

SEVEN STORIES, THE NATIONAL CENTRE FOR CHILDREN'S BOOKS COLLECTION TRUST

England & Wales · Charity number 1115167

Details

Other names	SEVEN STORIES, THE NATIONAL CENTRE FOR CHILDREN'S BOOKS, THE CENTRE FOR CHILDREN'S BOOKS COLLECTION TRUST
Status	Registered
Legal form	Trust
Registered	2006-07-10
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	08452710777
Email	sarah.lawrance@sevenstories.org.uk

Activities

Objects: THE CHARITY'S OBJECTS ARE 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 AND BY PROMOTING ACCESS TO THE COLLECTION.3.2 THE TRUSTEES SHALL HOLD THE COLLECTION IN TRUST FOR THE OBJECTS STRICTLY IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS DEED.

Activities: The charity owns a collection of modern and contemporary British children's books and related original artwork, manuscripts and archives. The charity makes the collection available to Seven Stories, The National Centre for Children's Books (registered charity 1056812) for use in exhibitions, educational activities, research and other programmes, for the public benefit.

Classification

- **How:** Acts As An Umbrella Or Resource Body
- **What:** Education/training, Arts/culture/heritage/science, Environment/conservation/heritage
- **Who:** Children/young People, The General Public/mankind

Geography

- **Area of benefit:** NOT DEFINED IN PRACTICE NATIONAL
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£140,312	£2,581	-	-
2024-03-31	£80,912	£2,107	-	-
2023-03-31	£813,762	£1,672	£5,324,995	0
2022-03-31	£939,510	£1,742	£4,512,905	0
2021-03-31	£250,195	£1,707	-	-

Trustees

Name	Role	Appointed
Elizabeth Hammill		
Emma Louise Layfield		2023-06-28
Matthew Thomas McWhinnie		2023-06-28
Professor Matthew Grenby		2021-12-15

Accounts

Charity number: 1115167

**Seven Stories, The National Centre
for Children's Books Collection Trust**

Annual report

31 March 2025

Seven Stories, The National Centre for Children's Books Collection Trust

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Seven Stories, The National Centre for Children's Books Collection Trust

Reference and administrative details
Year ended 31 March 2025

Trustees	Elizabeth Hammill Matthew Grenby Matthew McWhinnie Emma Layfield Jane Rosen (appointed 12 December 2024)
Charity registered number	1115167
Principal office	30 Lime Street Ouseburn Valley Newcastle upon Tyne NE1 2PQ
Independent auditors	UNW LLP Chartered Accountants Citygate St James' Boulevard Newcastle upon Tyne NE1 4JE
Bankers	Unity Trust Bank PLC 9 Brindleyplace Birmingham B1 2HB

Seven Stories, The National Centre for Children's Books Collection Trust

Trustees' report Year ended 31 March 2025

The trustees present their annual report together with the audited financial statements of the charity for the year 1 April 2024 to 31 March 2025. The trustees confirm that the annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity'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 home for children's literature. Its mission is to save, celebrate and share our rich literary heritage for children, ensuring its essential place in childhood and our national cultural life. It does this by developing a nationally important collection of pre and post publication artwork, manuscripts and archives created by Britain's highly acclaimed writers and illustrators for children from c.1930s to the present day. It uses this collection as a unique and inspiring resource to create exhibitions, artistic and learning and research programmes dedicated to celebrating children's books, encouraging reading and nourishing intellect, curiosity, imagination and creativity.

Strategies for achieving objectives

The charity's objects are 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 and by promoting access to the Collection.

Activities undertaken to achieve objectives

The Collection Trust receives assets by donation from its donors. The Collection Trust owns and protects the archive. It is supported by Seven Stories staff through a management agreement dated 25th August 2006.

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

The charity owns a collection of modern and contemporary British children's books and related original artwork, manuscripts and archives. The charity makes the collection available to Seven Stories, The National Centre for Children's Books for use in exhibitions, educational activities, research and other programmes, for the public benefit.

Achievements and performance

Key performance indicators

The charity received manuscripts and other archive material with a valuation of £140,300 (2023/24: £80,900).

Review of activities

The value of the Seven Stories Collection Trust Heritage Assets has been increased by £140,300 during the year. This includes the archive of Antonia Barber and Mary Norton.

During the year, new Trustees were appointed to enhance and support the Board.

Seven Stories, The National Centre for Children's Books Collection Trust

Trustees' report (continued) Year ended 31 March 2025

Financial activities

Going concern

The charity exists to hold heritage assets and collections for public benefit. It has no staff and all ongoing costs of storing and using the collection are borne by the parent charity. Consequently, the charity has no ongoing commitments or liabilities of its own. Further consideration of the going concern status of the group is given within the consolidated accounts prepared for Seven Stories, The National Centre for Children's Books Limited.

Management has determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern.

Reserves policy

The Trust does not hold unrestricted reserves, and all restricted reserves are represented by the Collection. Further details on the reserve policy for the Group can be found in the financial statements of the parent charity, Seven Stories, The National Centre for Children's Books.

Principal funding

The Trust relies upon Seven Stories, the National Centre for Children's Books to source funding to build the Collection and to provide the resources needed for its ongoing management.

Structure, governance and management

Constitution

The Centre for Children's Books Collection Trust was established by a Trust Deed dated 9 June 2005, which was amended by a Deed of Variation dated 15 April 2016.

Methods of appointment or election of trustees

The Centre for Children's Books' Collection Trust is an independent trust whose trustees are appointed by the board of Trustees of Seven Stories, The National Centre for Children's Books (Registered Charity no 1056812).

Organisational structure and decision-making policies

The Board of Trustees administers the charity. The Board meets three times a year.

Policies adopted for the induction and training of trustees

The charity provides an induction process for new Trustees by presenting them with important plans, policies and documents and verbally informing them of the operations of the charity. Trustees are also directed to advice provided by the Charity Commission.

Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Seven Stories, The National Centre for Children's Books Collection Trust

Trustees' report (continued) Year ended 31 March 2025

Plans for future periods

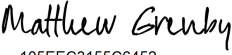
Future developments

Over the next twelve months the Collection Trust will continue to receive assets by donation from its donors, and to make the existing archive available to the public through exhibitions and loans.

Members' liability

The Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

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

DocuSigned by:

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Matthew Grenby

Seven Stories, The National Centre for Children's Books Collection Trust

Statement of trustees' responsibilities Year ended 31 March 2025

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its 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 charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

DocuSigned by:

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Matthew Grenby



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

Opinion

We have audited the financial statements of Seven Stories, The National Centre for Children's Books Collection Trust ('the charity') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2025 and of its incoming resources and application of resources 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 charity'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.



Independent auditor's report to the members of Seven Stories, The National Centre for Children's Books Collection Trust (continued)

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; 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 are responsible for the preparation of the financial statements which 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.



Independent auditor's report to the members of Seven Stories, The National Centre for Children's Books Collection Trust (continued)

Extent to which the audit was considered 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 our 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 charity 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), pension legislation and UK tax legislation. In addition, the charity 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.

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.



Independent auditor's report to the members of Seven Stories, The National Centre for Children's Books Collection Trust (continued)

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, 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 FCA DChA (Senior Statutory Auditor)
on behalf of UNW LLP, Statutory Auditor

Chartered Accountants
Newcastle upon Tyne

18 December 2025

UNW LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

Seven Stories, The National Centre for Children's Books Collection Trust

Statement of financial activities Year ended 31 March 2025

	Note	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:				
Donations and legacies	4	140,300	140,300	80,900
Investments	5	12	12	12
Total income		140,312	140,312	80,912
Expenditure on:				
Charitable activities	6	2,581	2,581	2,107
Total expenditure		2,581	2,581	2,107
Net movement in funds		137,731	137,731	78,805
Reconciliation of funds:				
Total funds brought forward		5,403,800	5,403,800	5,324,995
Net movement in funds		137,731	137,731	78,805
Total funds carried forward		5,541,531	5,541,531	5,403,800

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

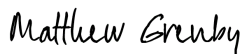
The notes on pages 12 to 22 form part of these financial statements.

Seven Stories, The National Centre for Children's Books Collection Trust

Balance sheet At 31 March 2025

	Note	2025 £	2024 £
Fixed assets			
Heritage assets	8	5,538,137	5,397,837
		<u>5,538,137</u>	<u>5,397,837</u>
Current assets			
Cash at bank and in hand		16,822	16,863
		<u>16,822</u>	<u>16,863</u>
Current liabilities			
Creditors: amounts falling due within one year	9	(13,428)	(10,900)
		<u>3,394</u>	<u>5,963</u>
Net current assets			
		<u>5,541,531</u>	<u>5,403,800</u>
Total assets less current liabilities			
		<u>5,541,531</u>	<u>5,403,800</u>
Total net assets			
		<u>5,541,531</u>	<u>5,403,800</u>
Charity funds			
Restricted funds	10	5,541,531	5,403,800
		<u>5,541,531</u>	<u>5,403,800</u>
Total funds			
		<u>5,541,531</u>	<u>5,403,800</u>

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

DocuSigned by:

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Matthew Grenby

The notes on pages 12 to 22 form part of these financial statements.

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements Year ended 31 March 2025

1. General information

Seven Stories, The National Centre for Children's Books Collections Trust ('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 Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Seven Stories, The National Centre for Children's Books Collections Trust 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.

2.2 Reduced disclosures

FRS 102 allows a qualifying entity certain disclosure exemptions. The charity meets the definition of a qualifying entity and has taken advantage of the exemptions relating to the preparation of a cash flow statement. The consolidated financial statements of Seven Stories, The National Centre for Children's Books Limited include a consolidated cash flow statement.

2.3 Going concern

The charity exists to hold heritage assets and collections for public benefit. It has no staff and all ongoing costs of storing and using the collection are borne by the parent company. Further consideration of the going concern status of the group is given within the consolidated accounts prepared for Seven Stories, The National Centre for Children's Books Limited.

Having due regard for the group position, and having received assurances from the group board around the continuing support available to maintain the collection for at least the coming 12 months, the trustees have concluded that the going concern basis is appropriate for the preparation of these financial statements.

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements Year ended 31 March 2025

2. Accounting policies (continued)

2.4 Income

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

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

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 of the charity of the item is probable and that economic benefit can be measured reliably.

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

2.5 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.

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

All expenditure is inclusive of irrecoverable VAT.

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements Year ended 31 March 2025

2. Accounting policies (continued)

2.6 Heritage assets

The Trust 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 8 of the accounts for further information on the heritage assets held by the Trust.

2.7 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.

2.8 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.

2.9 Fund accounting

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

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

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

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements Year ended 31 March 2025

2. Accounting policies (continued)

3. Critical accounting estimates and areas of judgement

The preparation of financial statements requires management to make judgements, assumptions and estimates that affect the application of accounting policies and amounts reported in the statement of financial activities and balance sheet. Such decisions are made at the time the financial statements are prepared and adopted based on the best information available at the time. Actual outcomes may be different from initial estimates and are reflected in the financial statements as soon as they become apparent.

The key source of judgement 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.

In preparing these financial statements the trustees do not consider there were any significant areas of key sources of estimation uncertainty that were required in applying the charity's accounting policies as set out above.

4. Income from donations and legacies

	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Donations of heritage assets	140,300	140,300	80,900
Total 2024	80,900	80,900	

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements
Year ended 31 March 2025

5. Investment income

	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Interest receivable	12	12	12
Total 2024	12	12	

6. Analysis of expenditure on charitable activities

	Restricted funds 2025 £	Total 2025 £	Total 2024 £
Bank charges	381	381	107
Audit fees	2,200	2,200	2,000
Total 2025	2,581	2,581	2,107
Total 2024	2,107	2,107	

7. Trustees' remuneration and expenses

During the year, no trustees' received any remuneration, reimbursements or other benefits (2024: £nil).

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements Year ended 31 March 2025

8. Heritage assets

Assets recognised at cost or valuation

	Heritage assets 2025 £	Total 2025 £
Carrying value at 1 April 2024	5,397,837	5,397,837
Additions	140,300	140,300
Carrying value at 31 March 2025	5,538,137	5,538,137

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.

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, David Wood and Judith Kerr. 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).

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements Year ended 31 March 2025

8. Heritage assets (continued)

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 all of her published 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.

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

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 BS4971:2017, 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.

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements

Year ended 31 March 2025

8. Heritage assets (continued)

5 year summary of Heritage Asset transactions

	2025 £	2024 £	2023 £	2022 £	2021 £
Purchases					
Purchases	-	900	-	900	-
Donated assets at valuation	140,300	80,000	813,750	939,495	250,000
Total additions	<u>140,300</u>	<u>80,900</u>	<u>813,750</u>	<u>940,395</u>	<u>250,000</u>

9. Creditors: amounts falling due within one year

	2025 £	2024 £
Amounts owed to group undertakings	11,228	8,900
Accruals and deferred income	2,200	2,000
	<u>13,428</u>	<u>10,900</u>

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

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements
Year ended 31 March 2025

10. Statement of funds

Statement of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Balance at 31 March 2025 £
Restricted funds				
Restricted Funds	5,403,800	140,312	(2,581)	5,541,531

Statement of funds - prior year

	Balance at 1 April 2023 £	Income £	Expenditure £	Balance at 31 March 2024 £
Restricted Funds	5,324,995	80,912	(2,107)	5,403,800

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements
Year ended 31 March 2025

11. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2025 £	Total funds 2025 £
Heritage assets	5,538,137	5,538,137
Current assets	16,822	16,822
Creditors due within one year	(13,428)	(13,428)
Total	5,541,531	5,541,531

Analysis of net assets between funds - prior year

	Restricted funds 2024 £	Total funds 2024 £
Heritage assets	5,397,837	5,397,837
Current assets	16,863	16,863
Creditors due within one year	(10,900)	(10,900)
Total	5,403,800	5,403,800

12. Related party transactions

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

13. Post balance sheet events

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.

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements Year ended 31 March 2025

14. Controlling party

The charity considers that it is under the control of the Board of trustees. The power to appoint the trustees to the charity rests with Seven Stories, The National Centre for Children's Books Limited, and as such it is regarded as the parent charity. The parent charity's company registered number is 03209411 and the charity registered number is 1056812.

The parent charity's principle activities include 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.

The charity is included in the consolidated financial statements of Seven Stories, The National Centre for Children's Books. The consolidated financial statements of the group are available to the public and may be obtained from its registered address 30 Lime Street, Ouseburn Valley, Newcastle upon Tyne, NE1 2PQ.

Accounts

Charity number: 1115167

**Seven Stories, The National Centre
for Children's Books Collection Trust**

Annual report

31 March 2024

Seven Stories, The National Centre for Children's Books Collection Trust

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Seven Stories, The National Centre for Children's Books Collection Trust

Reference and administrative details
Year ended 31 March 2024

Trustees	Elizabeth Hammill Ian Johnson Matthew Grenby Matthew McWhinnie (appointed 28 June 2023) Emma Layfield (appointed 28 June 2023)
Charity registered number	1115167
Principal office	30 Lime Street Ouseburn Valley Newcastle upon Tyne NE1 2PQ
Independent auditors	UNW LLP Chartered Accountants Citygate St James' Boulevard Newcastle upon Tyne NE1 4JE
Bankers	Unity Trust Bank PLC 9 Brindleyplace Birmingham B1 2HB

Seven Stories, The National Centre for Children's Books Collection Trust

Trustees' report Year ended 31 March 2024

The trustees present their annual report together with the audited financial statements of the charity for the year 1 April 2023 to 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 home for children's literature. Its mission is to save, celebrate and share our rich literary heritage for children, ensuring its essential place in childhood and our national cultural life. It does this by developing a nationally important collection of pre and post publication artwork, manuscripts and archives created by Britain's highly acclaimed writers and illustrators for children from c.1930s to the present day. It uses this collection as a unique and inspiring resource to create exhibitions, artistic and learning and research programmes dedicated to celebrating children's books, encouraging reading and nourishing intellect, curiosity, imagination and creativity.

Strategies for achieving objectives

The charity's objects are 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 and by promoting access to the Collection.

Activities undertaken to achieve objectives

The Collection Trust receives assets by donation from its donors. The Collection Trust owns and protects the archive. It is supported by Seven Stories staff through a management agreement dated 25th August 2006.

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

The charity owns a collection of modern and contemporary British children's books and related original artwork, manuscripts and archives. The charity makes the collection available to Seven Stories, The National Centre for Children's Books for use in exhibitions, educational activities, research and other programmes, for the public benefit.

Achievements and performance

Key performance indicators

The charity received manuscripts and other archive material with a valuation of £80,900 (2022/23: £813,750).

Review of activities

The value of the Seven Stories Collection Trust Heritage Assets has been increased by £80,900 during the year. This includes the archive of Gerald Rose.

During the year, new Trustees were appointed to enhance and support the Board, and a review was undertaken of the Collection Strategy and Acquisition Plan.

Seven Stories, The National Centre for Children's Books Collection Trust

Trustees' report (continued) Year ended 31 March 2024

Financial activities

Going concern

The charity exists to hold heritage assets and collections for public benefit. It has no staff and all ongoing costs of storing and using the collection are borne by the parent charity. Consequently, the charity has no ongoing commitments or liabilities of its own. Further consideration of the going concern status of the group is given within the consolidated accounts prepared for Seven Stories, The National Centre for Children's Books Limited.

Management has determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern.

Reserves policy

The Trust does not hold unrestricted reserves, and all restricted reserves are represented by the Collection. Further details on the reserve policy for the Group can be found in the financial statements of the parent charity, Seven Stories, The National Centre for Children's Books.

Principal funding

The Trust relies upon Seven Stories, the National Centre for Children's Books to source funding to build the Collection and to provide the resources needed for its ongoing management.

Structure, governance and management

Constitution

The Centre for Children's Books Collection Trust was established by a Trust Deed dated 9 June 2005, which was amended by a Deed of Variation dated 15 April 2016.

Methods of appointment or election of trustees

The Centre for Children's Books' Collection Trust is an independent trust whose trustees are appointed by the board of Trustees of Seven Stories, The National Centre for Children's Books (Registered Charity no 1056812).

Organisational structure and decision-making policies

The Board of Trustees administers the charity. The Board meets three times a year.

Policies adopted for the induction and training of trustees

The charity provides an induction process for new Trustees by presenting them with important plans, policies and documents and verbally informing them of the operations of the charity. Trustees are also directed to advice provided by the Charity Commission.

Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Seven Stories, The National Centre for Children's Books Collection Trust

Trustees' report (continued) Year ended 31 March 2024

Plans for future periods

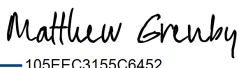
Future developments

Over the next twelve months the Collection Trust will continue to receive assets by donation from its donors, and to make the existing archive available to the public through exhibitions and loans.

Members' liability

The Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

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

DocuSigned by:

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Matthew Grenby

Seven Stories, The National Centre for Children's Books Collection Trust

Statement of trustees' responsibilities Year ended 31 March 2024

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its 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 charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

DocuSigned by:

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Matthew Grenby



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

Opinion

We have audited the financial statements of Seven Stories, The National Centre for Children's Books Collection Trust ('the charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2024 and of its incoming resources and application of resources 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 charity'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.



Independent auditor's report to the members of Seven Stories, The National Centre for Children's Books Collection Trust (continued)

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; 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 are responsible for the preparation of the financial statements which 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.



Independent auditor's report to the members of Seven Stories, The National Centre for Children's Books Collection Trust (continued)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 charity'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 charity 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 charity 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, data protection and certain aspects of company legislation, recognising the nature of the charity'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.



Independent auditor's report to the members of Seven Stories, The National Centre for Children's Books Collection Trust (continued)

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, 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 FCA DChA (Senior Statutory Auditor)
on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

12 December 2024

Seven Stories, The National Centre for Children's Books Collection Trust

Statement of financial activities Year ended 31 March 2024

	Note	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:				
Donations and legacies	4	80,900	80,900	813,750
Investments	5	12	12	12
Total income		80,912	80,912	813,762
Expenditure on:				
Charitable activities	6	2,107	2,107	1,672
Total expenditure		2,107	2,107	1,672
Net movement in funds		78,805	78,805	812,090
Reconciliation of funds:				
Total funds brought forward		5,324,995	5,324,995	4,512,905
Net movement in funds		78,805	78,805	812,090
Total funds carried forward		5,403,800	5,403,800	5,324,995

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

The notes on pages 12 to 21 form part of these financial statements.

Seven Stories, The National Centre for Children's Books Collection Trust

Balance sheet At 31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Heritage assets	8	5,397,837	5,316,937
		<u>5,397,837</u>	<u>5,316,937</u>
Current assets			
Cash at bank and in hand		16,863	16,958
		<u>16,863</u>	<u>16,958</u>
Creditors: amounts falling due within one year	9	(10,900)	(8,900)
		<u>5,963</u>	<u>8,058</u>
Net current assets			
		<u>5,403,800</u>	<u>5,324,995</u>
Total assets less current liabilities			
		<u>5,403,800</u>	<u>5,324,995</u>
Total net assets			
		<u>5,403,800</u>	<u>5,324,995</u>
Charity funds			
Restricted funds	10	5,403,800	5,324,995
		<u>5,403,800</u>	<u>5,324,995</u>
Total funds			
		<u>5,403,800</u>	<u>5,324,995</u>

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

DocuSigned by:

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Matthew Grenby

The notes on pages 12 to 21 form part of these financial statements.

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements

Year ended 31 March 2024

1. General information

Seven Stories, The National Centre for Children's Books Collections Trust ('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 Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Seven Stories, The National Centre for Children's Books Collections Trust 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.

2.2 Reduced disclosures

FRS 102 allows a qualifying entity certain disclosure exemptions. The charity meets the definition of a qualifying entity and has taken advantage of the exemptions relating to the preparation of a cash flow statement. The consolidated financial statements of Seven Stories, The National Centre for Children's Books Limited include a consolidated cash flow statement.

2.3 Going concern

The charity exists to hold heritage assets and collections for public benefit. It has no staff and all ongoing costs of storing and using the collection are borne by the parent company. Further consideration of the going concern status of the group is given within the consolidated accounts prepared for Seven Stories, The National Centre for Children's Books Limited.

Having due regard for the group position, and having received assurances from the group board around the continuing support available to maintain the collection for at least the coming 12 months, the trustees have concluded that the going concern basis is appropriate for the preparation of these financial statements.

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements Year ended 31 March 2024

2. Accounting policies (continued)

2.4 Income

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

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

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 of the charity of the item is probable and that economic benefit can be measured reliably.

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

2.5 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.

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

All expenditure is inclusive of irrecoverable VAT.

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements

Year ended 31 March 2024

2. Accounting policies (continued)

2.6 Heritage assets

The Trust 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 8 of the accounts for further information on the heritage assets held by the Trust.

2.7 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.

2.8 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.

2.9 Fund accounting

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

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

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

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements
Year ended 31 March 2024

2. Accounting policies (continued)

3. Critical accounting estimates and areas of judgement

The preparation of financial statements requires management to make judgements, assumptions and estimates that affect the application of accounting policies and amounts reported in the statement of financial activities and balance sheet. Such decisions are made at the time the financial statements are prepared and adopted based on the best information available at the time. Actual outcomes may be different from initial estimates and are reflected in the financial statements as soon as they become apparent.

The key source of judgement 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.

In preparing these financial statements the trustees do not consider there were any significant areas of key sources of estimation uncertainty that were required in applying the charity's accounting policies as set out above.

4. Income from donations and legacies

	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Donations of heritage assets	80,900	80,900	813,750
Total 2023	813,750	813,750	

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements
Year ended 31 March 2024

5. Investment income

	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Interest receivable	12	12	12
Total 2023	12	12	

6. Analysis of expenditure on charitable activities

	Restricted funds 2024 £	Total 2024 £	Total 2023 £
Bank charges	107	107	72
Audit fees	2,000	2,000	1,600
Total 2024	2,107	2,107	1,672
Total 2023	1,672	1,672	

7. Trustees' remuneration and expenses

During the year, no trustees' received any remuneration, reimbursements or other benefits (2023: £nil).

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements
Year ended 31 March 2024

8. Heritage assets

Assets recognised at cost or valuation

	Heritage assets 2024 £	Total 2024 £
Carrying value at 1 April 2023	5,316,937	5,316,937
Additions	80,900	80,900
Carrying value at 31 March 2024	5,397,837	5,397,837

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.

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, David Wood and Judith Kerr. 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).

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements

Year ended 31 March 2024

8. Heritage assets (continued)

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 all of her published 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.

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 BS4971:2017, 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.

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements

Year ended 31 March 2024

8. Heritage assets (continued)

5 year summary of Heritage Asset transactions

	2024 £	2023 £	2022 £	2021 £	2020 £
Purchases					
Purchases	900	-	900	-	-
Donated assets at valuation	80,000	813,750	939,495	250,000	5,500
Total additions	<u>80,900</u>	<u>813,750</u>	<u>940,395</u>	<u>250,000</u>	<u>5,500</u>

9. Creditors: amounts falling due within one year

	2024 £	2023 £
Amounts owed to group undertakings	8,900	7,300
Accruals and deferred income	2,000	1,600
	<u>10,900</u>	<u>8,900</u>

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

10. Statement of funds

Statement of funds - current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Balance at 31 March 2024 £
Restricted funds				
Restricted funds	<u>5,324,995</u>	<u>80,912</u>	<u>(2,107)</u>	<u>5,403,800</u>

Statement of funds - prior year

	Balance at 1 April 2022 £	Income £	Expenditure £	Balance at 31 March 2023 £
Restricted Funds	<u>4,512,905</u>	<u>813,762</u>	<u>(1,672)</u>	<u>5,324,995</u>

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements

Year ended 31 March 2024

11. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2024 £	Total funds 2024 £
Heritage assets	5,397,837	5,397,837
Current assets	16,863	16,863
Creditors due within one year	(10,900)	(10,900)
Total	5,403,800	5,403,800

Analysis of net assets between funds - prior period

	Restricted funds 2023 £	Total funds 2023 £
Heritage assets	5,316,937	5,316,937
Current assets	16,958	16,958
Creditors due within one year	(8,900)	(8,900)
Total	5,324,995	5,324,995

12. Related party transactions

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

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements Year ended 31 March 2024

13. Controlling party

The charity considers that it is under the control of the Board of trustees. The power to appoint the trustees to the charity rests with Seven Stories, The National Centre for Children's Books Limited, and as such it is regarded as the parent charity. The parent charity's company registered number is 03209411 and the charity registered number is 1056812.

The parent charity's principle activities include 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.

The charity is included in the consolidated financial statements of Seven Stories, The National Centre for Children's Books. The consolidated financial statements of the group are available to the public and may be obtained from its registered address 30 Lime Street, Ouseburn Valley, Newcastle upon Tyne, NE1 2PQ.

Accounts

Charity number: 1115167

**Seven Stories, The National Centre
for Children's Books Collection Trust**

Annual report

31 March 2023

Seven Stories, The National Centre for Children's Books Collection Trust

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Seven Stories, The National Centre for Children's Books Collection Trust

Reference and administrative details

Year ended 31 March 2023

Trustees

Elizabeth Hammill
Ian Johnson
Matthew Grenby
Matthew McWhinnie (appointed 28 June 2023)
Emma Layfield (appointed 28 June 2023)
Douglas Dodds (resigned 20 July 2022)
Luke Burton (resigned 3 November 2022)

Charity registered number

1115167

Principal office

30 Lime Street
Ouseburn Valley
Newcastle upon Tyne
NE1 2PQ

Independent auditors

UNW LLP
Chartered Accountants
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JE

Bankers

Unity Trust Bank PLC
9 Brindleyplace
Birmingham
B1 2HB

Seven Stories, The National Centre for Children's Books Collection Trust

Trustees' report Year ended 31 March 2023

The trustees present their annual report together with the audited financial statements of the charity for the year 1 April 2022 to 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 home for children's literature. Its mission is to save, celebrate and share our rich literary heritage for children, ensuring its essential place in childhood and our national cultural life. It does this by developing a nationally important collection of pre and post publication artwork, manuscripts and archives created by Britain's highly acclaimed writers and illustrators for children from c.1930s to the present day. It uses this collection as a unique and inspiring resource to create exhibitions, artistic and learning and research programmes dedicated to celebrating children's books, encouraging reading and nourishing intellect, curiosity, imagination and creativity.

Strategies for achieving objectives

The charity's objects are 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 and by promoting access to the Collection.

Activities undertaken to achieve objectives

The Collection Trust receives assets by donation from its donors. The Collection Trust owns and protects the archive. It is supported by Seven Stories staff through a management agreement dated 25th August 2006.

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

The charity owns a collection of modern and contemporary British children's books and related original artwork, manuscripts and archives. The charity makes the collection available to Seven Stories, The National Centre for Children's Books for use in exhibitions, educational activities, research and other programmes, for the public benefit.

The trustees have considered the public benefit guidance issued by the Charity Commission and have set out throughout this report the benefits that the charity activities bring to the wider community.

Achievements and performance

Key performance indicators

The charity received manuscripts and other archive material with a valuation of £813,750 (2022: £939,495).

Review of activities

The value of the Seven Stories Collection Trust Heritage Assets has been increased by £813,750 during the year. This includes the archive of David McKee and Sita Brahmachari.

Seven Stories, The National Centre for Children's Books Collection Trust

Trustees' report (continued) Year ended 31 March 2023

Financial activities

Going concern

The charity exists to hold heritage assets and collections for public benefit. It has no staff and all ongoing costs of storing and using the collection are borne by the parent charity. Consequently, the charity has no ongoing commitments or liabilities of its own. Further consideration of the going concern status of the group is given within the consolidated accounts prepared for Seven Stories, The National Centre for Children's Books Limited.

Management has determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern.

Reserves policy

The Trust does not hold unrestricted reserves, and all restricted reserves are represented by the Collection. Further details on the reserve policy for the Group can be found in the financial statements of the parent charity, Seven Stories, The National Centre for Children's Books.

At 31 March 2023, the charity held restricted reserves of £5,324,995 (2022: £4,512,905).

Principal funding

The Trust relies upon Seven Stories, the National Centre for Children's Books to source funding to build the Collection and to provide the resources needed for its ongoing management.

Structure, governance and management

Constitution

The Centre for Children's Books Collection Trust was established by a Trust Deed dated 9 June 2005, which was amended by a Deed of Variation dated 15 April 2016.

Methods of appointment or election of trustees

The Centre for Children's Books' Collection Trust is an independent trust whose trustees are appointed by the board of Trustees of Seven Stories, The National Centre for Children's Books (Registered Charity no 1056812).

Organisational structure and decision-making policies

The Board of Trustees administers the charity. The Board meets three times a year.

Policies adopted for the induction and training of trustees

The charity provides an induction process for new trustees by presenting them with important plans, policies and documents and verbally informing them of the operations of the charity. Trustees are also directed to advice provided by the Charity Commission.

Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Seven Stories, The National Centre for Children's Books Collection Trust

Trustees' report (continued) Year ended 31 March 2023

Plans for future periods

Future developments

Over the next twelve months the Collection Trust will continue to receive assets by donation from its donors, and to make the existing archive available to the public through exhibitions and loans.

Members' liability

The Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

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

DocuSigned by:

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Matthew Grenby

Seven Stories, The National Centre for Children's Books Collection Trust

Statement of trustees' responsibilities Year ended 31 March 2023

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its 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 charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

DocuSigned by:

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Matthew Grenby



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

Opinion

We have audited the financial statements of Seven Stories, The National Centre for Children's Books Collection Trust ('the charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its incoming resources and application of resources 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 charity'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.



Independent auditor's report to the members of Seven Stories, The National Centre for Children's Books Collection Trust (continued)

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; 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 are responsible for the preparation of the financial statements which 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.



Independent auditor's report to the members of Seven Stories, The National Centre for Children's Books Collection Trust (continued)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 charity'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 charity 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 charity 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, data protection and certain aspects of company legislation, recognising the nature of the charity'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.



Independent auditor's report to the members of Seven Stories, The National Centre for Children's Books Collection Trust (continued)

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, 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 FCA DChA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

18 December 2023

Seven Stories, The National Centre for Children's Books Collection Trust

Statement of financial activities Year ended 31 March 2023

	Note	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:				
Donations and legacies	4	813,750	813,750	939,495
Investments	5	12	12	15
Total income		813,762	813,762	939,510
Expenditure on:				
Charitable activities	6	1,672	1,672	1,742
Total expenditure		1,672	1,672	1,742
Net movement in funds		812,090	812,090	937,768
Reconciliation of funds:				
Total funds brought forward		4,512,905	4,512,905	3,575,137
Net movement in funds		812,090	812,090	937,768
Total funds carried forward		5,324,995	5,324,995	4,512,905

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

The notes on pages 12 to 22 form part of these financial statements.

Seven Stories, The National Centre for Children's Books Collection Trust

Balance sheet At 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Heritage assets	8	5,316,937	4,503,187
		<u>5,316,937</u>	<u>4,503,187</u>
Current assets			
Cash at bank and in hand		16,958	17,018
		<u>16,958</u>	<u>17,018</u>
Creditors: amounts falling due within one year	9	(8,900)	(7,300)
		<u>8,058</u>	<u>9,718</u>
Net current assets			
		<u>5,324,995</u>	<u>4,512,905</u>
Total assets less current liabilities			
		<u>5,324,995</u>	<u>4,512,905</u>
Total net assets		<u>5,324,995</u>	<u>4,512,905</u>
Charity funds			
Restricted funds	10	5,324,995	4,512,905
		<u>5,324,995</u>	<u>4,512,905</u>
Total funds		<u>5,324,995</u>	<u>4,512,905</u>

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

DocuSigned by:

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Matthew Grenby

The notes on pages 12 to 22 form part of these financial statements.

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements

Year ended 31 March 2023

1. General information

Seven Stories, The National Centre for Children's Books Collections Trust ('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 Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Seven Stories, The National Centre for Children's Books Collection Trust 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.

2.2 Reduced disclosures

FRS 102 allows a qualifying entity certain disclosure exemptions. The charity meets the definition of a qualifying entity and has taken advantage of the exemptions relating to the preparation of a cash flow statement. The consolidated financial statements of Seven Stories, The National Centre for Children's Books Limited include a consolidated cash flow statement.

2.3 Going concern

The charity exists to hold heritage assets and collections for public benefit. It has no staff and all ongoing costs of storing and using the collection are borne by the parent company. Consequently, the charity has no ongoing commitments or liabilities of its own. Further consideration of the going concern status of the group is given within the consolidated accounts prepared for Seven Stories, The National Centre for Children's Books Limited.

Having due regard for the group position, and having received assurances from the group board around the continuing support available to maintain the collection for at least the coming 12 months, the trustees have concluded that the going concern basis is appropriate for the preparation of these financial statements.

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements

Year ended 31 March 2023

2. Accounting policies (continued)

2.4 Income

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

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

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 of the charity of the item is probable and that economic benefit can be measured reliably.

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.

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements

Year ended 31 March 2023

2. Accounting policies (continued)

2.5 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.

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

All expenditure is inclusive of irrecoverable VAT.

2.6 Heritage assets

The Trust 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 6 of the accounts for further information on the heritage assets held by the Trust.

2.7 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.

2.8 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.

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements

Year ended 31 March 2023

2. Accounting policies (continued)

2.9 Fund accounting

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

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

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

3. Critical accounting estimates and areas of judgement

The preparation of financial statements requires management to make judgements, assumptions and estimates that affect the application of accounting policies and amounts reported in the statement of financial activities and balance sheet. Such decisions are made at the time the financial statements are prepared and adopted based on the best information available at the time. Actual outcomes may be different from initial estimates and are reflected in the financial statements as soon as they become apparent.

The key source of judgement 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.

In preparing these financial statements the trustees do not consider there were any significant areas of key sources of estimation uncertainty that were required in applying the charity's accounting policies as set out above.

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements

Year ended 31 March 2023

4. Income from donations and legacies

	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations of heritage assets	813,750	813,750	939,495
Total 2022	939,495	939,495	

5. Investment income

	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Interest receivable	12	12	15
Total 2022	15	15	

6. Analysis of expenditure on charitable activities

	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Bank charges	72	72	142
Audit fees	1,600	1,600	1,600
Total 2023	1,672	1,672	1,742
Total 2022	1,742	1,742	

7. Trustees' remuneration and expenses

During the year, no trustees' received any remuneration, reimbursements or other benefits (2022: £nil).

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements

Year ended 31 March 2023

8. Heritage assets

Assets recognised at cost or valuation

	Heritage assets 2023 £	Total 2023 £
Carrying value at 1 April 2022	4,503,187	4,503,187
Additions	813,750	813,750
Carrying value at 31 March 2023	5,316,937	5,316,937

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.

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, David Wood and Judith Kerr. 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).

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements

Year ended 31 March 2023

8. Heritage assets (continued)

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 all of her published 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.

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 BS4971:2017, 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.

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements Year ended 31 March 2023

8. Heritage assets (continued)

5 year summary of Heritage Asset transactions

	2023 £	2022 £	2021 £	2020 £	2019 £
Purchases					
Purchases	-	900	-	-	7,500
Donated assets at valuation	813,750	939,495	250,000	5,500	16,450
Total additions	<u>813,750</u>	<u>940,395</u>	<u>250,000</u>	<u>5,500</u>	<u>23,950</u>

9. Creditors: amounts falling due within one year

	2023 £	2022 £
Amounts owed to group undertakings	7,300	5,700
Accruals and deferred income	1,600	1,600
	<u>8,900</u>	<u>7,300</u>

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

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements Year ended 31 March 2023

10. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Balance at 31 March 2023 £
Restricted funds				
Restricted funds	4,512,905	813,762	(1,672)	5,324,995

Statement of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Balance at 31 March 2022 £
Restricted funds				
Restricted Funds	3,575,137	939,510	(1,742)	4,512,905

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements

Year ended 31 March 2023

11. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2023 £	Total funds 2023 £
Heritage assets	5,316,937	5,316,937
Current assets	16,958	16,958
Creditors due within one year	(8,900)	(8,900)
Total	5,324,995	5,324,995

Analysis of net assets between funds - prior year

	Restricted funds 2022 £	Total funds 2022 £
Heritage assets	4,503,187	4,503,187
Current assets	17,018	17,018
Creditors due within one year	(7,300)	(7,300)
Total	4,512,905	4,512,905

12. Related party transactions

During the course of the year, the parent, Seven Stories, The National Centre for Children's Books, made payments on behalf of the charity totalling £1,600 (2022: £2,500). The amount owed at the year end, included in the charity's creditors, totalled £7,300 (2022: £5,700).

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

	2023 £	2022 £
Net income for the year (as per Statement of Financial Activities)	812,090	937,768
Adjustments for:		
Net cash provided by operating activities	812,090	937,768

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements

Year ended 31 March 2023

14. Analysis of cash and cash equivalents

Total cash and cash equivalents

15. Analysis of changes in net debt

	At 1 April 2022	At 31 March 2023
	£	£
Cash at bank and in hand	17,018	17,018
	<u>17,018</u>	<u>17,018</u>

16. Controlling party

The charity considers that it is under the control of the Board of trustees. The power to appoint the trustees to the charity rests with Seven Stories, The National Centre for Children's Books Limited, and as such it is regarded as the parent charity. The parent charity's company registered number is 03209411 and the charity registered number is 1056812.

The parent charity's principle activities include 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.

The charity is included in the consolidated financial statements of Seven Stories, The National Centre for Children's Books. The consolidated financial statements of the group are available to the public and may be obtained from its registered address 30 Lime Street, Ouseburn Valley, Newcastle upon Tyne, NE1 2PQ.

Accounts

Charity number: 1115167

**Seven Stories, The National Centre
for Children's Books Collection Trust**

Annual report

31 March 2022

Seven Stories, The National Centre for Children's Books Collection Trust

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Seven Stories, The National Centre for Children's Books Collection Trust

Reference and administrative details

Year ended 31 March 2022

Trustees Elizabeth Hammill
Douglas Dodds (resigned 20 July 2022)
Luke Burton (resigned 3 November 2022)
Ian Johnson
Matthew Grenby (appointed 15 December 2021)

Charity registered number 1115167

Principal office 30 Lime Street
Ouseburn Valley
Newcastle upon Tyne
NE1 2PQ

Independent auditors UNW LLP
Chartered Accountants
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JE

Bankers Unity Trust Bank PLC
9 Brindleyplace
Birmingham
B1 2HB

Seven Stories, The National Centre for Children's Books Collection Trust

Trustees' report Year ended 31 March 2022

The trustees present their annual report together with the audited financial statements of the charity for the year 1 April 2021 to 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 home for children's literature. Its mission is to save, celebrate and share our rich literary heritage for children, ensuring its essential place in childhood and our national cultural life. It does this by developing a nationally important collection of pre and post publication artwork, manuscripts and archives created by Britain's highly acclaimed writers and illustrators for children from c.1930s to the present day. It uses this collection as a unique and inspiring resource to create exhibitions, artistic and learning and research programmes dedicated to celebrating children's books, encouraging reading and nourishing intellect, curiosity, imagination and creativity.

Strategies for achieving objectives

The charity's objects are 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 and by promoting access to the Collection.

Activities undertaken to achieve objectives

The Collection Trust receives assets by donation from its donors. The Collection Trust owns and protects the archive. It is supported by Seven Stories staff through a management agreement dated 25th August 2006.

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

The charity owns a collection of modern and contemporary British children's books and related original artwork, manuscripts and archives. The charity makes the collection available to Seven Stories, The National Centre for Children's Books for use in exhibitions, educational activities, research and other programmes, for the public benefit.

Achievements and performance

Key performance indicators

The charity received manuscripts and other archive material with a valuation of £939,495 (2021: £250,000).

Review of activities

The value of the Seven Stories Collection Trust Heritage Assets has been increased by £940,395 during the year.

Seven Stories, The National Centre for Children's Books Collection Trust

Trustees' report (continued) Year ended 31 March 2022

This includes the artwork, correspondence and other papers of Judith Kerr which were deposited with us last year as an accrual to the main body of her existing archive, which has been on long term loan to Seven Stories since 2008. These have now been recognised as an asset following a recommendation by the Acceptance in Lieu Panel, together with Ministerial approval, that the Judith Kerr Archive should be permanently allocated to the Seven Stories Collection Trust. We have received a copy of the signed Permanent Direction issued on 30 March 2022 which effected the legal transfer of the archive into the ownership of the Trustees. For accounting purposes, it has been agreed with the National Audit Office for England that the amount of inheritance tax settled by the acceptance of the property should be the amount that the Seven Stories Collection Trust enters into its accounts. In this case the settlement amount is £1,800,000, however, we already held some of the archive on a permanent loan.

The increase in value of the Heritage Assets also includes the archive of Tony Ross, which as indicated in last year's report, was gifted to the Seven Stories Collection Trust and deposited on loan in order for us to complete a detailed appraisal of material that is surplus to requirements. The process was completed at the year end, so the archive has now been recognised as an acquisition.

Financial activities

Going concern

The charity exists to hold heritage assets and collections for public benefit. It has no staff and all ongoing costs of storing and using the collection are borne by the parent charity. Consequently, the charity has no ongoing commitments or liabilities of its own. Further consideration of the going concern status of the group is given within the consolidated accounts prepared for Seven Stories, The National Centre for Children's Books Limited.

Management has determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern.

Reserves policy

The Trust does not hold unrestricted reserves, and all restricted reserves are represented by the Collection. Further details on the reserve policy for the Group can be found in the financial statements of the parent charity, Seven Stories, The National Centre for Children's Books.

Principal funding

The Trust relies upon Seven Stories, the National Centre for Children's Books to source funding to build the Collection and to provide the resources needed for its ongoing management.

Structure, governance and management

Constitution

The Centre for Children's Books Collection Trust was established by a Trust Deed dated 9 June 2005, which was amended by a Deed of Variation dated 15 April 2016.

Methods of appointment or election of trustees

The Centre for Children's Books' Collection Trust is an independent trust whose trustees are appointed by the board of Trustees of Seven Stories, The National Centre for Children's Books (Registered Charity no 1056812).

Organisational structure and decision-making policies

The Board of Trustees administers the charity. The Board meets three times a year.

Seven Stories, The National Centre for Children's Books Collection Trust

Trustees' report (continued) Year ended 31 March 2022

Policies adopted for the induction and training of trustees

The charity provides an induction process for new Trustees by presenting them with important plans, policies and documents and verbally informing them of the operations of the charity. Trustees are also directed to advice provided by the Charity Commission.

Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

Future developments

Over the next twelve months the Collection Trust will continue to receive assets by donation from its donors, and to make the existing archive available to the public through exhibitions and loans.

Members' liability

The Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

Approved by order of the members of the board of trustees on 30 November 2022 and signed on their behalf by:

DocuSigned by:

Matthew Grenby

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Matthew Grenby

Seven Stories, The National Centre for Children's Books Collection Trust

Statement of trustees' responsibilities Year ended 31 March 2022

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its 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 charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of trustees on 30 November 2022 and signed on its behalf by:

DocuSigned by:

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Matthew Grenby



Independent auditors' report to the members of Seven Stories, The National Centre for Children's Books Collection Trust

Opinion

We have audited the financial statements of Seven Stories, The National Centre for Children's Books Collection Trust ('the charity') for the year ended 31 March 2022 which comprise the Statement of financial activities, the balance sheet, the 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of its incoming resources and application of resources 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the financial statements' section of our report. We are independent of the charity 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 charity'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.



Independent auditors' report to the members of Seven Stories, The National Centre for Children's Books Collection Trust (continued)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditors' 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; 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 are responsible for the preparation of the financial statements which 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.



Independent auditors' report to the members of Seven Stories, The National Centre for Children's Books Collection Trust (continued)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 auditors' 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 charity'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 charity 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 charity 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, data protection and certain aspects of company legislation, recognising the nature of the charity'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 auditors' report.



Independent auditors' report to the members of Seven Stories, The National Centre for Children's Books Collection Trust (continued)

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

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

30 November 2022

Seven Stories, The National Centre for Children's Books Collection Trust

Statement of financial activities Year ended 31 March 2022

	Note	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:				
Donations and legacies	3	939,495	939,495	250,000
Investments	4	15	15	195
Total income		939,510	939,510	250,195
Expenditure on:				
Charitable activities	5	1,742	1,742	1,707
Total expenditure		1,742	1,742	1,707
Net movement in funds		937,768	937,768	248,488
Reconciliation of funds:				
Total funds brought forward		3,575,137	3,575,137	3,326,649
Net movement in funds		937,768	937,768	248,488
Total funds carried forward		4,512,905	4,512,905	3,575,137

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

The notes on pages 12 to 20 form part of these financial statements.

Seven Stories, The National Centre for Children's Books Collection Trust

Balance sheet At 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Heritage assets	6	4,503,187	3,562,792
		<u>4,503,187</u>	<u>3,562,792</u>
Current assets			
Cash at bank and in hand		17,018	17,145
		<u>17,018</u>	<u>17,145</u>
Creditors: amounts falling due within one year	7	(7,300)	(4,800)
		<u></u>	<u></u>
Net current assets		9,718	12,345
Total assets less current liabilities		<u>4,512,905</u>	<u>3,575,137</u>
Total net assets		<u><u>4,512,905</u></u>	<u><u>3,575,137</u></u>
Charity funds			
Restricted funds	8	4,512,905	3,575,137
		<u>4,512,905</u>	<u>3,575,137</u>
Total funds		<u><u>4,512,905</u></u>	<u><u>3,575,137</u></u>

The financial statements were approved and authorised for issue by the trustees on 30 November 2022 and signed on their behalf by:

DocuSigned by:

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Matthew Grenby

The notes on pages 12 to 20 form part of these financial statements.

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements

Year ended 31 March 2022

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 Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Seven Stories, The National Centre for Children's Books Collection Trust 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.

1.2 Going concern

The charity exists to hold heritage assets and collections for public benefit. It has no staff and all ongoing costs of storing and using the collection are borne by the parent company. Consequently, the charity has no ongoing commitments or liabilities of its own. Further consideration of the going concern status of the group is given within the consolidated accounts prepared for Seven Stories, The National Centre for Children's Books Limited.

Having due regard for the group position, and having received assurances from the group board around the continuing support available to maintain the collection for at least the coming 12 months, the trustees have concluded that the going concern basis is appropriate for the preparation of these financial statements.

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.

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

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 of the charity of the item is probable and that economic benefit can be measured reliably.

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.

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements Year ended 31 March 2022

1. Accounting policies (continued)

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.

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

All expenditure is inclusive of irrecoverable VAT.

1.5 Heritage assets

The Trust 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 6 of the accounts for further information on the heritage assets held by the Trust.

1.6 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.

1.7 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.

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements

Year ended 31 March 2022

1. Accounting policies (continued)

1.8 Fund accounting

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

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

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

2. Critical accounting estimates and areas of judgement

The preparation of financial statements requires management to make judgements, assumptions and estimates that affect the application of accounting policies and amounts reported in the statement of financial activities and balance sheet. Such decisions are made at the time the financial statements are prepared and adopted based on the best information available at the time. Actual outcomes may be different from initial estimates and are reflected in the financial statements as soon as they become apparent.

The key source of judgement 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.

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements Year ended 31 March 2022

3. Income from donations and legacies

	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations of heritage assets	939,495	939,495	250,000
Total 2021	250,000	250,000	

4. Investment income

	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Interest receivable	15	15	195
Total 2021	195	195	

5. Analysis of expenditure on charitable activities

	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank charges	142	142	107
Audit fees	1,600	1,600	1,600
Total 2022	1,742	1,742	1,707
Total 2021	1,707	1,707	

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements Year ended 31 March 2022

6. Heritage assets

Assets recognised at cost/valuation

	Heritage assets 2022 £	Total 2022 £
Carrying value at 1 April 2021	3,562,792	3,562,792
Additions	940,395	940,395
Carrying value at 31 March 2022	4,503,187	4,503,187

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.

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, David Wood and Judith Kerr. 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).

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements

Year ended 31 March 2022

6. Heritage assets (continued)

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 all of her published 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.

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 BS4971:2017, 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.

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements Year ended 31 March 2022

6. Heritage assets (continued)

5 year summary of Heritage Asset transactions

	2022 £	2021 £	2020 £	2019 £	2018 £
Purchases					
Purchases	900	-	-	7,500	142,350
Donated assets at valuation	939,495	250,000	5,500	16,450	347,180
Total additions	<u>940,395</u>	<u>250,000</u>	<u>5,500</u>	<u>23,950</u>	<u>489,530</u>

7. Creditors: amounts falling due within one year

	2022 £	2021 £
Amounts owed to group undertakings	5,700	3,200
Accruals and deferred income	1,600	1,600
	<u>7,300</u>	<u>4,800</u>

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements Year ended 31 March 2022

8. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Balance at 31 March 2022 £
Restricted funds				
Restricted funds	<u>3,575,137</u>	<u>939,510</u>	<u>(1,742)</u>	<u>4,512,905</u>

Statement of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Balance at 31 March 2021 £
Restricted funds				
Restricted Funds	<u>3,326,649</u>	<u>250,195</u>	<u>(1,707)</u>	<u>3,575,137</u>

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements

Year ended 31 March 2022

9. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2022 £	Total funds 2022 £
Heritage assets	4,503,187	4,503,187
Current assets	17,018	17,018
Creditors due within one year	(7,300)	(7,300)
Total	4,512,905	4,512,905

Analysis of net assets between funds - prior year

	Restricted funds 2021 £	Total funds 2021 £
Heritage assets	3,562,792	3,562,792
Current assets	17,145	17,145
Creditors due within one year	(4,800)	(4,800)
Total	3,575,137	3,575,137

10. Related party transactions

During the course of the year, the parent, Seven Stories, The National Centre for Children's Books, made payments on behalf of the charity totalling £2,500 (2021: £3,200). The amount owed at the year end, included in the charity's creditors, totalled £5,700 (2021: £3,200).

11. Controlling party

The charity considers that it is under the control of the Board of trustees. The power to appoint the trustees to the charity rests with Seven Stories, The National Centre for Children's Books Limited, and as such it is regarded as the parent charity.

Accounts

Charity number: 1115167

**Seven Stories, The National Centre
for Children's Books Collection Trust**

Annual report

31 March 2021

Seven Stories, The National Centre for Children's Books Collection Trust

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Seven Stories, The National Centre for Children's Books Collection Trust

Reference and administrative details **Year ended 31 March 2021**

Trustees	Elizabeth Hammill Douglas Dodds Luke Burton Ian Johnson Matthew Grenby (appointed 15 December 2021)
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Charity registered number	1115167
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Principal office	30 Lime Street Ouseburn Valley Newcastle upon Tyne NE1 2PQ
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Independent auditors	UNW LLP Chartered Accountants Citygate St James' Boulevard Newcastle upon Tyne NE1 4JE
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Bankers	Unity Trust Bank PLC 9 Brindleyplace Birmingham B1 2HB
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Seven Stories, The National Centre for Children's Books Collection Trust

Trustees' report 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 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 home for children's literature. Its mission is to save, celebrate and share our rich literary heritage for children, ensuring its essential place in childhood and our national cultural life. It does this by developing a nationally important collection of pre and post publication artwork, manuscripts and archives created by Britain's highly acclaimed writers and illustrators for children from c.1930s to the present day. It uses this collection as a unique and inspiring resource to create exhibitions, artistic and learning and research programmes dedicated to celebrating children's books, encouraging reading and nourishing intellect, curiosity, imagination and creativity.

Strategies for achieving objectives

The charity's objects are 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 and by promoting access to the Collection.

Activities undertaken to achieve objectives

The Collection Trust receives assets by donation from its donors. The Collection Trust owns and protects the archive. It is supported by Seven Stories staff through a management agreement dated 25th August 2006.

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

The charity owns a collection of modern and contemporary British children's books and related original artwork, manuscripts and archives. The charity makes the collection available to Seven Stories, The National Centre for Children's Books for use in exhibitions, educational activities, research and other programmes, for the public benefit.

Achievements and performance

Key performance indicators

The charity received manuscripts and other archive material with a valuation of £250,000 (2020: £5,500).

Seven Stories, The National Centre for Children's Books Collection Trust

Trustees' report (continued) Year ended 31 March 2021

Review of activities

The value of the Collection Trust Heritage Assets has been increased by £250,000 during the year. This follows a recommendation by the Acceptance in Lieu Panel, together with Ministerial approval, that the Pat Hutchins Archive should be permanently allocated to the Collection Trust. We have received a copy of the signed Permanent Direction issued on 23 February 2021 which effected the legal transfer of the archive into the ownership of the Trustees. For accounting purposes, it has been agreed with the National Audit Office for England that the amount of inheritance tax settled by the acceptance of the property should be the amount that the Collection Trust enters into its accounts. In this case the settlement amount is £250,000.

As indicated in last year's report, the archive of Tony Ross was gifted to Seven Stories and deposited on loan in order for us to complete a detailed appraisal of material that is surplus to requirements. The process was still ongoing at the year end, so the archive has not yet been recognised as an acquisition.

The artwork, correspondence and other papers of Judith Kerr have been deposited as an accrual to the main body of her existing archive, which has been on long term loan to Seven Stories since 2008. An application for Acceptance in Lieu is still pending, so the acquisition is not yet recorded as an asset.

Financial activities

Going concern

The charity exists to hold heritage assets and collections for public benefit. It has no staff and all ongoing costs of storing and using the collection are borne by the parent company. Consequently, the charity has no ongoing commitments or liabilities of its own. Further consideration of the going concern status of the group is given within the consolidated accounts prepared for Seven Stories, The National Centre for Children's Books Limited.

COVID-19 is not expected to have a significant impact on the entity. Management has determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern.

Reserves policy

The Trust does not hold unrestricted reserves, and all restricted reserves are represented by the Collection. Further details on the reserve policy for the Group can be found in the financial statements of the parent charity, Seven Stories, The National Centre for Children's Books.

Principal funding

The Trust relies upon Seven Stories, the National Centre for Children's Books to source funding to build the Collection and to provide the resources needed for its ongoing management.

Structure, governance and management

Constitution

The Centre for Children's Books Collection Trust was established by a Trust Deed dated 9 June 2005, which was amended by a Deed of Variation dated 15 April 2016.

Methods of appointment or election of trustees

The Centre for Children's Books' Collection Trust is an independent trust whose trustees are appointed by the board of Trustees of Seven Stories, The National Centre for Children's Books (Registered Charity no 1056812).

Organisational structure and decision-making policies

The Board of Trustees administers the charity. The Board meets three times a year.

Seven Stories, The National Centre for Children's Books Collection Trust

Trustees' report (continued) Year ended 31 March 2021

Policies adopted for the induction and training of trustees

The charity provides an induction process for new Trustees by presenting them with important plans, policies and documents and verbally informing them of the operations of the Charity. Trustees are also directed to advice provided by the Charity Commission.

Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

Future developments

Over the next twelve months the Collection Trust will continue to receive assets by donation from its donors, and to make the existing archive available to the public through exhibitions and loans.

Members' liability

The Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

Seven Stories, The National Centre for Children's Books Collection Trust

Trustees' report (continued) Year ended 31 March 2021

Statement of Trustees' responsibilities

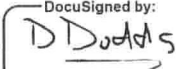
The trustees are responsible for preparing the trustee's report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its 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 charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of trustees on 15 December 2021 and signed on their behalf by:

DocuSigned by:

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Douglas Dodds



Independent auditors' report to the members of Seven Stories, The National Centre for Children's Books Collection Trust

Opinion

We have audited the financial statements of Seven Stories, The National Centre for Children's Books Collection Trust ('the charity') for the year ended 31 March 2021 which comprise the Statement of financial activities, the balance sheet, the 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the financial statements' section of our report. We are independent of the charity 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 charity'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.



Independent auditors' report to the members of Seven Stories, The National Centre for Children's Books Collection Trust (continued)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditors' 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; 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 are responsible for the preparation of the financial statements which 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.



Independent auditors' report to the members of Seven Stories, The National Centre for Children's Books Collection Trust (continued)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 auditors' 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, 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 auditors' report.



Independent auditors' report to the members of Seven Stories, The National Centre for Children's Books Collection Trust (continued)

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'Anne Hallowell'.

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

15 December 2021

Seven Stories, The National Centre for Children's Books Collection Trust

Statement of financial activities Year ended 31 March 2021

	Note	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:				
Donations and legacies	3	250,000	250,000	7,462
Investments	4	195	195	-
Total income		250,195	250,195	7,462
Expenditure on:				
Charitable activities	5	1,707	1,707	1,713
Total expenditure		1,707	1,707	1,713
Net movement in funds		248,488	248,488	5,749
Reconciliation of funds:				
Total funds brought forward		3,326,649	3,326,649	3,320,900
Net movement in funds		248,488	248,488	5,749
Total funds carried forward		3,575,137	3,575,137	3,326,649

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

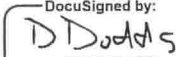
The notes on pages 12 to 20 form part of these financial statements.

Seven Stories, The National Centre for Children's Books Collection Trust

Balance sheet At 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Heritage assets	6	3,562,792	3,312,792
		<u>3,562,792</u>	<u>3,312,792</u>
Current assets			
Cash at bank and in hand		17,145	17,057
		<u>17,145</u>	<u>17,057</u>
Creditors: amounts falling due within one year	7	(4,800)	(3,200)
		<u>12,345</u>	<u>13,857</u>
Net current assets			
		<u>3,575,137</u>	<u>3,326,649</u>
Total assets less current liabilities			
		<u>3,575,137</u>	<u>3,326,649</u>
Total net assets			
		<u>3,575,137</u>	<u>3,326,649</u>
Charity funds			
Restricted funds	8	3,575,137	3,326,649
		<u>3,575,137</u>	<u>3,326,649</u>
Total funds			
		<u>3,575,137</u>	<u>3,326,649</u>

The financial statements were approved and authorised for issue by the trustees on 15 December 2021 and signed on their behalf by:

DocuSigned by:

 2EB4628657C0464...

Douglas Dodds

The notes on pages 12 to 20 form part of these financial statements.

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements 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 Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Seven Stories, The National Centre for Children's Books Collection Trust 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.

1.2 Going concern

The charity exists to hold heritage assets and collections for public benefit. It has no staff and all ongoing costs of storing and using the collection are borne by the parent company. Consequently, the charity has no ongoing commitments or liabilities of its own. Further consideration of the going concern status of the group is given within the consolidated accounts prepared for Seven Stories, The National Centre for Children's Books Limited.

Having due regard for the group position, and having received assurances from the Group board around the continuing support available to maintain the collection for at least the coming 12 months, the trustees have concluded that the going concern basis is appropriate for the preparation of these financial statements.

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.

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

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 of the charity of the item is probable and that economic benefit can be measured reliably.

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

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements Year ended 31 March 2021

1. Accounting policies (continued)

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.

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

All expenditure is inclusive of irrecoverable VAT.

1.5 Heritage assets

The Trust 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 6 of the accounts for further information on the heritage assets held by the Trust.

1.6 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.

1.7 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.

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements Year ended 31 March 2021

1. Accounting policies (continued)

1.8 Financial instruments

The charity 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.

1.9 Fund accounting

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

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

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

2. Critical accounting estimates and areas of judgement

The preparation of financial statements requires management to make judgements, assumptions and estimates that affect the application of accounting policies and amounts reported in the statement of financial activities and balance sheet. Such decisions are made at the time the financial statements are prepared and adopted based on the best information available at the time. Actual outcomes may be different from initial estimates and are reflected in the financial statements as soon as they become apparent.

The key source of judgement 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.

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements Year ended 31 March 2021

1. Accounting policies (continued)

3. Income from donations and legacies

	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations of heritage assets	250,000	250,000	5,500
Other donations	-	-	1,962
Total 2021	250,000	250,000	7,462
Total 2020	7,462	7,462	

4. Investment income

	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Interest receivable	195	195	-

5. Analysis of expenditure on charitable activities

	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank charges	107	107	113
Audit fees	1,600	1,600	1,600
Total 2021	1,707	1,707	1,713
Total 2020	1,713	1,713	

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements Year ended 31 March 2021

6. Heritage assets

Assets recognised at cost

	Heritage assets 2021 £	Total 2021 £
Market value at 1 April 2020	3,312,792	3,312,792
Additions	250,000	250,000
Market value at 31 March 2021	3,562,792	3,562,792

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.

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).

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements Year ended 31 March 2021

6. Heritage assets (continued)

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 all of her published 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.

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 BS4971:2017, 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.

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements Year ended 31 March 2021

6. Heritage assets (continued)

5 year summary of Heritage Asset transactions

	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	137,050
Total additions	<u>250,000</u>	<u>5,500</u>	<u>23,950</u>	<u>489,530</u>	<u>157,605</u>

7. Creditors: amounts falling due within one year

	2021 £	2020 £
Amounts owed to group undertakings	3,200	1,600
Accruals and deferred income	1,600	1,600
	<u>4,800</u>	<u>3,200</u>

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements Year ended 31 March 2021

8. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Balance at 31 March 2021 £
Restricted funds				
Restricted funds	<u>3,326,649</u>	<u>250,195</u>	<u>(1,707)</u>	<u>3,575,137</u>

Statement of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Balance at 31 March 2020 £
Restricted funds				
Restricted funds	<u>3,320,900</u>	<u>7,462</u>	<u>(1,713)</u>	<u>3,326,649</u>

Seven Stories, The National Centre for Children's Books Collection Trust

Notes to the financial statements Year ended 31 March 2021

9. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2021 £	Total funds 2021 £
Heritage assets	3,562,792	3,562,792
Current assets	17,145	17,145
Creditors due within one year	(4,800)	(4,800)
Total	3,575,137	3,575,137

Analysis of net assets between funds - prior year

	Restricted funds 2020 £	Total funds 2020 £
Heritage assets	3,312,792	3,312,792
Current assets	17,057	17,057
Creditors due within one year	(3,200)	(3,200)
Total	3,326,649	3,326,649

10. Related party transactions

The charity has taken exemption under the provisions of FRS 102 not to disclose related party transactions with other entities within the group.

11. Controlling party

The charity considers that it is under the control of the Board of trustees. The power to appoint the trustees to the charity rests with Seven Stories, The National Centre for Children's Books Limited, and as such it is regarded as the parent charity.