

CHARITY REGISTRATION NUMBER: 1175188

THE BEATRIX POTTER SOCIETY

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 2020**



David Allen

Chartered Accountants
Dalmar House
Barras Lane Estate
Dalston
Carlisle
CA5 7NY

THE BEATRIX POTTER SOCIETY

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THE BEATRIX POTTER SOCIETY

REFERENCE AND ADMINISTRATIVE DETAILS

Patron	Dame Patricia Routledge DBE
President	Brian Alderson
Vice presidents	Judy Taylor Hough MBE Irene Whalley (Died late 2020)
Trustees	Miranda Gore Browne (resigned 1 April 2020) Kathleen Cole Helen Duder Donna Priesmeyer Angela Bettink Susan Smith Janet Sullivan Andrew Wiltshire
Co-opted committee members	Elizabeth Adams Angela Black Carol Ward
Ex-officio committee members	Annemarie Bilclough (V&A) Elizabeth Hunter MacFarlane (National Trust)
Charity's registered office	c/o Emma Benson Town Head Farm Grasmere Ambleside LA22 9RS
Charity Registration Number	1175188
Independent examiner	Alison Welton FCA David Allen Chartered Accountants Dalmar House Barras Lane Estate Dalston Carlisle CA5 7NY

THE BEATRIX POTTER SOCIETY

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

CAF Bank Ltd
25 Kings Hill Avenue
West Malling
Kent
ME19 4JQ

HSBC Bank plc
Chelmsford City Office
99 High Street
Chelmsford
CM1 1EQ

THE BEATRIX POTTER SOCIETY

TRUSTEES' REPORT

1) SUMMARY

1.1 Statement

The mission of The Beatrix Potter Society is to promote the study of the life and works of Beatrix Potter - as author, illustrator, farmer, and conservationist - both to its Members and to the public.

Its trustees, as named on page 1 herein, present their annual report together with the financial statements of the charity for the year ended 31 December 2020. These have been prepared in accordance with the accounting policies set out on page 16 and comply with the charity's trust deed and applicable law.

The trustees confirm that they have also complied with the requirements of section 17 of the UK Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

1.2 Financial position

The year 2020 was significantly different from all others in the 40-year history of the Society. The impact of the Covid-19 Pandemic was seen in the:

- cancellation of the 2020 AGM in March and the connected 40th anniversary celebration weekend
- postponement of the AGM to 20 June, which was then held over the Internet as a Zoom meeting
- absence of face-to-face meetings throughout the year both in the UK and abroad
- declining membership and subscription income.

Several Members and The Enid Linder Foundation have made donations to support the Society's activities. This generosity, along with committee efforts to reduce costs has allowed the Society to cover its 2020 administrative and legal expenses.

We are therefore pleased to report that at the end of the financial year, the balance sheet (**page 15**) shows that we hold **Total Funds of £238,230**. Of this sum £154,849 is the value of the Objects we own, £1,000 the shares in The House of the Tailor of Gloucester and £8,402 is the year-end value of our publications and merchandise. With a small amount for debtors £1,152, we hold cash of £91,097. From that balance we hold £15,544 as Designated Conference Funds and £16,801 as Restricted Funds, including the Jane Morse Fund, **thereby leaving a balance of £58,752 as 'cash-in-hand'**. Within this figure there is a sum of £10,707 which is deferred membership income carried over from 2020. As explained on page 7.

Our Total Funds amount is a growth of £16,721 on 2019 as we have increased our stocks (a new greeting card and some other publications); have fewer debtors and now own three of Beatrix's letters, bought for £3,613 as well as three Little Books and two panorama ones kindly donated by Judy Taylor's family. We also made travel expense savings by not holding face-to-face committee meetings due to the Covid-19 lockdowns.

THE BEATRIX POTTER SOCIETY

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2) GOVERNANCE

2.1 Nature of governing document

The Society was founded in 1980 as unincorporated association No. 281198 and became dually registered as Charitable Incorporated Organisation (CIO) No. 1175188 on 17 October 2017. On 1 January 2019 the two combined and have since operated solely as CIO No. 1175188. These accounts show the combined position.

2.2 Our Governance

The Society is governed by its constitution and as stated therein:

- acts as a forum for those who have a mutual interest in the life and works of Beatrix Potter;
- promotes the study and appreciation of her life and works; and
- upholds the integrity of her inimitable and unique work, her aims and bequests.

2.3 Our Aims and Objectives

In order to achieve our mission, the Society:

- holds Member and guest meetings and conferences, both in the UK and overseas;
- sponsors readings of Beatrix Potter's works in libraries and schools;
- supports talks to introduce the life of Beatrix Potter to groups of all ages;
- arranges visits to places of interest connected with her life and works;
- sponsors special charitable projects relating to her life and works;
- produces or assists in the production of publications promoting these aims and objects; and
- purchases original Beatrix Potter material to preserve it for all to enjoy.

3) PUBLIC BENEFIT

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

To achieve our mission, The Beatrix Potter Society manages and promotes a variety of public programmes and activities which are for public benefit. These are two specific projects:

3.1 Reading Beatrix Potter project (RBP)

Volunteer Members of the Society introduce Beatrix Potter's life and works to children in schools, libraries, and other places (for example at book fairs), focusing particularly on aspects that broaden the experience of children in the fields of literacy, literature, history, the arts, science, and conservation work.

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TRUSTEES' REPORT

3.2 Introducing Beatrix Potter project (IBP)

Volunteer Members of the Society talk about Beatrix Potter's life to adult groups in all kinds of situations - from Women's Institute groups to U3A classes. The emphasis is on her work as a Herdwick sheep farmer and conservationist in the Lake District, thereby preserving that area's historic and beautiful landscape, as well as on her literary and artistic achievements. Many of our presenters also share items from their personal Beatrix Potter collections.

However, for 2020 please note:

Due to the Covid-19 pandemic, few RBP or IBP events were possible during 2020; however, several Society Members have used Zoom to offer RBP and IBP virtually. At the time of writing this report, the UK is in various stages of lockdown and, although some schools and libraries are open, there are very strict rules in place to reduce the spread of infection. The situation is much the same in North America and elsewhere. We look forward to offering RBP and IBP to more audiences once the pandemic wanes.

3.3 Acquisition of original Potter material

The Society strives to purchase original letters, artwork, and objects that relate to Beatrix Potter's life. In order that they may be viewed by the public and used by researchers, items owned by the Society are placed on long-term loan at the National Trust's properties in the Lake District, at the Victoria and Albert Museum in London, and at the Armitage Museum in Ambleside. From time to time they are displayed at exhibitions for people of all ages to see and enjoy.

During 2020, the Society were fortunate to buy, at auction, three handwritten letters by Beatrix Potter, signed H.B. Heelis and dated 1937 - 43. All the letters are previously unknown, having been passed down through the recipient's family until now.

Judy Taylor, one of our Vice-Presidents, has also very kindly gifted the Society five first editions from her collection: *The Story of a Fierce Bad Rabbit* and *The Story of Miss Moppet*, each in their original panorama format and first book format, as well as *Peter Rabbit's Almanac for 1929*.

3.4 Publication of books and articles

The Society has a long tradition of publishing and selling books about the life and work of Beatrix Potter, as well as Beatrix Potter-themed greeting cards. We also routinely inform Members and the public about new editions of Beatrix Potter's books, as well as new books and articles about her life.

Our print-based *Journal and Newsletter (J&N)* is produced three times annually, and our online newsletter, '*Pottering About*,' is distributed to over 3,000 people worldwide six times annually. We are pleased that due to the dedication of many volunteers, most notably our editorial team, the Society was able to continue to provide these publications during 2020 despite the challenges of Covid. We were also able to produce and sell a holiday greeting card based on a reproduction of an illustration by Beatrix named '*Gathering Winter Fuel*'. (This card is privately owned by a Society member who granted permission for its use).

The Society was also delighted to use its website to publicise and sell copies of a fundraising book published by the Parent Teachers Association of Bousfield Primary School. The book tells the history of the school that was built on the site of the Potter's home, after it was destroyed during the Second World War. It brought strong orders from members and school alumni.

THE BEATRIX POTTER SOCIETY

TRUSTEES' REPORT

3.5 Operation of a website and social media feeds

The Society's website and social media accounts provide additional examples of how we strive to inform the general public. During 2020, the Society's website had 138,110 different visitors for a total of 476,992 visits. This is an increase of 50% compared to 2019. Our volunteers responded to over 100 queries from the media, researchers, and the public about Beatrix Potter's life and work, where to see her original art, valuing collectibles, and Society activities. The Society's Twitter, Facebook, and Instagram accounts attracted over 15,000 hits. Social media is a great way for Society Members, as well as the general public, to meet others who are Beatrix Potter enthusiasts. Our presence on social media platforms has been especially appreciated by people who were socially isolated for much of 2020 due to Covid lockdown.

4) STRUCTURE AND MANAGEMENT

4.1 The recruitment and appointment of our committee

The election of trustees is governed by the constitution of the Society. Eight trustees are elected from the membership and form the core of the committee running the Society. Trustees are elected at AGMs, each for a first period of three years with the possibility of a second three-year term.

Per our bylaws the committee may co-opt, on an annual basis, Members of the Society as they deem necessary to maintain operations; such co-opted Members do not have the right to vote on committee decisions. The committee annually invites representatives of bodies that have important connections with the life and works of Beatrix Potter to serve as ex-officio members of the committee, also without voting rights.

Non-voting overseas Liaison Officers are appointed by the committee in North America, Australia and Japan. They conduct outreach to welcome new Members and plan regional events.

4.2 Use of volunteers

The eight trustees, together with those who are co-opted and the Overseas Liaison Officers, are unpaid volunteers, each with a particular area of responsibility. We are extremely grateful for their goodwill, as well as that of several other Members who undertake various tasks for the Society.

4.3 Committee meetings and administration

Due to the COVID-19 pandemic, the trustees did not gather in-person for any Committee meetings. Instead, they worked virtually via email and Zoom to handle administrative matters and provide leadership to the Society.

The publication of the Society's *Journal and Newsletter* is now three times a year under the editorship of Libby Joy and Janet Sullivan, and in autumn Catherine Minard began to serve as '*Pottering About*' editor. Emma Benson continued as Financial Administrator and worked successfully with our Treasurer to ensure the smooth running of the Society's finances. Andrew Wiltshire, our Sales Manager, continued to work with the independent despatch company, Task Fulfilment Limited (TFL) of Brightlingsea, Essex, to oversee the sale and dispatch of Society merchandise.

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4.4 Meetings open to Members and the public

Due to the COVID-19 pandemic, which made in-person gatherings impossible during much of 2020, the AGM was held via Zoom on 26 June at 16.00 with 25 Members present. This meeting was in lieu of the originally scheduled AGM at The University of Cumbria at Ambleside at 14:00 on Saturday 14 March.

Instead of the traditional Festive Gathering meal and speaker, the focus of this year's virtual event was a quiz on facts related to many aspects of Beatrix Potter studies. It was held on Saturday 21 November and led by Liz Adams, Membership Secretary. It was conducted in the form of two Zoom calls, the first with four Members in Australia at 08.00 and the second with 36 Members in the UK, US, Canada, and Europe at 16.00. All involved agreed it was a very successful day.

4.5 Membership

Total membership of Beatrix Potter Society as at 31 December 2020 was 496 compared to 527 on 31 December 2019. During 2020, 82 people joined the Society and 110 left.

The Society had members in the following locations: UK - 197, USA - 231, Japan - 15, Canada - 15, Australia - 11, The Netherlands - 7, and between 1-4 from each of Belarus, Croatia, Estonia, France, Ireland, Italy, Jersey, Macau, Malta, New Zealand, and Norway. The 496 total memberships consisted of 16 institutions, 68 joint, and 412 individuals.

In December 2017 Membermojo was introduced as an online membership programme and the 2018 membership year became a rolling one. By the end of that year our membership income was £20,807.

Rolling membership take-up continued during 2019 and by 31 December, income of £20,082 had been received. However, during that year the decision was taken to revert to the original method of having a calendar year membership system - with 2020 being the transition year. The rationale for the change was to ensure all members receive three *Journal and Newsletters* during their membership year and the society's income is known at the beginning of each year.

This change has meant that there have been two periods for membership renewal in 2020 and, with renewals for 2021 being possible from December, several Members have kindly paid for 2020 and 2021 membership in 2020.

Nevertheless, to clarify the monies in these accounts we now declare that income of £13,682 was obtained during 2020 and this amount has been carried over into the beginning of that January and the £10,707 also received last year relates to 2021. This has therefore been treated as deferred income.

(These membership income figures for 2019 and 2020 are shown in Note 2 of the Financial Statements - Income From Donations And Legacies and the deferment in Note 17 Creditors.)

We are delighted to thank the many Members that have been joining and/or renewing online, using PayPal or a credit card, thus saving some administrative effort. For those without email, a membership form is posted, and they have paid by cheque. So, too, do the few Members who continue to prefer that method rather than pay online. Bank transfer is used to pay for some institutional memberships.

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4.6 Data protection

Throughout its activities during the year the Society has continued to follow the requirements of the General Data Protection Regulation (GDPR) and the committee has the proper processes in place to safeguard the personal data of Members and individuals from the general public who use our website and social media sites.

5) PERFORMANCE

5. Merchandise and Publications Sales

Our website shop continued to be an important source of income through the sale of our publications, greeting cards, and other merchandise, such as the ever-popular *Journal and Newsletter* storage binders. The website shop was especially vital this year, as we were unable to hold face-to-face meetings and sell our products to Members in person. Our online sales programme benefits greatly from the skilled efforts of Trustee Angela Bettink, who serves as the Society's website and social media manager, and who oversees our online payment system.

During 2020 we obtained a trading income of £5,419 - an increase of £1,406 compared to 2019 - and the valuation of our merchandise and publication stocks increased from £5,456 to £8,402 due to new stocks of greeting cards, binders, and books. This new value has been reported to our insurance company who have increased our indemnity cover.

Despite some unavoidable delays due to new Covid regulations, TfL continued to efficiently store and distribute the Society's merchandise orders throughout the year. HMRC added new administrative requirements due to Brexit, and Royal Mail increased its shipping fees. Although we try to keep our merchandise as affordable as possible, such changes result in the need to increase our pricings for 2021.

6) PLANS FOR FUTURE PERIODS

The year 2021 brings significant changes to the committee as Kathy Cole is standing down after six years as a trustee, having spent five of those years as the Society's Secretary. Angela Black is also stepping down as Co-opted Meetings Secretary, having served the committee in various ways since 2009. Donna Priesmeyer is standing down after three years as our Chair of Publications. We thank each for their hard work over these years and we look forward to welcoming new committee members.

Despite the challenges of Covid, the committee and many other volunteers from the membership remained dedicated to the mission of the Society during 2020. As life returns to normal during 2021, we hope to organise at least one in-person Society meeting and to begin to plan a belated celebration of our 40th anniversary next spring. We also look forward to re-invigorating our marketing activities and improving our online presence and resuming our charitable activities, and the public benefit projects mentioned earlier.

THE BEATRIX POTTER SOCIETY

TRUSTEES' REPORT

7) FINANCIAL REVIEW

7.1 Policy on reserves

The committee has examined the Society's requirements for reserves in the light of the main risks to the charity. It has established that reserves are required to meet the working capital need of the Society in order to enable it to continue its current activities in the event of a drop in funding, to provide resources to purchase items at auction (or otherwise for sale) to augment the collections of Beatrix Potter original material held in the UK, to finance the Society's two special projects (RBP and IBP), to allow it to sponsor scholars to attend the biennial conferences, and to enable grants to be made to other bodies with similar interests. The committee has assessed the level of unrestricted funds not committed or invested in objects, programme-related investments or tangible fixed assets required to be retained as a reserve as between three- and six-months' expenditure. The present level of available funds is **£91,097**, which is sufficient to satisfy the assessed reserves requirement.

7.2 Investment policy and objectives

The Restricted Objects Fund amounts to £1,400 at year end 2020. It is kept for the specific purpose of acquisition of Beatrix Potter memorabilia and original material. The committee reviewed their policy for investing funds and found that the facilities of HSBC supplied better arrangements than CAF Bank. Thus, the Society's accounts were combined into two holdings at HSBC, a Community account and a Business Money Manager account. The only other investment is the programme-related investment of shares in The House of the Tailor of Gloucester.

7.3 Risk review

The committee has conducted its own review of the major risks to which the charity is exposed, and systems have been set up to mitigate those risks. Internal risks are minimized by the implementation of procedures for authorisation of all financial transactions and projects. The procedures are periodically reviewed to ensure that they still meet the needs of the charity.

8) FINANCIAL INSTRUMENTS

8.1 Objectives and policies

The charity's activities expose it to a number of financial risks including credit, cash flow, and liquidity. The use of financial derivatives is governed by policies approved by the trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

8.2 Cash flow risk

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

8.3 Credit Risk

The charity's principal financial assets are bank balances and cash, other receivables, and investments. The trustees have considered the risks that affect the day-to-day operations and have adopted procedures that are appropriate to the size of the charity.

THE BEATRIX POTTER SOCIETY

TRUSTEES' REPORT

8.4 Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance. Further details about liquidity risk can be found in the Statement of accounting policies in the financial statements.

THE BEATRIX POTTER SOCIETY

TRUSTEES' REPORT

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these financial statements, the trustees are required to:

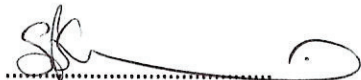
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for 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 Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. 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.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Andrew P. Wiltshire
Treasurer and trustee



Susan Smith
Chair and trustee

THE BEATRIX POTTER SOCIETY

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE BEATRIX POTTER SOCIETY

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 December 2020 which are set out on pages 13 to 31.

Respective responsibilities of trustees and examiner

As the charity's trustees of The Beatrix Potter Society you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

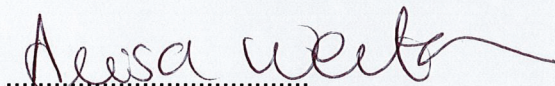
I report in respect of my examination of the The Beatrix Potter Society's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of The Beatrix Potter Society as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.



Alison Welton FCA
Independent Examiner

Dalmar House
Barras Lane Estate
Dalston
Carlisle
CA5 7NY

13 March 2021

THE BEATRIX POTTER SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted	Restricted	Total	Combined
	Note	£	£	2020	total
				£	2019
					£
Income from:					
Donations and legacies	2	19,677	8,287	27,964	24,641
Charitable activities	3	-	-	-	2,201
Other trading activities	4	6,744	-	6,744	5,257
Investment income	5	198	-	198	103
Total income		<u>26,619</u>	<u>8,287</u>	<u>34,906</u>	<u>32,202</u>
Expenditure on:					
Raising funds	6	(992)	-	(992)	(3,546)
Charitable activities	7	<u>(15,558)</u>	<u>(1,635)</u>	<u>(17,193)</u>	<u>(26,574)</u>
Total expenditure		<u>(16,550)</u>	<u>(1,635)</u>	<u>(18,185)</u>	<u>(30,120)</u>
Net movement in funds		10,069	6,652	16,721	2,082
Reconciliation of funds					
Total funds brought forward		<u>211,360</u>	<u>10,149</u>	<u>221,509</u>	<u>219,427</u>
Total funds carried forward	18	<u>221,429</u>	<u>16,801</u>	<u>238,230</u>	<u>221,509</u>

THE BEATRIX POTTER SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

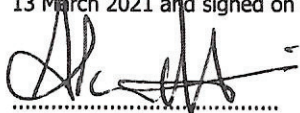
		Unrestricted £	Restricted £	Combined total 2019 £
	Note			
Income from:				
Donations and legacies	2	23,394	1,247	24,641
Charitable activities	3	1,900	301	2,201
Other trading activities	4	5,257	-	5,257
Investment income	5	103	-	103
Total income		<u>30,654</u>	<u>1,548</u>	<u>32,202</u>
Expenditure on:				
Raising funds	6	(3,546)	-	(3,546)
Charitable activities	7	<u>(21,760)</u>	<u>(4,814)</u>	<u>(26,574)</u>
Total expenditure		<u>(25,306)</u>	<u>(4,814)</u>	<u>(30,120)</u>
Net movement in funds		5,348	(3,266)	2,082
Reconciliation of funds				
Total funds brought forward		<u>206,012</u>	<u>13,415</u>	<u>219,427</u>
Total funds carried forward	18	<u><u>211,360</u></u>	<u><u>10,149</u></u>	<u><u>221,509</u></u>

THE BEATRIX POTTER SOCIETY

BALANCE SHEET AS AT 31 DECEMBER 2020

	Note	2020 £	Combined total 2019 £
Fixed assets			
Tangible assets	13	154,849	151,236
Investments	14	1,000	1,000
		<u>155,849</u>	<u>152,236</u>
Current assets			
Stocks	15	8,402	5,456
Debtors	16	1,152	2,398
Cash at bank and in hand		91,097	68,430
		<u>100,651</u>	<u>76,284</u>
Creditors: Amounts falling due within one year	17	<u>(18,270)</u>	<u>(7,011)</u>
Net current assets		<u>82,381</u>	<u>69,273</u>
Net assets		<u>238,230</u>	<u>221,509</u>
Funds of the charity:			
Restricted		16,801	10,149
Unrestricted income funds			
Unrestricted		<u>221,429</u>	<u>211,360</u>
Total funds	18	<u>238,230</u>	<u>221,509</u>

The financial statements on pages 13 to 31 were approved by the trustees, and authorised for issue on 13 March 2021 and signed on their behalf by:



Andrew P. Wiltshire
Trustee

1 ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

The Beatrix Potter Society 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 notes.

The financial statements are prepared in sterling, which is the functional currency of the entity. Monetary amounts in these financial statements are rounded to the nearest £.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Income

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured. Membership subscriptions are recognised in the period to which they relate.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

THE BEATRIX POTTER SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Other trading activities

Publication income and bring and buy income is recognised when receipt is probable and its amount can be measured reliably.

Investment income

Interest income is recognised in the year in which it is received.

Charitable activities

Income from promotion and events undertaken by the society in delivery of their objects, is classified as unrestricted funds as there is not a requirement for the income to be spent on a particular purpose or returned if unspent, if this were the case it may be regarded as restricted.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources.

Raising funds

These are costs incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs have been allocated to activity cost categories on a basis consistent with the use of resources.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including independent examiner's fees.

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.

Tangible assets - Objects owned

Objects owned by the Society are stated at valuation. Valuation represents the Committee's assessment of the open market value of each item, supported by periodic expert opinion. No depreciation is charged.

THE BEATRIX POTTER SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Tangible fixed assets

Individual fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Projector	20% straight line
Objects owned	25% reducing balance

Programme related investments

Programme related investments are made in furtherance of the charity's objects and any investment return is secondary to the charitable purpose supported by the investment. Such investments are included at their cost. Any loss or impairment arising from such investments is charged as part of charitable activities within the Statement of Financial Activities.

Stock

Stocks of publications, greeting cards and badges are valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost comprises the direct publication or purchase costs.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

THE BEATRIX POTTER SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

The revaluation reserve comprises the difference between the original recognition value and the balance sheet carrying value of the Society's objects owned.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

THE BEATRIX POTTER SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Investments

Investments are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

2 INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds General £	Restricted funds £	Total 2020 £	Total 2019 £
Donations and legacies;				
Donations	5,995	8,287	14,282	4,559
Membership subscriptions	<u>13,682</u>	<u>-</u>	<u>13,682</u>	<u>20,082</u>
	<u>19,677</u>	<u>8,287</u>	<u>27,964</u>	<u>24,641</u>

3 INCOME FROM CHARITABLE ACTIVITIES

	Total 2020 £	Total 2019 £
Conference, meetings and events income	<u>-</u>	<u>2,201</u>

THE BEATRIX POTTER SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

4 INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted General £	Total 2020 £	Total 2019 £
Trading income;			
Publication sales	5,419	5,419	4,013
Events income;			
Bring and buy sales - UK	325	325	944
Image permissions	-	-	300
Advertisements	1,000	1,000	-
	<u>6,744</u>	<u>6,744</u>	<u>5,257</u>

5 INVESTMENT INCOME

	Unrestricted funds General £	Total 2020 £	Total 2019 £
Income from dividends;			
Dividends received	100	100	-
Interest receivable and similar income;			
Interest receivable on bank deposits	98	98	103
	<u>198</u>	<u>198</u>	<u>103</u>

6 EXPENDITURE ON RAISING FUNDS

a) Costs of trading activities

	Unrestricted General £	Total 2020 £	Total 2019 £
Fundraising trading costs;			
Publication costs	992	992	3,546
	<u>992</u>	<u>992</u>	<u>3,546</u>

THE BEATRIX POTTER SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

7 EXPENDITURE ON CHARITABLE ACTIVITIES

	Note	Unrestricted		Total 2020 £	Total 2019 £
		General £	Restricted £		
Journal and newsletter costs		7,747	-	7,747	5,158
Pottering about - E newsletter		552	-	552	-
US Events expenditure		1,058	-	1,058	3,204
Festive gathering (Restricted)		-	-	-	2,497
Grants and donations made		-	85	85	400
Allocated support costs	8	5,001	1,550	6,551	14,115
Governance costs	8	<u>1,200</u>	<u>-</u>	<u>1,200</u>	<u>1,200</u>
		<u>15,558</u>	<u>1,635</u>	<u>17,193</u>	<u>26,574</u>

£15,558 (2019 - £21,760) of the above expenditure was attributable to unrestricted funds and £1,635 (2019 - £4,814) to restricted funds.

In addition to the expenditure analysed above, there are also governance costs of £1,200 (2019 - £1,200) which relate directly to charitable activities. See note 8 for further details.

THE BEATRIX POTTER SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

8 ANALYSIS OF GOVERNANCE AND SUPPORT COSTS

Support costs allocated to charitable activities

	Governance costs £	Finance costs £	Administration costs £	Total 2020 £	Total 2019 £
Committee meeting expenses	370	-	-	370	6,150
Printing, postage, stationery and telephone	-	-	313	313	217
Insurance	-	-	1,104	1,104	1,224
Financial administration	-	-	3,303	3,303	4,531
Credit card and bank charges	-	1,074	-	1,074	1,134
Website and publicity	-	-	387	387	859
	<u>370</u>	<u>1,074</u>	<u>5,107</u>	<u>6,551</u>	<u>14,115</u>

Governance costs

	Unrestricted funds General £	Total 2020 £	Total 2019 £
Independent examiner fees			
Examination of the financial statements	1,200	1,200	1,200
	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>

THE BEATRIX POTTER SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

9 NET INCOMING/OUTGOING RESOURCES

Net incoming resources for the year include:

	2020 £	2019 £
Other non-audit services	1,440	1,440
Independent examiner's fees	<u>1,200</u>	<u>1,200</u>

10 TRUSTEES REMUNERATION AND EXPENSES

During the year the charity made the following transactions with trustees:

£1,780 (2019: £4,241) of expenses were reimbursed to 4 trustees (2019: 6) during the year.

At the balance sheet date the amount due to trustees (2019: 1 trustee) was £Nil (2019: £385).

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any other benefits from the charity during the year.

11 STAFF COSTS

The average head count of employees during the year was Nil (2019 - Nil).

No employee received emoluments of more than £60,000 during the year.

12 TAXATION

The charity is a registered charity and is therefore exempt from taxation.

THE BEATRIX POTTER SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

13 TANGIBLE FIXED ASSETS

	Projector £	Objects owned £	Total £
Cost			
At 1 January 2020	283	151,235	151,518
Additions	-	3,613	3,613
At 31 December 2020	283	154,848	155,131
Depreciation			
At 1 January 2020	282	-	282
At 31 December 2020	282	-	282
Net book value			
At 31 December 2020	1	154,848	154,849
At 31 December 2019	1	151,235	151,236

The Objects Owned are held by the Society for its charitable purposes and are valued annually by the respective custodians and Society officers who are, given the nature of the Objects, competent to do so.

THE BEATRIX POTTER SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

14 SOCIAL INVESTMENTS

Programme related investments

	£	Total £
Cost		
At 1 January 2020	<u>1,000</u>	<u>1,000</u>
At 31 December 2020	1,000	1,000
Provision		
At 31 December 2020	<u>-</u>	<u>-</u>
Net book value		
At 31 December 2020	<u>1,000</u>	<u>1,000</u>
At 31 December 2019	<u>1,000</u>	<u>1,000</u>

During the year ended 31 December 2006 the Society subscribed for 1,000 shares of £1 each in The House of the Tailor of Gloucester Limited. This company duly secured funding to reopen the House as a museum and to operate a Beatrix Potter shop. The investment was made in furtherance of the Society's objectives and is accordingly a programme related investment, under SORP 2015. The investment is stated at cost and no provision for impairment is required at 31 December 2020.

15 STOCK

	2020 £	2019 £
Stocks (publications and merchandise)	<u>8,402</u>	<u>5,456</u>

16 DEBTORS

	2020 £	2019 £
Gift aid recoverable	972	2,200
Prepayments	<u>180</u>	<u>198</u>
	<u>1,152</u>	<u>2,398</u>

THE BEATRIX POTTER SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

17 CREDITORS: amounts falling due within one year

	2020 £	2019 £
Other creditors	194	-
Accruals	7,369	7,011
Deferred income	10,707	-
	<u>18,270</u>	<u>7,011</u>

18 FUNDS

	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Balance at 31 December 2020 £
Unrestricted funds				
<i>General</i>				
General funds	151,575	26,619	(16,550)	161,644
Revaluation reserve	44,241	-	-	44,241
	195,816	26,619	(16,550)	205,885
<i>Designated</i>				
Conference	15,544	-	-	15,544
Total unrestricted funds	<u>211,360</u>	<u>26,619</u>	<u>(16,550)</u>	<u>221,429</u>
Restricted funds				
Administration and Festive Gathering	5,538	8,000	(1,550)	11,988
Purchased objects	1,400	-	-	1,400
Jane Morse Memorial Fund	3,211	287	(85)	3,413
Total restricted funds	<u>10,149</u>	<u>8,287</u>	<u>(1,635)</u>	<u>16,801</u>
Total funds	<u>221,509</u>	<u>34,906</u>	<u>(18,185)</u>	<u>238,230</u>

THE BEATRIX POTTER SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Balance at 1 January 2019 £	Incoming resources £	Resources expended £	Balance at 31 December 2019 £
Unrestricted funds				
<i>General</i>				
General funds	146,227	30,654	(25,306)	151,575
Revaluation reserve	44,241	-	-	44,241
	190,468	30,654	(25,306)	195,816
<i>Designated</i>				
Conference	15,544	-	-	15,544
Total unrestricted funds	<u>206,012</u>	<u>30,654</u>	<u>(25,306)</u>	<u>211,360</u>
Restricted				
Administration and Festive Gathering	9,651	301	(4,414)	5,538
Purchased objects	1,400	-	-	1,400
Jane Morse Memorial Fund	2,364	1,247	(400)	3,211
Total restricted funds	<u>13,415</u>	<u>1,548</u>	<u>(4,814)</u>	<u>10,149</u>
Total funds	<u>219,427</u>	<u>32,202</u>	<u>(30,120)</u>	<u>221,509</u>

THE BEATRIX POTTER SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The specific purposes for which the funds are to be applied are as follows:

PURPOSES OF RESTRICTED FUNDS

The Administration and Festive Gathering Fund was established for donations receivable from The Enid Linder Foundation and others, that are to be applied towards the administration costs and the Festive Gathering. £8,000 was received from The Enid Linder Foundation in the year to 31 December 2020.

The Restricted Objects Fund was established for donations that are to be used towards acquiring additional Objects for the Society. There was a brought forward balance of £1,400. Additions of £3,613 has been made to the Objects within the year.

The Society has established the **Jane Morse Memorial Fund** to support or assist members to attend conferences and events. A brought forward balance of £3,211 was supplemented by further donations of £287, with expenditure incurred in the year of £85; leaving a carried forward balance of £3,413.

PURPOSES OF UNRESTRICTED FUNDS

The **Unrestricted General Fund** amounting to £221,429 at the year end comprises £155,849 which has been invested in the Society's Objects, the programme related investments and its tangible fixed assets and £65,580 which is available for general charitable purposes of the Society and its reserves.

The Revaluation Reserve comprises the surplus arising on revaluation, over time, of the Society's Objects owned subsequent to their initial recognition in the balance sheet at original purchase cost or donated value of £110,607 and amounts to £44,241 at 31 December 2020 (2019: £44,241).

The total value of our Fixed assets (objects) is therefore £154,849.

Conference surpluses are also Unrestricted funds but designated, by the Committee, for the purpose of publishing the proceedings of conferences, under the title of the Studies series, and for the purpose of providing finance for the set up costs of future conferences.

The conference fund may also be used for the purpose of providing finance for scholars to attend conferences. A fund balance of £15,544 was brought forward from 2019 and as there was no movement in the year the fund balance carried forward into 2020 is £15,544.

THE BEATRIX POTTER SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted			Total funds at 31 December 2020 £
	General £	Designated £	Restricted £	
Tangible fixed assets and investments	1,000	-	-	1,000
Objects owned	154,849	-	-	154,849
Current assets	68,306	15,544	16,801	100,651
Current liabilities	<u>(18,270)</u>	<u>-</u>	<u>-</u>	<u>(18,270)</u>
Total net assets	<u>205,885</u>	<u>15,544</u>	<u>16,801</u>	<u>238,230</u>

	Unrestricted			Total funds at 31 December 2019 £
	General £	Designated £	Restricted £	
Tangible fixed assets and investments	1,000	-	-	1,000
Objects owned	151,236	-	-	151,236
Current assets	50,591	15,544	10,149	76,284
Current liabilities	<u>(7,011)</u>	<u>-</u>	<u>-</u>	<u>(7,011)</u>
Total net assets	<u>195,816</u>	<u>15,544</u>	<u>10,149</u>	<u>221,509</u>

THE BEATRIX POTTER SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

20 FINANCIAL INSTRUMENTS

Categorisation of financial instruments

	2020 £	2019 £
Financial assets measured at fair value through profit or loss	91,097	68,430
Financial liabilities measured at fair value through profit or loss	18,270	7,011

21 CHARITY INCORPORATION

On 1 January 2019 the unincorporated charity of The Beatrix Potter Society became a Charitable Incorporated Organisation (CIO). The accounts for the year ended 31 December 2019 present the combined results of the unincorporated charity and the CIO. The charity met the conditions for merger accounting as set out in 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) (Charities SORP (FRS 102)).