

The Poetry Society (Incorporated)
Consolidated Statement of Financial Activities
For the year ended 31 March 2012

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds Year ended 2012 £	Total Funds Year ended 2011 £
INCOME AND EXPENDITURE					
Incoming Resources					
Incoming resources from generated Funds					
		390	-	390	647
	6	64,972	-	64,972	66,539
		246	-	246	368
		97	-	97	151
Incoming resources from charitable funds					
	2	261,664	125,348	387,012	531,640
		138,853	-	138,853	152,749
		4,107	-	4,107	5,903
		64,650	-	64,650	104,570
		<u>534,979</u>	<u>125,348</u>	<u>660,327</u>	<u>862,567</u>
Resources Expended					
Cost of Generating Funds:					
	6	63,668	-	63,668	69,494
Charitable Activities					
		189,789	-	189,789	164,230
		64,141	167,873	232,014	225,113
		329,476	23,388	352,864	291,327
Governance					
		15,912	-	15,912	14,823
Total Resources Expended	4	<u>662,986</u>	<u>191,261</u>	<u>854,247</u>	<u>764,987</u>
Net Income/(Expenditure)		<u>(128,007)</u>	<u>(65,913)</u>	<u>(193,920)</u>	97,580
Other recognised Gains and losses					
	6	-	(66)	(66)	(32)
Net Movement in funds for the year		<u>(128,007)</u>	<u>(65,979)</u>	<u>(193,986)</u>	97,548
Funds Brought Forward		<u>550,887</u>	<u>79,213</u>	<u>630,100</u>	<u>532,552</u>
Funds Carried Forward		<u>422,880</u>	<u>13,234</u>	<u>436,114</u>	<u>630,100</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 2012

	Note	Group 2012 £	Group 2011 £	Charity 2012 £	Charity 2011 £
Fixed Assets					
Tangible assets	5	372,460	383,617	372,460	383,617
Investments	6	<u>9,100</u>	<u>9,166</u>	<u>9,102</u>	<u>9,168</u>
		<u>381,560</u>	<u>392,783</u>	<u>381,562</u>	<u>392,785</u>
Current Assets					
Stock		349	800	-	-
Debtors	7	23,439	40,120	31,177	57,856
Cash at bank and in hand		<u>164,797</u>	<u>260,356</u>	<u>154,630</u>	<u>240,060</u>
		188,585	301,276	185,807	297,916
Creditors: Amounts falling due within one year	8	<u>(134,031)</u>	<u>(63,959)</u>	<u>(130,251)</u>	<u>(58,293)</u>
Net Current Assets		<u>54,554</u>	<u>237,317</u>	<u>55,556</u>	<u>239,623</u>
Total Assets Less Current Liabilities		<u><u>436,114</u></u>	<u><u>630,100</u></u>	<u><u>437,118</u></u>	<u><u>632,408</u></u>
Funds					
Restricted	9	13,234	79,213	13,234	79,213
Unrestricted	10	<u>422,880</u>	<u>550,887</u>	<u>423,884</u>	<u>553,195</u>
		<u><u>436,114</u></u>	<u><u>630,100</u></u>	<u><u>437,118</u></u>	<u><u>632,408</u></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 2nd November 2012 and signed on its behalf by:



Sir Stephen Irwin
Chair

Company Registration Number: 190736

The Poetry Society (Incorporated)

Notes to the Financial Statements

For the year ended 31 March 2012

1 Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention modified to include listed investments at market value and in accordance with 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 2012 the charity had "free" reserves of £50,420 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 three year funding 2012 to 2015 at the level of at least £260,000 per annum has been successfully negotiated.

Incoming Resources

Subscriptions and donations are accounted for on an receipts basis, grants 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 2012

2 Grants Receivable	Deferred income brought forward	Grants receivable	Deferred income carried forward	Total 2012	Total 2011
	£	£	£	£	
Restricted					
The Foyle Foundation	-	75,000	7,239	67,761	75,000
Paul Hamlyn Grant for Education	-	54,200	24,979	29,221	40,400
Liverpool City Council	-	-	-	-	18,616
Esmee Fairbairn Foundation	-	29,650	38,180	(8,530)	24,920
London Borough of Tower Hamlets	-	7,000	7,000	-	5,000
North Somerset Council	-	-	-	-	500
John Lyons Charity	-	-	-	-	5,000
Walcot Foundation	-	-	-	-	5,000
Aldgate and Allhallows Foundation	-	-	-	-	10,000
Department for Culture, Media and Sport	-	17,388	-	17,388	12,587
Booktrust	-	20,000	6,092	13,908	50,000
Dr & Mrs Canham	-	-	-	-	400
Canal & River Trust (British Waterways)	-	10,000	10,000	-	-
Ombudsman Services	-	1,600	-	1,600	-
The Ratiu Foundation (Popescu Prize)	-	4,000	-	4,000	-
	-	<u>218,838</u>	<u>93,490</u>	<u>125,348</u>	<u>247,423</u>
Unrestricted					
Arts Council of England - Revenue	-	261,664	-	261,664	281,057
Arts Council of England - GftA	-	-	-	-	3,160
	-	<u>261,664</u>	<u>-</u>	<u>261,664</u>	<u>284,217</u>
	-	<u>480,502</u>	<u>93,490</u>	<u>387,012</u>	<u>531,640</u>

Due to a change in accounting policy this year, the deferred income total of £38,180 relating to grants from the Esmee Fairbairn Foundation includes £8,530 of income received in 2010/11 for activities yet to conclude.

3 Staff Costs

The aggregate payroll costs were

	2012	2011
	£	£
Wages and salaries	305,918	305,632
Social security costs	26,479	28,720
Pension costs	16,519	17,262
	<u>348,916</u>	<u>351,614</u>

During the year 11 trustees were reimbursed £3,668 expenses for travel (2011: £75 to 1 trustee).

During the year, 1 trustee was paid £600 in fees for additional finance support (2011: £nil).

No employee received an annual remuneration in excess of £60,000 (2011: nil).

The total number of employees calculated on a full time equivalent basis during the year was 12 (2011 - 13).

Staff - publications and membership staff	2012	2011
- education staff	2.7	2.8
- other charitable projects	3.2	4.0
- management and administration	2.8	3.2
- café staff	1.0	1.0
Total	<u>2.5</u>	<u>2.5</u>
	<u>12.2</u>	<u>13.5</u>

The Poetry Society (Incorporated)
Notes to the Financial Statements
For the year ended 31 March 2012

4 Total Resources Expended

	Publications		Education		Other		2012		2011	
	Trading activities	and membership	programmes	charitable expenditure	Governance		£	£	£	£
Staff Costs (note 3)	-	108,045	116,164	124,707	-	-	348,916	351,614	-	-
Temps/recruitment/training	-	-	1,794	39,171	-	-	40,965	2,294	-	-
Telephone/fax/post/rental	-	16,814	4,719	16,867	-	-	38,400	48,859	-	-
Other office/establishment	-	-	492	45,486	-	-	45,978	46,059	-	-
Printing and design	-	33,928	20,115	10,032	-	-	64,075	56,531	-	-
Travel and subsistence	-	1,283	2,334	5,428	3,669	-	12,714	8,358	-	-
Advertising and marketing	-	375	305	1,629	-	-	2,309	1,375	-	-
Poets fees and expenses	-	27,049	70,753	20,733	-	-	118,535	95,943	-	-
Events/workshops and room hire	-	1,387	4,234	18,845	-	-	24,466	26,411	-	-
Café purchases	63,668	-	-	-	-	-	63,668	69,494	-	-
Legal and professional fees	-	-	9,000	48,973	-	-	57,973	15,018	-	-
Audit	-	-	-	-	8,516	-	8,516	12,841	-	-
Accountancy	-	-	-	-	3,727	-	3,727	1,906	-	-
Bank charges	-	150	-	6,372	-	-	6,522	6,988	-	-
Archiving and storage	-	-	613	1,246	-	-	1,859	2,686	-	-
Depreciation	-	-	-	11,157	-	-	11,157	8,338	-	-
Subscriptions, publications and conferences	-	-	-	293	-	-	293	323	-	-
Bad debt	-	-	-	-	-	-	-	-	-	-
Miscellaneous expenses	-	758	1,491	1,925	-	-	4,174	9,949	-	-
Total Resources Expended	63,668	189,789	232,014	352,864	15,912	-	854,247	764,987	-	-
2011	69,494	164,230	225,113	291,327	14,823	-	764,987	-	-	-

The Poetry Society (Incorporated)
Notes to the Financial Statements
For the year ended 31 March 2012

5 Tangible Fixed Assets

CHARITY & GROUP	Freehold Land and Buildings	Fixtures & Fittings	Computers and Software	Library Books	Total
Cost					
At 1 April 2011	398,809	22,137	16,808	6,500	444,254
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2012	<u>398,809</u>	<u>22,137</u>	<u>16,808</u>	<u>6,500</u>	<u>444,254</u>
Depreciation					
At 1 April 2011	35,905	9,962	14,770	-	60,637
Charge for the year	3,988	5,916	1,253	-	11,157
Disposals	-	-	-	-	-
At 31 March 2012	<u>39,893</u>	<u>15,878</u>	<u>16,023</u>	<u>-</u>	<u>71,794</u>
Net Book Value					
At 31 March 2012	<u>358,916</u>	<u>6,259</u>	<u>785</u>	<u>6,500</u>	<u>372,460</u>
At 31 March 2011	<u>362,904</u>	<u>12,175</u>	<u>2,038</u>	<u>6,500</u>	<u>383,617</u>

6 Investments	Group 2012 £	Group 2011 £	Charity 2012 £	Charity 2011 £
Investments held in portfolio (6a)	9,100	9,166	9,100	9,166
Investment in Poetry Place Limited	-	-	2	2
	<u>9,100</u>	<u>9,166</u>	<u>9,102</u>	<u>9,168</u>

6a Investments held in portfolio	Group 2012 £	Group 2011 £	Charity 2012 £	Charity 2011 £
Market value as at 1 April 2011	9,166	9,198	9,166	9,198
Disposals	-	(9,146)	-	(9,146)
Realised loss on disposal	-	(52)	-	(52)
Additions	-	9,146	-	9,146
(Loss)/Unrealised gain on investment	(66)	20	(66)	20
Market Value as at 31 March 2012	<u>9,100</u>	<u>9,166</u>	<u>9,100</u>	<u>9,166</u>
Historical Cost	<u>9,144</u>	<u>9,144</u>	<u>9,146</u>	<u>9,146</u>

Material Investment

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

	Market Value 2012	Cost 2012	Market Value 2011	Cost 2011
CAF Income Fund	<u>9,100</u>	<u>9,144</u>	<u>9,166</u>	<u>9,144</u>

The Poetry Society (Incorporated)
Notes to the Financial Statements
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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 2012	31 March 2011
	£	£
Turnover	53,323	54,474
Cost of sales	(24,642)	(29,160)
Gross profit	<u>28,681</u>	<u>25,314</u>
Administration expenses	(39,026)	(40,334)
Other income	11,649	12,065
Donations under gift aid	<u>-</u>	<u>-</u>
Profit/(Loss) on ordinary activities after taxation	<u><u>1,304</u></u>	<u><u>(2,955)</u></u>
 Balance Sheet	 31 March 2012	 31 March 2011
	£	£
Fixed assets	-	-
Current assets	11,438	22,277
Creditors: amounts falling due within one year	<u>(12,440)</u>	<u>(24,583)</u>
Total net assets	<u><u>(1,002)</u></u>	<u><u>(2,307)</u></u>
Called up share capital	2	2
Retained profit and loss account	<u>(1,004)</u>	<u>(2,309)</u>
Shareholders' Funds	<u><u>(1,002)</u></u>	<u><u>(2,307)</u></u>

7 Debtors

	Group 2012	Group 2011	Charity 2012	Charity 2011
	£	£	£	£
Trade debtors	11,199	12,393	10,579	11,514
Amounts owed by group undertakings	-	-	8,660	18,917
Other debtors	2,607	7,830	2,605	7,828
Prepayments and accrued income	<u>9,633</u>	<u>19,897</u>	<u>9,333</u>	<u>19,597</u>
	<u><u>23,439</u></u>	<u><u>40,120</u></u>	<u><u>31,177</u></u>	<u><u>57,856</u></u>

8 Creditors: Amounts falling due within one year

	Group 2012	Group 2011	Charity 2012	Charity 2011
	£	£	£	£
Trade creditors	14,485	32,554	14,133	31,779
Social security and other taxes	6,598	9,340	6,648	8,766
Deferred income	93,490	-	93,490	-
Accruals	<u>19,458</u>	<u>22,064</u>	<u>15,980</u>	<u>17,748</u>
	<u><u>134,031</u></u>	<u><u>63,959</u></u>	<u><u>130,251</u></u>	<u><u>58,293</u></u>

The Poetry Society (Incorporated) Notes to the Financial Statements For the year ended 31 March 2012

9 Restricted Funds

	Balance at 2011	Incoming Resources	Resources Expended	Balance at 2012
	£	£	£	£
Alice Hunt Bartlett Fund	3,409	-	-	3,409
Foyle Young Poets of the Year Award	3,721	67,761	71,482	-
Ted Hughes Award	-	17,388	17,388	-
Geoffrey Dearmer Fund for Poetry	9,891	-	66	9,825
Young Poets Network	28,738	13,908	42,646	-
Schools Network Education Package, Poetryclass and Poetry Train ITT	33,054	20,691	53,745	-
Hamish Canham Prize	400	-	400	-
Energy Valentine Project	-	1,600	1,600	-
Popescu Prize	-	4,000	4,000	-
	<u>79,213</u>	<u>125,348</u>	<u>191,327</u>	<u>13,234</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 an Arvon Centre. The winning poems are published in an anthology which is distributed to schools and libraries.

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. The prize is administered by the Laureate's administrative support funded by the DCMS

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.

Young Poets Network - a digital project fostering informal poetry learning opportunities for young people, in collaboration with ifbook, funded by Booktrust.

Schools Network Education Packages and Poetryclass ITT - These funds, provided by the Paul Hamlyn Foundation and the Esmée Fairbairn Foundation supplemented by grants from various local authorities, help us develop the following strands of our education work. Our Schools Network Education Packages link up networks of schools enabling them to benefit from books, resources and lesson plans, poet visits, inset sessions, celebratory days and publications. Our Poetryclass resources offer creative teaching ideas to teachers. Our Poetry Train ITT project develops specialised poetry sessions and materials to be introduced into teacher training courses to encourage working directly with poet-educators; and evaluated by NFER.

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

Energy Valentine Project - Public poetry commission for the Energy Ombudsman

Popescu Prize - The Corneliu M. Popescu Prize is awarded biennially for European poetry in translation supported by the Ratiu Foundation.

The Poetry Society (Incorporated)
Notes to the Financial Statements
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10 Unrestricted Funds

	Balance at 1 Apr 2011	Incoming Resources	Resources Expended	Transfers	Balance at 31 March 2011
	£	£	£	£	£
Designated Funds					
Freehold land & property	362,904	-	-	(3,988)	358,916
Property repair fund	20,000	-	-	-	20,000
Poetry Society Library - University of York	6,500	-	-	-	6,500
	<u>389,404</u>	-	-	<u>(3,988)</u>	<u>385,416</u>
General Unrestricted Funds					
Charity	163,791	470,007	(599,318)	3,988	38,468
Poetry Place Limited	(2,308)	64,972	(63,668)	-	(1,004)
	<u>550,887</u>	<u>534,979</u>	<u>(662,986)</u>	<u>-</u>	<u>422,880</u>

The £358,916 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 2012	Total 2011
	£	£	£	£	£
Designated Funds					
Freehold land & property	358,916	-	-	358,916	362,904
Property repair fund	-	-	20,000	20,000	20,000
Library - University of York	6,500	-	-	6,500	6,500
General Unrestricted Funds	<u>7,044</u>	<u>-</u>	<u>30,420</u>	<u>37,464</u>	<u>161,483</u>
	372,460	-	50,420	422,880	550,887
Restricted Funds	-	9,100	4,134	13,234	79,213
	<u>-</u>	<u>9,100</u>	<u>4,134</u>	<u>13,234</u>	<u>79,213</u>
Total Funds	<u>372,460</u>	<u>9,100</u>	<u>54,554</u>	<u>436,114</u>	<u>630,100</u>

Limited Liability

The Poetry Society is a company limited by guarantee. Liability is limited to 25 pence per member. As at 31 March 2012 there were 3,492 members (2011: 3,782)

13 Operating Lease Commitments

At 31 March 2012 The Poetry Society had annual commitments under operating leases as set out below:

	Group 2012	Group 2011	Charity 2012	Charity 2011
	£	£	£	£
Expire:				
Within one year	-	-	-	-
In two to five years	3,399	1,429	3,399	1,429
	<u>3,399</u>	<u>1,429</u>	<u>3,399</u>	<u>1,429</u>

The Poetry Society (Incorporated)
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14 Related Parties

The charitable company utilises the exemption contained in IFRS 8 not to disclose any transactions between itself and Poetry Place Limited which is 100% owned subsidiary.

During the year, The Poetry Society (Incorporated) purchased £576 from Break Step Productions Limited which is a related party by virtue of Katriona Andrews being a director of the company. The purchases related to Poetry Surgeries conducted on behalf of the Society.