

Company registration number: 2308621
Charity registration number: 800538

RAGGED SCHOOL MUSEUM TRUST
(A company limited by guarantee and registered charity)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

RAGGED SCHOOL MUSEUM TRUST
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RAGGED SCHOOL MUSEUM TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021**

Trustees	Simon Bazalgette, Treasurer Robert Moye Alastair Owens Tom Schuller (resigned 7 December 2020) Magnus von Wistinghausen, Chair
Company registered number	2308621
Charity registered number	800538
Registered office	46 -50 Copperfield Road London E3 4RR
Company secretary	Magnus Von Wistinghausen
Chief executive officer	Erica Davies
Independent Examiner	MHA MacIntyre Hudson Chartered Accountants Boundary House 4 County Place Chelmsford Essex CM2 0RE
Bankers	HSBC Bank Plc London E14 5AH

RAGGED SCHOOL MUSEUM TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their Annual Report together with the financial statements 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).

Since the Museum qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Introduction

The year for the Ragged School Museum, as with organisations everywhere, was dominated by the consequences of the government imposed lockdowns and regulations in reaction to the advent of Covid 19. Last year we reported that "the outlook was unremittingly bleak, particularly for small independent sites, without core public subsidy, where rules insistent on social distancing make operating profitably an impossibility" this indeed proved to be the case. A number of grants, rate relief and the furlough scheme provided some respite but the Museum lost all its earned income from its school programme and space rentals. In essence those independent organisations committed to being entrepreneurial and who raise most of their budget from income-generating activities were most severely affected by the lockdowns. Schools showed little appetite for learning outside of the classroom in the prevailing circumstances.

The Museum concentrated its efforts on developing the capital development project following confirmation of the National Lottery Heritage Fund (NLHF) grant in late March 2020. This was an exceptional achievement for a small museum, especially in the immensely difficult circumstances with which it was confronted. Without this breakthrough there is little doubt that by the end of the year the Ragged School Museum would have been forced into closure. With the NLHF project underway our talented and enthusiastic project team worked through remote meetings and eventually face to face site meetings to develop the plans to the point of tendering for the main construction project in Winter 2020/21. We are grateful to everyone involved some of whom have made efforts beyond the call of duty to steadily move the project forward throughout this most difficult period.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Ragged School Museum Trust (the "Museum") is constituted as a registered Charity and company limited by guarantee (without share capital), with the Charity Trustees being Directors of the Company. The Charity's Memorandum and Articles of Association govern the Charity's structure, management and objects.

Methods of appointment or election of Trustees

Trustees are elected by the Museum's members at the Annual General Meeting (AGM) or co-opted by the Board at other times. The Trustees are responsible for the proper management and administration of the Museum. All major decisions, with significant financial or staffing implications, are made at Trustees' meetings.

Risk policy

The Trustees have assessed the major risks to which the Museum is exposed, in particular those related to the operations and finances of the Museum, and are satisfied that systems and procedures are in place to mitigate expose to the major risks. The Trustees continue to keep risks and processes under review.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

OBJECTIVES AND ACTIVITIES

Policies and objectives

The principal object of the Museum, as set out in its Memorandum of Association, is to provide for the advancement of public education by the provision of a museum.

The primary objects for which the Museum was established remain those by which the work of the year was directed, being:

- To advance public education in the local history of the East End of London and the Ragged School Movement through the provision of a public museum and educational activities on site at 46, 48 & 50 Copperfield Road, London E3 4RR;
- To preserve and maintain the buildings onsite at this address;
- To involve members of the local community in the running of the museum.

The Museum's vision is to be, and to be known as, the best place in London to experience the life of the Victorian poor.

Specifically, the Museum aims to:

- Provide children, teachers and families with understanding the life of the Victorian poor.
- Ensure that visits are enjoyable, inspirational and interactive.
- Preserve our buildings and history.

The Museum's schools, community, curatorial and volunteer programmes continued to support these core objects over the last year.

Our objectives for 2020 – 2021

- Make a successful Delivery Phase National Lottery Heritage Fund (NLHF) bid.
- Subject to successful NLHF bid secure matched funds of £900,000.
- Maintain the current level of school bookings.
- Maintain the current level of room / venue hire.
- Demonstrate the appeal of the Museum to adult audiences
- Continue support for the Lower Regent's Coalition in improving the environment of the Regent's Canal.

Our objectives for 2021 – 2022

- Complete the Delivery Phase of the NLHF project.
- Secure an excellent contractor for the café / restaurant.
- Secure a management company or single tenant for the lettable space.
- Recruit staff to oversee new functions.
- Begin the process of reinstating the schools programme and Victorian Lesson.

ACHEIVEMENTS & PERFORMANCE

Meeting our Objectives & Priorities for 2020 - 2021

1. National Lottery Heritage Fund project successful bid

The Delivery Phase and was approved in March 2020 for a delivery grant of £4.1m.

Project team

Architects: Richard Griffiths Architects (Design Team)

Structural Engineers: The Morton Partnership (Design Team)

M & E: SGA Consulting (Design Team)

Project Co-ordinators: Glevum Consulting Ltd

Project Managers: Pulse

Cost Consultants: PT Projects

Interpretation designers: ZMMA & Why Not Associates

Business Planning: Alex Homfray

Activity Plan: Chloe Bird & Jane Frederick

Access consultant: Earnscliffe Making Access Work

Catering Consultant: Piers Sturridge Consultancy

Project progress

Meetings were held on a monthly basis either remotely and when regulations allowed on site. The Stage 4 design package was presented to NLHF in October 2020. With their approval Pulse, Project managers set in motion the tendering process for contractors.

Tendering for main contractor

Tender documents were issued on 16th November 2020 for the procurement of the main contractor to undertake the works, with an initial return date of mid December 2020. This was extended to mid-January at the request of contractors, the result of resourcing issues caused by COVID-19 disruption. A total of five main contractors formed the initial tender list, with four contractors submitting a full tender. Tenders were assessed on the basis of qualitative and pricing criteria with the following weighted split – 40% Price / 60% Quality.

As part of the quality assessment criteria, contractors were required to invite the project team to visit recently completed projects with the key members of their proposed delivery team, so as to demonstrate their ability to deliver an analogous contract. The visits were scored as part of the tender quality assessment.

Following an initial round of scoring of submissions, all tenderers were invited to interview in early February. The interview panel comprised of Erica Davies – Director, Ragged School Museum, Simon Hawkins – Project Co-ordinator, Nick Gold – PT Projects QS, James Green – RGA Architects and Jonathan Aldworth Pulse Consult PM & CA. Contractors were invited to present their team and proposals and discuss their approach to delivering the works at the Ragged School Museum. The Tender Report was submitted by Pulse to NLHF in March, and Bryen and Langley were appointed as main contractor.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Decanting Museum Material

In July trustees, volunteers from Lower Regent's Coalition and students from Queen Mary University of London helped to move material such as unused office furniture which was surplus to requirements, and this was disposed of.

Barnardo's historic collection: these items were carefully packed and moved to secure storage by specialist contractors Paradigm 33.

Museum collections & archives have been moved to safe storage.

2. Secure Matched Funding for National Lottery Heritage Fund Bid & Registering for VAT

Despite the hiatus created by the previous rejection of the first HLF bid, we are grateful to our generous funders for holding their pledges awaiting the outcome of the successful second bid. A total of £605,000 of matched funding pledges were secured for the project.

Foyle Foundation	£ 150,000	
Anonymous Foundation	£ 100,000	
City Bridge Foundation	£ 100,000	
29 th May 1961 Charitable Trust	£ 20,000	
Aldgate & All Hallows Foundation	£ 120,000	
Bernard Sunley Charitable Foundation	£ 20,000	
Swire Charitable Trust	£ 50,000	
Robert Gavron Charitable Trust	£ 15,000	
Pilgrim Trust	£ 30,000	
Total Pledges Made	£ 605,000	

Following receipt of specialist advice from accountancy firm Buzzacott during 2019/20 to examine all aspects of registering the Museum for VAT ahead of the start of the construction phase, Trustees resolved to apply for VAT registration under the Capital Good Scheme and commissioned Buzzacott to proceed with the application in July 2020. This resulted in notification of registration being received in January 2021, allowing 50% of the VAT incurred on the capital project to be reclaimed.

3. School bookings: none

In the prior year until the March 2020 lockdown, the Museum ran its schools programme at over 90% capacity, with 15,673 school visitors (2019: 17,308). In all, 276 schools visited (2019: 308) and 521 sessions took place (2019: 568). From 13 March 2020 all bookings for the year ahead were cancelled.

4. Maintaining level of venue hire: 3 bookings

This was not achievable in the prevailing lockdown. When regulations eased briefly in summer/autumn 2020 there were 3 bookings in total.

5. Attracting new adult audience

Pianists, Pavel Kolesnikov & Samson Tsoy, building on the success of the Festival in 2019 devised 3 days of remarkable programmes for the second Ragged Music Festival starting on Friday 2 October. We were fortunate in the timing and the dedication of wonderful musicians: Nicolas Baldeyrou, Alina Ibragimova, Andrei Ionita, Elisabeth Leonskaja. Mme Leonskaja waived her fee, a remarkable act of generosity. Yamaha renewed their sponsorship of the piano, another remarkable act of generosity. John Snooks prepared the window for moving in the piano on the second floor. Marti Wikstrom obtained accommodation from Hilton. The Ministry of Fun provided lighting gratis. David Ellis produced wonderful designs for the programme and publicity without charge. Darren Hartwell arranged the delivery and installation of the piano assisted by Dave Bedford, Eddie Murphy and Daniel Kruyer. George Kingston, an anonymous donor and Richard Griffiths provided financial sponsorship, including a donation to enable discount tickets to be offered to music students. Thanks to all trustees who volunteered and for providing support through the whole weekend. All the concerts were sold out with waiting lists (outside the time frame of this report, the Festival was subsequently nominated for a 2021 Sky Arts award in the classical music category).

Through Which Light Passes was a project initiated by Antoni Malinowski and Oona Grimes who invited a group of artists to create work inspired by the Ragged School Museum during the autumn/winter of 2020/21. Their responses included wall paintings, photographs, sculptural interventions, films and live performances. Jenni Lomax acted as advisor and the event was filmed by Lily Grimes. The remarkable group of artists participating were H  l  ne Binet, Yong Min Cho, Lily Grimes, Oona Grimes, Jefford Horrigan, Liliane Lijn, Antoni Malinowski, Kathy McCarthy, Katrina Palmer. A web site was developed to record the event: <https://www.ragged-art.com/artists/>

6. Collaboration with Lower Regent's Coalition (LRC)

We continued to work with the LRC by providing storage space and meeting space for their core group to recruit, to clean-up and green the water and banks of the Regent's Canal.

7. Continuing Activities:

Visitors: The museum was closed to visitors except those attached to the NLHF project and those attending special events. **Family Learning Holiday Activities** had to be discontinued.

Heritage at Risk Register, Heritage England: The Museum remains on the Register although it is expected that it will be removed following the completion of the building renovation project.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Staff

Director: The Executive Director, Erica Davies, continued to oversee the NLHF project and has been the only active member of staff since April 2020. The Trustees would like to record their thanks and appreciation for her tireless work and determination during a very challenging year, and for her continuing commitment to steer the Museum into a new phase of its history with the redevelopment of the building during unprecedented times.

Education team: Administrator Jennie Saunders resigned in August to take up a new job in Poole. We thank her for being a generous, enthusiastic, knowledgeable and dedicated colleague over her years in post and wish her every success in her new position as Engagement and Learning officer in Upton Country Park in Poole Dorset. Kirren Chana was furloughed, together with our roster of actors and our cleaner, Mark Kimble, were retained thanks to the HMRC coronavirus job retention scheme. Kirren subsequently won a place on a collaborative PhD psychology project based in Vienna and left the museum in January 2020.

Administration: Following the retirement of Pauline Plumb, Inge Winn has taken over bookkeeping duties since May 2020.

Volunteers, study abroad & work experience students: all activity was halted due to the pandemic and with the full closure of the museum for the building project from Autumn 2021.

FINANCIAL REVIEW

Review of the Museum's Financial Position

During the year the Museum received total income of £348,147 (2020: £235,497) and incurred total expenditure of £127,264 (2020: £225,305). The Museum recognised a net surplus for the year of £220,883 (2020: £10,192).

With earned income down to £18,414, the Museum received grants and other support through the year as follows:

1. Central Government: HMRC – Coronavirus Job Retention scheme (all staff were furloughed since April 2020 with the exception of the Director).
2. Local Authority LB Tower Hamlets: The Retail, Hospitality and Leisure Grant Fund (RHLGF) for businesses with a property with a rateable value of over £15,000 but less than £51,000, awarded a grant of £25,000.
3. Local Authority LB Tower Hamlets Business Rate relief £400 pm.
4. NLHF emergency funding award for basic expenditure for 4 months of £34,000 (awarded in August 2020)

In addition, some operating cost recovery has been achieved as part of the NLHF funding for the building project during the delivery phase starting.

On this basis, the Director and Trustees believe that the Museum will be able to meet its greatly reduced ongoing operating costs for the period of the building works.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Looking ahead, the Director and Trustees expect the building project to transform the operations and financial sustainability of the Museum. The business plan projects a significant increase in revenues once the project is completed, particularly from increased visitor numbers, the new café/restaurant, shop, venue hire and co-working space rental.

Reserves policy

The Trustees operate a reserves policy whereby the free reserves held by the Trust should be approximately three months expenses, which equates to approximately £78,000 based on pre-closure annual operating expenditure. This would enable current activities to continue in the short term should funding drop significantly.

At present the free reserves of £1,074 (2020: £4,528) do not reach this target. In calculating reserves, the Trustees have excluded from the total funds the restricted income funds of £275,213 (2020: £49,151) and tangible fixed asset fund of £124,174 (2020: £125,899).

Both the policy and its implementation are under regular scrutiny.

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Museum has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

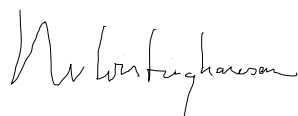
Public benefit statement

The Trustees confirm that when reviewing the Museums aims and objectives and in planning current and future activities they have considered the Charity Commission's guidance on public benefit. All activities have been undertaken for the furtherance of public benefit and for the furtherance of the Museums objectives, as per its Memorandum and Articles of Association.

Preparation of the report

The Trustees' Annual Report has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

This report was approved by the Trustees on ...21.12.2021... and signed on their behalf by:



.....
Magnus Von Wistinghausen
Chair

RAGGED SCHOOL MUSEUM TRUST
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INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2021

Independent examiner's report to the Trustees of Ragged School Museum Trust ('the Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 March 2021.

Responsibilities and basis of report

As the Trustees of the Charity (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charity's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe in any material respect:

1. accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:



Dated: 21/12/2021

Cara Miller ACCA

Boundary House, 4 County Place, Chelmsford, Essex, CM2 0RE

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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations	3	57,545	272,160	329,705	120,763
Charitable activities	4	72	-	72	94,359
Other trading activities	5	18,342	-	18,342	20,331
Investments	6	28	-	28	44
Total income		75,987	272,160	348,147	235,497
Expenditure on:					
Raising funds	7	-	-	-	1,265
Charitable activities	8,9	81,166	46,098	127,264	224,040
Total expenditure		81,166	46,098	127,264	225,305
Net movement in funds		(5,179)	226,062	220,883	10,192
Reconciliation of funds:					
Total funds brought forward		130,427	49,151	179,578	169,386
Net movement in funds		(5,179)	226,062	220,883	10,192
Total funds carried forward		125,248	275,213	400,461	179,578

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

All income and expenditure derive from continuing activities.

The notes on pages 12 to 28 form part of these financial statements.

RAGGED SCHOOL MUSEUM TRUST
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REGISTERED NUMBER: 2308621

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	307,846	119,899
Current assets			
Stocks	14	2,443	4,885
Debtors	15	49,313	8,253
Cash at bank and in hand		74,929	58,754
		<u>126,685</u>	<u>71,892</u>
Creditors: amounts falling due within one year	16	(34,070)	(12,213)
Net current assets		92,615	59,679
Total net assets		400,461	179,578
Charity funds			
Restricted funds	17	275,213	49,151
Unrestricted funds	17	125,248	130,427
Total funds		400,461	179,578

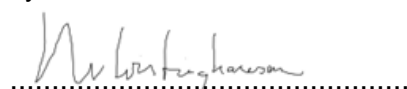
The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Magnus von Wistinghausen

Chair

Date: 21.12.2021

The notes on pages 12 to 28 form part of these financial statements.

RAGGED SCHOOL MUSEUM TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. General information

Ragged School Museum Trust is a Charitable Company limited by guarantee and is registered with the Charity Commission (Charity Registered Number 800538) and Registrar of Companies (Company Registration Number 2308621) in England and Wales.

In event of the Museum being wound up, the liability in respect of the guarantee is limited to £1 per Member of the Museum.

The address of the registered office is given in the Museum information on page 1 of these financial statements. The nature of the Museum's operations and principal activities are detailed in the Trustees' Annual 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) and the Companies Act 2006.

Ragged School Museum 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.

The financial statements are presented in sterling which is the functional currency of the Museum and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist including considering the impact of COVID-19. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Museum to be able to continue as a going concern.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.3 Income

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

For donations to be recognised the Museum will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfillment of those conditions is within the control of the Museum and it is probable that they will be fulfilled.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the Museum. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from grants, including government grants, are recognised at fair value when the Museum has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

2.4 Expenditure

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

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.6 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.7 Tangible fixed assets and depreciation

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

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, as per the methods described below.

Depreciation is provided on the following basis:

Freehold property	-	2% Straight-line
Displays	-	25% Reducing balance
Fixtures and fittings	-	25% Reducing balance
Office equipment	-	25% Reducing balance

2.8 Stocks

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

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.12 Financial instruments

The Museum only holds basic Financial Instruments. The financial assets and financial liabilities of the Museum are as follows:

Debtors – fees receivable and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 15. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – accruals will be classified as financial instruments, and are measured at amortised cost as detailed in Note 16. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

2.13 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.14 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.

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the 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.

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3. Income from donations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Donations			
Heritage Lottery Fund	-	183,160	183,160
The Swire Charitable Trust	-	50,000	50,000
The Robert Gavron Charitable Trust	-	5,000	5,000
Heritage Lottery Fund - COVID support	-	34,000	34,000
LB Tower Hamlets - COVID support	30,000	-	30,000
Job Retention Scheme	25,969	-	25,969
Sundry donations	1,576	-	1,576
	<u>57,545</u>	<u>272,160</u>	<u>329,705</u>

In the year, government grants of £25,969 were received under the Job Retention Scheme, and a further £30,000 was received from LB Tower Hamlets in relation to COVID support. At the year-end date, there were no unfulfilled conditions or other contingencies associated with this income.

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Donations			
Heritage Lottery Fund	-	69,780	69,780
The 29th May 1961 Charitable Trust	-	10,000	10,000
The Robert Gavron Charitable Trust	-	5,000	5,000
Gift aid receivable	1,874	-	1,874
Sundry donations	33,967	-	33,967
Subscriptions	142	-	142
	<u>35,983</u>	<u>84,780</u>	<u>120,763</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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4. Income from charitable activities - by fund

	Unrestricted funds 2021 £	Total funds 2021 £
Shop income	72	72

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
London Borough of Tower Hamlets	-	3,000	3,000
School Income	78,967	-	78,967
Other fee income	2,098	-	2,098
Shop income	6,718	-	6,718
Other income	3,576	-	3,576
	91,359	3,000	94,359

5. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Room hire	3,451	3,451	17,810
Café income	-	-	2,521
Music festival	12,694	12,694	-
Sale of surplus equipment	2,197	2,197	-
Total 2021	18,342	18,342	20,331
<i>Total 2020</i>	<i>20,331</i>	<i>20,331</i>	

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6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Bank interest receivable	28	28	44
<i>Total 2020</i>	44	44	

7. Expenditure on raising funds

	Total funds 2021 £	<i>Total funds 2020 £</i>
Direct costs - Cafe	-	1,265

All expenditure on raising funds was allocated to unrestricted funds in the prior year.

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NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Museum and schools programme	81,166	46,098	127,264

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Museum and schools programme	157,255	66,785	224,040

9. Analysis of expenditure by activities - by type

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Museum and schools programme	86,392	40,872	127,264

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Museum and schools programme	179,034	45,006	224,040

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9. Analysis of expenditure by activities - by type (continued)

Analysis of direct costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	72,314	94,306
Direct costs - shop	533	1,765
Minor equipment and maintenance	-	1,368
Workshop materials	-	1,807
Schools programme expenses	-	1,061
Exhibitions and events	13,545	11,942
Renovation of building	-	66,785
	86,392	179,034

Analysis of support costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Depreciation	1,725	1,965
Insurance	4,588	5,198
Building maintenance	1,607	4,528
Cleaning	846	1,601
Postage, printing and stationary	24	1,250
Light, heat and water charges	3,128	4,611
Telephone and internet	2,651	3,286
Travel and subsistence	903	53
Security costs	1,390	1,377
Equipment rental	656	282
Fundraising and publicity	162	580
Computer, website and software costs	3,211	6,544
Governance costs	14,540	5,412
Sundry expenses	5,441	8,319
	40,872	45,006

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10. Governance costs

	2021 £	2020 £
Fees payable to the Charity's independent examiner for the independent examination of the Charity's annual accounts	3,050	3,672
VAT advisory services	5,675	-
Financial modelling	1,440	-
Other professional services	4,375	1,740
	14,540	5,412

11. Staff costs

	2021 £	2020 £
Wages and salaries	71,981	92,211
Social security costs	-	1,848
Contribution to defined contribution pension schemes	333	247
	72,314	94,306

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

	2021 No.	2020 No.
Staff	8	10

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

The Museum considers its Key Management Personnel to comprise of the Trustees and Director. The total amount of employee benefits received by Key Management Personnel in the year was £35,659 (2020: £35,737).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £NIL).

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13. Tangible fixed assets

	Freehold property & improvements £	Fixtures & Fittings £	Office Equipment £	Displays £	Total £
Cost or valuation					
At 1 April 2020	150,000	18,627	5,679	6,775	181,081
Additions	189,672	-	-	-	189,672
At 31 March 2021	<u>339,672</u>	<u>18,627</u>	<u>5,679</u>	<u>6,775</u>	<u>370,753</u>
Depreciation					
At 1 April 2020	33,000	16,204	5,246	6,732	61,182
Charge for the year	1,000	606	108	11	1,725
At 31 March 2021	<u>34,000</u>	<u>16,810</u>	<u>5,354</u>	<u>6,743</u>	<u>62,907</u>
Net book value					
At 31 March 2021	<u><u>305,672</u></u>	<u><u>1,817</u></u>	<u><u>325</u></u>	<u><u>32</u></u>	<u><u>307,846</u></u>
At 31 March 2020	<u><u>117,000</u></u>	<u><u>2,423</u></u>	<u><u>433</u></u>	<u><u>43</u></u>	<u><u>119,899</u></u>

Freehold property includes capital improvements of £189,672, which represents the capital costs incurred in the refurbishment of the Museum to 31st March 2021. The refurbishment of the Museum is ongoing at the year-end, and as such, no depreciation has yet been charged.

14. Stocks

	2021 £	2020 £
Finished goods and goods for resale	<u><u>2,443</u></u>	<u><u>4,885</u></u>

All stock held is for the use of the Shop and Café.

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15. Debtors

	2021 £	2020 £
Due within one year		
Fees receivable	800	8,033
Other debtors	22,434	220
Prepayments and accrued income	26,079	-
	49,313	8,253
	49,313	8,253

16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	23,256	6,921
Other taxation and social security	515	-
Other creditors	215	1,082
Accruals and deferred income	10,084	4,210
	34,070	12,213
	34,070	12,213
	2021 £	2020 £
Deferred income at 1 April 2020	538	1,220
Resources deferred during the year	-	538
Amounts released from previous periods	(538)	(1,220)
	-	538
	-	538

Deferred income relates to income received in advance of events to be held in the next financial year.

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17. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Unrestricted funds					
Designated funds					
Staffing fund	6,000	-	-	-	6,000
Fixed assets fund - Freehold Premises	117,000	-	(1,000)	-	116,000
Fixed assets fund - Equipment etc.	2,899	-	(725)	-	2,174
	<u>125,899</u>	<u>-</u>	<u>(1,725)</u>	<u>-</u>	<u>124,174</u>
General funds					
General Funds	4,528	75,987	(79,441)	-	1,074
	<u>130,427</u>	<u>75,987</u>	<u>(81,166)</u>	<u>-</u>	<u>125,248</u>
Restricted funds					
Development fund	7,302	-	-	-	7,302
Building renovation	41,849	238,160	(12,098)	(189,672)	78,239
Building renovation - Freehold improvements	-	-	-	189,672	189,672
COVID emergency support	-	34,000	(34,000)	-	-
	<u>49,151</u>	<u>272,160</u>	<u>(46,098)</u>	<u>-</u>	<u>275,213</u>
Total of funds	<u><u>179,578</u></u>	<u><u>348,147</u></u>	<u><u>(127,264)</u></u>	<u><u>-</u></u>	<u><u>400,461</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 March 2020 £</i>
Unrestricted funds				
Designated funds				
Staffing fund	6,000	-	-	6,000
Fixed assets fund - Freehold Premises	118,000	-	(1,000)	117,000
Fixed assets fund - Equipment etc.	3,864	-	(965)	2,899
	<u>127,864</u>	<u>-</u>	<u>(1,965)</u>	<u>125,899</u>
General funds				
General Funds	13,366	147,717	(156,555)	4,528
	<u>141,230</u>	<u>147,717</u>	<u>(158,520)</u>	<u>130,427</u>
Restricted funds				
Development fund	4,302	3,000	-	7,302
Building renovation	23,854	84,780	(66,785)	41,849
	<u>28,156</u>	<u>87,780</u>	<u>(66,785)</u>	<u>49,151</u>
Total of funds	<u><u>169,386</u></u>	<u><u>235,497</u></u>	<u><u>(225,305)</u></u>	<u><u>179,578</u></u>

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17. Statement of funds (continued)

Staffing fund

The Trustees established a Staffing fund to help meet unexpected statutory and moral obligations that arise which may not be eligible for support from funders and is based on the potential redundancy liability of staff. This reserve equals a third of the potential liability.

Fixed assets fund

This fund reflects the cost and depreciation of fixed assets purchased from both general funds and from restricted grants where it is considered that there is no continuing restriction. The amount carried forward is equal to the net book value of the related fixed assets at the year end.

Development fund

This relates to funds received in previous years for a fundraising event at the House of Commons.

Building renovation

The purpose of the building renovation is to restore the Museum, improving the condition of all the buildings and their accessibility while preserving their authenticity with sensitive conservation.

Building renovation - Freehold improvements

This fund represents the proportion of the 'Building renovation' fund which has been used wholly for capitalised improvements. This fund aligns with the Net Book Value of the Freehold improvements within Tangible Fixed Assets and transfers are made between this fund and the 'Building renovation' fund accordingly.

COVID emergency support

This fund reflects emergency support received to assist with staff and other costs incurred in the year.

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	118,174	189,672	307,846
Current assets	41,144	85,541	126,685
Creditors due within one year	(34,070)	-	(34,070)
Total	125,248	275,213	400,461

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18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	119,899	-	119,899
Current assets	22,741	49,151	71,892
Creditors due within one year	(12,213)	-	(12,213)
Total	<u>130,427</u>	<u>49,151</u>	<u>179,578</u>

19. Members' liability

Ragged School Museum Trust is a company limited by guarantee and has no share capital. The liability of each member is limited to £1. The number of members at the end of the financial year was 28 (2020: 28).

20. Capital commitments

The Museum is in the process of a complete refurbishment, and at the year-end date was in the Development Phase of this undertaking. At 31st March 2021, the Museum was committed to further expenditure of £286,769.

21. Related party transactions

Other than Key Management Personnel transactions detailed in Note 11, there were no related party transactions during the period (2020: £Nil).