful but must be refreshed for modern audiences. Fundraising models are under strain, requiring organisations to emphasise sustainability, partnership leverage and long-term resilience. Tourism continues to evolve, with families seeking immersive, story led experiences that increase dwell time and encourage repeat visits. Integrating school and family networks into cultural tourism strengthens local economic impact and builds brand loyalty.

Future Opportunities
Storytelling will remain the central anchor of our work. In a landscape crowded with AI generated content, human stories, particularly those that are untold or underrepresented, provide a powerful point of difference. Distinctive intellectual property such as Booxsie and Blurb two book review animated characters which have the potential across publishing, live performance and tourism.
We will continue to develop next generation publishing models that draw directly from the Collection, work with diverse authors and illustrators and create titles linked to exhibitions in ways that surprise and engage visitors.

We will expand the creative circle within our organisation by mapping skills, identifying gaps and using the Collection as an engine for experimentation and innovation.

Prototyping activity will continue, including reimagined classics, immersive formats and opportunities for inclusive leadership. As Seven Stories moves towards 2026 and beyond, we are well positioned to meet sector change with ambition, clarity and confidence.

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Future structure
This past year has been challenging for the organisation and for its leader. It has also shown, more clearly than ever, the strength and commitment of the people who make up our team. Their passion for our mission to improve literacy and inclusion, and their belief in the importance of our work, has been humbling and inspiring.
We are custodians of something genuinely unique. As a national centre, we must live by our values and deliver work that reflects them. Over the past year, it has become clear that there are gaps in the skills and structures we need in order to meet the demands of our mission and to prepare for the future. Addressing these gaps has required difficult decisions, including recognising that some colleagues were no longer able to take forward the level of innovation and delivery that our next phase requires. As a result, some people have moved on from the organisation, and those decisions were not taken lightly.

At the same time, a strong new core team has emerged, people who are aligned with our values, who bring the skills and creativity we need, and who are ready to help shape the organisation we are becoming. Their commitment has enabled us to deliver more, to innovate more boldly, and to build a clearer vision for the years ahead.

These challenges have not been easy, but the executive has not stepped away from them and remains fully committed to steering the organisation through this period of change and to ensuring that we emerge stronger, more agile and better equipped to serve our staff, our visitors and, most importantly, the children and families across our city, our region and beyond.

Structure, governance and management

Constitution

Seven Stories, The National Centre for Children's Books is a company limited by guarantee governed by its Articles of Association. It was first registered with the Charity Commission on 7 May 1996. The charity's governing documents, and those of its related parties, were reviewed and updated in October 2018.

Methods of appointment or election of Trustees

The management of the group and the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

Organisational structure and decision-making policies

The Board of Trustees administers the charity. The Board meets four times a year under usual circumstances, and there are two committees at present, the Finance. Risk and Governance Committee and the Collection Committee.

The Chief Executive is appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations the Chief Executive has delegated authority, within the terms of delegation approved by the trustees, for operational matters including finance, employment and artistic activity.

To fulfil these responsibilities, the Chief Executive worked with a senior management team comprised of the Finance Director, Director of Systems and Operations, The Collections and Exhibitions Director and our Creative Lead in Residence.

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Structure, governance and management (continued)

Pay policy for senior staff

The rates of pay and remuneration of all staff, including the senior management team, are set by the Board of Trustees. The annual pay review considers statutory changes, inflation, the affordability of a pay award in the context of financial performance, benchmarking to similar organisations and the outcomes of an individual appraisal process.

Related party relationships

Seven Stories has two related entities: Seven Stories Trading Company and Seven Stories Collection Trust. The accounts of these entities are consolidated with those of the main charity in these accounts.

Seven Stories Trading Limited is the charity's wholly owned subsidiary, a company limited by shares, registered in England and Wales, number 04177830. It operates commercial activities including the bookshop, cafe and corporate events. The subsidiary company commenced trading on 19 August 2005. Profits of the subsidiary are gifted to the charity.

Seven Stories, The National Centre for Children's Books' Collection Trust is an independent charitable trust which was established by a Declaration of Trust dated 9 June 2005 and whose Trustees are appointed by Seven Stories Board of Trustees. It is a separate charity, registered with the Charity Commission with charity number 1115167. The main object of the Collection Trust is to own and protect the archive. It is supported by Seven Stories staff through a management agreement dated 25 August 2006. These accounts are consolidated solely to comply with SORP and company law requirements and are not intended to affect the status of both charities as separate legal entities.

The trading company's Articles of Association and the Collection Trust's Deed of Trust and management agreement were updated in 2015. This reflected the change of name of the main Charity, and also aligned these documents with the changes made in the Charity's Articles and recent legislation. For the Collection Trust, these changes were agreed through a Deed of Variation at the Trustees meeting held on 25 February 2016. For the trading company, the changes were adopted by special resolution at a meeting of the trading company Directors on 18 November 2015.

Key risks and uncertainties

The key risks facing Seven Stories in 2024/25 are associated with maintaining business viability and sustainability in an environment which is challenging for all arts and cultural venues facing an uncertain public and private funding landscape, while ensuring we continue to meet our charitable objectives.

A key aspect of these risks is ensuring the organisation develops its governance, its portfolio of activities and offers, its management and organisational capability and its financial reserves, to be resilient in the face of such changes.

While we have continued to control expenditure and diversify and invest in income streams (in particular education), uncertainty over how audiences will behave in the future, the impact of inflation on our costs, changing government policy, and potential issues around the availability of funding will continue to be carefully monitored.

Other potential immediate risks could arise from the impact of the current economic challenges on our own expenditure and on reductions in the visitor income. Other risks associated with this include:

- Lack of business continuity from key suppliers and contractors ceasing to trade;
- Failure to meet fundraising, donations and sponsorship income targets.

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Structure, governance and management (continued)

Risk mitigation

The priorities outlined in 'Plans for future periods' above have been identified specifically in order to address these concerns. Progress towards these strategic objectives is being very closely monitored by the Board and Arts Council England.

Our risk schedule is reviewed and updated at each Board meeting and work is ongoing to ensure that risk management is embedded from governance of the organisation and throughout the management structure.

Information on fundraising practises

Our general approach to fundraising is to work with existing networks and relationships, with general, non-targeted appeals for specific projects. This includes our Friends, Chapter One founders, corporate and general visitors. We are mindful to ensure the protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches and undue pressure to donate. Seven Stories does not work with any commercial participators or professional fundraisers, beyond using fundraising websites such as Crowdfunder or Big Give.

Our fundraising conforms to recognised standards and, if there were any complaints about our approach, they would be handled using our formal Complaints Policy and Procedures. There were no complaints in the year under review.

Disclosure of information to auditor

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

- so far as that the trustees are aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- the trustees have taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

Auditor

The auditor, UNW LLP, has indicated his willingness to continue in office. The designated trustees will propose a motion reappointing the auditor at a meeting of the trustees.

Approved by order of the members of the board of trustees on 18 December 2025 and signed on their behalf by:

Signed by:
Claire Riley
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Claire Riley OBE, Chair

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Statement of trustees' responsibilities
Year ended 31 March 2025

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group and the charity's transactions an disclose with reasonable accuracy at any time the financial position of the group and the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of trustees on 18 December 2025 and signed on its behalf by:

Signed by:
Claire Riley
B8A4CC9658F24FE...

Claire Riley, Chair

Docusign Envelope ID: D41D4C10-FF8E-4BD7-A32F-B41F3F3AD8E9



Independent auditor's report to the members of Seven Stories, The National Centre for Children's Books Limited

Opinion

We have audited the financial statements of Seven Stories, The National Centre for Children's Books Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2025 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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Other information

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

We have nothing to report in this regard.

Opinion 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 including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the trustees' report and the strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

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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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity’s operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

We obtain and update our understanding of the charity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the company is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

Based on our understanding of the charity, we identified that the principal risks of non-compliance with laws and regulations related to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, pension legislation and UK tax legislation. In addition, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines and litigation. We considered the extent to which non-compliance with laws and regulations might have a material effect on the financial statements and we have assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

We also evaluated managements’ incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to posting inappropriate journal entries to manipulate financial results, management bias in accounting estimates, as well as improper revenue recognition which includes fraudulent posting of journal entries to revenue.

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Audit procedures performed by the engagement team included:

- Inquiry of management and those charged with governance regarding actual and potential litigation or claims as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Reviewing meeting minutes to identify reported frauds and any potential non-compliance with laws and regulations;
- Identifying journal entries based on risk criteria and testing the identified entries to supporting documentation, in particular journal entries with unusual account combinations; and
- Challenging assumptions and judgments made by management in their significant accounting estimates and evaluating whether there was any evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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

Use of our report

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

DocuSigned by:
Anne Hallowell
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Anne Hallowell BSc DChA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

18 December 2025

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)
Year ended 31 March 2025

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Restricted capital funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:						
Donations and legacies	4	**187,680**	**-**	**140,300**	**327,980**	90,656
Charitable activities	5	**842,067**	**66,873**	**-**	**908,940**	937,557
Other trading activities	6	**325,249**	**-**	**-**	**325,249**	306,523
Investments		**-**	**59**	**12**	**71**	519
Other income	7	**33,632**	**-**	**-**	**33,632**	11,430
Total income and endowments		**1,388,628**	**66,932**	**140,312**	**1,595,872**	1,346,685
Expenditure on:						
Raising funds	8	**278,635**	**-**	**-**	**278,635**	266,581
Charitable activities	9	**1,029,499**	**158,646**	**145,120**	**1,333,265**	1,294,424
Total expenditure		**1,308,134**	**158,646**	**145,120**	**1,611,900**	1,561,005
Net income/ (expenditure) before net (losses)/gains on investments		**80,494**	**(91,714)**	**(4,808)**	**(16,028)**	(214,320)
Net (losses)/gains on investments		**(40)**	**-**	**-**	**(40)**	371
Net (expenditure) /income		**80,454**	**(91,714)**	**(4,808)**	**(16,068)**	(213,949)
Transfers between funds	19	**(51,003)**	**51,003**	**-**	**-**	-
Net movement in funds		**29,451**	**(40,711)**	**(4,808)**	**(16,068)**	(213,949)
Reconciliation of funds:						
Total funds brought forward		**152,309**	**145,943**	**6,546,021**	**6,844,273**	7,058,222
Net movement in funds		**29,451**	**(40,711)**	**(4,808)**	**(16,068)**	(213,949)
Total funds carried forward		**181,760**	**105,232**	**6,541,213**	**6,828,205**	6,844,273

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

The notes on pages 22 to 49 form part of these financial statements.

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Consolidated balance sheet
At 31 March 2025

	Note		2025 £		2024 £
Fixed assets					
Intangible assets	12		**16,291**		37,173
Tangible assets	13		**1,091,298**		1,307,192
Heritage assets	14		**5,568,137**		5,427,837
Investments	15		**-**		9,248
			6,675,726		6,781,450
Current assets					
Stocks	16	**27,654**		23,204	
Debtors	17	**132,442**		89,350	
Cash at bank and in hand		**171,181**		115,033	
		331,277		227,587	
Current liabilities					
Creditors: amounts falling due within one year	18	**(178,798)**		(164,764)	
Net current assets			**152,479**		62,823
Total assets less current liabilities			**6,828,205**		6,844,273
Total net assets			**6,828,205**		6,844,273
Charity funds					
Restricted capital funds	19		**6,541,213**		6,546,021
Restricted funds	19		**105,232**		145,943
Unrestricted funds	19		**181,760**		152,309
Total funds			**6,828,205**		6,844,273

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

The financial statements were approved and authorised for issue by the trustees on 18 December 2025 and signed on their behalf by:

Signed by:
Claire Riley
B8A4CC9658F24FE...
Claire Riley, Chair

The notes on pages 22 to 49 form part of these financial statements.

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Balance sheet
At 31 March 2025

	Note		2025 £		2024 £
Fixed assets					
Intangible assets	12		**16,291**		37,173
Tangible assets	13		**1,091,298**		1,307,192
Heritage assets	14		**30,000**		30,000
Investments	15		**1**		9,249
			1,137,590		1,383,614
Current assets					
Debtors	17	**138,806**		69,055	
Cash at bank and in hand		**145,641**		94,504	
		284,447		163,559	
Current liabilities					
Creditors: amounts falling due within one year	18	**(181,978)**		(146,642)	
Net current assets			**102,469**		16,917
Total assets less current liabilities			**1,240,059**		1,400,531
Total net assets			**1,240,059**		1,400,531
Charity funds					
Restricted capital funds	19		**999,354**		1,142,221
Restricted funds	19		**105,232**		145,943
Unrestricted funds	19		**135,473**		112,367
Total funds			**1,240,059**		1,400,531

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Balance sheet (continued)
At 31 March 2025

The charity's net movement in funds for the year was a loss of £160,470 (2024: loss of £292,021).

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

The financial statements were approved and authorised for issue by the trustees on 18 December 2025 and signed on their behalf by:

Signed by:
Claire Riley
B8A4CC9658F24FE...
Claire Riley, Chair

Company registered number: 03209411

The notes on pages 22 to 49 form part of these financial statements.

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Consolidated statement of cash flows
Year ended 31 March 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash used in operating activities	21	**50,145**	(50,314)
Cash flows from investing activities			
Proceeds from the sale of investments		**9,208**	-
Purchase of intangible assets		**-**	(28,375)
Purchase of tangible fixed assets		**(3,205)**	(17,000)
Net cash provided by/(used in) investing activities		**6,003**	**(45,375)**
Change in cash and cash equivalents in the year		**56,148**	**(95,689)**
Cash and cash equivalents at the beginning of the year		**115,033**	210,722
Cash and cash equivalents at the end of the year	22	**171,181**	115,033

The notes on pages 22 to 49 form part of these financial statements

Docusign Envelope ID: D41D4C10-FF8E-4BD7-A32F-B41F3F3AD8E9

Notes to the financial statements
Year ended 31 March 2025

1. General information

Seven Stories, The National Centre for Children's Books Limited ('the charity') is a charitable company incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is given in the reference and administrative details page of these financial statements and the principle activities of the charity are given in the trustees' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Seven Stories, The National Centre for Children's Books Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 Going concern

Trustees have determined that there is no material uncertainty that casts doubt on the entity’s ability to continue as a going concern. Whilst the board expects that the cost of living pressures will continue to have some impact in relation to expected performance, this can be mitigated through ongoing cost control and diversification of income and delivery methods. Further details are given in the trustees report.

Management continue to monitor the cash flow forecast on a weekly basis, and our cash reserves remain positive.

Risks are considered by the Board at its regular meetings, with mitigations implemented and monitored.

Having considered all the steps taken as described above, and taking into account the positive cash forecast of the organisation, the Trustees consider that the going concern basis of preparation remains appropriate.

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2. Accounting policies (continued)

2.3 Income

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

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

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

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

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

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

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

Museum and galleries tax relief income is recognised based on a prudent estimate of the amount of qualifying expenditure and applying the repayment rates set out in current HMRC legislation.

2.4 Expenditure

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

Costs of raising funds are those incurred by Seven Stories Trading Limited. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at the head office.

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2. Accounting policies (continued)

2.4 Expenditure (continued)

Charitable activities and governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

2.5 Interest receivable

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

2.6 Intangible assets and amortisation

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Computer software	-	33 %

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £100 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Exhibition costs, where the exhibition will be toured for in excess of one year, are capitalised at the cost of building the exhibition.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Land	- Not depreciated
Freehold property	- 2% straight line down to residual value
Long-term leasehold property	- 4% straight line
Fixtures and fittings	- 5-33% straight line
Exhibitions	- Over the lifetime of the exhibition

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2. Accounting policies (continued)

2.8 Heritage assets

The group has a collection of heritage assets which are held in support of their objectives and are used as a unique and inspiring resource to create exhibitions, artistic and learning and research programmes dedicated to celebrating children's books.

Acquisitions are made by purchase or donation. The heritage assets are included on the balance sheet on the basis of either:

- purchase price where material has been purchased on the open market;
- independent valuations by professional experts;
- valuations by Seven Stories staff using knowledge of the current market and the value of comparable works in the collection; or
- information provided by the National Audit Office for England and the acceptance in lieu panel.

It is not the intention of the trustees to dispose of any of the assets within the Collection. Any disposals would be subject to the approval of the trustees, although this would only happen in exceptional circumstances, and there must be sound curatorial reasons for disposal.

The items included within the Collection are deemed to have indeterminate lives and a high residual value; hence the Trustees do not consider it appropriate to charge depreciation.

Please refer to Note 14 of the accounts for further information on the heritage assets held by the group.

2.9 Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

Stock includes books, merchandise and cafe food and drink stocks.

2.10 Financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and cash and bank balances.

All such instruments are due within one year and are measured, initially and subsequently, at the transaction price.

At the end of each reporting period, financial assets are assessed for impairment, and their carrying value reduced if necessary. Any impairment charge is recognised in the profit and loss account.

2.11 Operating leases

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

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2. Accounting policies (continued)

2.12 Employee benefits

The group operates a defined contribution pension plan for its employees. Contributions are recognised as an expense when they fall due. Amounts due but not yet paid are included within creditors on the balance sheet. The assets of the plan are held separately from the group in independently administered funds.

2.13 Fund accounting

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

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

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

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

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical accounting estimates and assumptions:

The key source of judgment within the financial statements is the valuation of the heritage assets, as there is often no readily available open market valuation available. Valuation is assessed based upon other comparable items coming to the market periodically and is reviewed annually by Collections staff. It is not the intention of the Trustees of Seven Stories, The National Centre for Children's Books Collection Trust to dispose of any of the assets within the Collection.

Estimates included within these financial statements include depreciation and amortisation changes. None of the estimates made are considered to carry significant estimation uncertainty, nor to bear significant risk of causing a material adjustments to carrying amounts of assets and liabilities within the next financial year.

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4. Income from donations and legacies

	Unrestricted funds 2025 £	Restricted capital funds 2025 £	Total funds 2025 £	Total funds 2024 £
Donations	187,680	140,300	**327,980**	90,656
Total 2024	9,756	80,900	90,656	

5. Income from charitable activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Visitor centre	555,553	-	**555,553**	580,278
Programme	106,453	-	**106,453**	101,839
Learning	33,072	66,873	**99,945**	92,289
Collections	123,832	-	**123,832**	128,423
Exhibitions	23,157	-	**23,157**	34,728
	842,067	66,873	**908,940**	937,557
Total 2024	903,648	33,909	937,557	

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6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Cafe and bookshop sales	325,249	**325,249**	306,523
	325,249	**325,249**	306,523
Total 2024	306,523	306,523	

7. Other incoming resources

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Miscellaneous income	14,066	**14,066**	11,430
Project set up costs	19,566	**19,566**	-
	33,632	**33,632**	11,430

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8. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Subsidiary trading expenses	149,502	**149,502**	159,002
Wages and salaries	120,759	**120,759**	99,784
Social security taxation	6,118	**6,118**	5,395
Pension costs	2,256	**2,256**	2,400
	278,635	**278,635**	266,581

9. Analysis of expenditure by activities

	Activities undertaken directly 2025 £	Support costs 2025 £	Total funds 2025 £	Total funds 2024 £
Visitor centre	718,030	251,839	**969,869**	1,003,221
Programme	57,112	2,200	**59,312**	13,722
Learning	36,267	83,819	**120,086**	82,459
Collections	48,409	65,858	**114,267**	107,300
Exhibitions	69,731	-	**69,731**	87,472
Development	-	-	**-**	250
	929,549	403,716	**1,333,265**	1,294,424
Total 2024	915,349	379,075	1,294,424	

The support costs have been allocated to each activity on the basis of headcount.

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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2025 £	Total funds 2024 £
General office costs	**72,080**	88,478
IT support	**4,344**	354
Travel and accomodation	**6,894**	3,496
Subscriptions and licenses	**5,673**	3,112
Bank charges	**8,196**	3,965
Wages and salaries	**251,200**	237,989
Professional fees	**55,329**	41,681
	403,716	379,075

10. Auditor's remuneration

	2025 £	2024 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	**21,000**	19,700
Fees payable to the charity's auditor in respect of:		
All non-audit services not included above	**1,150**	1,600

11. Staff costs

	Group 2025 £	Group 2024 £	**Charity 2025 £**	Charity 2024 £
Wages and salaries	**756,277**	685,780	**635,518**	585,996
Social security costs	**51,422**	46,449	**45,304**	41,054
Contribution to defined contribution pension schemes	**24,386**	21,893	**22,130**	19,493
	832,085	754,122	**702,952**	646,543

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11. Staff costs (continued)

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

	Group 2025 No.	Group 2024 No.
All employees	**52**	45

The average headcount expressed as full-time equivalents was:

	Group 2025 No.	Group 2024 No.
Visitor centre and learning	**13**	11
Collections	**3**	2
Trading	**4**	4
Management	**9**	8
	29	25

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

Remuneration and benefits received by key management personnel

The key management personnel of the group comprise those of the charity and the key management personnel of its trading subsidiary, Seven Stories Trading Limited.

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees for planning, directing and controlling the activities of the charity.

During 2024/25 they were:
Chief Executive – Wendy Elliott
Director of Systems and Operations - Mandy Baines
Finance Director - Lucy Smyth
Collections and Exhibitions Director - Adam Goldwater
Creative Lead - Richard O'Neill

The total employee benefits of the key management personnel of the group were £191,712 (2024: £137,818).

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Notes to the financial statements
Year ended 31 March 2025

12. Intangible assets

Group and charity

	Computer software £
Cost	
At 1 April 2024	**70,932**
At 31 March 2025	**70,932**
Amortisation	
At 1 April 2024	**33,759**
Charge for the year	**20,882**
At 31 March 2025	**54,641**
Net book value	
At 31 March 2025	**16,291**
At 31 March 2024	37,173

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13. Tangible fixed assets

Group and Charity

	Freehold property £	Long-term leasehold property £	Fixtures and fittings £	Exhibitions £	Total £
Cost					
At 1 April 2024	**3,552,626**	**21,419**	**3,280,578**	**623,736**	**7,478,359**
Additions	**-**	**-**	**3,005**	**200**	**3,205**
Disposals	**-**	**-**	**(3,031)**	**-**	**(3,031)**
At 31 March 2025	**3,552,626**	**21,419**	**3,280,552**	**623,936**	**7,478,533**
Depreciation					
At 1 April 2024	**2,552,626**	**16,279**	**3,094,159**	**508,103**	**6,171,167**
Charge for the year	**-**	**857**	**165,661**	**51,975**	**218,493**
On disposals	**-**	**-**	**(2,425)**	**-**	**(2,425)**
At 31 March 2025	**2,552,626**	**17,136**	**3,257,395**	**560,078**	**6,387,235**
Net book value					
At 31 March 2025	**1,000,000**	**4,283**	**23,157**	**63,858**	**1,091,298**
At 31 March 2024	1,000,000	5,140	186,419	115,633	1,307,192

Included in land and buildings is freehold land of £504,208 which has not been depreciated.

As detailed in note 24, Newcastle City Council and Arts Council England have a legal charge over the land and buildings.

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14. Heritage assets

Group

Assets recognised at cost or valuation

	Antiquarian books and manuscripts 2025 £	Total 2025 £
Carrying value at 1 April 2024	5,427,837	**5,427,837**
Additions	140,300	**140,300**
Carrying value at 31 March 2025	5,568,137	**5,568,137**

Included within the figures are £177,480 (2024: £97,480) of assets on long term loan, for which there is no current intention to return to the owner and for which the charity is carrying the risks and rewards of ownership.

Charity

Assets recognised at cost or valuation

	Antiquarian books and manuscripts 2025 £	Total 2025 £
Carrying value at 1 April 2024	30,000	**30,000**
Carrying value at 31 March 2025	30,000	**30,000**

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14. Heritage assets (continued)

5 year summary of heritage asset transactions

Group

	2025 £	2024 £	2023 £	2022 £	2021 £
Purchases	-	900	-	900	-
Donated assets at valuation	140,300	80,000	813,750	949,495	250,000
Transfers from stock	-	-	20,000	-	-
Total additions	140,300	80,900	833,750	950,395	250,000

Charity

	2025 £	2024 £	2023 £	2022 £	2021 £
Donated assets at valuation	-	-	-	10,000	-
Transfers from stock	-	-	20,000	-	-
Total additions	-	-	20,000	10,000	-

Management of heritage assets
Seven Stories complies fully with the standards required by the Museum Accreditation scheme, having first become an Accredited museum in 2008. Accreditation was renewed with National Styling in 2016.

The prime instrument of collection management is the Collection Management Policy, which Seven Stories executes on behalf of Seven Stories, The National Centre for Children's Books Collection Trust. Seven Stories and the Collection Trust have also approved the following related policies, covering all areas of collection management:

- Collection Development Policy
- Collection Information Policy
- Collection Access Policy
- Collection Care and Conservation Policy.

Nature and scale of heritage assets
Seven Stories is the only institution in the UK actively working to collect, preserve, conserve, exhibit and make available original manuscripts, artwork and related pre- and post- publication materials by the creators of modern and contemporary British books for children from the 1930s to the present day. The charity began collecting in 1996 and the Collection now comprises over 140 individual collections representing (to varying extents) the work of over 250 different authors, illustrators, editors and publishers and an estimated 35,000 books. Much of the work has been donated by the creators of the work or their families, though an acquisition budget coupled with external fundraising from sources including the Heritage Lottery Fund, the Art Fund, the ACE/V&A Purchase Grant Fund and the Friends of the National Libraries, has enabled a number of significant purchases.

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The nature and extent of the holdings of original material varies from work relating to a single title to substantial collections which document an entire career, and may include business records and correspondence with publishers, as well as manuscripts and artwork in various stages. A wide range of genres and formats is covered. Fantasy, historical fiction, picture books and drama are particularly well represented.

Among the most extensive writers' archives are those of Elisabeth Beresford, Peter Dickinson, Berlie Doherty, Diana Wynne Jones, Jan Mark, Michael Morpurgo, Beverley Naidoo, Martin Waddell, Robert Westall, Ursula Moray Williams and David Wood. Many others are also represented by significant bodies of work – for example Leila Berg, Lucy Boston, Leon Garfield, Eva Ibbotson, Clive King, Philip Pullman, Michael Rosen, Catherine Storr and Geoffrey Trease. The Collection also includes the largest Enid Blyton archive in public ownership (though sadly only a small proportion of her enormous output survives in manuscript or typescript form).

Around 120 illustrators are currently represented by original work, in a wide variety of techniques – from wood engraving (John Lawrence) to digital art (Chris Haughton) - and formats, from illustrated fiction to pop-ups. The most extensive collections include the Judith Kerr archive, comprising artwork for 24 titles, including The Tiger who Came to Tea (1968) and all of the Mog series (1970-2002) and the Helen Craig archive, which contains complete preparatory and finished artwork for 18 titles in the popular Angelina Ballerina series. Other extensive and/or highly significant holdings include work by – among others - Edward Ardizzone, Judy Brook, Faith Jaques, Harold Jones and Kim Lewis.

Acquisition of assets
Seven Stories, on behalf of the Collection Trust, is continuing to collect the following types of material dating from c. 1930 to the present day. Representative examples of work by seminal figures from earlier periods may be collected from time to time, where these provide a context for more recent work:

- Original artwork and manuscripts by British writers and illustrators for children, in whatever format they were created, including new media
- Pre- and post-publication materials
- Related materials: e.g. correspondence, reviews, articles
- Books in all their forms - including fiction and non-fiction, picture books, poetry, drama and prose, published work in new media formats, including audio and video tape, CD and DVD, and e-books.

Acquisition decisions are made with reference to a Collection Development Policy (updated 2015). Current priorities include:

- Work by or representing groups of people outside the mainstream of publishing for children, in particular work by authors and illustrators of non-white British origin.
- Poetry - currently a significant weakness
- Illustration – building on the strengths of the existing holdings
- Young fiction – work aimed at children aged 7-11, in particular by more popular authors
- First edition copies (where available) of texts represented by artwork and archival material in the Collection.

Preservation of assets
The charity is responsible for the care and conservation of the Collection under the terms of the management agreement with the Collection Trust. The collection care policy covers all aspects of preservation and conservation, from the moment an object enters the Collection, through storage, handling, display, loan, etc.

The policy is designed to ensure that Collection care at Seven Stories complies as far as possible with widely established standards and practices within the museums and archives community in Britain, for example BS5454, the ACE Accreditation Scheme, and Benchmarks for Collection Care.

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It sets standards and expectations in the following areas:
- Collection Content and Condition Monitoring
- Premises, Storage and Housekeeping
- Preventive conservation, including environmental monitoring and control, and integrated pest management
- Handling and Repackaging
- Remedial Conservation
- Disaster Planning.

It also covers best practice in digitisation, exhibitions, and transport of collections.

Disposal of assets
By definition, the Collection Trust has a long-term purpose and holds collections in trust for society in relation to its stated objectives. The Board of Trustees therefore accepts the principle that sound curatorial reasons for disposal must be established before consideration is given to the disposal of any items in the Collection. Full details of the procedures to be followed in the event of a decision to dispose are given in the Collection Development Policy.

15. Fixed asset investments

	Listed securities £
At 1 April 2024	**9,248**
Disposals	**(9,248)**
At 31 March 2025	**-**
Net book value	
At 31 March 2025	**-**
At 31 March 2024	9,248

Docusign Envelope ID: D41D4C10-FF8E-4BD7-A32F-B41F3F3AD8E9

15. Fixed asset investments (continued)

charity	Investments in subsidiary companies £	Listed securities £	Total £
Cost or valuation			
At 1 April 2024	**1**	**9,248**	**9,249**
Disposals	**-**	**(9,248)**	**(9,248)**
At 31 March 2025	**1**	**-**	**1**
Net book value			
At 31 March 2025	**1**	**-**	**1**
At 31 March 2024	1	9,248	9,249

Principal subsidiaries

The following were subsidiary undertakings of the charity:

Names	Company number	Charity registration number	Holding	Included in consolidation
Seven Stories Trading Limited	04177830	n/a	100%	Yes
Seven Stories, The National Centre for Children's Books Collections Trust	n/a	1115167	100%	Yes

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/ Surplus for the year £	Net assets £
Seven Stories Trading Limited	**325,249**	**(278,635)**	**46,614**	**46,616**
Seven Stories, The National Centre for Children's Books Collections Trust	**140,312**	**(2,581)**	**137,731**	**5,541,531**

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16. Stocks

	Group 2025 £	Group 2024 £
Books and merchandise	**22,675**	18,392
Cafe food and drink stock	**4,979**	4,812
	27,654	23,204

The carrying value of stocks are stated net of impairment losses totalling £nil (2024: £nil). Impairment losses totalling £nil (2024: £nil) were recognised in cost of sales during the year.

17. Debtors

	Group 2025 £	Group 2024 £	**Charity 2025 £**	Charity 2024 £
Trade debtors	**17,965**	49,124	**13,911**	19,929
Amounts owed by group undertakings	**-**	-	**11,228**	8,900
Other debtors	**499**	221	**199**	221
Prepayments and accrued income	**113,978**	40,005	**113,468**	40,005
	132,442	89,350	**138,806**	69,055

Trade debtors are stated after provisions for impairment of £nil (2024: £nil).
Amounts owed by group undertaking are unsecured, interest free and repayable on demand.

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18. Creditors: amounts falling due within one year

	Group 2025 £	Group 2024 £	**Charity 2025 £**	Charity 2024 £
Trade creditors	**43,411**	45,154	**32,210**	32,481
Amounts owed to group undertakings	**-**	-	**21,102**	10,740
Other taxation and social security	**15,692**	11,753	**15,692**	11,753
Other creditors	**17,509**	13,541	**17,506**	13,541
Accruals and deferred income	**102,186**	94,316	**95,468**	78,127
	178,798	164,764	**181,978**	146,642

Amounts owed to group undertaking are unsecured, interest free and repayable on demand.

	Group 2025 £	Group 2024 £	**Charity 2025 £**	Charity 2024 £
Deferred income at 1 April 2024	**23,799**	55,752	**23,799**	55,752
Resources deferred during the year	**42,659**	23,799	**42,659**	23,799
Amounts released from previous periods	**(23,799)**	(55,752)	**(23,799)**	(55,752)
	42,659	23,799	**42,659**	23,799

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19. Statement of funds

Statement of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2025 £
Unrestricted funds						
Designated funds						
Designated funds	**10,249**	**-**	**-**	**-**	**-**	**10,249**
General funds						
General funds	**142,060**	**1,388,628**	**(1,308,134)**	**(51,003)**	**(40)**	**171,511**
Total Unrestricted funds	**152,309**	**1,388,628**	**(1,308,134)**	**(51,003)**	**(40)**	**181,760**
Restricted capital funds						
Building purchase	**750,156**	**-**	**-**	**-**	**-**	**750,156**
Building improvements and purchase of other assets	**392,065**	**-**	**(142,867)**	**-**	**-**	**249,198**
Historic collections	**5,403,800**	**140,312**	**(2,253)**	**-**	**-**	**5,541,859**
	6,546,021	**140,312**	**(145,120)**	**-**	**-**	**6,541,213**

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19. Statement of funds (continued)

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2025 £
Restricted funds						
Unwin Charitable Trust	**5,000**	**-**	**-**	**(5,000)**	**-**	**-**
British Council	**2,639**	**-**	**-**	**-**	**-**	**2,639**
Helen Bailey	**4,489**	**-**	**-**	**-**	**-**	**4,489**
Heritage Lottery Fund - WSCF	**4,473**	**-**	**(24,062)**	**19,589**	**-**	**-**
Gillian Dickinson	**45,473**	**-**	**(45,473)**	**-**	**-**	**-**
Foyle - WSCF	**9,900**	**-**	**(104,330)**	**94,430**	**-**	**-**
Esmee Fairbairn	**1,359**	**-**	**(825)**	**163**	**-**	**697**
Other Funds	**8,929**	**59**	**(10,059)**	**3,770**	**-**	**2,699**
Garfield Weston	**37,719**	**-**	**(50,000)**	**12,281**	**-**	**-**
St Nicholas' Education Trust	**3,583**	**-**	**(3,583)**	**-**	**-**	**-**
Wolfson	**12,675**	**-**	**87,856**	**(74,230)**	**-**	**26,301**
Well Newcastle Gateshead	**2,070**	**-**	**(2,070)**	**-**	**-**	**-**
National Lottery Heritage Fund - Covid-19	**(2,233)**	**-**	**2,233**	**-**	**-**	**-**
LNER - On Board With Stories	**3,246**	**-**	**-**	**-**	**-**	**3,246**
Guy Readman	**1,207**	**-**	**-**	**-**	**-**	**1,207**
Community Family Hub East	**5,414**	**-**	**-**	**-**	**-**	**5,414**
Enid Blyton Refurbishment 2024	**-**	**41,873**	**-**	**-**	**-**	**41,873**
Helen Bailey 2024/2025	**-**	**25,000**	**(8,333)**	**-**	**-**	**16,667**
	145,943	**66,932**	**(158,646)**	**51,003**	**-**	**105,232**
Total of funds	**6,844,273**	**1,595,872**	**(1,611,900)**	**-**	**(40)**	**6,828,205**

Statement of funds - prior year

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19. Statement of funds (continued)

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Unrestricted funds						
Designated funds						
Designated funds	10,249	-	-	-	-	10,249
General funds						
General funds	208,355	1,231,357	(1,352,589)	54,566	371	142,060
Total Unrestricted funds	218,604	1,231,357	(1,352,589)	54,566	371	152,309
Restricted capital funds						
Building purchase	750,156	-	-	-	-	750,156
Building improvements and purchase of other assets	540,246	-	(148,181)	-	-	392,065
Historic collections	5,324,995	80,912	(2,107)	-	-	5,403,800
	6,615,397	80,912	(150,288)	-	-	6,546,021

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19. Statement of funds (continued)

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Restricted funds						
Helen Bailey	5,000	-	-	-	-	5,000
Heritage Lottery Fund - WSCF	2,639	-	-	-	-	2,639
Gillian Dickinson	1,700	8,770	(5,981)	-	-	4,489
Foyle - WSCF	4,473	-	-	-	-	4,473
Esmee Fairbairn	45,473	-	-	-	-	45,473
Enid Blyton Refurbishment 2024	10,800	-	-	(10,800)	-	-
Other Funds	9,900	-	-	-	-	9,900
Garfield Weston	37,719	-	-	-	-	37,719
St Nicholas' Education Trust	3,828	(120)	(125)	-	-	3,583
Wolfson	35,219	-	(22,544)	-	-	12,675
Well Newcastle Gateshead	2,070	-	-	-	-	2,070
National Lottery Heritage Fund - Covid-19	2,562	-	(4,795)	-	-	(2,233)
LNER - On Board With Stories	3,246	-	-	-	-	3,246
Guy Readman	1,207	-	-	-	-	1,207
Community Family Hub East	5,414	-	-	-	-	5,414
Enid Blyton Refurbishment 2024	45,427	24,381	(24,683)	(43,766)	-	1,359
Helen Bailey 2024/2025	7,544	1,385	-	-	-	8,929
	224,221	34,416	(58,128)	(54,566)	-	145,943
Total of funds	7,058,222	1,346,685	(1,561,005)	-	371	6,844,273

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19. Statement of funds (continued)

Restricted capital funds:
Building purchase - funds allocated solely for the purchase of the buildings at 30 - 34 Lime Street, which were converted into the Seven Stories Visitor Centre.

Building improvements and purchase of other assets - funds allocated for the improvement of the buildings at 30 - 34 Lime Street, which were converted into the Seven Stories Visitor Centre and the purchase of fixtures and fittings within the building.

Historic collections relate to the heritage assets held within Seven Stories, The National Centre for Children's Books Collection Trust.

Restricted funds:

Unwin Charitable Trust - towards the direct costs of preparing collection items for use in our exhibition and learning programmes for 12 months.

British Council – grant to fund an artist in residence event at Seven Stories with a Polish illustrator.

Helen Bailey - to support a new creative writing project for schools.

Heritage Lottery Fund WSCF - to provide funding for development of new exhibition space.

Gillian Dickinson - to support the young people's talent development programme.

BBC Children in Need - to deliver community activity with educational and well-being outcomes in the East End of Newcastle.

Foyle Foundation - to provide funding for development of our new exhibition space.

Garfield Weston Foundation - for exhibition co-curation and touring programme.

St Nicholas Education Trust – to support Reader in Residence programme at Byker and St Lawrance Primary

Wolfson Foundation - to provide funding for development of our new exhibition space.

Well Newcastle Gateshead – to deliver Food Stories multigenerational project in the East End.

National Lottery Heritage Fund re Covid-19 - Covid 19 Emergency Funding to cover working from home adaptations and Covid safety changes to Visitors Centre and City Library.

LNER - On Board with Stories - a programme of creative learning activities using books to support babies born during lockdown and their parents/carers.

Guy Readman - reader in Residence programme with Central Walker Primary School and West Walker Primary School.

Community Family Hub East - to provide Welcome to the World story packs 1) for pregnant mums and new babies born in East Newcastle; 2) for families participating in the Books for Babies courses; and 3) to families across East Newcastle to celebrate World Book Day.

Esmee Fairbairn - to work with young people to develop new ways to access and engage with the Collection.

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19. Statement of funds (continued)

Other funds relates to grants from:
Holocaust Memorial Fund; Jeremy Beecham Fund; Family Explorers; Friends of the National Lottery; Sebastian Walker Fund for Collection; Friends of British Library; The Pilgrim Trust; James Knott Trust; Neil Rackham Foundation; Bookseller Association and ACE/NCC Business Model Development.

The transfers in the year resulted from a review of previous cost allocations to restricted projects undertaken during the year.

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £	**Restricted funds 2025 £**	**Restricted capital funds 2025 £**	**Total funds 2025 £**
Tangible fixed assets	91,944	-	999,354	**1,091,298**
Intangible fixed assets	16,291	-	-	**16,291**
Heritage assets	30,000	-	5,538,137	**5,568,137**
Current assets	220,123	105,232	5,922	**331,277**
Creditors due within one year	(176,598)	-	(2,200)	**(178,798)**
Total	181,760	105,232	6,541,213	**6,828,205**

Analysis of net assets between funds - prior year

	Unrestricted funds 2024 £	Restricted funds 2024 £	Restricted capital funds 2024 £	Total funds 2024 £
Tangible fixed assets	164,971	-	1,142,221	1,307,192
Intangible fixed assets	37,173	-	-	37,173
Fixed asset investments	9,248	-	-	9,248
Heritage assets	30,000	-	5,397,837	5,427,837
Current assets	73,681	145,943	7,963	227,587
Creditors due within one year	(162,764)	-	(2,000)	(164,764)
Total	152,309	145,943	6,546,021	6,844,273

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21. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2025 £	Group 2024 £
Net (expenditure)/income for the year (as per the Statement of financial activities)	**(16,068)**	(213,949)
Adjustments for:		
Depreciation charges	**218,493**	242,842
Amortisation charges	**20,882**	20,312
Losses/(gains) on investments	**40**	(371)
Donation of assets acquired	**(140,300)**	(80,900)
Loss on sale of tangible fixed asset	**606**	-
(Increase)/decrease in stocks	**(4,450)**	14,845
Increase in debtors	**(43,092)**	(14,155)
Increase/(decrease) in creditors	**14,034**	(18,938)
Net cash provided by/(used in) operating activities	**50,145**	(50,314)

22. Analysis of cash and cash equivalents

	Group 2025 £	Group 2024 £
Cash in hand	**171,181**	115,033

23. Analysis of changes in net debt

	At 1 April 2024 £	Cash flows £	At 31 March 2025 £
Cash at bank and in hand	**115,033**	**56,148**	**171,181**
	115,033	**56,148**	**171,181**

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24. Contingent liabilities

There are legal charges over the land and buildings at 30-34 Lime Street, Newcastle upon Tyne, in favour of Newcastle City Council and the Arts Council England, which arose from capital grants awarded to the charity.

The grants are non-repayable provided that the property is not disposed of or used for purposes other than non-profit making culturally related activities, or the charity ceases to operate. The security given by the charges will be released after 25 years in 2029 by Arts Council England and 60 years in 2064 by Newcastle City Council.

25. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £24,386 (2024: £21,893). Contributions totalling £4,527 (2024: £3,625) were payable to the fund at the balance sheet date and are included within creditors.

26. Operating lease commitments

At 31 March 2025 the Group and the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2025 £	Group 2024 £
Not later than 1 year	**38,687**	31,958
Later than 1 year and not later than 5 years	**141,786**	612
	180,473	32,570

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27. Related party transactions

No member of the board received any remuneration during the current or prior year.

During the year, 1 Trustee (2024: 1) received reimbursed expenses of £508 (2024: £732) in respect of travel and subsistence costs. The amount owed at the year end, included in the charity's creditors, totalled £nil (2024: £113).

During the course of the year, the charity made payments on behalf of the subsidiary, Seven Stories, The National Centre for Children's Books Collection Trust, totalling £2,328 (2024: £1,600). The amount owed at the year end, included in the charity's debtors, totalled £11,228 (2024: £8,900).

During the year the charity made recharges of £201,393 (2024: £209,702) to its subsidiary, Seven Stories Trading Limited, and the subsidiary made purchases totalling £255,780 (2024: £259,075) from the charity. The amount owed at the year end, included in the charity's creditors, totalled £21,102 (2024: £10,740).

The charitable company has received donations of £39,942 (2024: £40,674) from its subsidiary undertaking, Seven Stories Trading Limited, in the year. No amounts remain outstanding in respect of these donations at the balance sheet date.

One of the trustees, Nick Kemp, is leader of Newcastle City Council. All transactions with Newcastle City Council have been on an arm’s length basis and therefore no additional disclosures are required.

One of the trustees, Matt McWhinnie, is Brand and Activity Manager at Fenwick. All transactions with Fenwick have been on an arm’s length basis and therefore no additional disclosures are required.

28. Post balance sheet events

Subsequent to the year end, Seven Stories, the National Centre of Children’s Books Limited) was notified of a substantial legacy. This is provisionally estimated between £230,000 and £250,000. At the year end the conditions for recognition of this legacy had not been met.

In June 2025, Seven Stories, the National Centre for Children’s Books Collection Trust took possession of the Jill Murphy Collection on long term loan. The collection has been externally valued at £2.7million.

29. Controlling party

The charity is controlled by the Board of Trustees.

SEVEN STORIES, THE NATIONAL CENTRE FOR CHILDREN'S BOOKS

England & Wales - Charity number 1056812

Accounts

Docusign Envelope ID: 6041D531-A31F-4419-833B-4B0A463BE5D9

Registered number: 03209411
Charity number: 1056812

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Annual report

31 March 2024

Docusign Envelope ID: 6041D531-A31F-4419-833B-4B0A463BE5D9

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Reference and administrative details
Year ended 31 March 2024

Trustees	Annalei Bartlett Nick Kemp Louise Forster Matthew McWhinnie Emma Layfield Ben Butler Rachel Lippe Claire Riley, Chair
Company registered number	03209411
Charity registered number	1056812
Registered office	30 Lime Street Ouseburn Valley Newcastle upon Tyne NE1 2PQ
Chief executive officer	Wendy Elliott
Independent auditor	UNW LLP Chartered Accountants Citygate St James Boulevard Newcastle upon Tyne NE1 4JE
Bankers	NatWest 4 Bridge Street Morpeth Northumberland NE61 1NG CAF PO Box 289 Kings Hill West Mailing Kent ME19 4TA Unity Trust 9 Brindley Place Birmingham B1 2HB

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Trustees' report
Year ended 31 March 2024

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Seven Stories, The National Centre for Children's Books Limited ("Seven Stories") (the company) for the year ended 31 March 2024. The Trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and activities

Policies and objectives

Seven Stories is the National Centre for Children's Books. Our focus is literature and associated illustrations and related material specifically created for children, and the various ways these are shared, collected, conserved, promoted, and disseminated. We aim to enhance lives through access to stories.

Our vision is to put stories at the heart of every childhood, empowering young people to understand their world and imagine their future.

We celebrate the exceptional achievements of British and international writers and illustrators for children, saving their work as part of our nation's heritage, for the enjoyment and inspiration of current and future generations.

The object of the charity, as set out in our governing document, is to advance the education of the public, in particular, children and young people, in the arts and literature through the promotion of Britain's literary heritage for children, and in particular, but not exclusively, by preserving, maintaining and adding to the Collection held by the Seven Stories Collection Trust and by the promotion of access to the Collection and associated items through arts and education programmes and activities.

Main activities undertaken to further the charity's purposes for the public benefit

The charity undertakes a variety of activities to deliver its objectives, including education and community centred engagement, the promotion of literacy and reading, running an attractive Visitor Centre with an active events programme, digital delivery to ensure accessibility and reach, and developing and maintaining a collection of books, manuscripts, illustrations and related materials.

Our Visitor Centre in Newcastle upon Tyne houses exhibition galleries as well as performance and creative learning spaces, a specialist bookshop and a café. We have a regular and engaging events programme including story-telling, author and illustrator talks, and creativity development and learning. An extensive external programme supports talent development and brings creative activity into schools and communities to reach young people, helping to promote literacy and creativity, via face-to-face engagement and our developing use of digital platforms.

The Collection is an internationally renowned archive comprising of manuscripts, artwork, related papers and books, dating from the 1930s to the present day. We hold National styling through Arts Council England's accreditation scheme, acknowledging the singularity and significance of our work to protect and share our literary heritage for children. We use our Collection as an artistic, educational and research resource to celebrate the literary and visual arts through exhibitions, displays and learning programmes, both at our Visitor Centre, and in facilities across the UK through our touring programme.

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Objectives and activities (continued)

While entry to our Visitor Centre is free, we do make some charges to our audience for some activities and events, including to schools and members of the general public. Our admission charges are kept as low as possible in order to enable wider access, balanced with the need to earn income and ensure the charity's viability. We also ensure community funded places are available for all of our programme, and seek corporate support for community places on our regular seasonal programme such as summer school and Christmas community events.

We seek to work in communities, particular disadvantaged communities in our local area, and receive financial support for such purposes.

At all of our Trustee meetings we keep in mind the Charity Commission's guidance on public benefit. As Trustees we see the benefits our audience, partners and communities gain from our organisation.

Staff and volunteers

Seven Stories employed an average of 40 people (26 full time equivalent) in total during 2023/24; 31 on permanent contracts and 7 on casual contracts. 18 staff were full time staff and 22 on a part time basis. We have strengthened skills in key areas including education, and are now looking to recruit to strategic business development roles.

22 volunteers have supported us during the year including regular Collection volunteers and seasonal roles helping with Christmas events, as well as marketing and digital support.

Strategic report

Achievements and performance

Accreditation and awards

Seven Stories is a National Portfolio Organisation (Band 2) supported by Arts Council England. It is also an Accredited Museum with National styling.

Review of activities

Organisationally we are committed to the overarching outcome of addressing diminished literacy and oracy levels across the region as well as embedding access and inclusion to all we do.

In this year we are delighted to confirm that our visitor numbers increased to 80,000 per annum, our highest ever, including a very welcome increase in new visitors from less affluent communities. We are proud that we have been able to maintain our free entry model as well as opening 6 days a week in term time, in the face of a challenging external economic environment.

This was the first financial year of Arts Council England NPO funding for the period 2023-2026, and regular reporting against our outcomes and objectives supported that our charitable activities, and educational and community aspirations are aligned with our regional and national delivery.

We were also delighted to launch our new website and CRM, with the support of the Bloomberg Philanthropies' Digital Accelerator for Arts and Culture.

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Strategic report (continued)

Achievements and performance (continued)

Major areas of progress have included the formal acceptance into the Collection of the Gerald Rose archive, which we believe will have lots of opportunities to develop work to support and entertain children in the coming years. Following a refresh of the Collection Trust Board members, we rewrote our Collection Strategy and Acquisition plan, ensuring we have the right foundations for future growth and diversification.

Within the Visitor Centre we offered programmes and events that met the needs of our growing audiences, and sought to find a balance between successful commercially recognised events (to accommodate new audiences) whilst ensuring the programme supports creative inclusive activities associated to reading and creative writing and illustration. This included our Midsummer Night's Dream summer school programme, for which we are able to provide more than 50% of free community places.

We invested significantly in our education offer and team during this year with a planned launch of a new Collection centred school offer early for the next academic year, designed in collaboration with teachers and other educational experts. This has streamlined the number of activities previously offered and brought it up to date with the renewed educational priorities and positive well-being outcomes.

Our audience continue to want to engage in experiences with us, so our storytelling capacity is key to delivering immersive experiences both within our venue and into communities and schools across our region, all underpinned by our key mission to increase access and participation in reading initiatives to support reading for pleasure. We continued our work widening access as both a National Centre but also a regional organisation utilising the national asset of our Collection.

We have engaged with more communities in our building and externally through face to face delivery, focusing on delivering support to children and families most in need. We continued to develop and maintain relationships with partner organisations to supplement support of the most in need local disadvantaged communities. With the support of StreetGames UK we were able to provide a Holiday Activity club for children in receipt of free school meals across each of the 3 main holidays, enhanced over winter with our Warm Winter space, where people were able to have a warm drink and something to eat. During the summer the Shaun the Sheep trail supported our visitor numbers and we were able to have seven sheep located strategically around our building to encourage people to use all of our spaces.

Across the year we refreshed our exhibitions and spaces within the Visitor Centre to enhance the experience of our visitors, including opening of a new Young Adult annex within our bookshop, installing the Martin Brown exhibition of original artwork which included Horrible Histories (we were delighted to welcome Martin to the building on a number of occasions for events) and refreshing our Story Station with the support of Winns Solicitors, co-creating a beautiful sensory space with children and families from Byker to support access programmes for our most underrepresented communities.

Our touring programme continued with Judith Kerr's The Tiger Who Came to Tea facsimile tour and David McKee's Elmer and Friends original artwork both touring nationally.

Leadership

Continued stability in the leadership and governance structure enabled us to embed best practises within the organisation, and our new subcommittee structures took shape.

This was reflected through strengthened relationships with Trusts and Foundations and other external stakeholders including regional universities, local multi-academy Trusts, publishing houses, the NHS and the Combined Authority. This puts us in a strong place for future growth.

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Strategic report (continued)

Achievements and performance (continued)

The Seven Stories Chief Executive has overall management responsibilities for the organisation, supported by a Finance Director, a Director of Systems and Operations and our Creative Lead in Residence. It was recognised that further work to strengthen the leadership team was required in particular for Collections and Exhibtions, with a robust recruitment process being completed post year end. The Chief Executive has overall responsibility for the successful delivery of the business strategy, reporting to the Board.

Fundraising and development

Seven Stories has a small development and relationship workforce that oversees our fundraising, marketing and communication activities and manages the grants and donations received from trusts and foundations. We aim to generate funds through a small number of fundraising campaigns, in addition to working with corporate donors and sponsors. Relationships are also cultivated to encourage support and donations to the Collections' Trust, either direct gifts of artwork and manuscripts or financial support for the purchase thereof. Heritage assets valued at £80,000 (£813,750 in 2022/23) were donated to The Collection Trust from the Gerald Rose estate.

Financial review

The financial position of the organisation and performance during the year reflects external pressures from the cost of living situation and from increases in food and utility costs, as well as increased competition for Trust and Foundation funding in the face of huge need. This resulted in our new income streams taking longer to establish than expected.

A loss of £66,295 was made on unrestricted funds, compared with a loss of £118,449 in the prior year. Combined with losses on restricted funds and restricted capital funds, there was an overall loss of £213,949 for the year compared with a surplus of £600,811 in the preceding year. 2023/24 was the sixth year of delivery of our Arts Council England National Portfolio Organisation activity, which was granted originally to support our work from 2018/19 to 2021/22. The overall annual grant was £588,230.

Other grants awarded during the year included:

- £44,402 from the Enid Blyton Fund for Seven Stories managed by the Community Foundation.
- £20,000 from the Newcastle Culture Investment Fund managed by the Community Foundation.
- £15,000 from the James Knott Trust
- £17,635 from StreetGames UK

We are grateful to the following organisations who supported our work during the financial year:

Corporate Sponsors & Supporters:
Fenwick
Winns Solicitors

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Revenue and Project Grants:
Arts Council England
Bloomberg Philanthropies
Community Foundation
Enid Blyton Fund for Seven Stories
Community Foundation - Jeremy Beecham
Community Foundation - Newcastle Culture Investment Fund
The Esmée Fairbairn Collections Fund - delivered by the Museums Association
St Nicholas Educational TrustHelen Bailey Trust
The James Knott Trust
StreetGames UK

and the Friends of Seven Stories and many other individual supporters

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Management has determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern. It expects that the cost of living pressures will continue to have some impact in relation to expected performance but that these can be mitigated through ongoing cost control and diversification of income and delivery methods. Our charitable objectives already mean we deliver activities that align with the aims of many trusts and foundations.

Our risk management process enables trustees to have greater assurance and complies with the latest Charity Commission recommendations.

We will continue to develop our business model to ensure resilience and, at the same time, fully deliver our charitable objectives as a viable business and sustainable organisation.

While the challenges we face are in line with other similar organisations, we have strengthened our position to respond due the unique assets we hold. This is aligned to our plans for the building and for external offers including a strong education and community programme. Due to receipt of a generous unrestricted cash legacy from Lindy McKinnel and Robert Westall, we are in a stronger position than previous years to continue to deliver diverse income streams.

New external educational and community activity is being implemented successfully. We are expanding digital programming, products and services for families and schools, as well as our award winning community programmes.

Reserves policy

Trustees reviewed the reserves policy in September 2015 following the completion of a capital refurbishment project. It was agreed that the minimum level of cash reserves should be equivalent to those that allow the charity to fulfil its statutory obligations arising on closure and provide sufficient working capital to enable arrangements to be made to re house the Collection. This minimum reserve requirement was estimated to be £175,000 at March 2024.

The Trustees also agreed that additional reserves should be set aside to enable the charity to respond to significant unplanned events, such as unexpected capital expenditure or the loss of a key funding stream. Including provision for these unplanned events, the reserves target is between £350,000 to £425,000.

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At 31 March 2024, the group held free reserves of £60,084 in deficit (£53,138 deficit in 2022/23), being £142,060 unrestricted funds less £37,173 intangible fixed assets and less £164,971 of tangible fixed assets as a decision was made to invest in the website and new Gallery spaces during the previous years. Our financial strategy will enable the level of reserves to be increased over the next four years as the charity continues to build the surplus position of unrestrcited funds.

Plans for future periods

We were grateful to learn that we are recipients of an estimated £170,00 legacy from the estate of Lindy McKinnel and Robert Westall during 2024-2025, and have exciting plans to share the Westall portfolio with a new audience while honouring both of their memory.

Recruitment to the key role of Collections and Exhibitions Director during 2024/2025 will support with our development including maintaining, growing and diversifying the Collection while ensuring access, and refreshing our Exhibition and Touring offer with associated income pipelines. These will form part of wider plans around our 20th anniversary in the Visitor Centre

Our revised education offer, developed in collaboration with educational experts, will also underpin growth in this area.

We are able to draw down £41,000 from the Community Foundation - Enid Blyton Fund for Seven Stories to invest in capital work to support access and inclusion in the face of the demands of increased footfall to the Visitor Centre.

We will also continue to develop work to open regional hubs in line with our ACE business plan.

These activities will help to create a platform for future development and growth, and will underpin our plans to

- Continue to increase and diversify our audience including prioritising access and participation by children and young people and disadvantaged communities. We will target, in particular, people and communities that are facing difficulties in engaging with us.
- Expanding our portfolio of activities to enable the greater achievement of our objectives, and enhanced financial sustainability.
- Investment in business development capacity to achieve earned income generation for future sustainability, harnessing corporate support for our educational and community impact work.
- Continue to invest in innovation in our Gallery spaces forming partnerships to explore new ways of showcasing our Collection.
- Invest and develop touring programme, in particular facsimile tours, to ensure we remove barriers to access by touring to a wider range of accessible venues.
- Our work to diversify programmes including education and community based activities will be focussed on improving literacy and oracy.
- The extension of the diversification programmes, including education and community based activities.
- The identification of the most appropriate commercial models, particularly to access the Visitor Centre introducing extended use of our visitor centre and extension of our audiences.
- The development of management and organisational capacity, and investment in CPD for our staff.
- Consolidation of finances, including reserves.

Our business plan for the next financial year builds on ongoing control of costs; with significant focus on growing and diversifying income, notably through schools and communities, touring, work with regional partners (Universities, NHS, the Combined Authority) and an enhanced Visitor Centre experience.

We will prioritise implementation of our enhanced educational offer to support literacy and oracy challenges in our region, using the IP of our team and the Collection to deliver best practice across educational and community settings, which will be accompanied by a sales plan to maximise income streams.

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We will optimise the asset of our venue to ensure we are hosting and trading longer and through adult initiatives like our late shows programme. We will extend and deepen the book and story related activities we deliver. We will seek support from grant funding to enhance our core education and community impact activities, as well as to support our Collection and Exhibitions.

We will develop robust membership scheme and profile raising initiative using our enhanced data capacity. Our Bloomberg support will enable us to improve membership and fundraising campaigns.

We will embed significant development work with our Collection, developing an aspirational strategy to support an exciting, modern asset that maintains national and international significance. We will continue to enhance its management and accessibility, including through the partnerships with our key 5 regional universities.

We will build new capacity through the continuation of our workforce development initiatives empowering a workforce that represents the region and broadens on our creative communities aspirations where local children can imagine a creative career.

Structure, governance and management

Constitution

Seven Stories, The National Centre for Children's Books is a company limited by guarantee governed by its Articles of Association. It was first registered with the Charity Commission on 7 May 1996. The charity's governing documents, and those of its related parties, were reviewed and updated in October 2018.

Methods of appointment or election of Trustees

The management of the group and the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

Organisational structure and decision-making policies

The Board of Trustees administers the charity. The Board meets four times a year under usual circumstances, and there are two committees at present, the Finance. Risk and Governance Committee and the Collection Committee.

The Chief Executive is appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations the Chief Executive has delegated authority, within the terms of delegation approved by the trustees, for operational matters including finance, employment and artistic activity.

To fulfil these responsibilities, the Chief Executive worked with a senior management team comprised of the Finance Director and Director of Systems and Operations. Since year end a Collections and Exhibitions Director has also been appointed as part of the senior management team.

Pay policy for senior staff

The rates of pay and remuneration of all staff, including the senior management team, are set by the Board of Trustees. The annual pay review considers statutory changes, inflation, the affordability of a pay award in the context of financial performance, benchmarking to similar organisations and the outcomes of an individual appraisal process.

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Structure, governance and management (continued)

Related party relationships

Seven Stories has two related entities: Seven Stories Trading Company and Seven Stories Collection Trust. The accounts of these entities are consolidated with those of the main charity in these accounts.

Seven Stories Trading Limited is the charity's wholly owned subsidiary, a company limited by shares, registered in England and Wales, number 04177830. It operates commercial activities including the bookshop, cafe and corporate events. The subsidiary company commenced trading on 19 August 2005. Profits of the subsidiary are gifted to the charity.

Seven Stories, The National Centre for Children's Books' Collection Trust is an independent charitable trust which was established by a Declaration of Trust dated 9 June 2005 and whose Trustees are appointed by Seven Stories Board of Trustees. It is a separate charity, registered with the Charity Commission with charity number 1115167. The main object of the Collection Trust is to own and protect the archive. It is supported by Seven Stories staff through a management agreement dated 25 August 2006. These accounts are consolidated solely to comply with SORP and company law requirements and are not intended to affect the status of both charities as separate legal entities.

The trading company's Articles of Association and the Collection Trust's Deed of Trust and management agreement were updated in 2015. This reflected the change of name of the main Charity, and also aligned these documents with the changes made in the Charity's Articles and recent legislation. For the Collection Trust, these changes were agreed through a Deed of Variation at the Trustees meeting held on 25 February 2016. For the trading company, the changes were adopted by special resolution at a meeting of the trading company Directors on 18 November 2015.

Key risks and uncertainties

The key risks facing Seven Stories in 2023/24 are associated with maintaining business viability and sustainability in an environment which is challenging for all arts and cultural venues facing an uncertain public and private funding landscape, while ensuring we continue to meet our charitable objectives.

A key aspect of these risks is ensuring the organisation develops its governance, its portfolio of activities and offers, its management and organisational capability and its financial reserves, to be resilient in the face of such changes.

While we have continued to control expenditure and invest in new income streams (in particular education), uncertainty over how audiences will behave in the future, the impact of inflation on our costs, changing government policy, and potential issues around the availability of funding will continue to be carefully monitored.

Other potential immediate risks could arise from the impact of the current economic challenges on our own expenditure and on reductions in the visitor income. Other risks associated with this include:

- Lack of business continuity from key suppliers and contractors ceasing to trade;
- Failure to meet fundraising, donations and sponsorship income targets.

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Structure, governance and management (continued)

Risk mitigation

The priorities outlined in 'Plans for future periods' above have been identified specifically in order to address these concerns. Progress towards these strategic objectives is being very closely monitored by the Board and Arts Council England.

Our risk schedule is reviewed and updated at each Board meeting and work is ongoing to ensure that risk management is embedded from governance of the organisation and throughout the management structure.

Information on fundraising practises

Our general approach to fundraising is to work with existing networks and relationships, with general, non-targeted appeals for specific projects. This includes our Friends, Chapter One founders, corporate and general visitors. We are mindful to ensure the protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches and undue pressure to donate. Seven Stories does not work with any commercial participators or professional fundraisers, beyond using fundraising websites such as Crowdfunder or Big Give.

Our fundraising conforms to recognised standards and, if there were any complaints about our approach, they would be handled using our formal Complaints Policy and Procedures. There were no complaints in the year under review.

Disclosure of information to auditor

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

- so far as that the trustees are aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- the trustees have taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

Auditor

The auditor, UNW LLP, has indicated his willingness to continue in office. The designated trustees will propose a motion reappointing the auditor at a meeting of the trustees.

Approved by order of the members of the board of trustees on 12 December 2024 and signed on their behalf by:

Signed by:
Claire Riley
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Claire Riley, Chair

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Statement of trustees' responsibilities
Year ended 31 March 2024

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group and the charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of trustees on 12 December 2024 and signed on its behalf by:

Signed by:
Claire Riley
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Claire Riley, Chair

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Independent auditor's report to the members of Seven Stories, The National Centre for Children's Books Limited

Opinion

We have audited the financial statements of Seven Stories, The National Centre for Children's Books Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2024 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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Other information

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

We have nothing to report in this regard.

Opinion 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 including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the trustees' report and the strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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Responsibilities of trustees

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

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

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.

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

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the directors and other management (as required by Auditing Standards) and from inspection of the group's legal correspondence and we discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations. We have communicated identified laws and regulations within our audit team and remained alert to any indications of non compliance throughout the audit.

Firstly, the group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we have assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines and litigation. We identified the following areas as those most likely to have such an effect; health and safety, employment law, safeguarding, data protection and certain aspects of company legislation, recognising the nature of the group's activities. Auditing Standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Through these procedures we have not become aware of any actual or suspected non-compliance.

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

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

Use of our report

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

DocuSigned by:
Anne Hallowell
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Anne Hallowell BSc DChA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

12 December 2024

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)
Year ended 31 March 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Restricted capital funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:						
Donations and legacies	4	**9,756**	**-**	**80,900**	**90,656**	828,849
Charitable activities	5	**903,648**	**33,909**	**-**	**937,557**	1,093,445
Other trading activities	6	**306,523**	**-**	**-**	**306,523**	284,260
Investments		**-**	**507**	**12**	**519**	393
Other income		**11,430**	**-**	**-**	**11,430**	12,486
Total income and endowments		**1,231,357**	**34,416**	**80,912**	**1,346,685**	2,219,433
Expenditure on:						
Raising funds	7	**266,581**	**-**	**-**	**266,581**	243,585
Charitable activities		**1,086,008**	**58,128**	**150,288**	**1,294,424**	1,373,886
Total expenditure		**1,352,589**	**58,128**	**150,288**	**1,561,005**	1,617,471
Net (expenditure)/income before net gains/(losses) on investments		**(121,232)**	**(23,712)**	**(69,376)**	**(214,320)**	601,962
Net gains/(losses) on investments	14	**371**	**-**	**-**	**371**	(1,151)
Net expenditure)/income		**(120,861)**	**(23,712)**	**(69,376)**	**(213,949)**	600,811
Transfers between funds	18	**54,566**	**(54,566)**	**-**	**-**	-
Net movement in funds		**(66,295)**	**(78,278)**	**(69,376)**	**(213,949)**	600,811
Reconciliation of funds:						
Total funds brought forward		**218,604**	**224,221**	**6,615,397**	**7,058,222**	6,457,411
Net movement in funds		**(66,295)**	**(78,278)**	**(69,376)**	**(213,949)**	600,811
Total funds carried forward		**152,309**	**145,943**	**6,546,021**	**6,844,273**	7,058,222

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

The notes on pages 21 to 47 form part of these financial statements.

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Consolidated balance sheet
At 31 March 2024

	Note		2024 £		2023 £
Fixed assets					
Intangible assets	11		**37,173**		29,110
Tangible assets	12		**1,307,192**		1,533,034
Heritage assets	13		**5,427,837**		5,346,937
Investments	14		**9,248**		8,877
			6,781,450		6,917,958
Current assets					
Stocks	15	**23,204**		38,049	
Debtors	16	**89,350**		75,195	
Cash at bank and in hand	21	**115,033**		210,722	
		227,587		323,966	
Creditors: amounts falling due within one year	17	**(164,764)**		(183,702)	
Net current assets			**62,823**		140,264
Total assets less current liabilities			**6,844,273**		7,058,222
Total net assets			**6,844,273**		7,058,222
Charity funds					
Restricted capital funds	18		**6,546,021**		6,615,397
Restricted funds	18		**145,943**		224,221
Unrestricted funds	18		**152,309**		218,604
Total funds			**6,844,273**		7,058,222

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

The financial statements were approved and authorised for issue by the trustees on 12 December 2024 and signed on their behalf by:

Signed by:
Claire Riley
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Claire Riley, Chair

The notes on pages 21 to 47 form part of these financial statements.

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Balance sheet
At 31 March 2024

	Note		2024 £		2023 £
Fixed assets					
Intangible assets	11		**37,173**		29,110
Tangible assets	12		**1,307,192**		1,533,034
Heritage assets	13		**30,000**		30,000
Investments	14		**9,249**		8,878
			1,383,614		1,601,022
Current assets					
Debtors	16	**69,055**		75,068	
Cash at bank and in hand		**94,504**		181,595	
		163,559		256,663	
Creditors: amounts falling due within one year	17	**(146,642)**		(165,133)	
Net current assets			**16,917**		91,530
Total assets less current liabilities			**1,400,531**		1,692,552
Total net assets			**1,400,531**		1,692,552
Charity funds					
Restricted capital funds	18		**1,142,221**		1,290,402
Restricted funds	18		**200,509**		224,221
Unrestricted funds	18		**57,801**		177,929
Total funds			**1,400,531**		1,692,552

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Balance sheet (continued)
At 31 March 2024

The charity's net movement in funds for the year was a loss of £292,021 (2023: loss of £180,669).

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

The financial statements were approved and authorised for issue by the trustees on 12 December 2024 and signed on their behalf by:

Signed by:
Claire Riley
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Claire Riley, Chair

Company registered number: 03209411

The notes on pages 21 to 47 form part of these financial statements.

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Consolidated statement of cash flows
Year ended 31 March 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash used in operating activities	20	**(50,314)**	29,153
Cash flows from investing activities			
Purchase of intangible assets		**(28,375)**	(14,000)
Purchase of tangible fixed assets		**(17,000)**	(9,825)
Transfer from stock		**-**	(20,000)
Net cash used in investing activities		**(45,375)**	**(43,825)**
Change in cash and cash equivalents in the year		**(95,689)**	**(14,672)**
Cash and cash equivalents at the beginning of the year		**210,722**	225,394
Cash and cash equivalents at the end of the year	21	**115,033**	210,722

The notes on pages 21 to 47 form part of these financial statements

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Notes to the financial statements
Year ended 31 March 2024

1. General information

Seven Stories, The National Centre for Children's Books Limited ('the charity') is a charitable company incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is given in the reference and administrative details page of these financial statements and the principle activities of the charity are given in the trustees' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Seven Stories, The National Centre for Children's Books Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 Going concern

Trustees have determined that there is no material uncertainty that casts doubt on the entity’s ability to continue as a going concern. Whilst the board expects that the cost of living pressures will continue to have some impact in relation to expected performance, this can be mitigated through ongoing cost control and diversification of income and delivery methods. Further details are given in the trustees report.

Management continue to monitor the cash flow forecast on a weekly basis, and our cash reserves remain positive.

Risks are considered by the Board at its regular meetings, with mitigations implemented and monitored.

Having considered all the steps taken as described above, and taking into account the positive cash forecast of the organisation, the Trustees consider that the going concern basis of preparation remains appropriate.

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2. Accounting policies (continued)

2.3 Income

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

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

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

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

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

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

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

Museum and galleries tax relief income is recognised based on a prudent estimate of the amount of qualifying expenditure and applying the repayment rates set out in current HMRC legislation.

2.4 Expenditure

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

Costs of raising funds are those incurred by Seven Stories Trading Limited. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at the head office.

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2. Accounting policies (continued)

2.4 Expenditure (continued)

Charitable activities and governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

2.5 Interest receivable

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

2.6 Intangible assets and amortisation

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Computer software	-	33 %

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £100 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Exhibition costs, where the exhibition will be toured for in excess of one year, are capitalised at the cost of building the exhibition.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Land	- Not depreciated
Freehold property	- 2% straight line down to residual value
Long-term leasehold property	- 4% straight line
Fixtures and fittings	- 5-33% straight line
Exhibitions	- Over the lifetime of the exhibition

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2. Accounting policies (continued)

2.8 Heritage assets

The group has a collection of heritage assets which are held in support of their objectives and are used as a unique and inspiring resource to create exhibitions, artistic and learning and research programmes dedicated to celebrating children's books.

Acquisitions are made by purchase or donation. The heritage assets are included on the balance sheet on the basis of either:

- purchase price where material has been purchased on the open market;
- independent valuations by professional experts;
- valuations by Seven Stories staff using knowledge of the current market and the value of comparable works in the collection; or
- information provided by the National Audit Office for England and the acceptance in lieu panel.

It is not the intention of the trustees to dispose of any of the assets within the Collection. Any disposals would be subject to the approval of the trustees, although this would only happen in exceptional circumstances, and there must be sound curatorial reasons for disposal.

The items included within the Collection are deemed to have indeterminate lives and a high residual value; hence the Trustees do not consider it appropriate to charge depreciation.

Please refer to Note 14 of the accounts for further information on the heritage assets held by the group.

2.9 Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

Stock includes books, merchandise and cafe food and drink stocks.

2.10 Financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and cash and bank balances.

All such instruments are due within one year and are measured, initially and subsequently, at the transaction price.

At the end of each reporting period, financial assets are assessed for impairment, and their carrying value reduced if necessary. Any impairment charge is recognised in the profit and loss account.

2.11 Operating leases

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

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2. Accounting policies (continued)

2.12 Employee benefits

The group operates a defined contribution pension plan for its employees. Contributions are recognised as an expense when they fall due. Amounts due but not yet paid are included within creditors on the balance sheet. The assets of the plan are held separately from the group in independently administered funds.

2.13 Fund accounting

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

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

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

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

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical accounting estimates and assumptions:

The key source of judgment within the financial statements is the valuation of heritage assets, as there is often no readily available open market valuation available. Valuation is assessed based upon other comparable items coming to the market periodically and is reviewed annually by Collections staff. It is not the intention of the Trustees of Seven Stories, The National Centre for Children’s Books Collection Trust to dispose of any of the assets within the Collection.

Estimates included within these financial statements include depreciation and amortisation charges. None of the estimates made are considered to carry significant estimation uncertainty, nor to bear significant risk of causing a material adjustments to carrying amounts of assets and liabilities within the next financial year.

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4. Income from donations and legacies

	Unrestricted funds 2024 £	Restricted capital funds 2024 £	Total funds 2024 £	Total funds 2023 £
Donations	9,756	80,900	**90,656**	828,849
Total 2023	15,099	813,750	828,849	

5. Income from charitable activities

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Visitor centre	580,278	-	**580,278**	668,301
Programme	93,069	8,770	**101,839**	101,838
Learning	68,028	24,261	**92,289**	107,934
Collections	127,545	878	**128,423**	155,006
Exhibitions	34,728	-	**34,728**	60,366
	903,648	33,909	**937,557**	1,093,445
Total 2023	1,002,994	90,451	1,093,445	

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6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Cafe and bookshop sales	306,523	**306,523**	284,260
	306,523	**306,523**	284,260
Total 2023	284,260	284,260	

7. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Subsidiary trading expenses	159,002	**159,002**	142,262
Wages and salaries	99,784	**99,784**	93,563
Social security taxation	5,395	**5,395**	5,206
Pension costs	2,400	**2,400**	2,554
	266,581	**266,581**	243,585

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8. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £	Total funds 2023 £
Visitor centre	738,471	264,750	**1,003,221**	1,018,472
Programme	13,722	-	**13,722**	47,741
Learning	16,828	65,631	**82,459**	89,722
Collections	58,606	48,694	**107,300**	123,532
Exhibitions	87,472	-	**87,472**	94,419
Development	250	-	**250**	-
	915,349	379,075	**1,294,424**	1,373,886
Total 2023	963,457	410,429	1,373,886	

The support costs have been allocated to each activity on the basis of headcount.

Analysis of support costs

	Total funds 2024 £	Total funds 2023 £
General office costs	**88,478**	83,150
IT support	**354**	6,630
Travel and accomodation	**3,496**	2,972
Subscriptions and licenses	**3,112**	5,293
Bank charges	**3,965**	4,460
Wages and salaries	**237,989**	257,833
Professional fees	**41,681**	50,091
	379,075	410,429

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9. Auditor's remuneration

	2024 £	2023 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	**19,700**	18,750
Fees payable to the charity's auditor in respect of:		
All non-audit services not included above	**1,600**	1,600

10. Staff costs

	Group 2024 £	Group 2023 £	**Charity 2024** £	Charity 2023 £
Wages and salaries	**685,780**	723,460	**585,996**	629,897
Social security costs	**46,449**	55,478	**41,054**	50,272
Contribution to defined contribution pension schemes	**21,893**	22,197	**19,493**	19,643
	754,122	801,135	**646,543**	699,812

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

	Group 2024 No.	Group 2023 No.
All employees	**45**	54

The average headcount expressed as full-time equivalents was:

	Group 2024 No.	Group 2023 No.
Visitor centre and learning	**11**	15
Collections	**2**	4
Trading	**4**	3
Management	**8**	8
	25	30

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10. Staff costs (continued)

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

Remuneration and benefits received by key management personnel

The key management personnel of the group comprise those of the charity and the key management personnel of its trading subsidiary, Seven Stories Trading Limited.

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees for planning, directing and controlling the activities of the charity.

During 2023/24 they were:
Chief Executive – Wendy Elliott
Director of Systems and Operations - Mandy Baines
Finance Director - Lucy Smyth

The total employee benefits of the key management personnel of the group were £137,818 (2023: £132,181).

11. Intangible assets

Group and charity

	Computer software £
Cost	
At 1 April 2023	**42,557**
Additions	**28,375**
At 31 March 2024	**70,932**
Amortisation	
At 1 April 2023	**13,447**
Charge for the year	**20,312**
At 31 March 2024	**33,759**
Net book value	
At 31 March 2024	**37,173**
At 31 March 2023	29,110

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12. Tangible fixed assets

Group and charity

	Freehold property £	Long-term leasehold property £	Fixtures and fittings £	Exhibitions £	Total £
Cost					
At 1 April 2023	**3,552,626**	**21,419**	**3,276,954**	**610,360**	**7,461,359**
Additions	**-**	**-**	**3,624**	**13,376**	**17,000**
At 31 March 2024	**3,552,626**	**21,419**	**3,280,578**	**623,736**	**7,478,359**
Depreciation					
At 1 April 2023	**2,552,626**	**15,422**	**2,920,548**	**439,729**	**5,928,325**
Charge for the year	**-**	**857**	**173,611**	**68,374**	**242,842**
At 31 March 2024	**2,552,626**	**16,279**	**3,094,159**	**508,103**	**6,171,167**
Net book value					
At 31 March 2024	**1,000,000**	**5,140**	**186,419**	**115,633**	**1,307,192**
At 31 March 2023	1,000,000	5,997	356,406	170,631	1,533,034

Included in land and buildings is freehold land of £504,208 which has not been depreciated.

As detailed in note 25, Newcastle City Council and Arts Council England have a legal charge over the land and buildings.

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13. Heritage assets

Group

Assets recognised at cost or valuation

	Antiquarian books and manuscripts 2024 £	Total 2024 £
Carrying value at 1 April 2023	5,346,937	**5,346,937**
Additions	80,900	**80,900**
Carrying value at 31 March 2024	5,427,837	**5,427,837**

Charity

Assets recognised at cost or valuation

	Antiquarian books and manuscripts 2024 £	Total 2024 £
Carrying value at 1 April 2023	30,000	**30,000**
Carrying value at 31 March 2023	30,000	**30,000**

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13. Heritage assets (continued)

5 year summary of heritage asset transactions

Group

	2024 £	2023 £	2022 £	2021 £	2020 £
Purchases	900	-	900	-	-
Donated assets at valuation	80,000	813,750	949,495	250,000	5,500
Transfers from stock	-	20,000	-	-	-
Total additions	80,900	833,750	950,395	250,000	5,500

Charity

	2024 £	2023 £	2022 £	2021 £	2020 £
Donated assets at valuation	-	-	10,000	-	-
Transfers from stock	-	20,000	-	-	-
Total additions	-	20,000	10,000	-	-

Management of heritage assets
Seven Stories complies fully with the standards required by the Museum Accreditation scheme, having first become an Accredited museum in 2008. Accreditation was renewed with National Styling in 2016.

The prime instrument of collection management is the Collection Management Policy, which Seven Stories executes on behalf of Seven Stories, The National Centre for Children's Books Collection Trust. Seven Stories and the Collection Trust have also approved the following related policies, covering all areas of collection management:

- Collection Development Policy
- Collection Information Policy
- Collection Access Policy
- Collection Care and Conservation Policy.

Nature and scale of heritage assets
Seven Stories is the only institution in the UK actively working to collect, preserve, conserve, exhibit and make available original manuscripts, artwork and related pre- and post- publication materials by the creators of modern and contemporary British books for children from the 1930s to the present day. The charity began collecting in 1996 and the Collection now comprises over 140 individual collections representing (to varying extents) the work of over 250 different authors, illustrators, editors and publishers and an estimated 35,000 books. Much of the work has been donated by the creators of the work or their families, though an acquisition budget coupled with external fundraising from sources including the Heritage Lottery Fund, the Art Fund, the ACE/V&A Purchase Grant Fund and the Friends of the National Libraries, has enabled a number of significant purchases.

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The nature and extent of the holdings of original material varies from work relating to a single title to substantial collections which document an entire career, and may include business records and correspondence with publishers, as well as manuscripts and artwork in various stages. A wide range of genres and formats is covered. Fantasy, historical fiction, picture books and drama are particularly well represented.

Among the most extensive writers' archives are those of Elisabeth Beresford, Peter Dickinson, Berlie Doherty, Diana Wynne Jones, Jan Mark, Michael Morpurgo, Beverley Naidoo, Martin Waddell, Robert Westall, Ursula Moray Williams and David Wood. Many others are also represented by significant bodies of work – for example Leila Berg, Lucy Boston, Leon Garfield, Eva Ibbotson, Clive King, Philip Pullman, Michael Rosen, Catherine Storr and Geoffrey Trease. The Collection also includes the largest Enid Blyton archive in public ownership (though sadly only a small proportion of her enormous output survives in manuscript or typescript form).

Around 120 illustrators are currently represented by original work, in a wide variety of techniques – from wood engraving (John Lawrence) to digital art (Chris Haughton) - and formats, from illustrated fiction to pop-ups. The most extensive collections include the Judith Kerr archive, comprising artwork for 24 titles, including The Tiger who Came to Tea (1968) and all of the Mog series (1970-2002) and the Helen Craig archive, which contains complete preparatory and finished artwork for 18 titles in the popular Angelina Ballerina series. Other extensive and/or highly significant holdings include work by – among others - Edward Ardizzone, Judy Brook, Faith Jaques, Harold Jones and Kim Lewis.

Acquisition of assets
Seven Stories, on behalf of the Collection Trust, is continuing to collect the following types of material dating from c. 1930 to the present day. Representative examples of work by seminal figures from earlier periods may be collected from time to time, where these provide a context for more recent work:

- Original artwork and manuscripts by British writers and illustrators for children, in whatever format they were created, including new media
- Pre- and post-publication materials
- Related materials: e.g. correspondence, reviews, articles
- Books in all their forms - including fiction and non-fiction, picture books, poetry, drama and prose, published work in new media formats, including audio and video tape, CD and DVD, and e-books.

Acquisition decisions are made with reference to a Collection Development Policy (updated 2015). Current priorities include:

- Work by or representing groups of people outside the mainstream of publishing for children, in particular work by authors and illustrators of non-white British origin.
- Poetry - currently a significant weakness
- Illustration – building on the strengths of the existing holdings
- Young fiction – work aimed at children aged 7-11, in particular by more popular authors
- First edition copies (where available) of texts represented by artwork and archival material in the Collection.

Preservation of assets
The charity is responsible for the care and conservation of the Collection under the terms of the management agreement with the Collection Trust. The collection care policy covers all aspects of preservation and conservation, from the moment an object enters the Collection, through storage, handling, display, loan, etc.

The policy is designed to ensure that Collection care at Seven Stories complies as far as possible with widely established standards and practices within the museums and archives community in Britain, for example BS5454, the ACE Accreditation Scheme, and Benchmarks for Collection Care.

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It sets standards and expectations in the following areas:
- Collection Content and Condition Monitoring
- Premises, Storage and Housekeeping
- Preventive conservation, including environmental monitoring and control, and integrated pest management
- Handling and Repackaging
- Remedial Conservation
- Disaster Planning.

It also covers best practice in digitisation, exhibitions, and transport of collections.

Disposal of assets
By definition, the Collection Trust has a long-term purpose and holds collections in trust for society in relation to its stated objectives. The Board of Trustees therefore accepts the principle that sound curatorial reasons for disposal must be established before consideration is given to the disposal of any items in the Collection. Full details of the procedures to be followed in the event of a decision to dispose are given in the Collection Development Policy.

14. Fixed asset investments

Group	Listed securities £
Valuation	
At 1 April 2023	**8,877**
Revaluations	**371**
At 31 March 2024	**9,248**
Net book value	
At 31 March 2024	**9,248**
At 31 March 2023	8,877

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14. Fixed asset investments (continued)

Charity	Investments in subsidiary companies £	Listed securities £	Total £
Valuation			
At 1 April 2023	**1**	**8,877**	**8,878**
Revaluations	**-**	**371**	**371**
At 31 March 2024	**1**	**9,248**	**9,249**
Net book value			
At 31 March 2024	**1**	**9,248**	**9,249**
At 31 March 2023	1	8,877	8,878

Principal subsidiaries

The following were subsidiary undertakings of the charity:

Names	Company number	Charity registration number	Holding	Included in consolidation
Seven Stories Trading Limited	04177830	n/a	100%	Yes
Seven Stories, The National Centre for Children's Books Collections Trust	n/a	1115167	100%	Yes

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/ Surplus for the year £	Net assets £
Seven Stories Trading Limited	**306,523**	**(266,581)**	**39,942**	**39,944**
Seven Stories, The National Centre for Children's Books Collections Trust	**80,912**	**(2,107)**	**78,805**	**5,403,800**

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15. Stocks

	Group 2024 £	Group 2023 £
Books and merchandise	**18,392**	33,193
Cafe food and drink stock	**4,812**	4,856
	23,204	38,049

The carrying value of stocks are stated net of impairment losses totalling £nil (2023: £nil). Impairment losses totalling £nil (2023: £nil) were recognised in cost of sales during the year.

16. Debtors

	Group 2024 £	Group 2023 £	**Charity 2024 £**	Charity 2023 £
Trade debtors	**49,124**	15,407	**19,929**	8,264
Amounts owed by group undertakings	**-**	-	**8,900**	7,300
Other debtors	**221**	427	**221**	427
Prepayments and accrued income	**40,005**	59,361	**40,005**	59,077
	89,350	75,195	**69,055**	75,068

Trade debtors are stated after provisions for impairment of £nil (2023: £nil).
Amounts owed by group undertaking are unsecured, interest free and repayable on demand.

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17. Creditors: amounts falling due within one year

	Group 2024 £	Group 2023 £	**Charity 2024 £**	Charity 2023 £
Trade creditors	**45,154**	38,888	**32,481**	22,605
Amounts owed to group undertakings	**-**	-	**10,740**	2,042
Other taxation and social security	**11,753**	13,316	**11,753**	13,316
Other creditors	**13,541**	16,716	**13,541**	16,716
Accruals and deferred income	**94,316**	114,782	**78,127**	110,454
	164,764	183,702	**146,642**	165,133

Amounts owed to group undertaking are unsecured, interest free and repayable on demand.

	Group 2024 £	Group 2023 £	**Charity 2024 £**	Charity 2023 £
Deferred income at 1 April 2023	**55,752**	77,820	**55,752**	76,631
Resources deferred during the year	**23,799**	55,752	**23,799**	55,752
Amounts released from previous periods	**(55,752)**	(77,820)	**(55,752)**	(76,631)
	23,799	55,752	**23,799**	55,752

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Notes to the financial statements
Year ended 31 March 2024

18. Statement of funds

Statement of funds - current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Unrestricted funds						
Designated funds						
Designated funds	**10,249**	**-**	**-**	**-**	**-**	**10,249**
General funds						
General funds	**208,355**	**1,231,357**	**(1,352,589)**	**54,566**	**371**	**142,060**
Total Unrestricted funds	**218,604**	**1,231,357**	**(1,352,589)**	**54,566**	**371**	**152,309**
Restricted capital funds						
Building purchase	**750,156**	**-**	**-**	**-**	**-**	**750,156**
Building improvements and purchase of other assets	**540,246**	**-**	**(148,181)**	**-**	**-**	**392,065**
Historic collections	**5,324,995**	**80,912**	**(2,107)**	**-**	**-**	**5,403,800**
	6,615,397	**80,912**	**(150,288)**	**-**	**-**	**6,546,021**

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18. Statement of funds (continued)

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Restricted funds						
Unwin Charitable Trust	**5,000**	**-**	**-**	**-**	**-**	**5,000**
British Council	**2,639**	**-**	**-**	**-**	**-**	**2,639**
Helen Bailey	**1,700**	**8,770**	**(5,981)**	**-**	**-**	**4,489**
Heritage Lottery Fund - WSCF	**4,473**	**-**	**-**	**-**	**-**	**4,473**
Gillian Dickinson	**45,473**	**-**	**-**	**-**	**-**	**45,473**
BBC Children in Need	**10,800**	**-**	**-**	**(10,800)**	**-**	**-**
Foyle - WSCF	**9,900**	**-**	**-**	**-**	**-**	**9,900**
Garfield Weston	**37,719**	**-**	**-**	**-**	**-**	**37,719**
St Nicholas' Education Trust	**3,828**	**(120)**	**(125)**	**-**	**-**	**3,583**
Wolfson	**35,219**	**-**	**(22,544)**	**-**	**-**	**12,675**
Well Newcastle Gateshead	**2,070**	**-**	**-**	**-**	**-**	**2,070**
National Lottery Heritage Fund - Covid-19	**2,562**	**-**	**(4,795)**	**-**	**-**	**(2,233)**
LNER - On Board With Stories	**3,246**	**-**	**-**	**-**	**-**	**3,246**
Guy Readman	**1,207**	**-**	**-**	**-**	**-**	**1,207**
Community Family Hub East	**5,414**	**-**	**-**	**-**	**-**	**5,414**
Esmee Fairbairn	**45,427**	**24,381**	**(24,683)**	**(43,766)**	**-**	**1,359**
Other Funds	**7,544**	**1,385**	**-**	**-**	**-**	**8,929**
	224,221	**34,416**	**(58,128)**	**(54,566)**	**-**	**145,943**
Total of funds	**7,058,222**	**1,346,685**	**(1,561,005)**	**-**	**371**	**6,844,273**

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18. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Unrestricted funds						
Designated funds						
Designated funds	10,249	-	-	-	-	10,249
General funds						
General funds	201,311	1,314,839	(1,368,995)	62,351	(1,151)	208,355
Total Unrestricted funds	211,560	1,314,839	(1,368,995)	62,351	(1,151)	218,604
Restricted capital funds						
Building purchase	750,156	-	-	-	-	750,156
Building improvements and purchase of other assets	731,452	-	(143,685)	(47,521)	-	540,246
Historic collections	4,512,905	813,762	(1,672)	-	-	5,324,995
	5,994,513	813,762	(145,357)	(47,521)	-	6,615,397

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18. Statement of funds (continued)

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Restricted funds						
Collecting Cultures	5,778	-	-	(5,778)	-	-
Unwin Charitable Trust	6,000	-	(1,000)	-	-	5,000
British Council	2,639	-	-	-	-	2,639
Helen Bailey	1,371	15,530	(15,201)	-	-	1,700
Heritage Lottery Fund - WSCF	19,000	-	(8,237)	(6,290)	-	4,473
Gillian Dickinson	45,473	-	-	-	-	45,473
BBC Children in Need	7,240	12,853	(9,293)	-	-	10,800
Foyle - WSCF	9,900	-	-	-	-	9,900
Garfield Weston	50,000	-	(9,519)	(2,762)	-	37,719
St Nicholas' Education Trust	2,190	5,778	(4,140)	-	-	3,828
Wolfson	57,763	-	(22,544)	-	-	35,219
Well Newcastle Gateshead	767	1,303	-	-	-	2,070
National Lottery Heritage Fund - Covid-19	10,799	-	(8,237)	-	-	2,562
LNER - On Board With Stories	3,246	-	-	-	-	3,246
Guy Readman	1,520	-	(313)	-	-	1,207
Community Family Hub East	5,821	-	(407)	-	-	5,414
Shears Foundation	-	5,000	(5,000)	-	-	-
Esmee Fairbairn	13,898	49,987	(18,458)	-	-	45,427
Other Funds	7,933	381	(770)	-	-	7,544
	251,338	90,832	(103,119)	(14,830)	-	224,221
Total of funds	6,457,411	2,219,433	(1,617,471)	-	1,151)	7,058,222

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18. Statement of funds (continued)

Restricted capital funds:
Building purchase - funds allocated solely for the purchase of the buildings at 30 - 34 Lime Street, which were converted into the Seven Stories Visitor Centre.

Building improvements and purchase of other assets - funds allocated for the improvement of the buildings at 30 - 34 Lime Street, which were converted into the Seven Stories Visitor Centre and the purchase of fixtures and fittings within the building.

Historic collections relate to the heritage assets held within Seven Stories, The National Centre for Children's Books Collection Trust.

Restricted funds:

Unwin Charitable Trust - towards the direct costs of preparing collection items for use in our exhibition and learning programmes for 12 months.

British Council – grant to fund an artist in residence event at Seven Stories with a Polish illustrator.

Helen Bailey - to support a new creative writing project for schools.

Heritage Lottery Fund WSCF - to provide funding for development of new exhibition space.

Gillian Dickinson - to support the young people's talent development programme.

BBC Children in Need - to deliver community activity with educational and well-being outcomes in the East End of Newcastle.

Foyle Foundation - to provide funding for development of our new exhibition space.

Garfield Weston Foundation - for exhibition co-curation and touring programme.

St Nicholas Education Trust – to support Reader in Residence programme at Byker and St Lawrance Primary

Wolfson Foundation - to provide funding for development of our new exhibition space.

Well Newcastle Gateshead – to deliver Food Stories multigenerational project in the East End.

National Lottery Heritage Fund re Covid-19 - Covid 19 Emergency Funding to cover working from home adaptations and Covid safety changes to Visitors Centre and City Library.

LNER - On Board with Stories - a programme of creative learning activities using books to support babies born during lockdown and their parents/carers.

Guy Readman - reader in Residence programme with Central Walker Primary School and West Walker Primary School.

Community Family Hub East - to provide Welcome to the World story packs 1) for pregnant mums and new babies born in East Newcastle; 2) for families participating in the Books for Babies courses; and 3) to families across East Newcastle to celebrate World Book Day.

Esmee Fairbairn - to work with young people to develop new ways to access and engage with the Collection.

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18. Statement of funds (continued)

Other funds relates to grants from:
Holocaust Memorial Fund; Jeremy Beecham Fund; Family Explorers; Friends of the National Lottery; Sebastian Walker Fund for Collection; Friends of British Library; The Pilgrim Trust; and James Knott Trust.

Transfers between funds in the prior year largely represent a reallocation of depreciation charged on restricted assets.

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	**Restricted funds 2024 £**	**Restricted capital funds 2024 £**	**Total funds 2024 £**
Tangible fixed assets	164,971	-	1,142,221	**1,307,192**
Intangible fixed assets	37,173	-	-	**37,173**
Fixed asset investments	9,248	-	-	**9,248**
Heritage assets	30,000	-	5,397,837	**5,427,837**
Current assets	73,681	145,943	7,963	**227,587**
Creditors due within one year	(162,764)	-	(2,000)	**(164,764)**
Total	152,309	145,943	6,546,021	**6,844,273**

Analysis of net assets between funds - prior period

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted capital funds 2023 £	Total funds 2023 £
Tangible fixed assets	242,632	-	1,290,402	1,533,034
Intangible fixed assets	29,110	-	-	29,110
Fixed asset investments	8,877	-	-	8,877
Heritage assets	30,000	-	5,316,937	5,346,937
Current assets	82,787	224,221	16,958	323,966
Creditors due within one year	(174,802)	-	(8,900)	(183,702)
Total	218,604	224,221	6,615,397	7,058,222

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20. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2024 £	Group 2023 £
Net (expenditure)/income for the year (as per the Statement of financial activities)	**(213,949)**	600,811
Adjustments for:		
Depreciation charges	**242,842**	239,424
Amortisation charges	**20,312**	10,685
Losses/(gains) on investments	**(371)**	1,151
Donation of assets acquired	**(80,900)**	(813,750)
Decrease in stocks	**14,845**	8,920
Decrease/(increase) in debtors	**(14,155)**	36,654
Decrease in creditors	**(18,938)**	(54,742)
Net cash provided by/(used in) operating activities	**(50,314)**	29,153

21. Analysis of cash and cash equivalents

	Group 2024 £	Group 2023 £
Cash in hand	**115,033**	210,722

22. Analysis of changes in net debt

	At 1 April 2023 £	Cash flows £	At 31 March 2024 £
Cash at bank and in hand	**210,722**	**(95,689)**	**115,033**
	210,722	**(95,689)**	**115,033**

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23. Contingent liabilities

There are legal charges over the land and buildings at 30-34 Lime Street, Newcastle upon Tyne, in favour of Newcastle City Council and the Arts Council England, which arose from capital grants awarded to the charity.

The grants are non-repayable provided that the property is not disposed of or used for purposes other than non-profit making culturally related activities, or the charity ceases to operate. The security given by the charges will be released after 25 years in 2029 by Arts Council England and 60 years in 2064 by Newcastle City Council.

24. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £21,893 (2023: £22,197). Contributions totalling £3,625 (2023: £3,867) were payable to the fund at the balance sheet date and are included within creditors.

25. Operating lease commitments

At 31 March 2024 the group and the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2024 £	Group 2023 £
Not later than 1 year	**31,958**	32,793
Later than 1 year and not later than 5 years	**612**	32,585
	32,570	65,378

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26. Related party transactions

No member of the board received any remuneration during the current or prior year.

During the year, 1 Trustee (2023: 1) received reimbursed expenses of £732 (2022: £230) in respect of travel and subsistence costs. The amount owed at the year end, included in the charity's creditors, totalled £113 (2023: £230).

During the course of the year, the charity made payments on behalf of the subsidiary, Seven Stories, The National Centre for Children's Books Collection Trust, totalling £1,600 (2023: £1,600). The amount owed at the year end, included in the charity's debtors, totalled £8,900 (2023: £7,300).

During the year the charity made recharges of £209,702 (2023: £254,013) to its subsidiary, Seven Stories Trading Limited, and the subsidiary made purchases totalling £259,075 (2023: £241,211) from the charity. The amount owed at the year end, included in the charity's creditors, totalled £10,740 (2023: £2,042).

The charitable company has received donations of £40,674 (2023: £71,285) from its subsidiary undertaking, Seven Stories Trading Limited, in the year. No amounts remain outstanding in respect of these donations at the balance sheet date.

One of the trustees, Nick Kemp, is leader of Newcastle City Council. All transactions with Newcastle City Council have been on an arm’s length basis and therefore no additional disclosures are required.

One of our trustees, Matt McWhinnie, is Brand and Activity Manager at Fenwick. All transactions with Fenwick have been on an arm’s length basis and therefore no additional disclosures are required.

27. Post balance sheet events

Since the year end, probate was granted on a legacy for which the trust expects to receive around £170,000.

28. Controlling party

The charity is controlled by the Board of Trustees.

SEVEN STORIES, THE NATIONAL CENTRE FOR CHILDREN'S BOOKS

England & Wales - Charity number 1056812

Accounts

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Registered number: 03209411
Charity number: 1056812

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Annual report

31 March 2023

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Reference and administrative details
Year ended 31 March 2023

Trustees	Professor Matthew Grenby (resigned 2 February 2023) Annalei Bartlett (appointed 27 March 2023) Nick Kemp Louise Forster (appointed 29 March 2023) Matthew McWhinnie Emma Layfield (appointed 27 March 2023) Professor Ella Richie (resigned 28 September 2022) Mauricio Armellini (resigned 28 September 2022) Annie Rigby (resigned 29 June 2022) Ben Butler Rachel Mary Lippe Amy Sergison (resigned 29 June 2022) Claire Riley, Chair
Company registered number	03209411
Charity registered number	1056812
Registered office	30 Lime Street Ouseburn Valley Newcastle upon Tyne NE1 2PQ
Company secretary	Wendy Elliott
Chief executive officer	Wendy Elliott
Independent auditor	UNW LLP Chartered Accountants Citygate St James Boulevard Newcastle upon Tyne NE1 4JE
Bankers	NatWest 4 Bridge Street Morpeth Northumberland NE61 1NG CAF PO Box 289 Kings Hill West Mailing Kent ME19 4TA Unity Trust 9 Brindley Place Birmingham B1 2HB

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Trustees' report
Year ended 31 March 2023

The trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Seven Stories, The National Centre for Children's Books Limited ("Seven Stories") (the company) for the year ended 31 March 2023. The trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and activities

Policies and objectives

Seven Stories is the National Centre for Children's Books. Our focus is literature and associated illustrations and related material specifically created for children, and the various ways these are shared, collected, conserved, promoted, and disseminated. We aim to enhance lives through access to stories.

Our vision is to put stories at the heart of every childhood, empowering young people to understand their world and imagine their future.

We celebrate the exceptional achievements of British and international writers and illustrators for children, saving their work as part of our nation's heritage, for the enjoyment and inspiration of current and future generations.

The object of the charity, as set out in our governing document, is to advance the education of the public, in particular, children and young people, in the arts and literature through the promotion of Britain's literary heritage for children, and in particular, but not exclusively, by preserving, maintaining and adding to the Collection held by the Seven Stories Collection Trust and by the promotion of access to the Collection and associated items through arts and education programmes and activities.

Main activities undertaken to further the charity's purposes for the public benefit

The charity undertakes a variety of activities to deliver its objectives, including education and community centred engagement, the promotion of literacy and reading, running an attractive Visitor Centre with an active events programme, digital delivery to ensure accessibility and reach, and developing and maintaining a collection of books, manuscripts, illustrations and related materials.

Our Visitor Centre in Newcastle upon Tyne houses exhibition galleries as well as performance and creative learning spaces, a specialist bookshop and a café. We have a regular and engaging events programme including story-telling, author and illustrator talks, and creativity development and learning. An extensive external programme supports talent development and brings creative activity into schools and communities to reach young people, helping to promote literacy and creativity, via face-to-face engagement and our developing use of digital platforms.

The Collection is an internationally renowned archive comprising of manuscripts, artwork, related papers and books, dating from the 1930s to the present day. We hold National styling through Arts Council England's accreditation scheme, acknowledging the singularity and significance of our work to protect and share our literary heritage for children. We use our Collection as an artistic, educational and research resource to celebrate the literary and visual arts through exhibitions, displays and learning programmes, both at our Visitor Centre, and in facilities across the UK through our touring programme.

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Objectives and activities (continued)

While entry to our Visitor Centre is free, we do make some charges to our audience for certain activities and events, including to schools and members of the general public, Our admission charges are kept as low as possible in order to enable wider access, balanced with the need to earn income and ensure the charity's viability. We also ensure community funded places are available for all of our programme.

We seek to work in communities, particular disadvantaged communities in our local area, and receive financial support for such purposes.

At all of our Trustee meetings we keep in mind the Charity Commission's guidance on public benefit. As Trustees we see the benefits our audience, partners and communities gain from our organisation.

Staff and volunteers

Seven Stories employed an average of 54 people (30 full time equivalent) in total during 2022/23; 44 on permanent contracts and 10 on casual contracts. 12 staff were full time staff and 42 on a part time basis. We have strengthened skills in key areas including education and operational, and are now looking to recruit to strategic Collections and business development roles.

Strategic report

Achievements and performance

Accreditation and awards

Seven Stories is a National Portfolio Organisation (Band 2) supported by Arts Council England. It is also an Accredited Museum with National styling.

Seven Stories holds the accredited 'Investing In Children' award recognising the quality of its work with children and young people.

Review of activities

The year commenced with Seven Stories in a relatively positive position, having consolidated our learning from the challenges of the preceding year. We embedded our free entry model and extended it to our digital offering further supporting our aspirations to improve access and inclusion. We were confident in this approach as the need for our work was greater evidenced by our consultation with teachers across the region and the associated impact of COVID on children, young people and their families. Organisationally we are committed to the overarching outcome of addressing diminished literacy and oracy levels across the region.

In this period we are delighted to confirm that our visitor numbers increased by 30,000 per annum including a very welcome increase in new visitors from less affluent communities.

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Strategic report (continued)

Achievements and performance (continued)

Major areas of progress have included the formal acceptance into the Collection of the David McKee archive, which we believe will have lots of opportunities to develop work to support and entertain children in the coming years. We also welcomed the work of Sita Brahmacha ri who is an exciting environmental talent and again we are confident use of this work will be important in our educational offer across the region and beyond. Our online presentation of some of the Collection's content has been improved and is widely used by the public including teachers, improving accessibility; renewed focus on the Visitor Centre, and embedding our new Business Model, introduced to improve accessibility further.

Of significant importance during this period was the award of NPO funding from Council England for the period 2023 - 2026, arguably a tough round of competition against ACE's revised strategy so this provided reassurance that we remain a nationally significant organisation and gives us the confidence to proceed with our educational and community aspirations across the region and nationally.

We were also delighted to be selected for support through the Bloomberg Philanthropies' Digital Accelerator for Arts and Culture, enabling us to start work on developing a new website and CRM.

We continued to trial and develop different programme strands that met the needs of our growing audiences and find the balance of successful commercially recognised events (to accommodate new audiences) whilst ensuring programme supports creative inclusive activities associated to reading and creative writing and illustration.

We learnt that post-COVID our audiences wanted to engage in experiences with us, so our storytelling capacity is key to delivering immersive experiences both within our venue and into communities and schools across our region. This work is underpinned by our key mission to increase access and participation in reading initiatives to support reading for pleasure. We continued our work widening access as both a National Centre but also a regional organisation with a national asset in our Collection.

We have also spent a considerable period listening to our key stakeholders, children and families and a consultation period with educational leads across our region to evaluate where we can make most impact to children, their families, teachers and early years practitioners enabling us to re introduce our education offer, streamlining the number of activities previously offered and bringing it up to date with the renewed educational priorities and positive well being.

Our main focus this year has been to welcome more communities into our building and across our community work following the impact of COVID through face to face delivery, engaging our most impacted communities and focusing on delivering support to children and families whose lives were worsened by COVID but also the emerging Cost of Living crisis. We continued to develop and maintain relationships with partner organisations to supplement support of the most in need local disadvantaged communities. Our touring programme continued with Judith Kerr's The Tiger Who Came to Tea facsimile tour and David McKee's Elmer and Friends original artwork both touring nationally.

Our exhibitions included celebrating our previous years acquisition of Judith Kerrs work; we hosted a beautiful Mog gallery at the visitor centre and developed an associated facsimile exhibition for national touring in collaboration with Judith's family and Harper Collins.

Our move to digital delivery, with the launch of our online platform showcasing the Collection and stories behind it, https://sevenstories.online/ has been further developed to support not only access for children and young people but also much needed resource material for teachers. This strategic development of our Collection makes it available to all through very rich, entertaining and engaging online content for the first time. This remains a vital aspect of Seven Stories business model.

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Strategic report (continued)

Achievements and performance (continued)

Collection

As referenced above, major progress has been made with the Collection's content, as well as in access and presentation. There were particularly noteworthy additions, including the arrival of the David McKee and Sita Brahmachari archives. These are significant additions to our Collection and they allow us to further embark on our aspirations to diversify our audiences and improve access to culture across the region and beyond.

Leadership

After a period of leadership change, this year saw leadership stability with an interim executive conversion to a permanent executive appointment following an external recruitment process in May 2022. A new Chair led the independent Governance review undertaken by DAC Beachcrofts. The new chief executive led on implementation of best practice recommendations, which included the responsibilities of the Board and individual Trustees, the size and skills mix, its structure, decision making processes, delegations, reporting and relationships with the permanent Executive. Key ongoing developments have now taken place including clarifying roles and duties, new appointments to improve diversity and competence, and greater focus. Our new sub committee structure that will better enable the effective oversight of the organisation, enabling greater focus on specific issues. Managing risk will also have a more formal focus, with particular Trustee input on identifying and mitigating emerging risks, safeguarding the security of the organisation and achieving environmental sustainability.

The Seven Stories Chief Executive has overall management responsibilities for the organisation, supported by a Finance Director, a Director of Systems and Operations and our exciting new Creative Lead in Residence. It is recognised that further work to strengthen the leadership team is required in the following areas of business development and a new proposed Collections strategy lead role in order to meet the aspirations of the business model. The Chief Executive has overall responsibility for the successful delivery of the business strategy, reporting to the Board.

Fundraising and development

Seven Stories has a small development and relationship workforce that oversees our fundraising, marketing and communication activities and manages the grants and donations received from trusts and foundations. We aim to generate funds through a small number of fundraising campaigns, in addition to working with corporate donors and sponsors. Relationships are also cultivated to encourage support and donations to the Collections' Trust, either direct gifts of artwork and manuscripts or financial support for the purchase thereof. Heritage assets with an estimated value of £813,750 (£940,395 in 2021/22) were donated to The Collection Trust, principally comprising the David McKee archive.

Financial review

The financial position of the organisation and performance during the year reflects improvements as a result of the revised business model implemented and reported during 2021/22, in spite of pressures arising from the cost of living situation and from increases in food and utility costs.

A surplus of £7,044 was made on unrestricted funds, compared with a loss of £191,712 in the prior year. Combined with a loss on restricted funds and surplus on restricted capital funds, there was an overall surplus of £600,811 for the year compared with £593,483 in the preceding year.

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2022/23 was the fifth year of delivery of our Arts Council England National Portfolio Organisation activity, which was granted originally to support our work from 2018/19 to 2021/22. The overall annual grant was £588,230. During the year we were delighted to be successful in our application to be a National Portfolio Organisation for 2023/24 to 2025/26.

Other grants awarded during the year included:
- £125,000 from Bloomberg Philanthropies
- £45,597 from the Enid Blyton Fund for Seven Stories managed by the Community Foundation.
- £20,000 from the Newcastle Culture Investment Fund managed by the Community Foundation.
- £17,540 from the Helen Bailey Trust.
- £34,221 from The Esmée Fairbairn Collections Fund – delivered by the Museums Association.
- £18,140 from StreetGames UK

We are grateful to the following organisations who supported our work during the financial year:

Corporate Sponsors & Supporters:
Fenwick

Revenue and Project Grants:
Arts Council England
BBC Children in Need
Bloomberg Philanthropies
Community Foundation Enid Blyton Fund for Seven Stories
Community Foundation Newcastle Culture Investment Fund
The Esmée Fairbairn Collections Fund – delivered by the Museums Association
Garfield Weston Foundation
Helen Bailey Trust
The Joicey Trust
The Shears Foundation
Sir James Knott Trust
StreetGames UK
St Nicholas Education Trust
and the Friends of Seven Stories and many other individual supporters

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Management has determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern. It expects that the cost of living pressures might continue have some impact in relation to expected performance but that these can be mitigated through ongoing cost control and diversification of income and delivery methods. Our charitable objectives already mean we deliver activities that align with the aims of many trusts and foundations.

Our risk management process enables trustees to have greater assurance and complies with the latest Charity Commission recommendations.

The appointment of Claire Riley as our new Chair and Wendy Elliott as permanent Chief Executive as well as a skills audit and recruitment of our Trustees have put us on a strong footing for the future, with steps already being taken to ensure strong creative leadership and digital development to underpin our business model.

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We will continue to develop our business model to ensure resilience and, at the same time, fully deliver our charitable objectives as a viable business and sustainable organisation.

Looking to next year, a key area is to continue to develop robust income lines alongside careful control of costs. Investment in management and data systems and processes will improve our ability to make more informed management decisions. Seven Stories is proud to participate in Bloomberg Philanthropies' Digital Accelerator for Arts and Culture, which supports arts organizations through strategic improvements to technology infrastructure.

New external educational and community activity is being implemented successfully. We are expanding digital programming, products and services for families and schools, as well as our award winning community programmes.

Reserves policy

Trustees reviewed the reserves policy in September 2015 following the completion of a capital refurbishment project. It was agreed that the minimum level of cash reserves should be equivalent to those that allow the charity to fulfil its statutory obligations arising on closure and provide sufficient working capital to enable arrangements to be made to re house the Collection. This minimum reserve requirement was estimated to be £175,000 at March 2023.

The trustees also agreed that additional reserves should be set aside to enable the charity to respond to significant unplanned events, such as unexpected capital expenditure or the loss of a key funding stream. Including provision for these unplanned events, the reserves target is between £350,000 to £425,000.

At 31 March 2023, the group held free reserves of £53,138 in deficit (£95,260 deficit in 2021/22), being £218,604 unrestricted funds less £29,110 intangible fixed assets and less £242,632 of tangible fixed assets as a decision was made to invest in new Gallery spaces during the previous year. Our financial strategy will enable the level of reserves to be increased over the next four years as the charity returns to a surplus position on unrestricted funds.

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Plans for future periods

We will build on the changes implemented during the last year, to create a platform for future development and growth. Plans include:

- Substantially increasing our audience and, in particular, substantially improving access and participation by individuals and communities, notably children and young people and disadvantaged communities. We will target, in particular, people and communities that are facing difficulties in engaging with us.
- Expanding our portfolio of activities to enable the greater achievement of our objectives, and enhanced financial sustainability.
- Investment in business development capacity to achieve earned income generation for future sustainability, harnessing corporate support for our educational and community impact work
- Continue to invest in innovation in our Gallery spaces forming partnerships to explore new ways of showcasing our Collection .
- Invest and develop touring programme, in particular facsimile tours, to ensure we remove barriers to access by touring to a wider range of accessible venues.
- Our work to diversify programmes including education and community based activities will be focussed on improving literacy and oracy. The extension of the diversification programmes, including education and community based activities.
- The identification of the most appropriate commercial models, particularly to access the Visitor Centre introducing extended use of our visitor centre and extension of our audiences to include new initiatives to attract students and professionals
- The development of management and organisational capacity.
- Consolidation of finances, including reserves.
- Further development of the digital and online offer.

Our business plan for the next financial year builds on our previous success in maintaining cost control; with significant focus on growing and diversifying income, notably through schools and communities and an enhanced Visitor Centre experience. We will prioritise implementation of our enhanced educational offer to support literacy and oracy challenges in our region, using our IP to deliver best practice across educational and community settings. We will develop new educational products using the IP of our team and our collection which will be accompanied by a sales plan to maximise income streams. We will optimise the asset of our venue to ensure we are hosting and trading longer and through adult initiatives like our late shows programme. We will extend and deepen the book and story related activities we deliver.

We will seek support from grant funding to enhance our core community impact activities. We will develop robust and modern donations and profile raising initiative using our enhanced data capacity. Our Bloomberg support will enable us to improve membership and fundraising campaigns. We will undertake significant development work with our Collection, developing an aspirational strategy to support an exciting, modern asset that maintains national and international significance. We will continue to enhance its management and accessibility, including through the partnerships with our key 5 regional universities. We will build new capacity through the continuation of our workforce development initiatives empowering a workforce that represents the region and broadens on our creative communities aspirations where local children can imagine a creative career.

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Structure, governance and management

Constitution

Seven Stories, The National Centre for Children's Books is a company limited by guarantee governed by its Articles of Association. It was first registered with the Charity Commission on 7 May 1996. The charity's governing documents, and those of its related parties, were reviewed and updated in October 2018.

Methods of appointment or election of Trustees

The management of the group and the charity is the responsibility of the trustees who are elected and co-opted under the terms of the Memorandum of Association.

Organisational structure and decision-making policies

The board of trustees administers the charity. The Board meets four times a year under usual circumstances, and there is one committee at present, the Finance. Risk and Governance Committee. However, the implementation of the Governance Review will introduce significant changes to the sub committee structure, particularly to align with the new NPO programme, and the underpinning Arts Council England's Lets Create Strategy.

Wendy Elliott was appointed to the role of permanent Chief Executive from May 2022 having previously held the post on an interim basis since August 2021. The Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations the Chief Executive has delegated authority, within the terms of delegation approved by the trustees, for operational matters including finance, employment and artistic activity.

To fulfil these responsibilities, the Chief Executive worked with a senior management team comprised of the Finance Director and Director of Systems and Operations.

Pay policy for senior staff

The rates of pay and remuneration of all staff, including the senior management team, are set by the Board of Trustees. The annual pay review considers statutory changes, inflation, the affordability of a pay award in the context of financial performance, benchmarking to similar organisations and the outcomes of an individual appraisal process.

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Structure, governance and management (continued)

Related party relationships

Seven Stories has two related entities: Seven Stories Trading Company and Seven Stories Collection Trust. The accounts of these entities are consolidated with those of the main charity in these accounts.

Seven Stories Trading Limited is the charity's wholly owned subsidiary, a company limited by shares, registered in England and Wales, number 04177830. It operates commercial activities including the bookshop, cafe and corporate events. The subsidiary company commenced trading on 19 August 2005. Profits of the subsidiary are gifted to the charity.

Seven Stories, The National Centre for Children's Books' Collection Trust is an independent charitable trust which was established by a Declaration of Trust dated 9 June 2005 and whose Trustees are appointed by Seven Stories Board of Trustees. It is a separate charity, registered with the Charity Commission with charity number 1115167. The main object of the Collection Trust is to own and protect the archive. It is supported by Seven Stories staff through a management agreement dated 25 August 2006. These accounts are consolidated solely to comply with SORP and company law requirements and are not intended to affect the status of both charities as separate legal entities.

The trading company's Articles of Association and the Collection Trust's Deed of Trust and management agreement were updated in 2015. This reflected the change of name of the main Charity, and also aligned these documents with the changes made in the Charity's Articles and recent legislation. For the Collection Trust, these changes were agreed through a Deed of Variation at the trustees meeting held on 25 February 2016. For the trading company, the changes were adopted by special resolution at a meeting of the trading company Directors on 18 November 2015.

Key risks and uncertainties

The key risks facing Seven Stories in 2022/23 are associated with ensuring business viability and sustainability in a changing environment and an uncertain public and private funding landscape, while ensuring we continue to meet our charitable objectives.

A key aspect of these risks is ensuring the organisation develops its governance, its portfolio of activities and delivery methods, its management and organisational capability and its financial reserves, to adapt to such changes.

While significant changes have been made in terms of controlling expenditure and investing in new income streams (in particular education), uncertainty over how audiences will behave in the future, the impact of inflation, changing government policy, changes to our ways of working across the business and potential issues around the availability of funding will continue to be carefully monitored.

Other potential immediate risks could arise from the impact of the cost of living crisis on our own cost increases and on reductions in the visitor income. Other risks associated with this include:

- Underperformance by staff team due to increased levels of anxiety or sickness absence;
- Lack of business continuity from key suppliers and contractors ceasing to trade;
- Failure to meet fundraising, donations and sponsorship income targets.

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Structure, governance and management (continued)

Risk mitigation

The priorities outlined in 'Plans for future periods' above have been identified specifically in order to address these concerns. Progress towards these strategic objectives is being very closely monitored by the Board and Arts Council England.

Our risk schedule is reviewed and updated at each Board meeting and work is ongoing to ensure that risk management is embedded from governance of the organisation and throughout the management structure.

Information on fundraising practises

Our general approach to fundraising is to work with existing networks and relationships, with general, non-targeted appeals for specific projects. This includes our Friends, Chapter One founders, corporate and general visitors. We are mindful to ensure the protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches and undue pressure to donate. Seven Stories does not work with any commercial participators or professional fundraisers, beyond using fundraising websites such as Crowdfunder.

Our fundraising conforms to recognised standards and, if there were any complaints about our approach, they would be handled using our formal Complaints Policy and Procedures. There were no complaints in the year under review.

Disclosure of information to auditor

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

- so far as that the trustees are aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- the trustees have taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

Auditor

The auditor, UNW LLP, has indicated his willingness to continue in office. The designated trustees will propose a motion reappointing the auditor at a meeting of the trustees.

Approved by order of the members of the board of trustees on 18 December 2023 and signed on their behalf by:

DocuSigned by:
Claire Riley
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Claire Riley, Chair

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Statement of trustees' responsibilities
Year ended 31 March 2023

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group and the charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of trustees on 18 December 2023 and signed on its behalf by:

DocuSigned by:
Claire Riley
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Claire Riley, Chair

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Independent auditor's report to the members of Seven Stories, The National Centre for Children's Books Limited

Opinion

We have audited the financial statements of Seven Stories, The National Centre for Children's Books Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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Other information

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

We have nothing to report in this regard.

Opinion 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 including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the trustees' report and the strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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Responsibilities of trustees

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

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

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.

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

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the directors and other management (as required by Auditing Standards) and from inspection of the group's legal correspondence and we discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations. We have communicated identified laws and regulations within our audit team and remained alert to any indications of non compliance throughout the audit.

Firstly, the group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we have assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines and litigation. We identified the following areas as those most likely to have such an effect; health and safety, employment law, safeguarding, data protection and certain aspects of company legislation, recognising the nature of the group's activities. Auditing Standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Through these procedures we have not become aware of any actual or suspected non-compliance.

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

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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.

Use of our report

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

DocuSigned by:
Anne Hallowell
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Anne Hallowell BSc DChA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

18 December 2023

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)
Year ended 31 March 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted capital funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and legacies	4	**15,099**	**-**	**813,750**	**828,849**	982,417
Charitable activities	5	**1,002,994**	**90,451**	**-**	**1,093,445**	1,104,474
Other trading activities	6	**284,260**	**-**	**-**	**284,260**	274,571
Investments		**-**	**381**	**12**	**393**	576
Other income	7	**12,486**	**-**	**-**	**12,486**	35,382
Total income and endowments		**1,314,839**	**90,832**	**813,762**	**2,219,433**	2,397,420
Expenditure on:						
Raising funds	8	**243,585**	**-**	**-**	**243,585**	204,344
Charitable activities	9	**1,125,410**	**103,119**	**145,357**	**1,373,886**	1,601,437
Total expenditure		**1,368,995**	**103,119**	**145,357**	**1,617,471**	1,805,781
Net (expenditure)/income before net (losses)/gains on investments		**(54,156)**	**(12,287)**	**668,405**	**601,962**	591,639
Net (losses)/gains on investments		**(1,151)**	**-**	**-**	**(1,151)**	1,844
Net (expenditure)/income		**(55,307)**	**(12,287)**	**668,405**	**600,811**	593,483
Transfers between funds	19	**62,351**	**(14,830)**	**(47,521)**	**-**	-
Net movement in funds		**7,044**	**(27,117)**	**620,884**	**600,811**	593,483
Reconciliation of funds:						
Total funds brought forward		**211,560**	**251,338**	**5,994,513**	**6,457,411**	5,863,928
Net movement in funds		**7,044**	**(27,117)**	**620,884**	**600,811**	593,483
Total funds carried forward		**218,604**	**224,221**	**6,615,397**	**7,058,222**	6,457,411

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

The notes on pages 22 to 51 form part of these financial statements.

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Consolidated balance sheet
At 31 March 2023

	Note		2023 £		2022 £
Fixed assets					
Intangible assets	12		**29,110**		25,795
Tangible assets	13		**1,533,034**		1,762,633
Heritage assets	14		**5,346,937**		4,513,187
Investments	15		**8,877**		10,029
			6,917,958		6,311,644
Current assets					
Stocks	16	**38,049**		46,969	
Debtors	17	**75,195**		111,849	
Cash at bank and in hand	23	**210,722**		225,394	
		323,966		384,212	
Creditors: amounts falling due within one year	18	**(183,702)**		(238,445)	
Net current assets			**140,264**		145,767
Total assets less current liabilities			**7,058,222**		6,457,411
Total net assets			**7,058,222**		6,457,411
Charity funds					
Restricted capital funds	19		**6,615,397**		5,994,513
Restricted funds	19		**224,221**		251,338
Unrestricted funds	19		**218,604**		211,560
Total funds			**7,058,222**		6,457,411

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

The financial statements were approved and authorised for issue by the trustees on 18 December 2023 and signed on their behalf by:

DocuSigned by:
Claire Riley
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Claire Riley, Chair

The notes on pages 22 to 51 form part of these financial statements.

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Balance sheet
At 31 March 2023

	Note		2023 £		2022 £
Fixed assets					
Intangible assets	12		**29,110**		25,795
Tangible assets	13		**1,533,034**		1,762,633
Heritage assets	14		**30,000**		10,000
Investments	15		**8,878**		10,030
			1,601,022		1,808,458
Current assets					
Stocks	16	**-**		20,000	
Debtors	17	**75,068**		108,046	
Cash at bank and in hand		**181,595**		167,025	
		256,663		295,071	
Creditors: amounts falling due within one year	18	**(165,133)**		(230,308)	
Net current assets			**91,530**		64,763
Total assets less current liabilities			**1,692,552**		1,873,221
Total net assets			**1,692,552**		1,873,221
Charity funds					
Restricted capital funds	19		**1,290,402**		1,442,983
Restricted funds	19		**224,221**		251,338
Unrestricted funds	19		**177,929**		178,900
Total funds			**1,692,552**		1,873,221

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Balance sheet (continued)
At 31 March 2023

The charity's net movement in funds for the year was £(180,669) (2022 - £(368,943)).

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

The financial statements were approved and authorised for issue by the trustees on 18 December 2023 and signed on their behalf by:

DocuSigned by:
Claire Riley
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Claire Riley, Chair

Company registered number: 03209411

The notes on pages 22 to 51 form part of these financial statements.

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Consolidated statement of cash flows
Year ended 31 March 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	22	**29,153**	(249,089)
Cash flows from investing activities			
Purchase of intangible assets		**(14,000)**	(28,557)
Purchase of tangible fixed assets		**(9,825)**	(169,053)
Purchase of heritage assets		**-**	(900)
Transfer from stock		**(20,000)**	-
Net cash used in investing activities		**(43,825)**	**(198,510)**
Change in cash and cash equivalents in the year		**(14,672)**	**(447,599)**
Cash and cash equivalents at the beginning of the year		**225,394**	672,993
Cash and cash equivalents at the end of the year	23	**210,722**	225,394

The notes on pages 22 to 51 form part of these financial statements

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Notes to the financial statements
Year ended 31 March 2023

1. General information

Seven Stories, The National Centre for Children's Books ('the charity') is a charity incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is given in the reference and administrative details page of these financial statements and the principle activities of the charity are given in the trustees' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Seven Stories, The National Centre for Children's Books Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 Going concern

Trustees have determined that there is no material uncertainty that casts doubt on the entity’s ability to continue as a going concern. Whilst the board expects that the cost of living pressures might have some impact in relation to expected performance, this can be mitigated through ongoing cost control and diversification of income and delivery methods. Further details are given in the trustees report.

Management continue to update a scenario-based cash flow forecast weekly, and our cash reserves remain positive.

The charity utilises a rigorous risk analysis and management approach and continue to undertake horizon scanning. Risks are considered by the Board at regular meetings, with mitigations implemented and monitored.

Implementation of the governance review recommendations and appointment of a permanent CEO, as well as investment in creative and digital capability, ensures a strong leadership platform and flexible and diverse organisation able to respond to challenges going forward.

Having considered all the steps taken as described above, and taking into account the strong cash position of the organisation, alongside the revised business model now in place, the Trustees consider that the going concern basis of preparation remains appropriate.

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2. Accounting policies (continued)

2.3 Income

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

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

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

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

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

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

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

Museum and galleries tax relief income is recognised based on a prudent estimate of the amount of qualifying expenditure and applying the repayment rates set out in current HMRC legislation.

2.4 Expenditure

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

Costs of raising funds are those incurred by Seven Stories Trading Limited. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at the head office.

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2. Accounting policies (continued)

2.4 Expenditure (continued)

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

2.5 Interest receivable

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

2.6 Intangible assets and amortisation

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Computer software	-	33 %

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £100 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Exhibition costs, where the exhibition will be toured for in excess of one year, are capitalised at the cost of building the exhibition.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

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2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Land	- Not depreciated
Freehold property	- 2% straight line down to residual value
Long-term leasehold property	- 4% straight line
Fixtures and fittings	- 5-33% straight line
Exhibitions	- Over the lifetime of the exhibition

2.8 Heritage assets

The group has a collection of heritage assets which are held in support of their objectives and are used as a unique and inspiring resource to create exhibitions, artistic and learning and research programmes dedicated to celebrating children's books.

Acquisitions are made by purchase or donation. The heritage assets are included on the balance sheet on the basis of either:

- purchase price where material has been purchased on the open market;
- independent valuations by professional experts;
- valuations by Seven Stories staff using knowledge of the current market and the value of comparable works in the collection; or
- information provided by the National Audit Office for England and the acceptance in lieu panel.

It is not the intention of the trustees to dispose of any of the assets within the Collection. Any disposals would be subject to the approval of the trustees, although this would only happen in exceptional circumstances, and there must be sound curatorial reasons for disposal.

The items included within the Collection are deemed to have indeterminate lives and a high residual value; hence the Trustees do not consider it appropriate to charge depreciation.

Please refer to Note 14 of the accounts for further information on the heritage assets held by the group.

2.9 Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

Stock includes books, merchandise and cafe food and drink stocks.

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2. Accounting policies (continued)

2.10 Financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and cash and bank balances.

All such instruments are due within one year and are measured, initially and subsequently, at the transaction price.

At the end of each reporting period, financial assets are assessed for impairment, and their carrying value reduced if necessary. Any impairment charge is recognised in the profit and loss account.

2.11 Operating leases

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

2.12 Employee benefits

The group operates a defined contribution pension plan for its employees. Contributions are recognised as an expense when they fall due. Amounts due but not yet paid are included within creditors on the balance sheet. The assets of the plan are held separately from the group in independently administered funds.

2.13 Fund accounting

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

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

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

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

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3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

The key source of judgment within the financial statements is the valuation of heritage assets, as there is often no readily available open market valuation available. Valuation is assessed based upon other comparable items coming to the market periodically and is reviewed annually by Collections staff. It is not the intention of the Trustees of Seven Stories, The National Centre for Children’s Books Collection Trust to dispose of any of the assets within the Collection.

Other key estimates used within the preparation of the financial statements are the useful lives of the fixed assets of the charity, which are used to set depreciation rates.

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4. Income from donations and legacies

	Unrestricted funds 2023 £	Restricted capital funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	15,099	813,750	**828,849**	980,712
Government grants	-	-	**-**	1,705
	15,099	813,750	**828,849**	982,417
Total 2022	42,922	939,495	982,417	

5. Income from charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Visitor centre	668,301	-	**668,301**	462,615
Programme	85,005	16,833	**101,838**	101,839
Learning	34,316	73,618	**107,934**	289,345
Collections	155,006	-	**155,006**	151,934
Exhibitions	60,366	-	**60,366**	98,741
	1,002,994	90,451	**1,093,445**	1,104,474
Total 2022	1,030,961	73,513	1,104,474	

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6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Cafe and bookshop sales	284,260	**284,260**	274,571
	284,260	**284,260**	274,571
Total 2022	274,571	274,571	

7. Other incoming resources

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Other operating income	-	**-**	1,184
Other income	12,486	**12,486**	34,198
	12,486	**12,486**	35,382
Total 2022	35,382	35,382	

8. Expenditure on raising funds

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8. Expenditure on raising funds (continued)

Fundraising trading expenses

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Subsidiary trading expenses	142,262	**142,262**	131,457
Wages and salaries	93,563	**93,563**	67,584
Social security taxation	5,206	**5,206**	3,211
Pension costs	2,554	**2,554**	2,092
	243,585	**243,585**	204,344

9. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Visitor centre	729,529	288,943	**1,018,472**	1,043,829
Programme	32,966	14,775	**47,741**	56,479
Learning	45,396	44,326	**89,722**	196,553
Collections	72,639	50,893	**123,532**	122,992
Exhibitions	82,927	11,492	**94,419**	163,322
Development	-	-	**-**	18,262
	963,457	410,429	**1,373,886**	1,601,437
Total 2022	1,194,458	406,979	1,601,437	

The support costs have been allocated to each activity on the basis of headcount.

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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2023 £	Total funds 2022 £
General office costs	**83,150**	56,363
IT support	**6,630**	4,966
Travel and accomodation	**2,972**	1,462
Subscriptions and licenses	**5,293**	4,602
Bank charges	**4,460**	4,309
Wages and salaries	**257,833**	270,640
Professional fees	**50,091**	64,637
	410,429	406,979

10. Auditor's remuneration

	2023 £	2022 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	**18,750**	15,000
Fees payable to the charity's auditor in respect of:		
All non-audit services not included above	**1,600**	900

11. Staff costs

	Group 2023 £	Group 2022 £	**Charity 2023 £**	Charity 2022 £
Wages and salaries	**723,460**	889,536	**629,897**	821,952
Social security costs	**55,478**	59,375	**50,272**	56,164
Contribution to defined contribution pension schemes	**22,197**	28,021	**19,643**	25,929
	801,135	976,932	**699,812**	904,045

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11. Staff costs (continued)

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

	Group 2023 No.	Group 2022 No.
All employees	**54**	58

The average headcount expressed as full-time equivalents was:

	Group 2023 No.	Group 2022 No.
Visitor centre and learning	**15**	18
Collections	**4**	5
Trading	**3**	3
Management	**8**	8
	30	34

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

Remuneration and benefits received by key management personnel

The key management personnel of the group comprise those of the charity and the key management personnel of its trading subsidiary, Seven Stories Trading Limited.

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees for planning, directing and controlling the activities of the charity.

During 2022/23 they were:
Chief Executive – Wendy Elliott
Director of Systems and Operations - Mandy Baines
Finance Director - Lucy Smyth

The total employee benefits of the key management personnel of the group were £132,181 (2022: £178,326).

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Notes to the financial statements
Year ended 31 March 2023

12. Intangible assets

Group and charity

	Computer software £
Cost	
At 1 April 2022	**28,557**
Additions	**14,000**
At 31 March 2023	**42,557**
Amortisation	
At 1 April 2022	**2,762**
Charge for the year	**10,685**
At 31 March 2023	**13,447**
Net book value	
At 31 March 2023	**29,110**
At 31 March 2022	25,795

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13. Tangible fixed assets

Group and charity

	Freehold property £	Long-term leasehold property £	Fixtures and fittings £	Exhibitions £	Total £
Cost or valuation					
At 1 April 2022	**3,552,626**	**21,419**	**3,269,129**	**608,360**	**7,451,534**
Additions	**-**	**-**	**7,825**	**2,000**	**9,825**
At 31 March 2023	**3,552,626**	**21,419**	**3,276,954**	**610,360**	**7,461,359**
Depreciation					
At 1 April 2022	**2,552,626**	**14,565**	**2,742,647**	**379,063**	**5,688,901**
Charge for the year	**-**	**857**	**177,901**	**60,666**	**239,424**
At 31 March 2023	**2,552,626**	**15,422**	**2,920,548**	**439,729**	**5,928,325**
Net book value					
At 31 March 2023	**1,000,000**	**5,997**	**356,406**	**170,631**	**1,533,034**
At 31 March 2022	1,000,000	6,854	526,482	229,297	1,762,633

Included in land and buildings is freehold land of £504,208 which has not been depreciated.

As detailed in note 25, Newcastle City Council and Arts Council England have a legal charge over the land and buildings.

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14. Heritage assets

Group

Assets recognised at cost or valuation

	Antiquarian books and manuscripts 2023 £	Total 2023 £
Carrying value at 1 April 2022	4,513,187	**4,513,187**
Additions	813,750	**813,750**
Transfer from stock	20,000	**20,000**
Carrying value at 31 March 2023	5,346,937	**5,346,937**

Charity

Assets recognised at cost or valuation

	Antiquarian books and manuscripts 2023 £	Total 2023 £
Carrying value at 1 April 2022	10,000	**10,000**
Transfer from stock	20,000	**20,000**
Carrying value at 31 March 2023	30,000	**30,000**

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14. Heritage assets (continued)

5 year summary of heritage asset transactions

Group

	2023 £	2022 £	2021 £	2020 £	2019 £
Purchases					
Purchases	-	900	-	-	7,500
Donated assets at valuation	813,750	949,495	250,000	5,500	16,450
Total additions	813,750	950,395	250,000	5,500	23,950

Charity

	2023 £	2022 £	2021 £	2020 £	2019 £
Purchases					
Donated assets at valuation	-	10,000	-	-	-
Total additions	-	10,000	-	-	-

Management of heritage assets
Seven Stories complies fully with the standards required by the Museum Accreditation scheme, having first become an Accredited museum in 2008. Accreditation was renewed with National Styling in 2016.

The prime instrument of collection management is the Collection Management Policy, which Seven Stories executes on behalf of Seven Stories, The National Centre for Children's Books Collection Trust. Seven Stories and the Collection Trust have also approved the following related policies, covering all areas of collection management:

- Collection Development Policy
- Collection Information Policy
- Collection Access Policy
- Collection Care and Conservation Policy.

Nature and scale of heritage assets
Seven Stories is the only institution in the UK actively working to collect, preserve, conserve, exhibit and make available original manuscripts, artwork and related pre- and post- publication materials by the creators of modern and contemporary British books for children from the 1930s to the present day. The charity began collecting in 1996 and the Collection now comprises over 140 individual collections representing (to varying extents) the work of over 250 different authors, illustrators, editors and publishers and an estimated 35,000 books. Much of the work has been donated by the creators of the work or their families, though an acquisition budget coupled with external fundraising from sources including the Heritage Lottery Fund, the Art Fund, the ACE/V&A Purchase Grant Fund and the Friends of the National Libraries, has enabled a number of significant purchases.

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The nature and extent of the holdings of original material varies from work relating to a single title to substantial collections which document an entire career, and may include business records and correspondence with publishers, as well as manuscripts and artwork in various stages. A wide range of genres and formats is covered. Fantasy, historical fiction, picture books and drama are particularly well represented.

Among the most extensive writers' archives are those of Elisabeth Beresford, Peter Dickinson, Berlie Doherty, Diana Wynne Jones, Jan Mark, Michael Morpurgo, Beverley Naidoo, Martin Waddell, Robert Westall, Ursula Moray Williams and David Wood. Many others are also represented by significant bodies of work – for example Leila Berg, Lucy Boston, Leon Garfield, Eva Ibbotson, Clive King, Philip Pullman, Michael Rosen, Catherine Storr and Geoffrey Trease. The Collection also includes the largest Enid Blyton archive in public ownership (though sadly only a small proportion of her enormous output survives in manuscript or typescript form).

Around 120 illustrators are currently represented by original work, in a wide variety of techniques – from wood engraving (John Lawrence) to digital art (Chris Haughton) - and formats, from illustrated fiction to pop-ups. The most extensive collections include the Judith Kerr archive, comprising artwork for 24 titles, including The Tiger who Came to Tea (1968) and all of the Mog series (1970-2002) and the Helen Craig archive, which contains complete preparatory and finished artwork for 18 titles in the popular Angelina Ballerina series. Other extensive and/or highly significant holdings include work by – among others - Edward Ardizzone, Judy Brook, Faith Jaques, Harold Jones and Kim Lewis.

Acquisition of assets
Seven Stories, on behalf of the Collection Trust, is continuing to collect the following types of material dating from c. 1930 to the present day. Representative examples of work by seminal figures from earlier periods may be collected from time to time, where these provide a context for more recent work:

- Original artwork and manuscripts by British writers and illustrators for children, in whatever format they were created, including new media
- Pre- and post-publication materials
- Related materials: e.g. correspondence, reviews, articles
- Books in all their forms - including fiction and non-fiction, picture books, poetry, drama and prose, published work in new media formats, including audio and video tape, CD and DVD, and e-books.

Acquisition decisions are made with reference to a Collection Development Policy (updated 2015). Current priorities include:

- Work by or representing groups of people outside the mainstream of publishing for children, in particular work by authors and illustrators of non-white British origin.
- Poetry - currently a significant weakness
- Illustration – building on the strengths of the existing holdings
- Young fiction – work aimed at children aged 7-11, in particular by more popular authors
- First edition copies (where available) of texts represented by artwork and archival material in the Collection.

Preservation of assets
The charity is responsible for the care and conservation of the Collection under the terms of the management agreement with the Collection Trust. The collection care policy covers all aspects of preservation and conservation, from the moment an object enters the Collection, through storage, handling, display, loan, etc.

The policy is designed to ensure that Collection care at Seven Stories complies as far as possible with widely established standards and practices within the museums and archives community in Britain, for example BS5454, the ACE Accreditation Scheme, and Benchmarks for Collection Care.

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It sets standards and expectations in the following areas:
- Collection Content and Condition Monitoring
- Premises, Storage and Housekeeping
- Preventive conservation, including environmental monitoring and control, and integrated pest management
- Handling and Repackaging
- Remedial Conservation
- Disaster Planning.

It also covers best practice in digitisation, exhibitions, and transport of collections.

Disposal of assets
By definition, the Collection Trust has a long-term purpose and holds collections in trust for society in relation to its stated objectives. The Board of Trustees therefore accepts the principle that sound curatorial reasons for disposal must be established before consideration is given to the disposal of any items in the Collection. Full details of the procedures to be followed in the event of a decision to dispose are given in the Collection Development Policy.

15. Fixed asset investments

Group	Listed securities £
Cost or valuation	
At 1 April 2022	**10,029**
Revaluations	**(1,152)**
At 31 March 2023	**8,877**
Net book value	
At 31 March 2023	**8,877**
At 31 March 2022	10,029

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15. Fixed asset investments (continued)

Charity	Investments in subsidiary companies £	Listed securities £	Total £
Valuation			
At 1 April 2022	**1**	**10,029**	**10,030**
Revaluations	**-**	**(1,152)**	**(1,152)**
At 31 March 2023	**1**	**8,877**	**8,878**
Net book value			
At 31 March 2023	**1**	**8,877**	**8,878**
At 31 March 2022	1	10,029	10,030

Principal subsidiaries

The following were subsidiary undertakings of the charity:

Names	Company number	Charity registration number	Holding	Included in consolidation
Seven Stories Trading Limited	04177830	n/a	100%	Yes
Seven Stories, The National Centre for Children's Books Collections Trust	n/a	1115167	100%	Yes

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/ Surplus for the year £	Net assets £
Seven Stories Trading Limited	**284,260**	**(235,761)**	**40,675**	**40,676**
Seven Stories, The National Centre for Children's Books Collections Trust	**813,762**	**(1,672)**	**812,090**	**5,324,995**

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16. Stocks

	Group 2023 £	Group 2022 £	**Charity 2023 £**	Charity 2022 £
Books and merchandise	**33,193**	24,616	**-**	-
Cafe food and drink stock	**4,856**	2,353	**-**	-
Excess donated Collection assets held for resale	**-**	20,000	**-**	20,000
	38,049	46,969	**-**	20,000

The carrying value of stocks are stated net of impairment losses totalling £nil (2022: £nil) . Impairment losses totalling £nil (2022: £nil) were recognised in cost of sales during the year.

17. Debtors

	Group 2023 £	Group 2022 £	**Charity 2023 £**	Charity 2022 £
Trade debtors	**15,407**	48,257	**8,264**	40,556
Amounts owed by group undertakings	**-**	-	**7,300**	5,700
Other debtors	**427**	1,463	**427**	1,463
Prepayments and accrued income	**59,361**	62,129	**59,077**	60,327
	75,195	111,849	**75,068**	108,046

Trade debtors are stated after provisions for impairment of £nil (2022: £nil).
Amounts owed by group undertaking are unsecured, interest free and repayable on demand.

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18. Creditors: amounts falling due within one year

	Group 2023 £	Group 2022 £	**Charity 2023 £**	Charity 2022 £
Trade creditors	**38,888**	40,354	**22,605**	26,443
Amounts owed to group undertakings	**-**	-	**2,042**	14,834
Other taxation and social security	**13,316**	11,693	**13,316**	11,693
Other creditors	**16,716**	11,325	**16,716**	11,325
Accruals and deferred income	**114,782**	175,073	**110,454**	166,013
	183,702	238,445	**165,133**	230,308

Amounts owed to group undertaking are unsecured, interest free and repayable on demand.

	Group 2023 £	Group 2022 £	**Charity 2023 £**	Charity 2022 £
Deferred income at 1 April 2022	**77,820**	171,005	**76,631**	169,619
Resources deferred during the year	**55,752**	670,972	**55,752**	670,972
Amounts released from previous periods	**(77,820)**	(764,157)	**(76,631)**	(763,960)
	55,752	77,820	**55,752**	76,631

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19. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Unrestricted funds						
Designated funds						
Designated funds	**10,249**	**-**	**-**	**-**	**-**	**10,249**
General funds						
General funds	**201,311**	**1,314,839**	**(1,368,995)**	**62,351**	**(1,151)**	**208,355**
Total Unrestricted funds	**211,560**	**1,314,839**	**(1,368,995)**	**62,351**	**(1,151)**	**218,604**
Restricted capital funds						
Building purchase	**750,156**	**-**	**-**	**-**	**-**	**750,156**
Building improvements and purchase of other assets	**731,452**	**-**	**(143,685)**	**(47,521)**	**-**	**540,246**
Historic collections	**4,512,905**	**813,762**	**(1,672)**	**-**	**-**	**5,324,995**
	5,994,513	**813,762**	**(145,357)**	**(47,521)**	**-**	**6,615,397**

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19. Statement of funds (continued)

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Restricted funds						
Collecting Cultures	**5,778**	**-**	**-**	**(5,778)**	**-**	**-**
Unwin Charitable Trust	**6,000**	**-**	**(1,000)**	**-**	**-**	**5,000**
British Council	**2,639**	**-**	**-**	**-**	**-**	**2,639**
Helen Bailey	**1,371**	**15,530**	**(15,201)**	**-**	**-**	**1,700**
Heritage Lottery Fund - WSCF	**19,000**	**-**	**(8,237)**	**(6,290)**	**-**	**4,473**
Gillian Dickinson	**45,473**	**-**	**-**	**-**	**-**	**45,473**
BBC Children in Need	**7,240**	**12,853**	**(9,293)**	**-**	**-**	**10,800**
Foyle - WSCF	**9,900**	**-**	**-**	**-**	**-**	**9,900**
Garfield Weston	**50,000**	**-**	**(9,519)**	**(2,762)**	**-**	**37,719**
St Nicholas' Education Trust	**2,190**	**5,778**	**(4,140)**	**-**	**-**	**3,828**
Wolfson	**57,763**	**-**	**(22,544)**	**-**	**-**	**35,219**
Well Newcastle Gateshead	**767**	**1,303**	**-**	**-**	**-**	**2,070**
National Lottery Heritage Fund - Covid-19	**10,799**	**-**	**(8,237)**	**-**	**-**	**2,562**
LNER - On Board With Stories	**3,246**	**-**	**-**	**-**	**-**	**3,246**
Guy Readman	**1,520**	**-**	**(313)**	**-**	**-**	**1,207**
Community Family Hub East	**5,821**	**-**	**(407)**	**-**	**-**	**5,414**
Shears Foundation	**-**	**5,000**	**(5,000)**	**-**	**-**	**-**
Esmee Fairbairn	**13,898**	**49,987**	**(18,458)**	**-**	**-**	**45,427**
Other Funds	**7,933**	**381**	**(770)**	**-**	**-**	**7,544**
	251,338	**90,832**	**(103,119)**	**(14,830)**	**-**	**224,221**
Total of funds	**6,457,411**	**2,219,433**	**(1,617,471)**	**-**	**(1,151)**	**7,058,222**

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19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Unrestricted funds						
Designated funds						
Designated funds	10,249	-	-	-	-	10,249
General funds						
General funds	393,023	1,383,836	(1,516,444)	(60,948)	1,844	201,311
Total Unrestricted funds	403,272	1,383,836	(1,516,444)	(60,948)	1,844	211,560
Restricted capital funds						
Building purchase	750,156	-	-	-	-	750,156
Building improvements and purchase of other assets	844,971	-	(174,467)	60,948	-	731,452
Historic collections	3,575,137	939,510	(1,742)	-	-	4,512,905
	5,170,264	939,510	(176,209)	60,948	-	5,994,513

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19. Statement of funds (continued)

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Restricted funds						
Collecting Cultures	-	6,000	(222)	-	-	5,778
Unwin Charitable Trust	15,000	-	(9,000)	-	-	6,000
British Council	2,639	-	-	-	-	2,639
Helen Bailey	1,600	13,400	(13,629)	-	-	1,371
Heritage Lottery Fund - WSCF	19,000	-	-	-	-	19,000
Gillian Dickinson	45,473	-	-	-	-	45,473
BBC Children in Need	6,235	16,317	(15,312)	-	-	7,240
Foyle - WSCF	9,900	-	-	-	-	9,900
Garfield Weston	50,000	-	-	-	-	50,000
St Nicholas' Education Trust	5,254	11,489	(14,553)	-	-	2,190
Wolfson	76,550	-	(18,787)	-	-	57,763
Well Newcastle Gateshead	1,293	1,727	(2,253)	-	-	767
National Lottery Heritage Fund - Covid-19	19,036	-	(8,237)	-	-	10,799
LNER - On Board With Stories	8,868	-	(5,622)	-	-	3,246
Guy Readman	15,000	-	(13,480)	-	-	1,520
Community Family Hub East	8,791	-	(2,970)	-	-	5,821
Shears Foundation	833	4,167	(5,000)	-	-	-
Esmee Fairbairn	-	13,898	-	-	-	13,898
Other Funds	4,920	7,076	(4,063)	-	-	7,933
	290,392	74,074	(113,128)	-	-	251,338
Total of funds	5,863,928	2,397,420	(1,805,781)	-	1,844	6,457,411

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19. Statement of funds (continued)

Restricted capital funds:
Building purchase - funds allocated solely for the purchase of the buildings at 30 - 34 Lime Street, which were converted into the Seven Stories Visitor Centre.

Building improvements and purchase of other assets - funds allocated for the improvement of the buildings at 30 - 34 Lime Street, which were converted into the Seven Stories Visitor Centre and the purchase of fixtures and fittings within the building.

Historic collections relate to the heritage assets held within Seven Stories, The National Centre for Children's Books Collection Trust.

Restricted funds:

Unwin Charitable Trust - towards the direct costs of preparing collection items for use in our exhibition and learning programmes for 12 months.

British Council – grant to fund an artist in residence event at Seven Stories with a Polish illustrator.

Helen Bailey - to support a new creative writing project for schools.

Heritage Lottery Fund WSCF - to provide funding for development of new exhibition space.

Gillian Dickinson - to support the young people's talent development programme.

BBC Children in Need - to deliver community activity with educational and well-being outcomes in the East End of Newcastle.

Foyle Foundation - to provide funding for development of our new exhibition space.

Garfield Weston Foundation - for exhibition co-curation and touring programme.

St Nicholas Education Trust – to support Reader in Residence programme at Byker and St Lawrance Primary

Wolfson Foundation - to provide funding for development of our new exhibition space.

Well Newcastle Gateshead – to deliver Food Stories multigenerational project in the East End.

National Lottery Heritage Fund re Covid-19 - Covid 19 Emergency Funding to cover working from home adaptations and Covid safety changes to Visitors Centre and City Library.

LNER - On Board with Stories - a programme of creative learning activities using books to support babies born during lockdown and their parents/carers.

Guy Readman - reader in Residence programme with Central Walker Primary School and West Walker Primary School.

Community Family Hub East - to provide Welcome to the World story packs 1) for pregnant mums and new babies born in East Newcastle; 2) for families participating in the Books for Babies courses; and 3) to families across East Newcastle to celebrate World Book Day.

Shears Foundation - to support Seven Stories learning and participation work.

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19. Statement of funds (continued)

Esmee Fairbairn - to work with young people to develop new ways to access and engage with the Collection.

Other funds relates to grants from:
Holocaust Memorial Fund; Jeremy Beecham Fund; Family Explorers; Friends of the National Lottery; Sebastian Walker Fund for Collection; Friends of British Library; The Pilgrim Trust; and James Knott Trust.

Transfers between funds largely represent a reallocation of depreciation charged on restricted assets.

20. Summary of funds

Summary of funds - current year

	Balance at 1 April 2022 £	**Income £**	**Expenditure £**	**Transfers in/out £**	**Gains/ (Losses) £**	**Balance at 31 March 2023 £**
Designated funds	**10,249**	**-**	**-**	**-**	**-**	**10,249**
General funds	**201,311**	**1,314,839**	**(1,368,995)**	**62,351**	**(1,151)**	**208,355**
Restricted capital funds	**5,994,513**	**813,762**	**(145,357)**	**(47,521)**	**-**	**6,615,397**
Restricted funds	**251,338**	**90,832**	**(103,119)**	**(14,830)**	**-**	**224,221**
	6,457,411	**2,219,433**	**(1,617,471)**	**-**	**(1,151)**	**7,058,222**

Summary of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Designated funds	10,249	-	-	-	-	10,249
General funds	393,023	1,383,836	(1,516,444)	(60,948)	1,844	201,311
Restricted capital funds	5,170,264	939,510	(176,209)	60,948	-	5,994,513
Restricted funds	290,392	74,074	(113,128)	-	-	251,338
	5,863,928	2,397,420	(1,805,781)	-	1,844	6,457,411

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21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted capital funds 2023 £	Total funds 2023 £
Tangible fixed assets	242,632	-	1,290,402	**1,533,034**
Intangible fixed assets	29,110	-	-	**29,110**
Fixed asset investments	8,877	-	-	**8,877**
Heritage assets	30,000	-	5,316,937	**5,346,937**
Current assets	82,787	224,221	16,958	**323,966**
Creditors due within one year	(174,802)	-	(8,900)	**(183,702)**
Total	218,604	224,221	6,615,397	**7,058,222**

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted capital funds 2022 £	Total funds 2022 £
Tangible fixed assets	281,025	-	1,481,608	1,762,633
Intangible fixed assets	25,795	-	-	25,795
Fixed asset investments	10,029	-	-	10,029
Heritage assets	10,000	-	4,503,187	4,513,187
Current assets	115,856	251,338	17,018	384,212
Creditors due within one year	(231,145)	-	(7,300)	(238,445)
Total	211,560	251,338	5,994,513	6,457,411

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22. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2023 £	Group 2022 £
Net income for the year (as per Statement of Financial Activities)	**600,811**	593,483
Adjustments for:		
Depreciation charges	**239,424**	221,818
Amortisation charges	**10,685**	2,762
Losses/(gains) on investments	**1,151**	(1,844)
Donation of assets acquired	**(813,750)**	(949,495)
(Decrease)/Increase in stocks	**8,920**	(8,369)
Decrease in debtors	**36,654**	41,551
Decrease in creditors	**(54,742)**	(148,995)
Net cash provided by/(used in) operating activities	**29,153**	(249,089)

23. Analysis of cash and cash equivalents

	Group 2023 £	Group 2022 £
Cash in hand	**210,722**	225,394

24. Analysis of changes in net debt

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	**225,394**	**(14,672)**	**210,722**
	225,394	**(14,672)**	**210,722**

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25. Contingent liabilities

There are legal charges over the land and buildings at 30-34 Lime Street, Newcastle upon Tyne, in favour of Newcastle City Council and the Arts Council England, which arose from capital grants awarded to the charity.

The grants are non-repayable provided that the property is not disposed of or used for purposes other than non-profit making culturally related activities, or the charity ceases to operate. The security given by the charges will be released after 25 years in 2029 by Arts Council England and 60 years in 2064 by Newcastle City Council.

26. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £22,197 (2022: £28,021). Contributions totalling £3,867 (2022: £4,951) were payable to the fund at the balance sheet date and are included within creditors.

27. Operating lease commitments

At 31 March 2023 the group and the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023 £	Group 2022 £
Not later than 1 year	**32,793**	31,550
Later than 1 year and not later than 5 years	**32,585**	64,631
	65,378	96,181

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28. Related party transactions

No member of the board received any remuneration during the current or prior year.

During the year, one trustee (2022: 0) received reimbursed expenses of £230 (2022: £nil) in respect of travel and subsistence costs. The amount owed at the year end, included in the charitable company's creditors, totalled £230 (2022: £nil).

During the course of the year, the charitable company made payments on behalf of the subsidiary, Seven Stories, The National Centre for Children's Books Collection Trust, totalling £1,600 (2022: £2,500). The amount owed at the year end, included in the charitable company's debtors, totalled £7,300 (2022: £5,700).

During the year the charitable company made net recharges of £229,481 (2022: £144,089) to its subsidiary Seven Stories Trading Limited. The charitable company recorded sales on behalf of its subsidiary of £215,989 (2022: £192,608) and the Trading Company made sales to the charitable company of £700 (2022: £10,949). The amount owed at the year end, included in the charitable company’s creditors, totalled £2,042 (2022: £14,834).

The charitable company has received donations of £71,285 (2022: £46,628) from its subsidiary undetaking, Seven Stories Trading Limited, in the year. No amounts remain outstanding in respect of these donations at the balance sheet date.

One of the trustees, Nick Kemp, is leader of Newcastle City Council. All transactions with Newcastle City Council have been on an arm’s length basis and therefore no additional disclosures are required.

One of our trustees, Matt McWhinnie, is Brand and Activity Manager at Fenwick. All transactions with Fenwick have been on an arm’s length basis and therefore no additional disclosures are required.

29. Controlling party

The charity is controlled by the Board of Trustees.

SEVEN STORIES, THE NATIONAL CENTRE FOR CHILDREN'S BOOKS

England & Wales - Charity number 1056812

Accounts

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Registered number: 03209411
Charity number: 1056812

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Annual report

31 March 2022

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Reference and administrative details
For the year ended 31 March 2022

Trustees	Professor Matthew Grenby Douglas Dodds (resigned 22 October 2021) Nick Kemp, (Interim Chair 30/03/2021 - 22/10/2021) Antony Pierce, (Interim Chair 30/03/2021 - 22/10/2021) (resigned 22 October 2021) Matthew McWhinnie Jeremy Cripps (resigned 30 November 2021) Ed Ripley (resigned 30 March 2022) Professor Ella Richie, (Interim Chair 30/03/2021 - 22/10/2021) (resigned 28 September 2022) Sheena Ray (resigned 23 February 2022) Mauricio Armellini (resigned 28 September 2022) Annie Rigby (resigned 29 June 2022) Ben Butler Jill Coleman (Resigned 30 March 2022) Rachel Mary Lippe Amy Sergison (resigned 29 June 2022) Claire Riley, Chair (appointed 22 October 2021)
Company registered number	03209411
Charity registered number	1056812
Registered office	30 Lime Street Ouseburn Valley Newcastle upon Tyne NE1 2PQ
Company secretary	Wendy Elliott
Chief executive officer	Mairi Kidd (resigned 20/08/2021) Wendy Elliott (interim role from 20/08/2021, appointed to permanent role 18/05/2022)
Independent auditor	UNW LLP Chartered Accountants Citygate St James Boulevard Newcastle upon Tyne NE1 4JE

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Bankers

NatWest
4 Bridge Street
Morpeth
Northumberland
NE61 1NG

CAF
PO Box 289
Kings Hill
West Mailing
Kent
ME19 4TA

Unity Trust
9 Brindley Place
Birmingham
B1 2HB

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Trustees' Report
For the year ended 31 March 2022

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Seven Stories, The National Centre for Children's Books Limited ("Seven Stories") (the company) for the year ended 31 March 2022. The Trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and activities

- **Policies and objectives**

Seven Stories is the National Centre for Children's Books. Our focus is literature and associated illustrations and related material specifically created for children, and the various ways these are shared, collected, conserved, promoted, and disseminated. We aim to enhance lives through access to stories.

Our vision is to put stories at the heart of every childhood, empowering young people to understand their world and imagine their future.

We celebrate the exceptional achievements of British and international writers and illustrators for children, saving their work as part of our nation's heritage, for the enjoyment and inspiration of current and future generations.

The object of the charity, as set out in our governing document, is to advance the education of the public, in particular, children and young people, in the arts and literature through the promotion of Britain's literary heritage for children, and in particular, but not exclusively, by preserving, maintaining and adding to the Collection held by the Seven Stories Collection Trust and by the promotion of access to the Collection and associated items through arts and education programmes and activities.

- **Main activities undertaken to further the charity's purposes for the public benefit**

The charity undertakes a variety of activities to deliver its objectives, including education and community centred engagement, the promotion of literacy and reading, running an attractive Visitor Centre with an active events programme, digital delivery to ensure accessibility and reach, and developing and maintaining a collection of books, manuscripts, illustrations and related materials.

Our Visitor Centre in Newcastle upon Tyne houses exhibition galleries as well as performance and creative learning spaces, a specialist bookshop and a café. We have a regular and engaging events programme including story telling, author and illustrator talks, and creativity development and learning. An extensive external programme supports talent development and brings creative activity into schools and communities to reach young people, helping to promote literacy and creativity, both via face to face engagement and our developing use of digital platforms.

The Collection is an internationally renowned archive comprising of manuscripts, artwork, related papers and books, dating from the 1930s to the present day. We hold National styling through Arts Council England's accreditation scheme, acknowledging the singularity and significance of our work to protect and share our literary heritage for children. We use our Collection as an artistic, educational and research resource to celebrate the literary and visual arts through exhibitions, displays and learning programmes, both at our Visitor Centre, and in facilities across the UK through our touring programme.

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Objectives and activities (continued)

While entry to our Visitor Centre is free, we do make some charges to our audience, including to schools and members of the general public, for some activities and events, to help fund our work. Our admission charges are kept as low as possible in order to enable wider access, balanced with the need to earn income and ensure the charity's viability.

We seek to work in communities, particular disadvantaged communities in our local area, and we receive financial support for such purposes.

At all of our Trustee meetings we keep in mind the Charity Commission's guidance on public benefit. As Trustees we see the benefits our audience, partners and communities gain from our organisation.

- **Staff and volunteers**

Seven Stories employed an average of 58 people (34 full time equivalent) in total during 2021/22; 35 on permanent contracts and 23 on casual contracts. 17 staff were full time staff and 41 on a part time basis. Staff turnover was, as expected, high as the previous year had been unusually low due to the pandemic, with staff furloughed when appropriate. A number of staff left as a result of changes to the business model described below. These changes afforded us the opportunity to recruit much needed skills to key roles in line with our business plan, including senior positions in communications and operations and systems roles as well as various community, education and digital roles which are key to our business development.

Strategic report

Achievements and performance

- **Accreditation and awards**

Seven Stories is a National Portfolio Organisation (Band 2) supported by Arts Council England. It is also an Accredited Museum with National styling.

Seven Stories holds the accredited 'Investing In Children' award recognising the quality of its work with children and young people.

- **Review of activities**

The year commenced with Seven Stories in a relatively strong position, with significant financial reserves, notwithstanding the previous impact of Covid related restrictions, a new senior management team, including a permanent Chief Executive, and the prospect of Covid restrictions being largely lifted, enabling new exhibitions at the Newcastle Visitor Centre. Indeed, the year saw a number of significant items of progress, although there were also some significant challenges.

Major areas of progress have included the formal acceptance into the Collection of the Judith Kerr archive, following a period of loan, which, along with other additions, has confirmed the status of the Collection as one of the most important in Britain; the development of a new online presentation of some of the Collection's content, improving accessibility; renewed focus on the Visitor Centre, and a new Business Model, introduced to improve accessibility further. Of particular importance, was the award of NPO extension funding from Arts Council England, establishing a strong potential basis for an application for the subsequent period 2023-2026.

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Strategic report (continued)

Achievements and performance (continued)

However, a bold and experimental investment in exhibition format and content did not deliver expectations in visitor numbers, and this had a significant impact on overall financial performance. As a vibrant, arts-based organisation, it is important that such experimentation continues where enabled by financial reserves. In addition, the renewed focus on the Visitor Centre, previously restricted by Covid, reduced the extent of some other activities with additional financial impacts.

The interim Board took steps to address these challenges and encouraged the introduction of a new business model, based on free general access to the Visitor Centre, with specific payments for particular events. In addition, changes took place to leadership and organisational capacity, including a new Chair of Trustees to replace an interim position and new Senior Leadership. These changes have significantly improved operational performance. Further development is ongoing.

We have also improved our existing activities. We have learnt that performance and live elements substantially improve value. We have developed our audience from typically Early Years and Key Stage 1 to Key Stages 2 and 3. Our new business model includes different types of exhibitions in our galleries, delivering more access and engagement through less complex (and substantially lower cost) displays. Moreover, we have been able to utilise materials from our own Collection more extensively, and we have co-produced exhibits with children and young people, receiving Investing In Children accreditation as recognition of excellent participatory practice. We have recognised that a major barrier to experiencing our Visitor Centre activities and displays was a relatively high entry cost. After piloting different approaches, we recognised our responsibility in terms of widening access as both a National Centre but also a regional organisation with a national asset in our Collection. Therefore, we took the decision to implement our first ever free entry model, thereby removing the principal barrier to accessing culture. This resulted in a substantial increase in attendance numbers, including a very welcome increase in new visitors from less affluent communities. We have also re-introduced our education offer, streamlining the number of activities previously offered and bringing it up to date with the renewed educational priorities.

Our main focus following the lifting of COVID restrictions was on face to face delivery, engaging our most impacted communities and focusing on delivering support to children and families worsened in the aftermath of COVID, continuing our portfolio of activities with community-based organisations, working with partners to provide a more holistic offer and meeting the needs of local disadvantaged communities. Our touring programme gradually reopened with Judith Kerr's The Tiger Who Came to Tea facsimile tour and David McKee's Elmer and Friends original artwork both touring nationally.

We continued to capitalise on the move to digital delivery with the launch of our online platform showcasing the Collection and stories behind it, https://sevenstories.online/ This strategic development makes our Collection available to all through very rich, entertaining and engaging online content for the first time. This will become a vital new aspect of Seven Stories.

Collection

As noted above, major progress has been made with the Collection's content, as well as in access and presentation. There were particularly noteworthy additions, including the notable achievement of the formal Acceptance in Lieu of the Judith Kerr archive. This is a significant addition to our Collection and it allows us to further embark on our aspirations to diversify our audiences and improve access to culture across the region and beyond.

We were also able to take part in a Windrush project to highlight the contributions of Caribbean and British-Caribbean writers to British children's literature, exploring the ways they have transformed and deepened our understanding of history, culture and the story of the Windrush. This primarily drew on our archives for four writers; Grace Hallworth, Grace Nichols, John Agard and Valerie Bloom. We need to recognise further how our Collection has developed into a significant National Treasure, which we need to continue to expand, document and enhance accessibility.

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Strategic report (continued)

Achievements and performance (continued)

Facilities

We were able to consolidate the significant changes made in respect of facilities but previously interrupted by lockdown and other restrictions. The move of the Collection to the Central Library was completed with staff able return to work on-site. The closure of the MX5 remote offices and consolidation at the Visitor Centre meant staff were able to work more closely and ensure a streamlined and efficient plan for reopening. Considerable benefits were delivered in respect of team working, as well as cost reductions.

Leadership

The year saw major changes in leadership. At the beginning of the year, a small group of Trustees took over the Chair role jointly following the departure of the previous Chair due to health reasons. Seven Stories recognised a vital need to reform its governance and, following the appointment of a new permanent Chair at the end of 2021, engaged the specialist law firm DAC Beachcrofts, on an honorary basis, to conduct a full independent review. They have now made a series of recommendations based on best practice and in line with charitable organisations operating in the Cultural sector. These included the responsibilities and duties of the Board and individual Trustees, the size and skills mix, its structure, decision-making processes, delegations, reporting and relationships with the permanent Executive. These recommendations have been considered by the Board, adopted as appropriate, and are now being implemented. Key ongoing developments now being taken forward include clarifying roles and duties, new appointments to improve diversity and competence, and greater focus. We are introducing a new sub-committee structure that will better enable the effective oversight of the organisation, enabling greater focus on specific issues. We will include our stakeholders in the design and implementation of these arrangements. Managing risk will also have a more formal focus, with particular Trustee input on identifying and mitigating emerging risks, safeguarding the security of the organisation and achieving environmental sustainability.

We envisage that the new fit-for-purpose Board led governance arrangements will be in place by the commencement of 2023.

In the course of the year, Wendy Elliott was appointed as Chief Executive, initially on an interim basis, to develop and implement the new business model. Wendy was subsequently confirmed as permanent Chief Executive Officer in May 2022. The current Leadership structure has been redesigned to take account of the changing nature of the organisation and its activities, and includes specific Programme management responsibilities. The Seven Stories Chief Executive has overall management responsibilities for the organisation, supported by a Finance Director, a Marketing and Business Development Head and an Organisation Systems Head. The Chief Executive has overall responsibility for the successful delivery of the business strategy, reporting to the Board.

- **Fundraising and development**

Seven Stories has a small development and relationship workforce that oversees our fundraising, marketing and communication activities and manages the grants and donations received from trusts and foundations. We aim to generate funds through a small number of fundraising events, in addition to working with corporate donors and sponsors. Relationships are also cultivated to encourage support and donations to the Collections' Trust, either direct gifts of artwork and manuscripts or financial support for the purchase thereof. Heritage assets with an estimated value of £940,395 (£250,000 in 2019/20) were donated to The Collection Trust, principally comprising the Judith Kerr archive, much of which was already held on a long-term loan.

The Vital North Partnership (VNP) is supported by Arts Council England's National Portfolio Funding and Newcastle University for 2018 - 2023. This initiative aims to advance strategies that consolidate Newcastle's position as a centre of excellence for children's literature through research, teaching and public engagement.

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Strategic report (continued)

- **Financial review**

The financial position of the organisation and performance during the year reflects the ongoing pressures highlighted above.

A loss of £191,712 was made on unrestricted funds, compared with a surplus of £201,813 in the prior year. Combined with surpluses on restricted funds and restricted capital funds, there was an overall surplus of £593,483 for the year compared with £348,565 in the preceding year.

2021/22 was the fourth year of delivery of our Arts Council England National Portfolio Organisation activity, which was granted originally to support our work from 2018/19 to 2021/22. The grant includes additional funding to support the development and growth of the Collection and to support the potential of the Vital North Partnership with Newcastle University. The overall annual grant was £588,230. Due to the pandemic, an additional year of funding for 2022/23 was made available which we were successful in our application for.

Other grants awarded during the year included:
- £47,742 from the Enid Blyton Fund for Seven Stories managed by the Community Foundation.
- £20,000 from the Newcastle Culture Investment Fund managed by the Community Foundation.
- £16,400 from the Helen Bailey Trust.
- £55,594 from The Esmée Fairbairn Collections Fund – delivered by the Museums Association.

We had received £160,000 from the Weston Culture Fund for work in 2020/21 and 2021/22 for digital development and website improvements.

We are grateful to the following organisations who supported our work during the financial year:

Corporate Sponsors & Supporters:
Belsay Hall Educational Partnership
Durham Cathedral
Durham University
North East Social Tech Fund
Oxford University Press
Reach PLC/ Mirror Group Pride of Britain
Stowe Family Law

Revenue and Project Grants:
Arts Council England
ACE Culture Recovery Fund 1
BBC Children in Need
Community Foundation - Guy Readman Endowment Fund
Community Foundation – Sowler Family Fund
Community Foundation - Enid Blyton Fund for Seven Stories
Community Foundation - Newcastle Culture Investment Fund
The Esmée Fairbairn Collections Fund – delivered by the Museums Association
Eyre Family Foundation
Family Explorers
Garfield Weston Foundation
Gillian Dickinson Trust
Helen Bailey Trust
Ministry of Housing, Communities & Local Government
Jeremy Beecham Fund at the Community Foundation
Newcastle City Council
Newcastle Culture Education Partnership

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Sir James Knott Trust
St Nicholas Education Trust
The Shears Foundation
The Sir Tom Cowie Charitable Trust
Unwin Charitable Trust
WA Handley Trust
Well Newcastle Gateshead
Wolfson Foundation
and the Friends of Seven Stories and many other individual supporters

In kind support of events programme:
Newcastle University

- **Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Management has determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern. It expects that the cost of living pressures might have some impact in relation to expected performance but that these can be mitigated through ongoing cost control and diversification of income and delivery methods. Our charitable objectives already mean we deliver activities that align with the aims of many Trusts and Foundations.

It is vital that the development of the new business model and the introduction of expanded activities, supported by organisational development, is achieved. Timely action was taken to restrict the impact of unsuccessful activities and recommence other, more promising and profitable, areas in the year. While the turnaround took some months to be evident, the first four months of 2022/23 were profitable and while spend has increased in subsequent months, this has been in a controlled way and in line with our income generation plans.

A revised risk management process has been introduced, enabling Trustees to have greater assurance. Implementation of recommendations from the Governance review mean we will have a Board which is equipped to take us through upcoming challenges.

The appointment of Claire Riley as our new Chair and Wendy Elliott as permanent Chief Executive have put us on a strong footing for the future, with steps already being taken to ensure strong creative leadership and digital development to underpin our business model.

We will continue to develop our business model to ensure resilience to potential future restrictions and, at the same time, fully deliver our charitable objectives as a viable business and sustainable organisation.

Looking to next year, the most important issue is the continuation of ACE support for the NPO 2023-26 funding period. Our business plan is clearly aligned to ACE's Let's Create strategy and its four investment principles. We were delighted to receive an offer for the full amount of our application in October 2022 with final submission of our business plan due in January 2023.

Investment in management and data systems and processes will improve our ability to make more informed management decisions. Seven Stories is proud to participate in Bloomberg Philanthropies' Digital Accelerator for Arts and Culture, which supports arts organizations through strategic improvements to technology infrastructure.

New external educational and community activity has been developed. We are expanding digital programming, products and services for families and schools, as well as our award winning community programmes.

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- **Reserves policy**

Trustees reviewed the reserves policy in September 2015 following the completion of a capital refurbishment project. It was agreed that the minimum level of cash reserves should be equivalent to those that allow the charity to fulfil its statutory obligations arising on closure and provide sufficient working capital to enable arrangements to be made to re house the Collection. This minimum reserve requirement was estimated to be £175,000 at March 2022. The Trustees also agreed that additional reserves should be set aside to enable the charity to respond to significant unplanned events, such as unexpected capital expenditure or the loss of a key funding stream. Including provision for these unplanned events, the reserves target is between £350,000 to £425,000.

At 31 March 2022, the group held free reserves of £95,260 in deficit (£174,816 surplus in 2020/21), being £211,560 unrestricted funds less £25,795 intangible fixed assets and less £281,025 of tangible fixed assets as a decision was made to invest in new Gallery spaces during the year. Work has been undertaken to develop a financial strategy that will enable the level of reserves to be increased over the next four years.

- **Plans for future periods**

We will build on the changes implemented in the second half of the year ended 31 March 2022 to create a platform for future development and growth. Plans include:

- Substantially increasing our audience and, in particular, substantially improving access and participation by individuals and communities, notably children and young people and disadvantaged communities. We will target, in particular, people and communities that are facing difficulties in engaging with us.
- Expanding our portfolio of activities to enable the greater achievement of our objectives, and enhanced financial sustainability.
- Continue to invest in refreshing our Gallery spaces.
- Invest and develop touring programme, in particular facsimile tours, to ensure we remove barriers to acess by touring to a wider range of accessible venues.
- The extension of the diversification programmes, including education and community based activities.
- Addressing the backlog with Collection management, further digitisation of the Collection and enhancing access.
- The identification of the most appropriate commercial models, particularly to access the Visitor Centre.
- The development of management and organisational capacity, including creative leadership.
- Embedding our new Governance model, including a refreshed main Board.
- Consolidation of finances, including reserves.
- Further development of the digital and online offer.

Our business plan for the next financial year builds on our previous success in maintaining tight cost control; growing and diversifying income, notably through schools and communities and an enhanced Visitor Centre experience; and greater digital delivery. We will prioritise an enhanced educational offer, and inspire and enable creativity in our audiences and partners. We will extend and deepen the book and story related activities we can undertake online.

Supported by grant funding, we will explore new approaches to exhibitions and similar activity, both in our Visitor Centre and with Touring venues. We will undertake development work with the Collection, enhancing its management and accessibility, including through the partnership with Newcastle University. We will be building new capacity through the development of our people, notably in creativity.

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Structure, governance and management

- **Constitution**

Seven Stories, The National Centre for Children's Books is a company limited by guarantee governed by its Articles of Association. It was first registered with the Charity Commission on 7 May 1996. The charity's governing documents, and those of its related parties, were reviewed and updated in October 2018.

- **Methods of appointment or election of Trustees**

The management of the group and the charity is the responsibility of the Trustees who are elected and co opted under the terms of the Memorandum of Association.

- **Organisational structure and decision-making policies**

The Board of Trustees administers the charity. The Board meets between four and six times a year under usual circumstances, and there are three committees: Executive, Finance and Organisation Committee; Literature, Programme and Acquisitions Committee and the Strategy and Development Group. However, the implementation of the Governance Review will introduce significant changes to the sub-committee structure, particularly to align with the new NPO programme, and the underpinning Arts Council England's Lets Create Strategy.

Mairi Kidd was appointed to the Chief Executive position, and started in post from 1 February 2021, Following Mairi's departure in August 2021, Wendy Elliott took up post as interim Chief Executive Officer.

An interim Board structure was introduced in March 2021, following the retirement of the previous Chair of Trustees due to ill health. Claire Riley was appointed as Chair of Trustees in October 2021.

During the second half of 2021/22 an interim management team was in place, pending the appointment of a new permanent Chief Executive. The management team consisted of an interim Chief Executive Team appointed by the Trustees from October 2021 to manage the day to day operations of the charity. To facilitate effective operations the Team have delegated authority, within the terms of delegation approved by the Trustees, for operational matters including finance, employment and artistic activity.

To fulfil these responsibilities, the Team worked with a senior management team comprised additionally of the Finance Director, a Director of Marketing and Communcations and an Operations Director.

- **Pay policy for senior staff**

The rates of pay and remuneration of all staff, including the senior management team, are set by the Board of Trustees. The annual pay review considers statutory changes, inflation, the affordability of a pay award in the context of financial performance, benchmarking to similar organisations and the outcomes of an individual appraisal process.

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Structure, governance and management (continued)

- **Related party relationships**

Seven Stories has two related entities: Seven Stories Trading Company and Seven Stories Collection Trust. The accounts of these entities are consolidated with those of the main charity in these accounts.

Seven Stories Trading Limited is the charity's wholly owned subsidiary, a company limited by shares, registered in England and Wales, number 04177830. It operates commercial activities including the bookshop, cafe and corporate events. The subsidiary company commenced trading on 19 August 2005. Profits of the subsidiary are gifted to the charity.

Seven Stories, The National Centre for Children's Books' Collection Trust is an independent charitable trust which was established by a Declaration of Trust dated 9 June 2005 and whose Trustees are appointed by Seven Stories Board of Trustees. It is a separate charity, registered with the Charity Commission with charity number 1115167. The main object of the Collection Trust is to own and protect the archive. It is supported by Seven Stories staff through a management agreement dated 25 August 2006. These accounts are consolidated solely to comply with SORP and company law requirements and are not intended to affect the status of both charities as separate legal entities.

The trading company's Articles of Association and the Collection Trust's Deed of Trust and management agreement were updated in 2015. This reflected the change of name of the main Charity, and also aligned these documents with the changes made in the Charity's Articles and recent legislation. For the Collection Trust, these changes were agreed through a Deed of Variation at the Trustees meeting held on 25 February 2016. For the trading company, the changes were adopted by special resolution at a meeting of the trading company Directors on 18 November 2015.

- **Key risks and uncertainties**

The key risks facing Seven Stories in 2022/23 are associated with ensuring business viability and sustainability in a changing environment and an uncertain public and private funding landscape, while ensuring we continue to meet our charitable objectives.

A key aspect of these risks is ensuring the organisation develops its governance, its portfolio of activities and delivery methods, its management and organisational capability and its financial reserves, to adapt to such changes.

While significant changes have been made in terms of controlling expenditure and investing in new income streams (in particular digital), uncertainty over how audiences will behave in the future, changing government policy, changes to our ways of working across the business and potential issues around the availability of funding will continue to be carefully monitored.

Other potential immediate risks might arise from the impact of the cost of living crisis both in terms of our own costs increases and of reductions in the visitor income, as well as:

- Underperformance by staff team due to increased levels of anxiety or sickness absence;
- Poor digital infrastructure inhibiting transition to online activity and new business development;
- Lack of business continuity from key suppliers and contractors ceasing to trade;
- Failure to meet fundraising, donations and sponsorship income targets.

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Structure, governance and management (continued)

- **Risk mitigation**

The priorities outlined in 'Plans for future periods' above have been identified specifically in order to address these concerns. Progress towards these strategic objectives is being very closely monitored by the Board and Arts Council England. Our risk schedule is reviewed and updated at each Board meeting and work is ongoing to ensure that risk management is embedded from governance of the organisation and throughout the management structure.

- **Information on fundraising practises**

Our general approach to fundraising is to work with existing networks and relationships, with general, non targeted appeals for specific projects. This includes our Friends, Chapter One founders, corporate and general visitors. We are mindful to ensure the protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches and undue pressure to donate. Seven Stories does not work with any commercial participators or professional fundraisers, beyond using fundraising websites such as Crowdfunder.

Our fundraising conforms to recognised standards and, if there were any complaints about our approach, they would be handled using our formal Complaints Policy and Procedures. There were no complaints in the year under review.

Disclosure of information to auditor

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

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

Auditor

The auditor, UNW LLP, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 30 November 2022 and signed on their behalf by:

DocuSigned by:
Claire
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Claire Riley, Chair

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Statement of Trustees' responsibilities
For the year ended 31 March 2022

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group and the charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees on 30 November 2022 and signed on its behalf by:

DocuSigned by:
Claire
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Claire Riley, Chair

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Independent auditor's report to the Members of Seven Stories, The National Centre for Children's Books Limited

Opinion

We have audited the financial statements of Seven Stories, The National Centre for Children's Books Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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Other information

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

We have nothing to report in this regard.

Opinion 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 including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

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

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

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.

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

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the directors and other management (as required by Auditing Standards) and from inspection of the company's legal correspondence and we discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations. We have communicated identified laws and regulations within our audit team and remained alert to any indications of non compliance throughout the audit.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we have assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines and litigation. We identified the following areas as those most likely to have such an effect; health and safety, employment law, safeguarding, data protection and certain aspects of company legislation, recognising the nature of the company's activities. Auditing Standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Through these procedures we have not become aware of any actual or suspected non-compliance.

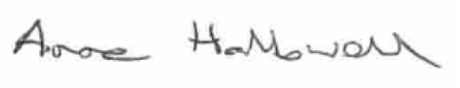
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed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

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

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Use of our report

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



Anne Hallowell BSc DChA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

30 November 2022

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 March 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted capital funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and legacies	3	**42,922**	**-**	**939,495**	**982,417**	364,900
Charitable activities	4	**1,030,961**	**73,513**	**-**	**1,104,474**	1,303,993
Other trading activities	5	**274,571**	**-**	**-**	**274,571**	133,534
Investments		**-**	**561**	**15**	**576**	800
Other income	6	**35,382**	**-**	**-**	**35,382**	47,313
Total income and endowments		**1,383,836**	**74,074**	**939,510**	**2,397,420**	1,850,540
Expenditure on:						
Raising funds		**204,344**	**-**	**-**	**204,344**	103,095
Charitable activities		**1,312,100**	**113,128**	**176,209**	**1,601,437**	1,387,465
Total expenditure		**1,516,444**	**113,128**	**176,209**	**1,805,781**	1,490,560
Net (expenditure)/income before net gains on investments		**(132,608)**	**(39,054)**	**763,301**	**591,639**	359,980
Net gains on investments		**1,844**	**-**	**-**	**1,844**	1,428
Net (expenditure)/income		**(130,764)**	**(39,054)**	**763,301**	**593,483**	361,408
Transfers between funds	17	**(60,948)**	**-**	**60,948**	**-**	-
Net movement in funds		**(191,712)**	**(39,054)**	**824,249**	**593,483**	361,408
Reconciliation of funds:						
Total funds brought forward		**403,272**	**290,392**	**5,170,264**	**5,863,928**	5,502,520
Net movement in funds		**(191,712)**	**(39,054)**	**824,249**	**593,483**	361,408
Total funds carried forward		**211,560**	**251,338**	**5,994,513**	**6,457,411**	5,863,928

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

The notes on pages 23 to 51 form part of these financial statements.

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Consolidated balance sheet
As at 31 March 2022

	Note		2022 £		2021 £
Fixed assets					
Intangible assets	10		**25,795**		-
Tangible assets	11		**1,762,633**		1,815,398
Heritage assets	12		**4,513,187**		3,562,792
Investments	13		**10,029**		8,185
			6,311,644		5,386,375
Current assets					
Stocks	14	**46,969**		38,600	
Debtors	15	**111,849**		153,400	
Cash at bank and in hand		**225,394**		672,993	
		384,212		864,993	
Creditors: amounts falling due within one year	16	**(238,445)**		(387,440)	
Net current assets			**145,767**		477,553
Total assets less current liabilities			**6,457,411**		5,863,928
Total net assets			**6,457,411**		5,863,928
Charity funds					
Restricted capital funds	17		**5,994,513**		5,170,264
Restricted funds	17		**251,338**		290,392
Unrestricted funds	17		**211,560**		403,272
Total funds			**6,457,411**		5,863,928

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

The financial statements were approved and authorised for issue by the Trustees on 30 November 2022 and signed on their behalf by:

DocuSigned by:
Claire
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Claire Riley, Chair

The notes on pages 23 to 51 form part of these financial statements.

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Balance sheet
As at 31 March 2022

	Note		2022 £		2021 £
Fixed assets					
Intangible assets	10		**25,795**		-
Tangible assets	11		**1,762,633**		1,815,398
Heritage assets	12		**10,000**		-
Investments	13		**10,030**		8,186
			1,808,458		1,823,584
Current assets					
Stocks	14	**20,000**		-	
Debtors	15	**108,046**		181,629	
Cash at bank and in hand		**167,025**		613,305	
		295,071		794,934	
Creditors: amounts falling due within one year	16	**(230,308)**		(376,354)	
Net current assets			**64,763**		418,580
Total assets less current liabilities			**1,873,221**		2,242,164
Total net assets			**1,873,221**		2,242,164
Charity funds					
Restricted capital funds			**1,442,983**		1,595,127
Restricted funds			**251,338**		290,392
Unrestricted funds			**178,900**		356,645
Total funds			**1,873,221**		2,242,164

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BALANCE SHEET (CONTINUED)
As at 31 March 2022

The charity's net movement in funds for the year was £(368,943) (2021 - £67,849).

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

The financial statements were approved and authorised for issue by the Trustees on 30 November 2022 and signed on their behalf by:

DocuSigned by:
Claire
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Claire Riley, Chair

Company registered number: 03209411

The notes on pages 23 to 51 form part of these financial statements.

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Consolidated statement of cash flows
For the year ended 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	20	**(249,089)**	610,318
Cash flows from investing activities			
Purchase of intangible assets		**(28,557)**	-
Purchase of tangible fixed assets		**(169,053)**	(117,606)
Purchase of heritage assets		**(900)**	-
Net cash used in investing activities		**(198,510)**	**(117,606)**
Change in cash and cash equivalents in the year		**(447,599)**	**492,712**
Cash and cash equivalents at the beginning of the year		**672,993**	180,281
Cash and cash equivalents at the end of the year	21	**225,394**	672,993

The notes on pages 23 to 51 form part of these financial statements

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1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Seven Stories, The National Centre for Children's Books Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

1.2 Going concern

Trustees have determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern. It expects that the cost of living pressures might have some impact in relation to expected performance but that these can be mitigated through ongoing cost control and diversification of income and delivery methods. Our charitable objectives already mean we deliver activities that align with the aims of many Trusts and Foundations. We have confirmed funding from Bloomberg Philanthropies to support with implementation of digital technology including a new CRM and website over the next 2 years to better inform future business decisions, and have been successful in the application process to date for ACE NPO funding and support for 2023-26.

Investment in communication means we can continue to keep our existing audience engaged as well as being able to reach new audiences.

Despite a number of changes to the management team and Board during 2021/22 and 2022/23, we have worked hard to keep staff and stakeholders engaged. Our cash reserves and flexible business model have enabled us to respond quickly to challenges and reinstate previously successful models when analysis of performance indicated this was required.

We continue to update a scenario-based cash flow forecast weekly, and our cash reserves remain positive.

We utilise a rigorous risk analysis and management approach and continue to undertake horizon scanning. Risks are considered by the Board at our regular meetings, with mitigations implemented and monitored.

Implementation of the governance review recommendations and appointment of a permanent CEO, as well as investment in creative and digital capability, will ensure a strong leadership platform and flexible and diverse organisation able to respond to challenges.

Having considered all the steps taken as described above, and taking into account the strong cash position of the organisation, alongside the revised business model now in place, the Trustees consider that the going concern basis of preparation remains appropriate.

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1. Accounting policies (continued)

1.3 Income

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

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

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

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

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

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

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

Museum and galleries tax relief income is recognised based on a prudent estimate of the amount of qualifying expenditure and applying the repayment rates set out in current HMRC legislation.

1.4 Expenditure

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

Costs of raising funds are those incurred by Seven Stories Trading Limited. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at the head office.

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1. Accounting policies (continued)

1.4 Expenditure (continued)

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

1.5 Interest receivable

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

1.6 Intangible assets and amortisation

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Computer software	-	33 %

1.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £100 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Exhibition costs, where the exhibition will be toured for in excess of one year, are capitalised at the cost of building the exhibition.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

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1. Accounting policies (continued)

1.7 Tangible fixed assets and depreciation (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Land	- Not depreciated
Freehold property	- 2% straight line down to residual value
Long-term leasehold property	- 4% straight line
Fixtures and fittings	- 5-33% straight line
Exhibitions	- Over the lifetime of the exhibition

1.8 Heritage assets

The group has a collection of heritage assets which are held in support of their objectives and are used as a unique and inspiring resource to create exhibitions, artistic and learning and research programmes dedicated to celebrating children's books.

Acquisitions are made by purchase or donation. The heritage assets are included on the balance sheet on the basis of either:

- purchase price where material has been purchased on the open market;
- independent valuations by professional experts;
- valuations by Seven Stories staff using knowledge of the current market and the value of comparable works in the collection; or
- information provided by the National Audit Office for England and the acceptance in lieu panel.

It is not the intention of the Trustees to dispose of any of the assets within the Collection. Any disposals would be subject to the approval of the Trustees, although this would only happen in exceptional circumstances, and there must be sound curatorial reasons for disposal.

The items included within the Collection are deemed to have indeterminate lives and a high residual value; hence the Trustees do not consider it appropriate to charge depreciation.

Please refer to Note 12 of the accounts for further information on the heritage assets held by the group.

1.9 Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

Stock includes books, merchandise and cafe food and drink stocks.

1.10 Debtors

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

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1. Accounting policies (continued)

1.11 Cash at bank and in hand

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

1.12 Liabilities and provisions

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

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

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

1.13 Financial instruments

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

1.14 Operating leases

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

1.15 Pensions

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

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1. Accounting policies (continued)

1.16 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

The key source of judgment within the financial statements is the valuation of heritage assets, as there is often no readily available open market valuation available. Valuation is assessed based upon other comparable items coming to the market periodically and is reviewed annually by Collections staff. It is not the intention of the Trustees of Seven Stories, The National Centre for Children’s Books Collection Trust to dispose of any of the assets within the Collection.

Other key estimates used within the preparation of the financial statements are the useful lives of the fixed assets of the charity, which are used to set depreciation rates.

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3. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted capital funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	41,217	939,495	**980,712**	267,007
Government grants	1,705	-	**1,705**	97,893
	42,922	939,495	**982,417**	364,900
Total 2021	114,900	250,000	364,900	

4. Income from charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Visitor centre	462,615	-	**462,615**	520,388
Programme	85,762	16,077	**101,839**	110,470
Learning	240,314	49,031	**289,345**	536,563
Collections	143,529	8,405	**151,934**	104,322
Exhibitions	98,741	-	**98,741**	32,250
	1,030,961	73,513	**1,104,474**	1,303,993
Total 2021	1,135,448	168,545	1,303,993	

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5. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Corporate sponsorship	-	**-**	370
Total 2021	370	370	

Income from non charitable trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Charity trading income	274,571	**274,571**	133,164
	274,571	**274,571**	133,164
Total 2021	133,164	133,164	

6. Other incoming resources

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Other operating income	1,184	**1,184**	13,933
Other income	34,198	**34,198**	33,380
	35,382	**35,382**	47,313
Total 2021	47,313	47,313	

Other income in the year relates to receipts relating to the Value North Partnership and community funding receipts.

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7. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	**Support costs 2022 £**	**Total funds 2022 £**	Total funds 2021 £
Visitor centre	825,023	218,806	**1,043,829**	644,663
Programme	41,892	14,587	**56,479**	69,658
Learning	113,407	83,146	**196,553**	379,639
Collections	82,878	40,114	**122,992**	153,233
Exhibitions	120,290	43,032	**163,322**	103,591
Development	10,968	7,294	**18,262**	36,681
	1,194,458	406,979	**1,601,437**	1,387,465
Total 2021	1,076,037	311,428	1,387,465	

Analysis of support costs

	Total funds 2022 £	Total funds 2021 £
General office costs	**56,363**	63,499
IT support	**4,966**	8,007
Travel and accomodation	**1,462**	152
Subscriptions and licenses	**4,602**	1,744
Bank charges	**4,309**	1,646
Wages and salaries	**270,640**	184,288
Professional fees	**64,637**	52,092
	406,979	311,428

The support costs have been allocated to each activity on the basis of headcount.

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8. Auditor's remuneration

	2022 **£**	2021 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	**15,000**	15,000
Fees payable to the charity's auditor in respect of:		
All non-audit services not included above	**900**	900

9. Staff costs

	Group 2022 £	Group 2021 £	**Charity 2022 £**	Charity 2021 £
Wages and salaries	**889,536**	786,016	**821,952**	748,467
Social security costs	**59,375**	57,123	**56,164**	55,466
Contribution to defined contribution pension schemes	**28,021**	29,142	**25,929**	27,910
	976,932	872,281	**904,045**	831,843

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

	Group 2022 No.	Group 2021 No.
All employees	**58**	60

The average headcount expressed as full-time equivalents was:

	Group 2022 No.	Group 2021 No.
Visitor centre and learning	**18**	15
Collections	**5**	4
Trading	**3**	4
Management	**8**	9
	34	32

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9. Staff costs (continued)

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

Remuneration and benefits received by key management personnel

The key management personnel of the group comprise those of the charity and the key management personnel of its trading subsidiary, Seven Stories Trading Limited.

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the Trustees for planning, directing and controlling the activities of the charity. During 2021/22 they were:

Chief Executive – Mairi Kidd
Collections Director and Acting Co-Chief Executive – Sarah Lawrance
Creative Director and Acting Co-Chief Executive – John Coburn
Head of HR and Operations - Wendy Elliott
Finance Director - Lucy Smyth

The total employee benefits of the key management personnel of the group were £178,326 (2021: £204,778).

10. Intangible assets

Group and charity

	Computer software £
Cost	
Additions	**28,557**
At 31 March 2022	**28,557**
Amortisation	
Charge for the year	**2,762**
At 31 March 2022	**2,762**
Net book value	
At 31 March 2022	**25,795**
At 31 March 2021	-

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11. Tangible fixed assets

Group and charity

	Freehold property £	Long-term leasehold property £	Fixtures and fittings £	Exhibitions £	Assets under construction £	Total £
Cost or valuation						
At 1 April 2021	**3,552,626**	**21,419**	**3,250,967**	**344,059**	**113,410**	**7,282,481**
Additions	**-**	**-**	**18,162**	**10,391**	**140,500**	**169,053**
Transfers between classes	**-**	**-**	**-**	**253,910**	**(253,910)**	**-**
At 31 March 2022	**3,552,626**	**21,419**	**3,269,129**	**608,360**	**-**	**7,451,534**
Depreciation						
At 1 April 2021	**2,552,626**	**13,709**	**2,565,577**	**335,171**	**-**	**5,467,083**
Charge for the year	**-**	**856**	**177,070**	**43,892**	**-**	**221,818**
At 31 March 2022	**2,552,626**	**14,565**	**2,742,647**	**379,063**	**-**	**5,688,901**
Net book value						
At 31 March 2022	**1,000,000**	**6,854**	**526,482**	**229,297**	**-**	**1,762,633**
At 31 March 2021	1,000,000	7,710	685,390	8,888	113,410	1,815,398

Included in land and buildings is freehold land of £504,208 which has not been depreciated.

As detailed in note 23, Newcastle City Council and Arts Council England have a legal charge over the land and buildings.

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12. Heritage assets

Group

Assets recognised at cost/valuation

	Antiquarian books and manuscripts 2022 £	Total 2022 £
Carrying value at 1 April 2021	3,562,792	**3,562,792**
Additions	950,395	**950,395**
Carrying value at 31 March 2022	4,513,187	**4,513,187**

Charity

Assets recognised at cost/valuation

	Antiquarian books and manuscripts 2022 £	Total 2022 £
Additions	10,000	**10,000**
Carrying value at 31 March 2022	10,000	**10,000**

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12. Heritage assets (continued)

5 year summary of heritage asset transactions

Group

	2022 £	2021 £	2020 £	2019 £	2018 £
Purchases					
Purchases	900	-	-	7,500	142,350
Donated assets at valuation	949,495	250,000	5,500	16,450	347,180
Total additions	950,395	250,000	5,500	23,950	489,530

Charity

	2022 £	2021 £	2020 £	2019 £	2018 £
Purchases					
Donated assets at valuation	10,000	-	-	-	-
Total additions	10,000	-	-	-	-

Management of heritage assets
Seven Stories complies fully with the standards required by the Museum Accreditation scheme, having first become an Accredited museum in 2008. Accreditation was renewed with National Styling in 2016. The prime instrument of collection management is the Collection Management Policy, which Seven Stories executes on behalf of Seven Stories, The National Centre for Children's Books Collection Trust. Seven Stories and the Collection Trust have also approved the following related policies, covering all areas of collection management:

- Collection Development Policy
- Collection Information Policy
- Collection Access Policy
- Collection Care and Conservation Policy.

Nature and scale of heritage assets
Seven Stories is the only institution in the UK actively working to collect, preserve, conserve, exhibit and make available original manuscripts, artwork and related pre- and post- publication materials by the creators of modern and contemporary British books for children from the 1930s to the present day. The charity began collecting in 1996 and the Collection now comprises over 140 individual collections representing (to varying extents) the work of over 250 different authors, illustrators, editors and publishers and an estimated 35,000 books. Much of the work has been donated by the creators of the work or their families, though an acquisition budget coupled with external fundraising from sources including the Heritage Lottery Fund, the Art Fund, the ACE/V&A Purchase Grant Fund and the Friends of the National Libraries, has enabled a number of significant purchases.

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The nature and extent of the holdings of original material varies from work relating to a single title to substantial collections which document an entire career, and may include business records and correspondence with publishers, as well as manuscripts and artwork in various stages. A wide range of genres and formats is covered. Fantasy, historical fiction, picture books and drama are particularly well represented.

Among the most extensive writers' archives are those of Elisabeth Beresford, Peter Dickinson, Berlie Doherty, Diana Wynne Jones, Jan Mark, Michael Morpurgo, Beverley Naidoo, Martin Waddell, Robert Westall, Ursula Moray Williams and David Wood. Many others are also represented by significant bodies of work – for example Leila Berg, Lucy Boston, Leon Garfield, Eva Ibbotson, Clive King, Philip Pullman, Michael Rosen, Catherine Storr and Geoffrey Trease. The Collection also includes the largest Enid Blyton archive in public ownership (though sadly only a small proportion of her enormous output survives in manuscript or typescript form).

Around 120 illustrators are currently represented by original work, in a wide variety of techniques – from wood engraving (John Lawrence) to digital art (Chris Haughton) - and formats, from illustrated fiction to pop-ups. The most extensive collections include the Judith Kerr archive, comprising artwork for 24 titles, including The Tiger who Came to Tea (1968) and all of the Mog series (1970-2002) and the Helen Craig archive, which contains complete preparatory and finished artwork for 18 titles in the popular Angelina Ballerina series. Other extensive and/or highly significant holdings include work by – among others - Edward Ardizzone, Judy Brook, Faith Jaques, Harold Jones and Kim Lewis.

Acquisition of assets
Seven Stories, on behalf of the Collection Trust, is continuing to collect the following types of material dating from c. 1930 to the present day. Representative examples of work by seminal figures from earlier periods may be collected from time to time, where these provide a context for more recent work:

- Original artwork and manuscripts by British writers and illustrators for children, in whatever format they were created, including new media
- Pre- and post-publication materials
- Related materials: e.g. correspondence, reviews, articles
- Books in all their forms - including fiction and non-fiction, picture books, poetry, drama and prose, published work in new media formats, including audio and video tape, CD and DVD, and e-books.

Acquisition decisions are made with reference to a Collection Development Policy (updated 2015). Current priorities include:

- Work by or representing groups of people outside the mainstream of publishing for children, in particular work by authors and illustrators of non-white British origin.
- Poetry - currently a significant weakness
- Illustration – building on the strengths of the existing holdings
- Young fiction – work aimed at children aged 7-11, in particular by more popular authors
- First edition copies (where available) of texts represented by artwork and archival material in the Collection.

Preservation of assets
The charity is responsible for the care and conservation of the Collection under the terms of the management agreement with the Collection Trust. The collection care policy covers all aspects of preservation and conservation, from the moment an object enters the Collection, through storage, handling, display, loan, etc.

The policy is designed to ensure that Collection care at Seven Stories complies as far as possible with widely established standards and practices within the museums and archives community in Britain, for example BS5454, the ACE Accreditation Scheme, and Benchmarks for Collection Care.

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It sets standards and expectations in the following areas:

- Collection Content and Condition Monitoring
- Premises, Storage and Housekeeping
- Preventive conservation, including environmental monitoring and control, and integrated pest management
- Handling and Repackaging
- Remedial Conservation
- Disaster Planning.

It also covers best practice in digitisation, exhibitions, and transport of collections.

Disposal of assets
By definition, the Collection Trust has a long-term purpose and holds collections in trust for society in relation to its stated objectives. The Board of Trustees therefore accepts the principle that sound curatorial reasons for disposal must be established before consideration is given to the disposal of any items in the Collection. Full details of the procedures to be followed in the event of a decision to dispose are given in the Collection Development Policy.

13. Fixed asset investments

Group	Listed securities £
Cost or valuation	
At 1 April 2021	**8,185**
Revaluations	**1,844**
At 31 March 2022	**10,029**
Net book value	
At 31 March 2022	**10,029**
At 31 March 2021	8,185

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13. Fixed asset investments (continued)

Charity	Investments in subsidiary companies £	Listed securities £	Total £
Cost or valuation			
At 1 April 2021	**1**	**8,185**	**8,186**
Revaluations	**-**	**1,844**	**1,844**
At 31 March 2022	**1**	**10,029**	**10,030**
Net book value			
At 31 March 2022	**1**	**10,029**	**10,030**
At 31 March 2021	1	8,185	8,186

Principal subsidiaries

The following were subsidiary undertakings of the charity:

Names	Company number	Charity registration number	Holding	Included in consolidation
Seven Stories Trading Limited	04177830	n/a	100%	Yes
Seven Stories, The National Centre for Children's Books Collections Trust	n/a	1115167	100%	Yes

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Seven Stories Trading Limited	**274,571**	**(200,031)**	**91,285**	**91,286**
Seven Stories, The National Centre for Children's Books Collections Trust	**939,510**	**(1,742)**	**937,768**	**4,512,905**

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14. Stocks

	Group 2022 £	Group 2021 £	**Charity 2022 £**	Charity 2021 £
Books and merchandise	**24,616**	34,362	**-**	-
Cafe food and drink stock	**2,353**	4,238	**-**	-
Excess donated Collection assets held for resale	**20,000**	-	**20,000**	-
	46,969	38,600	**20,000**	-

15. Debtors

	Group 2022 £	Group 2021 £	**Charity 2022 £**	Charity 2021 £
Due within one year				
Trade debtors	**48,257**	29,985	**40,556**	11,324
Amounts owed by group undertakings	**-**	-	**5,700**	47,834
Other debtors	**1,463**	13,324	**1,463**	13,324
Prepayments and accrued income	**62,129**	110,091	**60,327**	109,147
	111,849	153,400	**108,046**	181,629

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16. Creditors: amounts falling due within one year

	Group 2022 £	Group 2021 £	**Charity 2022 £**	Charity 2021 £
Trade creditors	**40,354**	106,165	**26,443**	101,518
Amounts owed to group undertakings	**-**	-	**14,834**	-
Other taxation and social security	**11,693**	19,637	**11,693**	18,931
Other creditors	**11,325**	18,383	**11,325**	18,383
Accruals and deferred income	**175,073**	243,255	**166,013**	237,522
	238,445	387,440	**230,308**	376,354

	Group 2022 £	Group 2021 £	**Charity 2022 £**	Charity 2021 £
Deferred income at 1 April 2021	**171,005**	61,001	**169,619**	61,001
Resources deferred during the year	**670,972**	150,022	**670,972**	148,636
Amounts released from previous periods	**(764,157)**	(40,018)	**(763,960)**	(40,018)
	77,820	171,005	**76,631**	169,619

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17. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Unrestricted funds						
Designated funds						
Designated funds	**10,249**	**-**	**-**	**-**	**-**	**10,249**
General funds						
General funds	**393,023**	**1,383,836**	**(1,516,444)**	**(60,948)**	**1,844**	**201,311**
Total Unrestricted funds	**403,272**	**1,383,836**	**(1,516,444)**	**(60,948)**	**1,844**	**211,560**
Restricted capital funds						
Building purchase	**750,156**	**-**	**-**	**-**	**-**	**750,156**
Building improvements and purchase of other assets	**844,971**	**-**	**(174,467)**	**60,948**	**-**	**731,452**
Historic collections	**3,575,137**	**939,510**	**(1,742)**	**-**	**-**	**4,512,905**
	5,170,264	**939,510**	**(176,209)**	**60,948**	**-**	**5,994,513**

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17. Statement of funds (continued)

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Restricted funds						
Collecting Cultures	-	6,000	(222)	-	-	5,778
Unwin Charitable Trust	15,000	-	(9,000)	-	-	6,000
British Council	2,639	-	-	-	-	2,639
Helen Bailey	1,600	13,400	(13,629)	-	-	1,371
Heritage Lottery Fund - WSCF	19,000	-	-	-	-	19,000
Gillian Dickinson	45,473	-	-	-	-	45,473
BBC Children in Need	6,235	16,317	(15,312)	-	-	7,240
Foyle - WSCF	9,900	-	-	-	-	9,900
Garfield Weston	50,000	-	-	-	-	50,000
St Nicholas' Education Trust	5,254	11,489	(14,553)	-	-	2,190
Wolfson	76,550	-	(18,787)	-	-	57,763
Well Newcastle Gateshead	1,293	1,727	(2,253)	-	-	767
National Lottery Heritage Fund - Covid-19	19,036	-	(8,237)	-	-	10,799
LNER - On Board With Stories	8,868	-	(5,622)	-	-	3,246
Guy Readman	15,000	-	(13,480)	-	-	1,520
Community Family Hub East	8,791	-	(2,970)	-	-	5,821
Shears Foundation	833	4,167	(5,000)	-	-	-
Esmee Fairbairn	-	13,898	-	-	-	13,898
Other Funds	4,920	7,076	(4,063)	-	-	7,933
	290,392	74,074	(113,128)	-	-	251,338
Total of funds	5,863,928	2,397,420	(1,805,781)	-	1,844	6,457,411

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17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds						
Designated funds						
Designated funds	10,249	-	-	-	-	10,249
General funds						
General funds	194,592	1,431,195	(1,215,505)	(18,687)	1,428	393,023
Total Unrestricted funds	204,841	1,431,195	(1,215,505)	(18,687)	1,428	403,272
Restricted capital funds						
Building purchase	750,156	-	-	-	-	750,156
Building improvements and purchase of other assets	992,055	-	(147,084)	-	-	844,971
Historic collections	3,324,187	250,195	(1,707)	2,462	-	3,575,137
	5,066,398	250,195	(148,791)	2,462	-	5,170,264

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17. Statement of funds (continued)

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Restricted funds						
Collecting Cultures	(7,500)	-	(716)	8,216	-	-
Eyre Family Foundation	(4,330)	16,041	(13,820)	2,109	-	-
Unwin Charitable Trust	7,500	-	(7,500)	-	-	-
British Council	5,000	10,000	-	-	-	15,000
Helen Bailey	8,670	1,225	(7,256)	-	-	2,639
Heritage Lottery Fund - WSCF	6,275	5,200	(9,875)	-	-	1,600
Gillian Dickinson	19,000	-	-	-	-	19,000
BBC Children in Need	(5,900)	-	-	5,900	-	-
Foyle - WSCF	45,903	-	(430)	-	-	45,473
Garfield Weston	5,284	19,388	(18,437)	-	-	6,235
St Nicholas' Education Trust	9,900	-	-	-	-	9,900
Wolfson	50,000	-	-	-	-	50,000
Well Newcastle Gateshead	-	13,254	(8,000)	-	-	5,254
National Lottery Heritage Fund - Covid-19	76,550	-	-	-	-	76,550
LNER - On Board With Stories	10,500	4,500	(13,707)	-	-	1,293
Guy Readman	-	48,300	(29,264)	-	-	19,036
Community Family Hub East	-	14,600	(5,732)	-	-	8,868
Shears Foundation	-	15,000	-	-	-	15,000
Esmee Fairbairn	-	10,000	(1,209)	-	-	8,791
Other Funds	4,429	11,642	(10,318)	-	-	5,753
	231,281	169,150	(126,264)	16,225	-	290,392
Total of funds	5,502,520	1,850,540	(1,490,560)	-	1,428	5,863,928

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17. Statement of funds (continued)

Restricted capital funds:
Building purchase - funds allocated solely for the purchase of the buildings at 30 - 34 Lime Street, which were converted into the Seven Stories Visitor Centre.

Building improvements and purchase of other assets - funds allocated for the improvement of the buildings at 30 - 34 Lime Street, which were converted into the Seven Stories Visitor Centre and the purchase of fixtures & fittings within the building.

Historic collections relate to the heritage assets held within Seven Stories, The National Centre for Children's Books Collection Trust.

Restricted funds:
Eyre Family Foundation – support for our learning and participation work.

Unwin Charitable Trust - towards the direct costs of preparing collection items for use in our exhibition and learning programmes for 12 months.

British Council – grant to fund an artist in residence event at Seven Stories with a Polish illustrator.

Helen Bailey - to support a new creative writing project for schools.

Heritage Lottery Fund WSCF - to provide funding for development of new exhibition space.

Gillian Dickinson - to support the young people's talent development programme.

BBC Children in Need - to deliver community activity with educational and well-being outcomes in the East End of Newcastle.

Foyle Foundation - to provide funding for development of our new exhibition space.

Garfield Weston Foundation - for exhibition co-curation and touring programme.

St Nicholas Education Trust – to support Reader in Residence programme at Byker and St Lawrance Primary

Wolfson Foundation - to provide funding for development of our new exhibition space.

Well Newcastle Gateshead – to deliver Food Stories multigenerational project in the East End.

National Lottery Heritage Fund re Covid-19 - Covid 19 Emergency Funding to cover working from home adaptations and Covid safety changes to Visitors Centre and City Library.

LNER - On Board with Stories - a programme of creative learning activities using books to support babies born during lockdown and their parents/carers.

Guy Readman - reader in Residence programme with Central Walker Primary School and West Walker Primary School.

Community Family Hub East - to provide Welcome to the World story packs 1) for pregnant mums and new babies born in East Newcastle; 2) for families participating in the Books for Babies courses; and 3) to families across East Newcastle to celebrate World Book Day.

Other funds relates to grants from:
Holocaust Memorial Fund; Jeremy Beecham Fund; Friends of the National Lottery; Sebastian Walker

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17. Statement of funds (continued)

Fund for Collection; The Shears Foundation; The Pilgrim Trust; and ISN.

Transfers between funds largely represent amounts spent on restricted capital assets in the year.

18. Summary of funds

Summary of funds - current year

	Balance at 1 April 2021 £	**Income £**	**Expenditure £**	**Transfers in/out £**	**Gains/ (Losses) £**	**Balance at 31 March 2022 £**
Designated funds	**10,249**	**-**	**-**	**-**	**-**	**10,249**
General funds	**393,023**	**1,383,836**	**(1,516,444)**	**(60,948)**	**1,844**	**201,311**
Restricted capital funds	**5,170,264**	**939,510**	**(176,209)**	**60,948**	**-**	**5,994,513**
Restricted funds	**290,392**	**74,074**	**(113,128)**	**-**	**-**	**251,338**
	5,863,928	**2,397,420**	**(1,805,781)**	**-**	**1,844**	**6,457,411**

Summary of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Designated funds	10,249	-	-	-	-	10,249
General funds	194,592	1,431,195	(1,215,505)	(18,687)	1,428	393,023
Restricted capital funds	5,066,398	250,195	(148,791)	2,462	-	5,170,264
Restricted funds	231,281	169,150	(126,264)	16,225	-	290,392
	5,502,520	1,850,540	(1,490,560)	-	1,428	5,863,928

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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted capital funds 2022 £	Total funds 2022 £
Tangible fixed assets	281,025	-	1,481,608	**1,762,633**
Intangible fixed assets	25,795	-	-	**25,795**
Fixed asset investments	10,028	-	-	**10,028**
Heritage assets	10,000	-	4,503,187	**4,513,187**
Current assets	115,856	251,338	17,018	**384,212**
Creditors due within one year	(231,144)	-	(7,300)	**(238,444)**
Total	211,560	251,338	5,994,513	**6,457,411**

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted capital funds 2021 £	Total funds 2021 £
Tangible fixed assets	220,271	-	1,595,127	1,815,398
Fixed asset investments	8,185	-	-	8,185
Heritage assets	-	-	3,562,792	3,562,792
Current assets	557,456	290,392	17,145	864,993
Creditors due within one year	(382,640)	-	(4,800)	(387,440)
Total	403,272	290,392	5,170,264	5,863,928

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20. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2022 £	Group 2021 £
Net income for the year (as per Statement of Financial Activities)	**593,483**	361,408
Adjustments for:		
Depreciation charges	**221,818**	165,252
Amortisation charges	**2,762**	-
(Gains)/losses on investments	**(1,844)**	(1,428)
Donation of assets acquired	**(949,495)**	(250,000)
(Increase)/decrease in stocks	**(8,369)**	2,137
Decrease in debtors	**41,551**	182,753
(Decrease)/increase in creditors	**(148,995)**	150,196
Net cash provided by/(used in) operating activities	**(249,089)**	610,318

21. Analysis of cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash in hand	**225,394**	672,993

22. Analysis of changes in net debt

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	**672,993**	**(447,599)**	**225,394**
	672,993	**(447,599)**	**225,394**

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23. Contingent liabilities

There are legal charges over the land and buildings at 30-34 Lime Street, Newcastle upon Tyne, in favour of Newcastle City Council and the Arts Council England, which arose from capital grants awarded to the charity.

The grants are non-repayable provided that the property is not disposed of or used for purposes other than non-profit making culturally related activities, or the charity ceases to operate. The security given by the charges will be released after 25 years in 2029 by Arts Council England and 60 years in 2064 by Newcastle City Council.

24. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £28,021 (2021: £29,142). Contributions totalling £4,951 (2021: £6,440) were payable to the fund at the balance sheet date and are included within creditors.

25. Operating lease commitments

At 31 March 2022 the group and the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £	Group 2021 £
Not later than 1 year	**31,550**	28,110
Later than 1 year and not later than 5 years	**64,631**	88,000
	96,181	116,110

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26. Related party transactions

No member of the board received any remuneration during the current or prior year.

During the year, no Trustees (2021: 0) received reimbursed expenses (2021: £nil) in respect of travel and subsistence costs.

During the course of the year, the charity made payments on behalf of the subsidiary, Seven Stories, The National Centre for Children's Books Collection Trust, totalling £2,500 (2021: £3,200). The amount owed at the year end, included in the charity's debtors, totalled £5,700 (2021: £3,200). During the year the charity made recharges of £144,089 (2021: £197,091) to its subsidiary, Seven Stories Trading Limited, and the subsidiary made purchases totalling £203,557 (2021: £187,996) from the charity. The amount owed at the year end, included in the charity's creditors, totalled £14,834 (2021: £47,834 debtor).

The charitable company has received donations of £46,628 (2021: £nil) from its subsidiary undetaking, Seven Stories Trading Limited, in the year. No amounts remain outstanding in respect of these donations at the balance sheet date.

27. Controlling party

The charity is controlled by the Board of Trustees.

SEVEN STORIES, THE NATIONAL CENTRE FOR CHILDREN'S BOOKS

England & Wales - Charity number 1056812

Accounts

DocuSign Envelope ID: 80AA636C-0E68-48EF-8785-BD07C0C29F0B

Registered number: 03209411
Charity number: 1056812

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Annual report

31 March 2021

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Reference and administrative details
For the year ended 31 March 2021

Trustees	Mauricio Armellini Ben Butler Jill Coleman Jeremy Cripps Professor Matthew Grenby Nick Kemp, Interim Chair 30/03/2021 - 22/10/2021 Rachel Mary Lippe Matthew McWhinnie Sheena Ray Annie Rigby Edward Ripley Professor Ella Richie, Interim Chair 30/03/2021 - 22/10/2021 Amy Sergison Antony Pierce, Interim Chair 30/03/2021 - 22/10/2021 (Resigned 22 October 2021) Douglas Dodds (Resigned 22 October 2021) Christopher Pywell (Resigned 30 March 2021) Claire Riley, Chair (Appointed 22 October 2021)
Company registered number	03209411
Charity registered number	1056812
Registered office	30 Lime Street Ouseburn Valley Newcastle upon Tyne NE1 2PQ
Company secretary	Wendy Elliott
Chief executive officer	John Coburn - joint interim role (resigned 01/02/2021) Sarah Lawrance – joint interim role (resigned 01/02/2021) Mairi Kidd (appointed 01/02/2021, resigned 20/08/2021) Wendy Elliott (interim role from 20/08/2021)
Independent auditor	UNW LLP Chartered Accountants Citygate St James Boulevard Newcastle upon Tyne NE1 4JE

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Reference and administrative details (continued)
For the year ended 31 March 2021

Bankers	NatWest 4 Bridge Street Morpeth Northumberland NE61 1NG CAF PO Box 289 Kings Hill West Mailing Kent ME19 4TA Unity Trust 9 Brindleyplace Birmingham B1 2HB

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Trustees' Report
For the year ended 31 March 2021

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

Objectives and activities

- **Policies and objectives**

Seven Stories is the national centre for children's books. Our focus is the role of stories and the various ways they are shared, inspire and enable children to access stories, reading, and illustration. We aim to enhance lives through access to stories.

Our vision is to put stories at the heart of every childhood, empowering young people to understand their world and imagine their future.

We celebrate the exceptional achievements of British and international writers and illustrators for children, saving their work as part of our nation's heritage, for the enjoyment and inspiration of current and future generations.

The object of the charity, as set out in our governing document, is to advance the education of the public, in particular, children and young people, in the arts and literature through the promotion of Britain's literary heritage for children, and in particular, but not exclusively, by preserving, maintaining and adding to the Collection held by the Seven Stories Collection Trust and by the promotion of access to the Collection and associated items through arts and education programmes and activities.

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

- **Main activities undertaken to further the charity's purposes for the public benefit**

The charity undertakes a variety of activities to deliver its objectives, including education and community centred engagement, the promotion of literacy and reading, running an attractive Visitor Centre with an active events programme, digital delivery to ensure accessibility and reach, and developing and maintaining a collection of books, manuscripts, illustrations and related materials.

Our Visitor Centre in Newcastle upon Tyne houses exhibition galleries as well as performance and creative learning spaces, a specialist bookshop and a café. We have a regular and engaging events programme including story telling, author and illustrator talks, and creativity development and learning. An extensive external programme supports talent development and brings creative activity into schools and communities to reach young people, helping to promote literacy and creativity, both via face to face engagement and our developing use of digital platforms.

The Collection is an internationally renowned archive comprising manuscripts, artwork, related papers and books, dating from the 1930s to the present day. We hold National styling through Arts Council England's accreditation scheme, acknowledging the singularity and significance of our work to protect and share our literary heritage for children. We use our Collection as an artistic, educational and research resource to celebrate the literary and visual arts through exhibitions, displays and learning programmes, both at our Visitor Centre, and in facilities across the UK through our touring programme.

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Objectives and activities (continued)

We make access and admission charges to our audience, including to schools and members of the general public, for some activities and events, to help fund our work. Our admission charges are kept as low as possible in order to enable wider access, balanced with the need to earn income and ensure the charity's viability. Special admission packages are available to enable cheaper access to families and those on lower incomes. In addition, we offer reduced price admission to schools and other educational groups.

We work in communities, particular disadvantaged communities in our local area, and we receive financial support for such purposes.

At all of our trustee meetings we keep in mind the Charity Commission's guidance on public benefit. As trustees we see the benefits our audience, partners and communities gain from our organisation.

- **Staff and volunteers**

Seven Stories employed an average of 53.3 people (31.29 full time equivalent) in total during 2020/21; 39 on permanent contracts and 23 on casual contracts. 18 staff were full time staff and 44 on a part time basis.

Staff turnover was low, as expected due to the pandemic, with staff furloughed when appropriate. As such, during 2020/21 the number of vacancies was small with only the CEO post being advertised and fulfilled during the period.

The main focus throughout this period was staff wellbeing and we introduced various structures and approaches to ensure our workforce were supported and communicated with throughout the period.

Strategic report

Achievements and performance

- **Accreditation and awards**

Seven Stories is a National Portfolio Organisation (Band 2) supported by Arts Council England. It is also an Accredited Museum with National styling.

Seven Stories holds the accredited 'Investing In Children' award recognising the quality of its work with children and young people.

Seven Stories was awarded Best Project in Lockdown at the national Museum Association awards.

- **Review of activities**

The year was dominated by the impact of the Covid-19 pandemic and the various measures introduced in response to Government restrictions, related guidance and the policies of trustees. These policies were particularly concerned with ensuring the health, safety and wellbeing of staff, visitors and partners while continuing to deliver our charitable aims and objectives. UK wide lockdown commenced at the very end of FY 2019/20 and various measures were in place throughout the year reported here. Restrictions had a considerable impact on Seven Stories, necessitating significant management and operational changes, many of which built on the steps already being taken.

In overall terms, it is pleasing to report that Seven Stories completed 2020/21 in relatively good health, notwithstanding the impact of the pandemic and associated restrictions. It is particularly noteworthy to report that considerable diversification of activities occurred, there was increased digital activity, and that financial improvement occurred in key areas, including cash reserves. This was the second year of such improvements.

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Strategic report (continued)

Achievements and performance (continued)

However, it was clearly the case that such developments needed to be consolidated and extended if performance improvements were to be maintained in future years.

Two major steps were taken at the beginning of the year, responding to the national lockdown: all offices and the Visitor Centre were closed, with no visitors attending, and working from home was introduced for all staff, with only necessary attendance for the purposes of ensuring the safety and security of the offices taking place. Staff unable to work at home were furloughed, and we utilised the Government's Coronavirus Job Retention Scheme, making up the additional unfunded 20% of salaries from our own funds. Our staff wellbeing support was stepped up. We were also able to take advantage of funding awards to replace obsolete office-based IT with newer mobile laptops, facilitating home working where appropriate.

Our previously commenced external work in schools and communities was also impacted, with all face to face engagement stopped. However, as schools in particular, introduced new ways of working, we were able to change our own practices. For example, all contracts with schools were converted to digital delivery. Subsequently, as other community based operations became feasible, albeit with restrictions, we changed our portfolio of activities, working with partners, to provide a more holistic offer, meeting the needs of local disadvantaged communities, in particular. It is very pleasing to report that this work received national recognition, with the award of the Best Project in Lockdown at the national Museum Association awards.

We were restricted throughout the year in the extent to which we could open the Ouseburn Visitor Centre. The partial lifting of lockdown restrictions enabled an initial opening in the summer of the book shop and the café. These activities proved very popular and were made possible by excellent work to introduce new procedures to ensure safety and wellbeing. Story based events were also introduced with considerable success. Sadly, due to increased restrictions, it was not possible to go ahead fully with an exciting and much welcomed Christmas programme. Further, it was not possible to open the galleries for exhibitions throughout the year, although work to implement the much anticipated Where Stories Come From exhibition was possible later in the year, with a view to opening in 2021/22. Restrictions also curtailed our touring programme.

These changes to the offer led to a new approach to charging for access to the Visitor Centre. Because the offer was partial, without galleries to visit, the general entrance fee was dropped and replaced, where appropriate, by a charge for individual events and other items that were directly purchased.

Such restrictions also further accentuated the successful move to on-line digital delivery, with a number of well received activities, made particularly possible by the receipt of Arts Council England Cultural Recovery Funding. It is clear that digital and on-line production, including co-production, and delivery is a vital aspect of the future of Seven Stories.

An anticipated downturn in the receipt of funding from Trusts and Foundations did not occur. Rather, we experienced an upturn, in large part because the new activities and delivery methods aligned with the objectives of funders. Notable awards, in addition to that of ACE, included extensive support from Garfield Weston, particularly aimed at supporting digital development and delivery, and the Wolfson Foundation which supported unrestricted activity.

Collection
As with other areas of the organisation, the development of the Collection was restricted, due to constraints on working, particularly for activities not suitable to be undertaken remotely. Nevertheless, progress was possible with particularly noteworthy additions, and the achievement of the first formal Acceptance in Lieu, for the Pat Hutchins archive. Progress with the Vitality North Partnership with Newcastle University was also possible, with a reinforcement of the strategic focus and the achievement of dedicated capacity.

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Strategic report (continued)

Achievements and performance (continued)

Facilities
Notable changes also occurred in respect of facilities. The move of the Collection to the Central Library was completed, despite it having to be stopped part way due to the initial national lockdown. The office arrangements were also significantly changed with the closure of the MX5 remote offices and consolidation at the Visitor Centre. This move was facilitated by working from home arrangements, and brings considerable benefits in respect of workforce team working, as well as cost reductions.

Leadership
The year also saw changes in leadership. Most notably, a full-time Chief Executive, was appointed post year end. The process of recruitment was slowed by Covid related restrictions, but the appointment was confirmed in the Autumn, with commencement at the end of the year. This was a key stage in the wider development of the workforce and organisational capacity. The Chair of Trustees, who had been particularly involved in the financial recovery of Seven Stories, also stood down early, due to long term health problems. A small group of trustees took over this role jointly, pending the appointment of a new permanent Chair which happened in October 2021.

- **Fundraising and development**

Seven Stories has a small development and relationship team that oversees our fundraising, marketing and communication activities and manages the grants and donations received from trusts and foundations. We aim to generate funds through a small number of fundraising events, in addition to working with corporate donors and sponsors. Relationships are also cultivated to encourage support and donations to the Collections' Trust, either direct gifts of artwork and manuscripts or financial support for the purchase thereof. Heritage assets with a value of £250,000 (£5,500 in 2019/20) were donated to The Collection Trust, principally comprising the Pat Hutchins archive.

The Vital North Partnership (VNP) will be supported by Arts Council England's National Portfolio Funding and Newcastle University for 2018-2022. This initiative aims to advance strategies that consolidate Newcastle's position as a centre of excellence for children's literature through research, teaching and public engagement.

Financial review

- **Financial review**

The financial position of the organisation showed considerable improvement throughout the year despite the restrictions in activity caused by the pandemic. This was particularly due to the diversification of activities to schools and the wider community, and alignment with the objectives of relevant Trusts and Foundations leading to successful funding awards, our usable reserves balance was particularly enhanced, achieving the Board's long standing objectives.

A surplus of £198,431 was achieved on unrestricted funds, compared with £85,251 in the prior year. Combined with surpluses on restricted funds and restricted capital funds, there was an overall surplus of £361,408 for the year compared with £95,258 in the preceding year.

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2020/21 was the third year of delivery of our Arts Council England National Portfolio Organisation activity, which was granted originally to support our work from 2018/19 to 2021/22. The grant includes additional funding to support the development and growth of the Collection and to support the potential of the Vital North Partnership with Newcastle University. The overall annual grant was £588,230.

Other major grants awarded during the year were:
- £44,254 from the Enid Blyton Fund for Seven Stories managed by the Community Foundation.
- £50,000 from the Newcastle Culture Investment Fund managed by the Community Foundation.

We were successful in our applications for £204,000 Culture Recovery Fund grant income administered by Arts Council England, and £48,300 from the National Lottery Heritage Fund, both of which were used to introduce changes that enable ongoing resilience and sustainability:

Modifications to Visitor Centre activities, including use of digital approaches
Expansion of external work with schools and communities, primarily through on line activity
Digitisation and online access to the Collection

We received a further £110,000 of unrestricted funding from the Wolfson Foundation to assist our responses to the pandemic, and £160,000 funding from the Weston Culture Fund for work in 2020/21 and 2021/22 for digital development and website improvements.

This work was to enable Trustees and Senior Leadership to develop a business model, with income streams and delivery methods, that can be adopted for various levels of Covid 19 restrictions. This model enables ongoing viability and sustainability.

We are grateful to the following organisations who supported our work during the financial year:

Corporate Sponsors & Supporters:
Hachette Children's Books
Fusion PR Creative

Revenue and Project Grants:
Arts Council England
ACE Culture Recovery Fund 1
BBC Children in Need & BBC Children in Need Covid Booster
British Council
Community Foundation - Guy Readman Endowment Fund
Community Foundation – Sowler Family Fund
Community Foundation - Enid Blyton Fund for Seven Stories
Community Foundation - Newcastle Culture Investment Fund
Erasmus programme funded by the European Union
Eyre Family Foundation
Family Explorers
Garfield Weston Foundation
Gillian Dickinson Trust
Guy Readman Endowment Fund
Helen Bailey Trust
Hobson Charity
Holocaust Memorial
ISN ERDF
LNER
National Lottery Heritage Fund
Newcastle City Council
Newcastle Culture Education Partnership
NE Social Tech Fund
Pilgrim Trust – Archives Revealed
R W Mann Trust

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Spirit of Christmas Appeal Newcastle Gateshead 2020
St Nicholas Education Trust
Tesco Bags of Help Community Fund
The Shears Foundation
The Sir Tom Cowie Charitable Trust
Unwin Charitable Trust
Well Newcastle Gateshead
Wolfson Foundation
and the Friends of Seven Stories and many other individual supporters

In kind support of events programme:
Newcastle University
Hachette
Fusion PR Creative
Adsa, Byker
Irwin Mitchell
Nerds With Words
Golden Egg Academy

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- **Going concern**

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Management has determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern. It expects that Covid-19 might have some impact in relation to expected performance but that these can be mitigated through ongoing cost control and diversification of income and delivery methods.

Seven Stories finished the 2020/21 financial year in a relatively strong position; with a much more positive financial position and cash reserves than in recent years, diversified offers that were more aligned with funders and needs, and improved capacity with equipment and facilities.

This strong position has not been maintained in all areas of the organisation in the first half of the current year 2021/22. In particular, considerable investment in exhibitions in the galleries, and a reduction in some of the newly developed areas of activity, have proven largely unsuccessful and costly.

The newly developed financial strengths have proven vital, enabling the organisation to continue through this period. There has been timely intervention to restrict the impact of unsuccessful activities and recommence other, more promising and profitable areas. A detailed plan has been produced, and it is pleasing to report that at the time of writing financial recovery had firmly recommenced. These plans and funding provide confidence to trustees. A revised risk management process has been reintroduced, enabling trustees to have greater assurance.

The recent appointment of Claire Riley as our new Chair and Wendy Elliott as interim Chief Executive have put us on a strong footing for the future, with steps already being taken to ensure strong creative leadership and digital development to underpin our business model.

We will continue to develop our business model to ensure resilience to potential future restrictions and, at the same time, fully deliver our charitable objectives as a viable business and sustainable organisation.

Looking to next year, the most important issue is the continuation of ACE funding and support. Our business plan is clearly aligned to ACE's Let's Create strategy and its four investment principles. It is vital that Seven Stories prioritises the achievement of this support, while also having a contingency plan in the event of any reductions.

Further Covid-19 restrictions are possible, but there is confidence that Seven Stories understands how to operate within these. Future changes in Covid restrictions which might limit face to face contact or impact visitor confidence are expected to be managed through digital delivery, in which significant investment has been made, and the delivery model proven in previous lockdowns. Investment of some of the additional grant funding secured will continue to build a professional and fit for purpose digital infrastructure to enable the expansion of online activity and the development of new income streams.

Investment in management and data systems and processes will improve our ability to make more informed management decisions.

New external educational and community activity has been developed. We are expanding digital programming, products and services for families and schools, as well as our award winning community programmes.

- **Reserves policy**

Trustees reviewed the reserves policy in September 2015 following the completion of a capital refurbishment project. It was agreed that the minimum level of cash reserves should be equivalent to those that allow the charity to fulfil its statutory obligations arising on closure and provide sufficient working capital to enable arrangements to be made to rehouse the Collection. This minimum reserve requirement was estimated to be £175,000 at March 2021. The trustees also agreed that additional reserves should be set aside to enable the charity to respond to significant unplanned events, such as unexpected capital expenditure or the loss of a key funding stream. Including provision for these unplanned events, the reserves target is between £350,000 to £425,000.

At 31 March 2021, the group held total funds of £5,863,928 (£5,502,520 in 2019/20), including £403,272 (£204,841 in 2019/120) of unrestricted funds. Of these funds £327,915 (£116,694 in 2019/20) was cash available to meet the target for minimum reserves. Work has been undertaken to develop a financial strategy that will enable the level of reserves to be increased over the next four years.

- **Plans for future periods**

The relatively strong position at the end of the year creates a platform for future development, including the completion of the major organisational changes associated with the recovery programme commenced in 2019/20. Key to these plans in 2021/22 would be the new leadership team. Plans included:

- The development of a programme for the galleries, following the restrictions on these in 2020/2021
- A related re-introduction of the touring programme
- The extension of the diversification programmes, including education and community based activities
- Addressing the backlog with Collection management, further digitisation of the Collection and enhancing access
- The identification of the most appropriate commercial models, particularly to access the Visitor Centre
- The appointment of a substantive CEO to provide further stability in leadership
- The development of management and organisational capacity, including creative leadership
- The implementation of a new Governance model, including a refreshed main Board
- Further consolidation of finances, including reserves
- Further development of the digital and online offer
- Preparation for a potential further NPO application.

Our business plan for the next financial year builds on and continues our success in maintaining tight cost control; growing and diversifying income, notably through schools and communities and an enhanced Visitor Centre experience; and greater digital delivery.

Our capacity to continue our operations, even in case of restrictions, is built into this plan. We will prioritise an enhanced educational offer, and inspire and enable creativity in our audiences and partners. We will extend and deepen the book and story related activities we can undertake online.

Supported by grant funding, we will explore new approaches to exhibitions and similar activity, both in our Visitor Centre and with Touring venues. We will undertake development work with the Collection, enhancing its management and accessibility, including through the partnership with Newcastle University. We will be building new capacity through the development of our people, notably in creativity.

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Trustees' Report (continued)
For the year ended 31 March 2021

Structure, governance and management

- **Constitution**

Seven Stories, The National Centre for Children's Books is a company limited by guarantee governed by its Articles of Association. It was first registered with the Charity Commission on 7 May 1996. The charity's governing documents, and those of its related parties, were reviewed and updated in October 2018.

- **Methods of appointment or election of trustees**

The management of the group and the charity is the responsibility of the trustees who are elected and co-opted under the terms of the Memorandum of Association.

- **Organisational structure and decision-making policies**

The Board of Trustees administers the charity. The Board meets between four and six times a year under usual circumstances, and there are three committees: Executive, Finance and Organisation Committee; Literature, Programme and Acquisitions Committee and the Strategy and Development Group. However, a full independent governance review is underway which will include a review of the current subcommittee structure and will be implemented early 2022.

During 2020-2021 an interim management team was in place pending the appointment of a new permanent Chief Executive. The management team consisted of an interim Chief Executive Team appointed by the trustees from April 2019 to manage the day to day operations of the charity. To facilitate effective operations the team have delegated authority, within the terms of delegation approved by the trustees, for operational matters including finance, employment and artistic activity.

To fulfil these responsibilities, the team worked with a senior management team comprised additionally of the Finance Director and Head of HR and Operations.

Mairi Kidd was appointed to the Chief Executive position, and started in post from 1 February 2021, Following Mairi's departure in August 2021, Wendy Elliott took up post as interim Chief Executive Officer. Further decisions regarding leadership will be made in line with governance review work.

- **Pay policy for key management personnel**

The rates of pay and remuneration of all staff, including the senior management team, are set by the Executive, Finance and Operation Committee using a pay review policy approved annually by the Board of Trustees. The annual pay review considers inflation, the affordability of a pay award in the context of financial performance, benchmarking to similar organisations and the outcomes of an individual appraisal process.

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Structure, governance and management (continued)

- **Related party relationships**

Seven Stories has two related entities: Seven Stories Trading Company and Seven Stories Collection Trust. The accounts of these entities are consolidated with those of the main charity in these accounts.

Seven Stories Trading Limited is the charity's wholly owned subsidiary, a company limited by guarantee registered in England and Wales, number 04177830. It operates commercial activities including the bookshop, cafe and corporate events. The subsidiary company commenced trading on 19 August 2005. Profits of the subsidiary are gifted to the charity.

Seven Stories, The National Centre for Children's Books' Collection Trust is an independent charitable trust which was established by a Declaration of Trust dated 9 June 2005 and whose trustees are appointed by Seven Stories Board of Trustees. It is a separate charity, registered with the Charity Commission with charity number 1115167. The main object of the Collection Trust is to own and protect the archive. It is supported by Seven Stories staff through a management agreement dated 25 August 2006. These accounts are consolidated solely to comply with SORP and company law requirements and are not intended to affect the status of both charities as separate legal entities.

The trading company's Articles of Association and the Collection Trust's Deed of Trust and management agreement were updated in 2015. This reflected the change of name of the main Charity, and also aligned these documents with the changes made in the Charity's Articles and recent legislation. For the Collection Trust, these changes were agreed through a Deed of Variation at the Trustees meeting held on 25 February 2016. For the trading company, the changes were adopted by special resolution at a meeting of the trading company Directors on 18 November 2015.

- **Key risks and uncertainties**

The key risks facing Seven Stories in 2021/22 are associated with ensuring business viability and sustainability in a changing environment and an uncertain public and private funding landscape, with Covid-19 and related restrictions, while ensuring we continue to meet our charitable objectives.

A key aspect of these risks is ensuring the organisation develops in its portfolio of activities and delivery methods, its management and organisational capability and its financial reserves, to adapt to such changes.

While significant changes have been made in terms of controlling expenditure and investing in new income streams (in particular digital), uncertainty over how audiences will behave in the future, changing government policy, changes to our ways of working across the business and potential issues around the availability of funding will continue to be carefully monitored.

Other potential immediate risks might arise from the governance review as well as:

- Underperformance by staff team due to increased levels of anxiety or sickness absence;
- Poor digital infrastructure inhibiting transition to online activity and new business development;
- Lack of business continuity from key suppliers and contractors ceasing to trade;
- Failure to meet fundraising, donations and sponsorship income targets.

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Trustees' Report (continued)
For the year ended 31 March 2021

Structure, governance and management (continued)

- **Risk mitigation**

The priorities outlined in 'Plans for future periods' above have been identified specifically in order to address these concerns. Progress towards these strategic objectives is being very closely monitored by the Board and Arts Council England. Our risk schedule is reviewed and updated at each Board meeting and work is ongoing to ensure that risk management is embedded from governance of the organisation and throughout the management structure.

- **Information on fundraising practises**

Our general approach to fundraising is to work with existing networks and relationships, with general, non targeted appeals for specific projects. This includes our Friends, Chapter One founders, corporate and general visitors. We are mindful to ensure the protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches and undue pressure to donate. Seven Stories does not work with any commercial participators or professional fundraisers, beyond using fundraising websites such as Crowdfunder.

Our fundraising conforms to recognised standards and, if there were any complaints about our approach, they would be handled using our formal Complaints Policy and Procedures. There were no complaints in the year under review.

Disclosure of information to auditor

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

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

Auditor

The auditor, UNW LLP, has indicated his willingness to continue in office. The designated trustees will propose a motion reappointing the auditor at a meeting of the trustees.

Approved by order of the members of the board of trustees on 15 December 2021 and signed on their behalf by:

DocuSigned by:
Claire Riley
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Claire Riley, Chair

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Statement of trustees' responsibilities
For the year ended 31 March 2021

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

Company law requires the trustees to prepare financial statements for each financial year. 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 group and the charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group and the charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of trustees on 15 December 2021 and signed on its behalf by:

DocuSigned by:
Claire Riley
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Claire Riley, Chair

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Independent auditor's report to the Members of Seven Stories, The National Centre for Children's Books Limited

Opinion

We have audited the financial statements of Seven Stories, The National Centre for Children's Books Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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Other information

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

We have nothing to report in this regard.

Opinion 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 including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group

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or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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.

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

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the directors and other management (as required by Auditing Standards) and from inspection of the company's legal correspondence and we discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations. We have communicated identified laws and regulations within our audit team and remained alert to any indications of non compliance throughout the audit.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we have assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines and litigation. We identified the following areas as those most likely to have such an effect; health and safety, employment law, safeguarding, data protection and certain aspects of company legislation, recognising the nature of the company's activities. Auditing Standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Through these procedures we have not become aware of any actual or suspected non-compliance.

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

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

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Independent auditor's report to the Members of Seven Stories, The National Centre for Children's Books Limited (continued)

Use of our report

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

Anne Hallowell

Anne Hallowell BSc DChA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

15 December 2021

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 March 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted capital funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and legacies	3	**128,833**	**-**	**250,000**	**378,833**	17,730
Charitable activities	4	**1,135,448**	**168,545**	**-**	**1,303,993**	1,550,576
Other trading activities	5	**133,534**	**-**	**-**	**133,534**	305,594
Investments		**-**	**605**	**195**	**800**	530
Other income	6	**33,380**	**-**	**-**	**33,380**	22,737
Total income and endowments		**1,431,195**	**169,150**	**250,195**	**1,850,540**	1,897,167
Expenditure on:						
Raising funds		**103,095**	**-**	**-**	**103,095**	303,501
Charitable activities		**1,112,410**	**126,264**	**148,791**	**1,387,465**	1,495,896
Total expenditure		**1,215,505**	**126,264**	**148,791**	**1,490,560**	1,799,397
Net income before net gains/(losses) on investments		**215,690**	**42,886**	**101,404**	**359,980**	97,770
Net gains/(losses) on investments		**1,428**	**-**	**-**	**1,428**	(2,512)
Net income		**217,118**	**42,886**	**101,404**	**361,408**	95,258
Transfers between funds	16	**(18,687)**	**16,225**	**2,462**	**-**	-
Net movement in funds		**198,431**	**59,111**	**103,866**	**361,408**	95,258
Reconciliation of funds:						
Total funds brought forward		**204,841**	**231,281**	**5,066,398**	**5,502,520**	5,407,262
Net movement in funds		**198,431**	**59,111**	**103,866**	**361,408**	95,258
Total funds carried forward		**403,272**	**290,392**	**5,170,264**	**5,863,928**	5,502,520

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

The notes on pages 23 to 49 form part of these financial statements.

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Consolidated balance sheet
As at 31 March 2021

	Note		2021 £		2020 £
Fixed assets					
Tangible assets	10		**1,815,398**		1,863,044
Heritage assets	11		**3,562,792**		3,312,792
Investments	12		**8,185**		6,757
			5,386,375		5,182,593
Current assets					
Stocks	13	**38,600**		40,737	
Debtors	14	**153,400**		336,153	
Cash at bank and in hand		**672,993**		180,281	
		864,993		557,171	
Creditors: amounts falling due within one year	15	**(387,440)**		(237,244)	
Net current assets			**477,553**		319,927
Total assets less current liabilities			**5,863,928**		5,502,520
Total net assets			**5,863,928**		5,502,520
Charity funds					
Endowment funds	16		**5,170,264**		5,066,398
Restricted funds	16		**290,392**		231,281
Unrestricted funds	16		**403,272**		204,841
Total funds			**5,863,928**		5,502,520

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

The financial statements were approved and authorised for issue by the trustees on 15 December 2021 and signed on their behalf by:

DocuSigned by:
Claire Riley
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Claire Riley, Chair

The notes on pages 23 to 49 form part of these financial statements.

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Balance sheet
As at 31 March 2021

	Note		2021 £		2020 £
Fixed assets					
Tangible assets	10		**1,815,398**		1,863,044
Investments	12		**8,186**		6,758
			1,823,584		1,869,802
Current assets					
Debtors	14	**181,629**		392,684	
Cash at bank and in hand		**613,305**		116,694	
		794,934		509,378	
Creditors: amounts falling due within one year	15	**(376,354)**		(204,865)	
Net current assets			**418,580**		304,513
Total assets less current liabilities			**2,242,164**		2,174,315
Total net assets			**2,242,164**		2,174,315
Charity funds					
Restricted capital funds			**1,595,127**		1,739,749
Restricted funds			**290,392**		263,569
Unrestricted funds			**356,645**		170,997
Total funds			**2,242,164**		2,174,315

The charity's net movement in funds for the year was £67,849 (2020 - £87,957).

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

The financial statements were approved and authorised for issue by the trustees on 15 December 2021 and signed on their behalf by:

DocuSigned by:
Claire Riley
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Claire Riley, Chair

Company registered number: 03209411

The notes on pages 23 to 49 form part of these financial statements.

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Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Consolidated statement of cash flows
For the year ended 31 March 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	**610,318**	167,726
Cash flows from investing activities		
Purchase of tangible fixed assets	**(117,606)**	(92,815)
Net cash used in investing activities	**(117,606)**	**(92,815)**
Change in cash and cash equivalents in the year	**492,712**	**74,911**
Cash and cash equivalents at the beginning of the year	**180,281**	105,370
Cash and cash equivalents at the end of the year	**672,993**	180,281

The notes on pages 23 to 49 form part of these financial statements

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Notes to the financial statements
For the year ended 31 March 2021

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Seven Stories, The National Centre for Children's Books Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

1.2 Going concern

Due to the continuing impact of Covid, ongoing business viability continues to be under close review by management and the Board. We are confident based on our experience during the pandemic to date that we can continue to deliver income generating activity (whether earned or funded) while remaining Covid compliant, ranging from digital delivery of activity in particular to schools and communities, to "Click & Collect" sales via the bookshop and café, to online book sales. Staff are able to work flexibly which has been facilitated by investment in IT equipment and software. Investment in communication means we can continue to keep our existing audience engaged as well as being able to reach new audiences.

Despite a number of changes to the management team and Board during 2020/21 and 2021/22, we have worked hard to keep staff and stakeholders engaged. Our cash reserves and flexible business model have enabled us to respond quickly to challenges and reinstate previously successful models when analysis of performance indicated this was required.

We continue to update a scenario-based cash flow forecast weekly, and our cash reserves remain strong.

We utilise a rigorous risk analysis and management approach and continue to undertake horizon scanning. Risks are considered by the Board at our regular meetings, with mitigations implemented and monitored.

The governance review and appointment of a substantive CEO, as well as investment in creative and digital capability, will ensure a strong leadership platform and flexible and diverse organisation able to respond to challenges.

Having considered all the steps taken as described above, and taking into account the strong cash position of the organisation, alongside the revised business model now in place, the trustees consider that the going concern basis of preparation remains appropriate.

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1. Accounting policies (continued)

1.3 Income

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

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and the Trustees' report should be referred to for more information about their contribution.

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

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

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

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

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

1.4 Expenditure

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

Costs of raising funds are those incurred by Seven Stories Trading Limited. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at the head office.

1. Accounting policies (continued)

1.4 Expenditure (continued)

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

1.5 Interest receivable

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

1.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £100 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Exhibition costs, where the exhibition will be toured for in excess of one year, are capitalised at the cost of building the exhibition.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Land	- Not depreciated
Freehold property	- 2% straight line down to residual value
Long-term leasehold property	- 4% straight line
Fixtures and fittings	- 5-33% straight line
Exhibitions	- Over the lifetime of the exhibition

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1. Accounting policies (continued)

1.7 Heritage assets

The group has a collection of heritage assets which are held in support of their objectives and are used as a unique and inspiring resource to create exhibitions, artistic and learning and research programmes dedicated to celebrating children's books.

Acquisitions are made by purchase or donation. The heritage assets are included on the balance sheet on the basis of either:

- purchase price where material has been purchased on the open market;
- independent valuations by professional experts;
- valuations by Seven Stories staff using knowledge of the current market and the value of comparable works in the collection; or
- information provided by the National Audit Office for England and the acceptance in lieu panel.

It is not the intention of the trustees to dispose of any of the assets within the Collection. Any disposals would be subject to the approval of the trustees, although this would only happen in exceptional circumstances, and there must be sound curatorial reasons for disposal.

The items included within the Collection are deemed to have indeterminate lives and a high residual value; hence the trustees do not consider it appropriate to charge depreciation.

Please refer to Note 11 of the accounts for further information on the heritage assets held by the group.

1.8 Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

Stock includes books, merchandise and cafe food and drink stocks.

1.9 Debtors

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

1.10 Cash at bank and in hand

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

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1. Accounting policies (continued)

1.11 Liabilities and provisions

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

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

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

1.12 Financial instruments

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

1.13 Operating leases

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

1.14 Pensions

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

1.15 Fund accounting

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

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

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

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

Seven Stories, The National Centre for Children's Books Limited

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Notes to the financial statements
For the year ended 31 March 2021

2. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

The key source of judgment within the financial statements is the valuation of heritage assets, as there is often no readily available open market valuation available. Valuation is assessed based upon other comparable items coming to the market periodically and is reviewed annually by Collections staff. It is not the intention of the Trustees of Seven Stories, The National Centre for Children's Books Collection Trust to dispose of any of the assets within the collection.

Other key estimates used within the preparation of the financial statements are the useful lives of the fixed assets of the charity, which are used to set depreciation rates.

3. Income from donations and legacies

	Unrestricted funds 2021 £	**Restricted capital funds 2021 £**	**Total funds 2021 £**
Donations	17,007	250,000	**267,007**
Government grants	111,826	-	**111,826**
	128,833	250,000	**378,833**

	Unrestricted funds 2020 £	Restricted capital funds 2020 £	Total funds 2020 £
Donations	10,268	7,462	17,730

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For the year ended 31 March 2021

4. Income from charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Visitor centre	472,088	48,300	**520,388**
Programme	66,939	43,531	**110,470**
Learning	473,088	63,475	**536,563**
Collections	102,308	2,014	**104,322**
Exhibitions	21,025	11,225	**32,250**
	1,135,448	168,545	**1,303,993**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Visitor centre	498,043	-	498,043
Programme	277,900	83,111	361,011
Learning	192,874	57,511	250,385
Collections	131,000	18,180	149,180
Exhibitions	108,337	183,620	291,957
	1,208,154	342,422	1,550,576

5. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Corporate sponsorship	370	**370**	17,200

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5. Income from other trading activities (continued)

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Charity trading income	133,164	**133,164**	288,394

6. Other incoming resources

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Other income	33,380	**33,380**	22,737

Other income in the year relates to receipts relating to the Value North Partnership and community funding receipts.

7. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Visitor centre	512,468	132,195	**644,663**
Programme	57,928	11,730	**69,658**
Learning	285,800	93,839	**379,639**
Collections	123,556	29,677	**153,233**
Exhibitions	68,988	34,603	**103,591**
Development	27,297	9,384	**36,681**
	1,076,037	311,428	**1,387,465**

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7. Analysis of expenditure by activities (continued)

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Visitor centre	474,703	152,851	627,554
Programme	70,147	9,977	80,124
Learning	248,217	56,740	304,957
Collections	204,616	39,009	243,625
Exhibitions	161,588	35,969	197,557
Development	33,973	8,106	42,079
	1,193,244	302,652	1,495,896

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
General office costs	**63,499**	58,035
IT support	**8,007**	6,099
Travel and accomodation	**152**	4,844
Subscriptions and licenses	**1,744**	4,022
Bank charges	**1,646**	2,667
Wages and salaries	**184,288**	159,927
Professional fees	**52,092**	67,058
	311,428	302,652

The support costs have been allocated to each activity on the basis of headcount.

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For the year ended 31 March 2021

8. Auditor's remuneration

	2021 £	2020 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	**15,000**	10,000
Fees payable to the charity's auditor in respect of:		
All non-audit services not included above	**900**	900

9. Staff costs

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Wages and salaries	**786,016**	548,240	**748,467**	548,240
Social security costs	**57,123**	55,978	**55,466**	50,681
Contribution to defined contribution pension schemes	**29,142**	32,080	**27,910**	28,300
	872,281	636,298	**831,843**	627,221

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

	Group 2021 No.	Group 2020 No.
All employees	**60**	60

The average headcount expressed as full-time equivalents was:

	Group 2021 No.	Group 2020 No.
Visitor centre and learning	**15**	17
Collections	**4**	6
Trading	**4**	7
Management	**9**	9
	32	39

9. Staff costs (continued)

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

Remuneration and benefits received by key management personnel

The key management personnel of the group comprise those of the charity and the key management personnel of its trading subsidiary, Seven Stories Trading Limited.

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees for planning, directing and controlling the activities of the charity. During 2020/21 they were:

Chief Executive – Mairi Kidd
Collections Director and Acting Co-Chief Executive – Sarah Lawrance
Creative Director and Acting Co-Chief Executive – John Coburn
Head of HR and Operations - Wendy Elliott
Finance Director - Lucy Smyth

The total employee benefits of the key management personnel of the group were £247,888 (2020: £199,036).

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10. Tangible fixed assets

Group and charity

	Freehold property £	Long-term leasehold property £	Fixtures and fittings £	Exhibitions £	Assets under construction £	Total £
Cost or valuation						
At 1 April 2020	**3,552,626**	**21,419**	**3,157,656**	**344,059**	**89,115**	**7,164,875**
Additions	**-**	**-**	**93,311**	**-**	**24,295**	**117,606**
At 31 March 2021	**3,552,626**	**21,419**	**3,250,967**	**344,059**	**113,410**	**7,282,481**
Depreciation						
At 1 April 2020	**2,552,626**	**12,853**	**2,402,293**	**334,059**	**-**	**5,301,831**
Charge for the year	**-**	**856**	**163,284**	**1,112**	**-**	**165,252**
At 31 March 2021	**2,552,626**	**13,709**	**2,565,577**	**335,171**	**-**	**5,467,083**
Net book value						
At 31 March 2021	**1,000,000**	**7,710**	**685,390**	**8,888**	**113,410**	**1,815,398**
At 31 March 2020	1,000,000	8,566	755,363	10,000	89,115	1,863,044

Included in land and buildings is freehold land of £504,208 which has not been depreciated.

As detailed in note 22, Newcastle City Council and Arts Council England have a legal charge over the land and buildings.

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Notes to the financial statements
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11. Heritage assets

Group

Assets recognised at cost

	Acquarian books and manuscripts 2021 £	Total 2021 £
Market value at 1 April 2020	3,312,792	**3,312,792**
Additions	250,000	**250,000**
	3,562,792	**3,562,792**

5 year summary of heritage asset transactions

Group

	2021 £	2020 £	2019 £	2018 £	2017 £
Purchases					
Purchases	-	-	7,500	142,350	20,555
Donated assets at valuation	250,000	5,500	16,450	347,180	137,605
Total additions	250,000	5,500	23,950	489,530	158,160

Management of heritage assets

Seven Stories complies fully with the standards required by the Museum Accreditation scheme, having first become an Accredited museum in 2008. Accreditation was renewed with National Styling in 2016.

The prime instrument of collection management is the Collection Management Policy, which Seven Stories executes on behalf of Seven Stories, The National Centre for Children's Books Collection Trust. Seven Stories and the Collection Trust have also approved the following related policies, covering all areas of collection management:

- Collection Development Policy
- Collection Information Policy
- Collection Access Policy
- Collection Care and Conservation Policy.

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Nature and scale of heritage assets

Seven Stories is the only institution in the UK actively working to collect, preserve, conserve, exhibit and make available original manuscripts, artwork and related pre- and post- publication materials by the creators of modern and contemporary British books for children from the 1930s to the present day. The charity began collecting in 1996 and the Collection now comprises over 140 individual collections representing (to varying extents) the work of over 250 different authors, illustrators, editors and publishers and an estimated 35,000 books. Much of the work has been donated by the creators of the work or their families, though an acquisition budget coupled with external fundraising from sources including the Heritage Lottery Fund, the Art Fund, the ACE/V&A Purchase Grant Fund and the Friends of the National Libraries, has enabled a number of significant purchases.

The nature and extent of the holdings of original material varies from work relating to a single title to substantial collections which document an entire career, and may include business records and correspondence with publishers, as well as manuscripts and artwork in various stages. A wide range of genres and formats is covered. Fantasy, historical fiction, picture books and drama are particularly well represented.

Among the most extensive writers' archives are those of Elisabeth Beresford, Peter Dickinson, Berlie Doherty, Diana Wynne Jones, Jan Mark, Michael Morpurgo, Beverley Naidoo, Martin Waddell, Robert Westall, Ursula Moray Williams and David Wood. Many others are also represented by significant bodies of work – for example Leila Berg, Lucy Boston, Leon Garfield, Eva Ibbotson, Clive King, Philip Pullman, Michael Rosen, Catherine Storr and Geoffrey Trease. The Collection also includes the largest Enid Blyton archive in public ownership (though sadly only a small proportion of her enormous output survives in manuscript or typescript form).

Around 120 illustrators are currently represented by original work, in a wide variety of techniques – from wood engraving (John Lawrence) to digital art (Chris Haughton) - and formats, from illustrated fiction to pop-ups. The most extensive collections include the Judith Kerr archive, comprising artwork for 24 titles, including The Tiger who Came to Tea (1968) and all of the Mog series (1970-2002) and the Helen Craig archive, which contains complete preparatory and finished artwork for 18 titles in the popular Angelina Ballerina series. Other extensive and/or highly significant holdings include work by – among others - Edward Ardizzone, Judy Brook, Faith Jaques, Harold Jones and Kim Lewis.

Acquisition of assets

Seven Stories, on behalf of the Collection Trust, is continuing to collect the following types of material dating from c. 1930 to the present day. Representative examples of work by seminal figures from earlier periods may be collected from time to time, where these provide a context for more recent work:

- Original artwork and manuscripts by British writers and illustrators for children, in whatever format they were created, including new media
- Pre- and post-publication materials
- Related materials: e.g. correspondence, reviews, articles
- Books in all their forms - including fiction and non-fiction, picture books, poetry, drama and prose, published work in new media formats, including audio and video tape, CD and DVD, and e-books.

Acquisition decisions are made with reference to a Collection Development Policy (updated 2015). Current priorities include:

- Work by or representing groups of people outside the mainstream of publishing for children, in particular work by authors and illustrators of non-white British origin.
- Poetry - currently a significant weakness
- Illustration – building on the strengths of the existing holdings
- Young fiction – work aimed at children aged 7-11, in particular by more popular authors
- First edition copies (where available) of texts represented by artwork and archival material in the Collection.

Preservation of assets

The charity is responsible for the care and conservation of the Collection under the terms of the management agreement with the Collection Trust. The collection care policy covers all aspects of preservation and conservation, from the moment an object enters the Collection, through storage, handling, display, loan, etc.

The policy is designed to ensure that Collection care at Seven Stories complies as far as possible with widely established standards and practices within the museums and archives community in Britain, for example BS5454, the ACE Accreditation Scheme, and Benchmarks for Collection Care.

It sets standards and expectations in the following areas:

- Collection Content and Condition Monitoring
- Premises, Storage and Housekeeping
- Preventive conservation, including environmental monitoring and control, and integrated pest management
- Handling and Repackaging
- Remedial Conservation
- Disaster Planning.

It also covers best practice in digitisation, exhibitions, and transport of collections.

Disposal of assets

By definition, the Collection Trust has a long-term purpose and holds collections in trust for society in relation to its stated objectives. The Board of Trustees therefore accepts the principle that sound curatorial reasons for disposal must be established before consideration is given to the disposal of any items in the Collection. Full details of the procedures to be followed in the event of a decision to dispose are given in the Collection Development Policy.

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Notes to the financial statements
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12. Fixed asset investments

Group	Listed securities £
Cost or valuation	
At 1 April 2020	**6,757**
Revaluations	**1,428**
At 31 March 2021	**8,185**
Net book value	
At 31 March 2021	**8,185**
At 31 March 2020	6,757

Charity	Investments in subsidiary companies £	Listed securities £	Total £
Cost or valuation			
At 1 April 2020	**1**	**6,757**	**6,758**
Revaluations	**-**	**1,428**	**1,428**
At 31 March 2021	**1**	**8,185**	**8,186**
Net book value			
At 31 March 2021	**1**	**8,185**	**8,186**
At 31 March 2020	1	6,757	6,758

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Notes to the financial statements
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12. Fixed asset investments (continued)

Principal subsidiaries

The following were subsidiary undertakings of the charity:

Names	Company number	Charity registration number	Holding	Included in consolidation
Seven Stories Trading Limited	04177830	n/a	100%	Yes
Seven Stories, The National Centre for Children's Books Collections Trust	n/a	1115167	100%	Yes

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Seven Stories Trading Limited	**147,097**	**(100,469)**	**46,628**	**46,628**
Seven Stories, The National Centre for Children's Books Collections Trust	**250,195**	**(1,707)**	**248,488**	**3,575,137**

13. Stocks

	Group 2021 £	Group 2020 £
Books and merchandise	**34,362**	39,579
Cafe food and drink stock	**4,238**	1,158
	38,600	40,737

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14. Debtors

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Due within one year				
Trade debtors	**29,985**	48,981	**11,324**	41,329
Amounts owed by group undertakings	**-**	-	**47,834**	49,600
Other debtors	**13,324**	121,150	**13,324**	121,150
Prepayments and accrued income	**110,091**	166,022	**109,147**	180,605
	153,400	336,153	**181,629**	392,684

15. Creditors: amounts falling due within one year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade creditors	**106,165**	100,057	**101,518**	76,419
Other taxation and social security	**19,637**	18,695	**18,931**	18,695
Other creditors	**18,383**	6,780	**18,383**	6,780
Accruals and deferred income	**243,255**	111,712	**237,522**	102,971
	387,440	237,244	**376,354**	204,865

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Notes to the financial statements
For the year ended 31 March 2021

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds						
Designated funds						
Designated funds	10,249	-	-	-	-	10,249
General funds						
General funds	194,592	1,431,195	(1,215,505)	(18,687)	1,428	393,023
Total Unrestricted funds	204,841	1,431,195	(1,215,505)	(18,687)	1,428	403,272
Restricted capital funds						
Building purchase	750,156	-	-	-	-	750,156
Building improvements and purchase of other assets	992,055	-	(147,084)	-	-	844,971
Historic collections	3,324,187	250,195	(1,707)	2,462	-	3,575,137
	5,066,398	250,195	(148,791)	2,462	-	5,170,264

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16. Statement of funds (continued)

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Restricted funds						
Collecting Cultures	(7,500)	-	(716)	8,216	-	-
NGCV Family Explorers	(4,330)	16,041	(13,820)	2,109	-	-
Eyre Family Foundation	7,500	-	(7,500)	-	-	-
Unwin Charitable Trust	5,000	10,000	-	-	-	15,000
British Council	8,670	1,225	(7,256)	-	-	2,639
Helen Bailey	6,275	5,200	(9,875)	-	-	1,600
Heritage Lottery Fund - WSCF	19,000	-	-	-	-	19,000
Business Model	(5,900)	-	-	5,900	-	-
Gillian Dickinson	45,903	-	(430)	-	-	45,473
BBC Children in Need	5,284	19,388	(18,437)	-	-	6,235
Foyle - WSCF	9,900	-	-	-	-	9,900
Garfield Weston	50,000	-	-	-	-	50,000
St Nicholas' Education Trust	-	13,254	(8,000)	-	-	5,254
Wolfson	76,550	-	-	-	-	76,550
Well Newcastle Gateshead	10,500	4,500	(13,707)	-	-	1,293
National Lottery Heritage Fund - Covid-19	-	48,300	(29,264)	-	-	19,036
LNER - On Board With Stories	-	14,600	(5,732)	-	-	8,868
Guy Readman	-	15,000	-	-	-	15,000
Community Family Hub East	-	10,000	(1,209)	-	-	8,791
Other Funds	4,429	11,642	(10,318)	-	-	5,753
	231,281	169,150	(126,264)	16,225	-	290,392
Total of funds	5,502,520	1,850,540	(1,490,560)	-	1,428	5,863,928

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16. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2020 £
Unrestricted funds					
Designated funds					
Designated funds	10,249	-	-	-	10,249
General funds					
General funds	109,341	1,546,753	(1,458,990)	(2,512)	194,592
Total Unrestricted funds	119,590	1,546,753	(1,458,990)	(2,512)	204,841
Restricted capital funds					
Building purchase	750,156	-	-	-	750,156
Building improvements and purchase of other assets	1,130,327	-	(138,272)	-	992,055
Historic collections	3,316,725	7,462	-	-	3,324,187
	5,197,208	7,462	(138,272)	-	5,066,398

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16. Statement of funds (continued)

	Balance at 1 April 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2020 £
Restricted funds					
Collecting Cultures	(7,500)	-	-	-	(7,500)
NGCV Family Explorers	1,052	18,530	(23,912)	-	(4,330)
Eyre Family Foundation	7,500	10,000	(10,000)	-	7,500
Unwin Charitable Trust	5,000	-	-	-	5,000
British Council	5,000	3,670	-	-	8,670
Pilgrim Trust	9,633	18,180	(26,311)	-	1,502
Helen Bailey	3,850	5,200	(2,775)	-	6,275
Heritage Lottery Fund - WSCF	30,000	24,000	(35,000)	-	19,000
Business Model	399	1,000	(7,299)	-	(5,900)
Gillian Dickinson	34,820	47,881	(36,798)	-	45,903
Shears Foundation	-	10,000	(10,000)	-	-
BBC Children in Need	-	5,284	-	-	5,284
Foyle - WSCF	-	20,000	(10,100)	-	9,900
Garfield Weston	-	50,000	-	-	50,000
ISN	-	15,647	(16,500)	-	(853)
Austin & Hope Pilkington Trust	-	5,000	(5,000)	-	-
St Nicholas' Education Trust	-	9,280	(9,280)	-	-
Wolfson	-	85,000	(8,450)	-	76,550
Well Newcastle Gateshead	-	10,500	-	-	10,500
Other Funds	710	3,780	(710)	-	3,780
	90,464	342,952	(202,135)	-	231,281
Total of funds	5,407,262	1,897,167	(1,799,397)	(2,512)	5,502,520

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16. Statement of funds (continued)

Restricted capital funds:
Building purchase - funds allocated solely for the purchase of the buildings at 30 - 34 Lime Street, which were converted into the Seven Stories Visitor Centre.

Restricted funds:
Eyre Family Foundation – support for our learning and participation work.

Unwin Charitable Trust - towards the direct costs of preparing collection items for use in our exhibition and learning programmes for 12 months.

British Council – grant to fund an artist in residence event at Seven Stories with a Polish illustrator.

Helen Bailey - to support a new creative writing project for schools.

Heritage Lottery Fund WSCF - to provide funding for development of new exhibition space.

Gillian Dickinson - to support the young people's talent development programme.

BBC Children in Need - to deliver community activity with educational and well-being outcomes in the East End of Newcastle.

Foyle Foundation - to provide funding for development of our new exhibition space.

Garfield Weston Foundation - for exhibition co-curation and touring programme.

St Nicholas Education Trust – to support Reader in Residence programme at Byker and St Lawrance Primary

Wolfson Foundation - to provide funding for development of our new exhibition space.

Well Newcastle Gateshead – to deliver Food Stories multigenerational project in the East End.

National Lottery Heritage Fund re Covid-19 - Covid 19 Emergency Funding to cover working from home adaptations and Covid safety changes to Visitors Centre and City Library.

LNER - On Board with Stories - a programme of creative learning activities using books to support babies born during lockdown and their parents/carers.

Guy Readman - reader in Residence programme with Central Walker Primary School and West Walker Primary School.

Community Family Hub East - to provide Welcome to the World story packs 1) for pregnant mums and new babies born in East Newcastle; 2) for families participating in the Books for Babies courses; and 3) to families across East Newcastle to celebrate World Book Day.

Other funds relates to grants from:
Holocaust Memorial Fund; Jeremy Beecham Fund; Friends of the National Lottery; Sebastian Walker Fund for Collection; The Shears Foundation; The Pilgrim Trust; and ISN.

Transfers between funds represent monies previously spent from unrestricted funds in order to complete restricted projects, and have been made to clear the deficit on historic restricted funds.

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17. Summary of funds

Summary of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Designated funds	**10,249**	**-**	**-**	**-**	**-**	**10,249**
General funds	**194,592**	**1,431,195**	**(1,215,505)**	**(18,687)**	**1,428**	**393,023**
Restricted capital funds	**5,066,398**	**250,195**	**(148,791)**	**2,462**	**-**	**5,170,264**
Restricted funds	**231,281**	**169,150**	**(126,264)**	**16,225**	**-**	**290,392**
	5,502,520	**1,850,540**	**(1,490,560)**	**-**	**1,428**	**5,863,928**

Summary of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2020 £
Designated funds	10,249	-	-	-	10,249
General funds	109,341	1,546,753	(1,458,990)	(2,512)	194,592
Restricted capital funds	5,197,208	7,462	(138,272)	-	5,066,398
Restricted funds	90,464	342,952	(202,135)	-	231,281
	5,407,262	1,897,167	(1,799,397)	(2,512)	5,502,520

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18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted capital funds 2021 £	Total funds 2021 £
Tangible fixed assets	220,271	-	1,595,127	**1,815,398**
Fixed asset investments	8,185	-	-	**8,185**
Heritage assets	-	-	3,562,792	**3,562,792**
Current assets	557,456	290,392	17,145	**864,993**
Creditors due within one year	(382,640)	-	(4,800)	**(387,440)**
Total	403,272	290,392	5,170,264	**5,863,928**

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted capital funds 2020 £	Total funds 2020 £
Tangible fixed assets	123,295	-	1,739,749	1,863,044
Fixed asset investments	6,757	-	-	6,757
Heritage assets	-	-	3,312,792	3,312,792
Current assets	308,833	231,281	17,057	557,171
Creditors due within one year	(234,044)	-	(3,200)	(237,244)
Total	204,841	231,281	5,066,398	5,502,520

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

19. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2021 £	Group 2020 £
Net income for the year (as per Statement of Financial Activities)	**361,408**	95,258
Adjustments for:		
Depreciation charges	**165,252**	182,252
(Gains)/losses on investments	**(1,428)**	2,512
Donation of assets acquired	**(250,000)**	(5,500)
Decrease in stocks	**2,137**	10,055
Decrease/(increase) in debtors	**182,753**	(109,742)
Increase/(decrease) in creditors	**150,196**	(7,109)
Net cash provided by operating activities	**610,318**	167,726

20. Analysis of cash and cash equivalents

	Group 2021 £	Group 2020 £
Cash in hand	**672,993**	180,281
Total cash and cash equivalents	**672,993**	180,281

21. Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	**180,281**	**492,712**	**672,993**
	180,281	**492,712**	**672,993**

22. Contingent liabilities

There are legal charges over the land and buildings at 30-34 Lime Street, Newcastle upon Tyne, in favour of Newcastle City Council and the Arts Council England, which arose from capital grants awarded to the charity.

The grants are non-repayable provided that the property is not disposed of or used for purposes other than non-profit making culturally related activities, or the charity ceases to operate. The security given by the charges will be released after 25 years in 2029 by Arts Council England and 60 years in 2064 by Newcastle City Council.

23. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £29,142 (2020: £32,080). Contributions totalling £6,440 (2020: £5,399) were payable to the fund at the balance sheet date and are included within creditors.

24. Operating lease commitments

At 31 March 2021 the group and the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	Group 2020 £
Not later than 1 year	**28,110**	34,660
Later than 1 year and not later than 5 years	**88,000**	116,110
	116,110	150,770

25. Related party transactions

No member of the board received any remuneration during the current or prior year.

During the year, no trustees (2020: 1) received reimbursed expenses (2020: £318) in respect of travel and subsistence costs.

26. Controlling party

The charity is controlled by the Board of Trustees.

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