

The **Roald Dahl Museum and Literature Centre**

Report and Financial Statements

Year ended 31st March 2003



A company limited by guarantee and not having a share capital

Charity number 1085853

Company number 417850

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1. Legal and Administrative Information

Constitution

The Roald Dahl Museum and Literature Centre is a company limited by guarantee and not having a share capital and a registered charity governed by its memorandum and articles of association. Charity number: 1085853. Company number: 4178505

Directors and trustees

The directors of the charitable company ("the charity") are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. As set out in the Articles of Association the chairman of the trustees is appointed by the trustees, who number a minimum of three and a maximum of five individuals. One third (or the number nearest to one third) of the trustees must retire at each AGM, those longest in office retiring first and the choice between any of equal service being made by drawing lots.

The trustees serving during the year and since the year-end were as follows:

Felicity Ann Dahl (Chairman)
Elizabeth Attenborough
Ophelia Magdalene Dahl
Roger Hills

Secretary

Amanda Conquy

Manager / Curator

Sue Davies

Patrons

Sue MacGregor
Geraldine James
Quentin Blake
Geoffrey Palmer

Registered office

92 High Street, Great Missenden, Buckinghamshire HP16 0AN

Auditors

Chantrey Velacott DFK, Russell Square House, 10-12 Russell Square, London WC1B 5LF

Bankers

Abbey National Bank plc

Solicitors

TaylorWessing, Carmelite, 50 Victoria Embankment, Blackfriars, London EC4Y 0DX

2. Report of the trustees for the year ended 31 March 2003

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2003.

Legal and administrative information is set out on page 2 forms part of this report. The financial statements comply with the current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities.

Objects of the Charity

The objects of the charity are to further the education of the public in the art of literature by the provision and maintenance of a museum and literature centre based on the life and works of Roald Dahl.

To achieve this, the charity has powers that include the following:

- Organise, preserve and provide suitable accommodation for the literary archives of Roald Dahl and related items and materials
- Employ a writer in residence and/or illustrator in residence
- Promote and carry out research
- Provide advice
- Publish or distribute information

Organisation

The charity comprises a board of up to five trustees, who meet at least three times per year. The Secretary and a full-time Manager/Curator, Sue Davies, manage the day-to-day operations of the charity. Colin Dawes, the former project manager, has reduced his involvement but continues to work for the charity in an advisory capacity.

Investment powers

The trustees have the power to make any investments they see fit, but only after obtaining advice from a financial expert and having regard to the suitability of investments and the need for diversification.

Related parties

Except for donations received from trustees, there were no transactions with trustees or other related parties in the year.

Review of activities and future developments

The Charitable Company was incorporated on 13 March 2001. This report covers its second year of operation.

Museum and Literature Centre development

During this financial year significant progress has been made on the development of the planned Centre. Felicity Dahl's donation to the Charity of 81-83 High Street, Great Missenden, the premises to be used by the Centre, was formalised on 10 September 2002 when a Land Registration form TR1 was signed. In the same month, a full-time Manager / Curator began work and, under her guidance, the development of both the architectural plans and the design of the galleries has made significant progress.

Hawkins / Brown developed and expanded the existing plans. A second planning application for the new designs was submitted to Chiltern District Council in March 2003 and full planning permission was granted in April 2003. Discussions over the exact materials to be used are underway with Chiltern District Council.

Bremner and Orr Design Consultants, the selected Museum Designers, were formally appointed during this financial year. They have developed the designs for the galleries, shop and education space working closely with Sue Davies and Colin Dawes.

A conscious effort has been made to consult with potential users of the Centre and with local residents. A series of focus group meetings took place in November 2002 to find out what families, adult learners, village residents and schools wanted from the Centre. The teachers group has continued to meet and helped to plan the education work of the Roald Dahl Museum and Literature Centre. Both the Company Secretary and the Manager / Curator attended local meetings to explain our plans.

The timescale was reviewed during the year. At the time of writing the proposed timescale is set out below, subject to full funding availability:

July - Dec 2003	Initial stripping out work on site
January 2004	Construction work to begin
August 2004	Hand over of buildings
Sept 2004	Display installation to begin
February 2005	Opening to public

The Archive and Museum Collection

Ownership of the Roald Dahl Archive was formally transferred to the Charity on 3 July 2002.

During this year the Cataloguing / Digitisation Officer, Liz Whittingham, continued to catalogue and digitise the Archive. James Hatton, who had been assisting with the digitisation project, left in July 2002. Since February 2003 three volunteers have been helping to scan items from the collection.

The Cataloguing / Digitisation project is due to be completed on time in September 2003 and within the allocated budget of £100,000. The end result will be a collection catalogued to at least minimum standards using the CALM database. Approximately 15,000 digital records have been created and planning has begun to devise an appropriate way of making these accessible via the internet. Discussions are underway with the Gallery designers Bremner and Orr. It is our intention to launch a web-based version of the digital archive on Dahl's birthday, 13 September, in 2004.

An acquisition and disposals policy was written and approved by the trustees at their meeting on 4 February 2003. This document is a prerequisite for achieving Museum Registration.

The designs for the Centre at 81-83 High Street include a purpose-built archive store that will meet the national archival standards set out in BS5454. This store will provide the optimum environmental conditions to store and protect this unique archive.

Funding and fund raising

During the year donations have been received from 31 different donors amounting to £1,275,492. £273,000 of this was raised at a successful fundraising dinner hosted by the Prime Minister and Mrs Cherie Blair at Chequers in June 2002. Major donations of £200,000 have been pledged from Dahl's publishers, Random House and Penguin Books, £300,000 of this donation was received during 2002/03 and the remaining amount is expected in the coming financial year.

Members of the Dahl family have donated or committed approximately £1.6 million towards the capital cost. Felicity Dahl pledged £46,800 for fundraising purposes. Part of this money has been allocated to employing a fundraiser. Judy Niner of Development Partners was appointed on a fixed term contract. At the time of writing Development Partners have applied to 23 grant giving trusts, helped to set up a team of volunteer fundraisers and approached a number of potential donors.

An application to the Heritage Lottery Fund was submitted in February 2003 for a pre-opening education project, "Learning How". In July 2003 we were informed that a grant of £50,000 had been awarded to this project. Together with a £10,000 grant from the Ernest Cook Trust, this means that the Charity will be able to appoint an Education Officer at least a year before the Centre opens.

Reserves policy and risk management

The business plan for the Centre has been reviewed and updated. The target of 40,000 visitors a year remains achievable. The revenue budget remains diverse, with predicted income from ticket sales, education work, rent, a precept from Dahl and Dahl and trading income. The current projected revenue budget is £286,300 and shows an operating surplus of £1,250. Any surplus will be held as a free reserve for future developments and contingencies. At the time of writing more research is underway to discover the most financially prudent way of running the café and the shop.

Trustees' responsibilities in relation to the financial statements

Company law requires the trustees to prepare financial statements that give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. In doing so the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business

The trustees are responsible for maintaining proper accounting records which 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 Companies Act 1985. The trustees 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.

Auditors

A resolution will be proposed at the Annual General Meeting that Chantrey Vellacott DFK be re-appointed as auditors to the charity for the ensuing year.

By order of the trustees:

Felicity Ann Dahl (Chairman)
September 2003

A handwritten signature in black ink, appearing to read 'Felicity Ann Dahl', written over a horizontal line.

3. Independent Auditors' Report to the Members of the Roald Dahl Museum and Literature Centre

We have audited the financial statements of The Roald Dahl Museum and Literature Centre for the year ended 31 March 2003 which comprise the Statement of Financial Activities, the Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985 and section 43 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditors

The trustees' responsibilities for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities. Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the Trustees' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

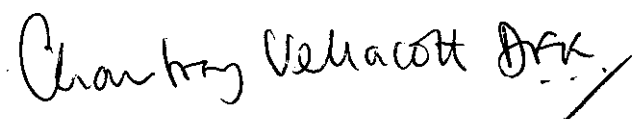
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board of the Accountancy Foundation. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

Basis of opinion (continued)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 March 2003 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



CHANTREY VELLACOTT DFK
Chartered Accountants
Registered Auditors

LONDON

26 November 2003

4. Statement of financial activities for the year ended 31 March 2003

	Note	General fund £	Endowment fund £	Total funds 2003 £	Total funds 2002 £
Incoming resources					
Donations		1,275,492	1,000,000	2,275,492	357,919
Film hire		2,100	-	2,100	-
Interest receivable		33,762	-	33,762	1,322
Total incoming resources		1,311,354	1,000,000	2,311,354	359,241
Resources expended					
Costs of generating funds					
- fundraising	3	10,391	-	10,391	25,908
Charitable expenditure					
- activities in furtherance of					
charity's objects - archive	4	36,620	-	36,620	37,294
- curator	5	16,969	-	16,969	-
- managing and administering					
the charity	6	26,858	-	26,858	17,420
Total resources expended		90,838	-	90,838	80,622
Net incoming resources	9	1,220,516	1,000,000	2,220,516	278,619
Funds brought forward		278,619	-	278,619	-
Funds carried forward		1,499,135	1,000,000	2,499,135	278,619

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

All incoming resources and resources expended derive from continuing activities.

The notes on pages 11 to 14 form part of these financial statements.

5. Balance sheet as at 31 March 2003

	Notes	2003 £	2002 £
Fixed assets			
Tangible assets	10	812,528	29,557
Archive	11	300,000	-
		1,112,528	29,557
Current assets			
Debtors	12	8,638	5,949
Cash at bank and in hand		1,420,466	257,350
		1,429,104	263,299
Creditors: amounts falling due within one year	13	42,497	14,237
Net current assets		1,386,607	249,062
Total assets less current liabilities		2,499,135	278,619
Restricted funds	14		
Endowment fund		1,000,000	-
Unrestricted funds			
General fund		1,499,135	278,619
Total funds		2,499,135	278,619

Approved by the trustees on 14/10/03 and signed on their behalf by:

F A DAHL



The notes on pages 11 to 14 form part of these financial statements.

6. Notes to the financial statements - For the period ended 31 March 2003

1. Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, *Accounting and Reporting by Charities* (SORP 2000) issued in October 2000, applicable accounting standards and the Companies Act 1985. The principal accounting policies adopted in the preparation of the financial statements are as follows:

Incoming resources

Donations

Income from donations is included in incoming resources when it is receivable, except as follows:

When donors specify that donations given to the charity must be used in future accounting periods, the income is deferred until those periods.

When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Interest receivable

Interest is included when receivable by the charity.

Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis.

Expenditure which is directly attributable to specific activities is included in the appropriate cost categories. Where expenditure is attributable to more than one activity it is apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

Tangible fixed assets

Tangible fixed assets are capitalised at cost and depreciated on a straight-line basis over their estimated useful lives as follows:

Computer equipment for archiving	33%
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Tangible fixed assets are not depreciated until they are brought into use.

Fund accounting

Funds held by the charity are either:

- *Unrestricted general funds* – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
- *Designated funds* – these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.
- *Restricted funds* – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

2. Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1.

3.	Fundraising	2003	2002
		£	£
	Consultants' fees and expenses	9,797	20,736
	Presentation materials	594	5,172
		<u>10,391</u>	<u>25,908</u>
4.	Archive	2003	2002
		£	£
	Salaries	28,290	22,048
	Depreciation of equipment	4,793	4,768
	Materials and agency work	166	4,188
	Archive office expenses	3,371	6,290
		<u>36,620</u>	<u>37,294</u>
5.	Curator	2003	2002
		£	£
	Salary and pension	16,638	-
	Expenses	331	-
		<u>16,969</u>	<u>-</u>
6.	Managing and administering the charity	2003	2002
		£	£
	Project manager's fees and expenses	12,832	11,553
	Legal and professional expenses	9,796	5,329
	Office costs	4,230	538
		<u>26,858</u>	<u>17,420</u>

7. Staff costs and trustees' remuneration	2003	2002
	£	£
Wages and salaries	40,438	20,244
Social security and other pension costs	4,490	1,804
	<u>44,928</u>	<u>22,048</u>

The trustees were not paid any remuneration or reimbursed for expenses during the year.

8. Staff numbers

The average number of employees in the year was two, a curator and an archivist.

9. Net incoming resources	2003	2002
	£	£
This is stated after charging:		
Depreciation	4,793	4,768
Auditors' remuneration		
external audit	2,000	2,000
other services	7,796	3,329
	<u>7,796</u>	<u>3,329</u>

10. Tangible fixed assets	Premises and project fees	Computer equipment for archiving	Total
	£	£	£
Cost			
At beginning of year	20,021	14,304	34,325
Additions - purchased	87,689	75	87,764
- donated	700,000	-	700,000
	<u>807,710</u>	<u>14,379</u>	<u>822,089</u>
At end of year			
Depreciation			
At beginning of year	-	4,768	4,768
Provided in year	-	4,793	4,793
	<u>-</u>	<u>9,561</u>	<u>9,561</u>
At end of year			
Net book value			
At 31 March 2003	<u>807,710</u>	<u>4,818</u>	<u>812,528</u>
At 31 March 2002	<u>20,021</u>	<u>9,536</u>	<u>29,557</u>

The donation of the premises which are to be converted into the Centre is included as a permanent endowment.

11. The Roald Dahl archive

As mentioned in the Trustees' Report, the Centre received the donation of the Roald Dahl archive during the year. This is an asset of great artistic importance and the trustees have decided to include it in the accounts at a valuation of £300,000. It is a permanent endowment. Any decision to sell this asset would be subject to the terms set out in the Museum's acquisition and disposals policy.

12. Debtors	2003 £	2002 £
VAT recoverable	8,638	5,949

13. Creditors: amounts falling due within one year	2003 £	2002 £
Trade creditors for fixed assets and expenses	29,080	5,063
Taxes and social security	1,432	845
Accruals for professional and consultants' fees and expenses	11,985	8,329
	42,497	14,237

14. Analysis of funds	Restricted Funds £	Unrestricted funds £	Total funds £
Fixed assets - tangible	700,000	112,528	812,528
- archive	300,000	-	300,000
Net current assets	-	1,386,607	1,386,607
	1,000,000	1,499,135	2,499,135