

The Poetry Society (Incorporated)
Consolidated Statement of Financial Activities
For the year ended 31 March 2011

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds Year ended 2011 £	Total Funds Year ended 2010 £
INCOME AND EXPENDITURE					
Incoming Resources					
Incoming resources from generated Funds					
Voluntary income		647	-	647	25,187
Trading activities	6	66,539	-	66,539	70,801
Income from investments		368	-	368	387
Bank interest receivable		151	-	151	200
Incoming resources from charitable funds					
Grants receivable	2	284,217	247,423	531,640	427,793
Publications and membership		152,749	-	152,749	165,218
Education consultancy income		5,903	-	5,903	23,292
Other income		104,570	-	104,570	58,743
		<u>615,144</u>	<u>247,423</u>	<u>862,567</u>	<u>771,621</u>
Resources Expended					
Cost of Generating Funds:					
Trading activities	6	69,494	-	69,494	71,093
Charitable Activities					
Publications & membership		164,230	-	164,230	144,783
Education Programmes		54,947	170,166	225,113	154,889
Other Charitable expenditure		278,740	12,587	291,327	376,366
Governance		<u>14,823</u>	<u>-</u>	<u>14,823</u>	<u>10,170</u>
Total Resources Expended	4	<u>582,234</u>	<u>182,753</u>	<u>764,987</u>	<u>757,301</u>
Net Income/(Expenditure)		32,910	64,670	97,580	14,320
Other recognised Gains and losses					
Gain/(Loss) on revaluation of investments	6	-	(32)	(32)	561
Net Movement in funds for the year		<u>32,910</u>	<u>64,638</u>	<u>97,548</u>	<u>14,881</u>
Funds Brought Forward		<u>517,977</u>	<u>14,575</u>	<u>532,552</u>	<u>517,671</u>
Funds Carried Forward		<u><u>550,887</u></u>	<u><u>79,213</u></u>	<u><u>630,100</u></u>	<u><u>532,552</u></u>

The notes on pages 13 to 19 form part of these financial statements.

None of the company's activities were acquired or discontinued during the financial period.

The company has no recognised gains or losses other than these dealt with in the above Statement of Financial Activities.

The Poetry Society (Incorporated)
Balance Sheets as at 31 March 2011

	Note	Group 2011 £	Group 2010 £	Charity 2011 £	Charity 2010 £
Fixed Assets					
Tangible assets	5	383,617	390,674	383,617	390,674
Investments	6	9,166	9,198	9,168	9,200
		<u>392,783</u>	<u>399,872</u>	<u>392,785</u>	<u>399,874</u>
Current Assets					
Stock		800	800	-	-
Debtors	7	40,120	73,530	57,856	93,710
Cash at bank and in hand		260,356	134,718	240,060	111,723
		<u>301,276</u>	<u>209,048</u>	<u>297,916</u>	<u>205,433</u>
Creditors: Amounts falling due within one year	8	<u>(63,959)</u>	<u>(76,368)</u>	<u>(58,293)</u>	<u>(73,402)</u>
Net Current Assets		<u>237,317</u>	<u>132,680</u>	<u>239,623</u>	<u>132,031</u>
Total Assets Less Current Liabilities		<u><u>630,100</u></u>	<u><u>532,552</u></u>	<u><u>632,408</u></u>	<u><u>531,905</u></u>
Funds					
Restricted	9	79,213	14,575	79,213	14,575
Unrestricted	10	550,887	517,977	553,195	517,330
		<u>630,100</u>	<u>532,552</u>	<u>632,408</u>	<u>531,905</u>

The notes on pages 13 to 19 form part of these financial statements

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements were approved by the Board and authorised for issue on 6 February 2012 and signed on its behalf by:



Sir Stephen Irwin
Chair

9 February 2012

Company Registration Number: 190736

The Poetry Society (Incorporated)

Notes to the Financial Statements

For the year ended 31 March 2011

1 Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006, the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005).

The following principal accounting policies, which are unchanged from the previous year, have been consistently applied in preparing these financial statements.

Basis of Consolidation

The Consolidated Statement of Financial Activities and Balance Sheet, consolidate the financial statements of the charity and its trading subsidiary. The results for the trading subsidiary are consolidated on a line by line basis.

Going concern

In common with most other arts charities the charity's three year funding for 2012 to 2015 is still subject to negotiation. The trustees have prepared the financial statements on a going concern basis because at 31 March 2011 the charity had "free" reserves of £167,270 of which £20,000 are designated, the suspended Arts Council of England 2011-12 grant of £261,000 has been restored and paid in full, and the trustees believe that the three year funding 2012 to 2015 at the level of at least £261,000 per annum will be successfully negotiated.

Incoming Resources

Grants, subscriptions and donations are accounted for on an receipts basis, other income on an accruals basis. Advance payments in respect of grants for future periods are carried forward in the financial statements as deferred income.

Incoming resources from the trading subsidiary and from investments are included when receivable.

Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Wherever possible costs are directly attributed to these headings. Costs common to more than one area are apportioned on the basis of staff time.

Governance costs are those incurred in the governance of the charity and are primarily associated with the constitutional and statutory requirements.

Fund Accounting

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor.

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

Designated funds represent amounts set aside by the Trustees from unrestricted income to meet specific purposes.

Tangible Fixed Assets

Items with a value greater than £250 are capitalised. Tangible fixed assets are stated at cost less accumulated depreciation. Provision is made for depreciation on all tangible assets, other than the library books, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Freehold buildings	2% per annum on cost, straight line
Fixtures & fittings	15%/33% per annum on cost, straight line
Computers & software	25% per annum on cost, straight line, for assets acquired after April 2002

In accordance with FRS15 the charity has adopted a policy not to revalue its freehold property and feels it is sufficient to disclose the property on an historical cost basis to give a true and fair view of its activities.

Stock

Stock is stated at the lower of cost and net realisable value.

Investments

Investments are stated at market value as at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

The Poetry Society (Incorporated)
Notes to the Financial Statements
For the year ended 31 March 2011

2 Grants Receivable	Deferred income brought forward £	Grants receivable £	Deferred income carried forward £	Total 2011 £	Total 2010
Restricted					
The Foyle Foundation	-	75,000	-	75,000	70,000
Paul Hamlyn Grant for Education	-	40,400	-	40,400	67,400
Liverpool City Council	-	18,616	-	18,616	-
Esmee Fairburn	-	24,920	-	24,920	-
London Borough of Tower Hamlets	-	5,000	-	5,000	-
North Somerset Council	-	500	-	500	-
John Lyons	-	5,000	-	5,000	-
Walcot Foundation	-	5,000	-	5,000	-
Aldgate and Allhallows Foundation	-	10,000	-	10,000	11,000
Department for Culture, Media and Sport	-	12,587	-	12,587	-
Booktrust	-	50,000	-	50,000	-
Dr & Mrs Canham	-	400	-	400	350
Popescu Prize - the Ratiu Foundation	-	-	-	-	4,000
	-	<u>247,423</u>	-	<u>247,423</u>	<u>152,750</u>
Unrestricted					
Arts Council of England - Revenue	-	281,057	-	281,057	275,043
Arts Council of England - GftA	-	3,160	-	3,160	-
	-	<u>284,217</u>	-	<u>284,217</u>	<u>275,043</u>
Total Grants Receivable	-	<u><u>531,640</u></u>	-	<u><u>531,640</u></u>	<u><u>427,793</u></u>

3 Staff Costs

The aggregate payroll costs were

	2011 £	2010 £
Wages and salaries	305,632	299,898
Social security costs	28,720	28,389
Pension costs	17,262	15,451
	<u><u>351,614</u></u>	<u><u>343,738</u></u>

During the year 1 trustee was reimbursed £75 expenses for travel (2010 : £48 to 1 trustee).

During the year, no trustees were paid fees (2010 : £nil).

No employee received an annual remuneration in excess of £60,000 (2010: nil).

The total number of employees calculated on a full time equivalent basis during the year was 13 (2010 - 13).

Staff are allocated as follows:

	2011	2010
- publications and membership staff	2.8	2.6
- education staff	4.0	4.0
- other charitable projects	3.2	3.3
- management and administration	1.0	1.0
-café staff	2.5	2.5
Total	<u><u>13.5</u></u>	<u><u>13.4</u></u>

The Poetry Society (Incorporated)
Notes to the Financial Statements
For the year ended 31 March 2011

4 Total Resources Expended

	Trading activities		Publications and membership		Education programmes		Other charitable expenditure		Governance		2010		2011	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Staff Costs (note 3)	-	90,684	-	116,861	-	144,069	-	351,614	-	-	-	343,738	-	-
Temps/recruitment/training	-	-	-	800	-	1,494	-	2,294	-	-	-	172	-	-
Telephone/fax/post/rental	-	18,350	-	5,739	-	24,770	-	48,859	-	-	-	54,143	-	-
Other office/establishment	-	108	-	712	-	45,239	-	46,059	-	-	-	46,382	-	-
Printing and design	-	24,980	-	18,864	-	12,687	-	56,531	-	-	-	44,446	-	-
Travel and subsistence	-	282	-	3,421	-	4,579	76	8,358	-	-	-	6,545	-	-
Advertising and marketing	-	244	-	200	-	931	-	1,375	-	-	-	1,947	-	-
Poets fees and expenses	-	26,271	-	51,830	-	17,842	-	95,943	-	-	-	102,751	-	-
Events/workshops and room hire	-	350	-	10,930	-	15,131	-	26,411	-	-	-	29,098	-	-
Café purchases	69,494	-	-	-	-	-	-	69,494	-	-	-	71,093	-	-
Legal and professional fees	-	-	-	9,777	-	5,241	-	15,018	-	-	-	28,211	-	-
Audit	-	-	-	-	-	-	12,841	12,841	-	-	-	8,216	-	-
Accountancy	-	-	-	-	-	-	1,906	1,906	-	-	-	1,906	-	-
Bank charges	-	395	-	4,000	-	2,593	-	6,988	-	-	-	4,548	-	-
Archiving and storage	-	2,067	-	-	-	619	-	2,686	-	-	-	2,067	-	-
Depreciation	-	-	-	-	-	8,338	-	8,338	-	-	-	9,513	-	-
Subscriptions, publications and conferences	-	129	-	134	-	60	-	323	-	-	-	419	-	-
Bad debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous expenses	-	370	-	1,845	-	7,734	-	9,949	-	-	-	2,106	-	-
Total Resources Expended	69,494	164,230	144,783	225,113	291,327	14,823	14,823	764,987	14,823	10,170	757,301	757,301	757,301	757,301
2010	71,093	144,783	154,889	154,889	376,366	10,170	10,170	757,301	10,170	10,170	757,301	757,301	757,301	757,301

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For the year ended 31 March 2011

5 Tangible Fixed Assets

CHARITY	Freehold Land and Buildings	Fixtures & Fittings	Computers and Software	Library Books	Total
Cost					
At 1 April 2010	398,809	22,137	15,527	6,500	442,973
Additions	-	-	1,281	-	1,281
Disposals	-	-	-	-	-
At 31 March 2011	<u>398,809</u>	<u>22,137</u>	<u>16,808</u>	<u>6,500</u>	<u>444,254</u>
Depreciation					
At 1 April 2010	31,917	7,939	12,443	-	52,299
Charge for the year	3,988	2,023	2,327	-	8,338
Disposals	-	-	-	-	-
At 31 March 2011	<u>35,905</u>	<u>9,962</u>	<u>14,770</u>	<u>-</u>	<u>60,637</u>
Net Book Value					
At 31 March 2011	<u>362,904</u>	<u>12,175</u>	<u>2,038</u>	<u>6,500</u>	<u>383,617</u>
At 31 March 2010	<u>366,892</u>	<u>14,198</u>	<u>3,084</u>	<u>6,500</u>	<u>390,674</u>

Excluded above are Fixtures and Fittings owned by the trading subsidiary with a net book value of £nil (2010:£nil)

6 Investments	Group 2011 £	Group 2010 £	Charity 2011 £	Charity 2010 £
Investments held in portfolio	9,166	9,198	9,166	9,198
Investment in Poetry Place Limited	-	-	2	2
	<u>9,166</u>	<u>9,198</u>	<u>9,168</u>	<u>9,200</u>
6a Investments held in portfolio				
Market value as at 1 April	9,198	8,637	9,198	8,637
Disposals	(9,146)	-	(9,146)	-
Realised loss on disposal	(52)	-	(52)	-
Additions	9,146	-	9,146	-
Unrealised gain on investment	20	561	20	561
Market Value as at 31 March	<u>9,166</u>	<u>9,198</u>	<u>9,166</u>	<u>9,198</u>
Historical Cost	<u>9,144</u>	<u>10,050</u>	<u>9,146</u>	<u>10,052</u>

Material Investment

Investments representing more than 5% of the market value of the portfolio

	Market Value 2011	Cost 2011	Market Value 2010	Cost 2010
CAF Income Fund	<u>9,166</u>	<u>9,144</u>	<u>9,198</u>	<u>10,050</u>

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6 Investment (continued)

Trading Subsidiary

The wholly owed trading subsidiary Poetry Place Limited, which is incorporated in England and Wales, donates all its profits to the charity under Gift Aid. Poetry Place Limited's principal activities is the operation of the Poetry Cafe, room hire and other trading activities. The charity owns the entire issued share capital of 2 ordinary shares of £1 each. A summary of the trading results is shown below.

Profit and Loss Account

	31 March 2011	31 March 2010
	£	£
Turnover	54,474	59,467
Cost of sales	(29,160)	(29,084)
Gross profit	25,314	30,383
Administration expenses	(40,334)	(42,009)
Other Income	12,065	11,334
Donations under gift aid	-	(642)
Profit/(Loss) on ordinary activities after taxation	<u>(2,955)</u>	<u>(934)</u>

Balance Sheet

	31 March 2011	31 March 2010
	£	£
Fixed assets	-	-
Current assets	22,277	24,985
Creditors: amounts falling due within one year	(24,583)	(24,336)
Total net assets	<u>(2,307)</u>	<u>649</u>
Called up share capital	2	2
Retained profit and loss account	(2,309)	647
Shareholders' Funds	<u>(2,307)</u>	<u>649</u>

7 Debtors

	Group 2011	Group 2010	Charity 2011	Charity 2010
	£	£	£	£
Trade debtors	12,393	40,021	11,514	39,133
Amounts owed by group undertakings	-	-	18,917	21,370
Other debtors	7,830	3,658	7,828	3,656
Prepayments and accrued income	19,897	29,851	19,597	29,551
	<u>40,120</u>	<u>73,530</u>	<u>57,856</u>	<u>93,710</u>

8 Creditors: Amounts falling due within one year

	Group 2011	Group 2010	Charity 2011	Charity 2010
	£	£	£	£
Trade creditors	32,554	27,906	31,779	26,241
Social security and other taxes	9,340	10,166	8,766	9,845
Deferred income	-	18,825	-	18,825
Accruals	22,064	19,471	17,748	18,491
	<u>63,959</u>	<u>76,368</u>	<u>58,293</u>	<u>73,402</u>

The Poetry Society (Incorporated)

Notes to the Financial Statements

For the year ended 31 March 2011

9 Restricted Funds

	Balance at 2010 £	Incoming Resources £	Resources Expended £	Balance at 2011 £
Alice Hunt Bartlett Fund	3,409	-	-	3,409
Foyle Young Poets of the Year Award	1,243	75,000	72,522	3,721
Ted Hughes Award		12,587	12,587	-
Geoffrey Dearmer Fund for Poetry	9,923	-	32	9,891
Booktrust	-	50,000	21,262	28,738
Schools Network Education Package and Poetryclass ITT	-	83,936	50,882	33,054
SLAMBassadors UK	-	25,500	25,500	-
Hamish Canham Prize	-	400	-	400
	<u>14,575</u>	<u>247,423</u>	<u>182,785</u>	<u>79,213</u>

Alice Hunt Bartlett Fund - This is the Poetry Society's prize fund for the best first published poetry collection.

Foyle Young Poets of the Year Award - This scheme fosters the most promising young poetic talent in the UK and internationally. Each year, one hundred young poets of the year are selected with fifteen overall winners attending a week-long residential writing course at the Arvon Centre. The winning poems are published in an anthology which is distributed to schools and libraries.

Schools Education Network Packages and Poetryclasses ITT - These funds, provided by the Paul Hamlyn Foundation and the Esmee Fairbairn Foundation supplemented by grants from various local authorities, help us run the 2nd year of a three-year programme to develop two strands of our education work. Firstly, our Schools Network Education Packages opens up individual membership of the Society to wider networks of schools enabling them to benefit from books, resources and lesson plans, poet visits, inset sessions, celebratory days and publications. Secondly, the Poetryclass ITT project, which aims to develop specialised poetry sessions and materials to be introduced into teacher training courses to encourage working directly with poet-educators to develop course content, and to promote cross-

Ted Hughes Award - In July 2009, the Poet Laureate generously donated, with the gracious assent of HM The Queen, the annual honorarium the Poet Laureate traditionally receives from Her Majesty to fund The Ted Hughes Award for New Work in Poetry. The prize is awarded to a UK poet, working in any form, who has made the most exciting contribution to poetry in that year.

SLAMBassadors UK - This is a youth performance poetry championship. Funds were provided by various local authorities and by various charities and foundations enabling SLAMBassadors to work with schools in various areas including (1) Westminster (John Lyon's Charity), (2) Lambeth (the Walcot Foundation), and (3) Tower Hamlets (Aldgate and Allhallows Barking Exhibition Foundation)

Booktrust is an independent charity dedicated to encouraging people of all ages and cultures to enjoy books and reading. The written word underpins all our activity and helps us to fulfil our vision of inspiring a lifelong love of books for all. Through a range of programmes, education projects, campaigns and literary prizes, we want to ensure that everyone has access to books.

Geoffrey Dearmer Fund for Poetry - This fund was established by a generous bequest, honouring Geoffrey Dearmer, the noted Great War poet. An annual award is made to the poet whose poem was judged to be the best published in Poetry Review in the year.

Dr & Mrs Canham - this is a grant for the best member's poem published in Poetry News.

The Poetry Society (Incorporated)
Notes to the Financial Statements
For the year ended 31 March 2011

10 Unrestricted Funds

	Balance at 2010	Incoming Resources	Resources Expended	Transfers	Balance at 2011
	£	£	£	£	£
Designated Funds					
Freehold land & property	366,892	-	-	(3,988)	362,904
Property repair fund	20,000	-	-	-	20,000
Poetry Society Library - University of York	6,500	-	-	-	6,500
	<u>393,392</u>	<u>-</u>	<u>-</u>	<u>(3,988)</u>	<u>389,404</u>
General Unrestricted Funds					
Charity	123,938	548,605	(512,740)	3,988	163,791
Poetry Place Limited	647	66,539	(69,494)	-	(2,308)
	<u>517,977</u>	<u>615,144</u>	<u>(582,234)</u>	<u>-</u>	<u>550,887</u>

The £362,904 represents the investment in the freehold property, 22 Betterton Street which is owned by the Charity.
The £6,500 represents the investment in books purchased by the Poetry Society and now held at the University of York.

11 Analysis of Net Assets Between Funds - Group

	Tangible Fixed Assets	Investments	Net Current Assets	Total 2011	Total 2010
	£	£	£	£	£
Designated Funds					
Freehold land & property	362,904	-	-	362,904	366,892
Property repair fund	-	-	20,000	20,000	20,000
Library - University of York	6,500	-	-	6,500	6,500
General Unrestricted Funds	<u>14,213</u>	<u>-</u>	<u>147,270</u>	<u>161,483</u>	<u>124,585</u>
	<u>383,617</u>	<u>-</u>	<u>167,270</u>	<u>550,887</u>	<u>517,977</u>
Restricted Funds	-	9,166	70,047	79,213	14,575
	<u>-</u>	<u>9,166</u>	<u>70,047</u>	<u>79,213</u>	<u>14,575</u>
Total Funds	<u>383,617</u>	<u>9,166</u>	<u>237,317</u>	<u>630,100</u>	<u>532,552</u>

12 Limited Liability

The Poetry Society is a company limited by guarantee. Liability is limited to 25 pence per member. As at 31 March 2011 there were 3,782 members.

13 Operating Lease Commitments

At 31 March 2011 The Poetry Society had annual commitments under operating leases as set out below:

	Group 2011	Group 2010	Charity 2011	Charity 2010
Expire:	£	£	£	£
Within one year	-	-	-	-
In two to five years	1,429	1,429	1,429	1,429
	<u>1,429</u>	<u>1,429</u>	<u>1,429</u>	<u>1,429</u>