

THE POETRY SCHOOL
(COMPANY NO. 03434849)
(CHARITY NO. 1069314)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

Myrus Smith
Norman House
8 Burnell Road
Sutton
Surrey. SM1 4BW

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THE POETRY SCHOOL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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THE POETRY SCHOOL

CHAIR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The vision of Mimi Khalavati, Jane Duran and Pascale Petit lives on with another successful year of high quality teaching programmes for adults to develop their poetry. Whether the student be a beginner to writing poetry or one with substantive experience The Poetry School provides the environment for students to *make poetry happen*.

Through the hard work of staff, tutors, students and trustees, plus the support shown by Arts Council England, The Poetry School is able to provide 100s of courses or workshops to a diverse, eclectic and talented student body.

In the report provided below Executive Director Sally Carruthers outlines the work that the school has undertaken during the course of the year – the report shows how the school has grown and diversified over the course of the year. Face-to-face teaching remains at the core of the school's programme, but increasingly the digital programme is taking the work of the school to new audiences.

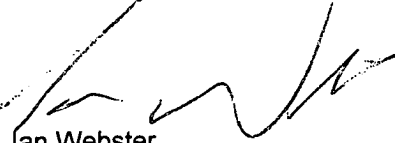
The Poetry School's event programme has also significantly expanded and the school partners with many organizations looking to combine poetry with other cultural experiences. One particular partnership which deserves specific recognition is the Poetry in Aldeburgh festival. In 2016 the school supported the new festival; while in 2017 the school has become the headline partner for the event.

As noted above the hard work of staff, tutor, students and trustees combine to make the school such a vibrant place – this year has seen a step forward in the governance of the organization with the more formal association of the board. All trustees are now voted onto the board for a three year term, with the opportunity for a member to serve a further term.

This change saw three long serving members of the board step back: Philip Pollecoff (a previous chair); Julia Meek (a previous co-chair); and Hugh Rayment-Pickard. Enormous thanks to all three for their tireless work over the years. In addition Amy Key stepped down from the board, due to the pressures of work.

Four new trustees have consequently been appointed: Andrew Hewish, Raymond Antrobus, Iain Drayton and Richard Forsdyke. Each bring a rich seam of talent to the board and we are grateful that the school can call on such an immense talent pool to support the governance of the organization. Sally Carruthers has completed her first full year as Executive Director and her energy and enthusiasm have instilled the school with new ambitions.

The school continues to have sound financial footings and a rich and diverse creative programme that is second to none – we all look forward to another great year as the school celebrates its 20th anniversary.



Ian Webster

CHAIR OF THE BOARD OF TRUSTEES

10 November 2017

THE POETRY SCHOOL

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The Trustees present their report for the year ended 31 March 2017.

Reference and Administrative Details

TRUSTEES

Ian Webster (Chair)
Daphne Astor
Helen Taylor
Richard Forsdyke
Iain Drayton
Raymond Antrobus

REGISTERED OFFICE

81 Lambeth Walk
London
SE11 6DX

COMPANY NUMBER

03434849

CHARITY NUMBER

1069314

BANKERS

CAF Bank Limited
Kingshill
West Maling
Kent
ME19 4TA

AUDITORS

Myrus Smith
Norman House
8 Burnell Road
Sutton
Surrey
SM1 4BW

THE POETRY SCHOOL
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2017
/contd...

Objectives and Activities

The purposes of the charity are:

- To provide inspiring tuition and opportunities for poets and poetry audiences
- To encourage poets and poetry to flourish
- To offer high quality creative tuition, direction and support which is affordable and accessible to all.

The vision which shapes our annual activities remains the teaching of poetry as an art form from beginner level to an accredited MA in partnership with Newcastle University. To act as a talent development agency for developing voices.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit. The Poetry School relies on income from course fees as well as grants from bodies such as Arts Council England and other trusts and individuals to cover its operating costs. Affordability and accessibility to our programmes is important to us and is reflected in our pricing and bursary policies set out in detail later in this report.

We endeavour to encourage more people from diverse backgrounds to take part in our activities and offer a comprehensive digital programme enhanced and supported by CAMPUS, the world's largest social network for poets.

The strategies employed to achieve the charity's aims and objectives are to:

- Present and market a wide range of programmes, seminars and workshops to appeal to poets of all abilities and from all backgrounds.
- Utilise digital methods of teaching to ensure that in addition to our UK wide physical centres students from all areas can access our work.
- Achieve greater sustainability, resilience and impact by scaling-up the Poetry School's operations; increasing staff numbers, improving systems and diversifying the funding base.
- Engage in partnership activities with relevant groups and organisations to devise creative ways for individuals to further their practice and gain experience.

Putting these strategies into action we have 4 main areas of activity – our core informal teaching programme, MA, digital offering and CAMPUS as well as special projects and partnerships.

Achievements and Performance

Informal Teaching programme

This is the core of the Poetry School's offer, and has existed in some form since the organisation's founding in 1997. We run a programme of activities to teach adults how to write poetry and this programme is segmented in various ways to take account of people's skills, interests, geographical and social situation, level of commitment and budget.

Most face-to-face classes take place in the evening and at weekends. We have 30 week courses over a year, 10 and 5 session courses over a term, and one and two day sessions at weekends. Classes are set at beginner, intermediate and advanced level, and students can learn about the technical, inspirational or professional aspects of writing poetry. They can also choose from a pedagogical spectrum from lecture to practical workshop. London classes are most segmented, regional ones less so. Online classes are termly, are similarly segmented, and are either synchronous or asynchronous. The latter option allows people to take place from time zones all over the world.

THE POETRY SCHOOL
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2017
/contd...

In 2016/7, we offered an average of 10 London based extended classes (ones taking place over more than one term), 5 short courses and 9 one day workshops a term in London. Regionally we had Online, we had an average of 12-14 courses a term over 4 different course types with an average attendance of 91%.

Regionally, we had an average of 4 short courses and 3 one day sessions a term. Face-to-face courses have a capacity of 16 people and operate at an average capacity of 60-70%.

MA

2016/17 saw the second successful year of our first accredited course, a Writing Poetry MA in association with Newcastle University. We enrolled 11 students for the 2016/17 academic year and 12 more enrolled for 2017/18.

Digital Offering and CAMPUS

Following the launch of the new integrated Poetry School website and CAMPUS in April 2016 the School has streamlined many of its online sales mechanisms and the new site has contributed towards the growth in online courses with an international audience.

Special projects and partnerships

Our 'Poet in the World' strand of programming is how we address our audience development targets, focussing particularly on bringing in a younger and more diverse group of writers to the Poetry School. A series of special projects and partnerships helps us do that. In 2016/17, we concentrated on:

The Resurgence Prize – the School took over the running of the Resurgence Prize, the UK's largest eco-poetry competition with a first prize of £5,000, second of £2,000 and 3rd prize of £1,000.

Poetry in Aldeburgh – took on the co-curation of the Poetry in Aldeburgh festival to celebrate the School's 20th anniversary. The Festival is one of the key events in the annual poetry calendar with both a national and international profile.

Mixed Borders – a collaborative partnership with London Parks and Gardens Trust putting trainee poets-in-residents in 36 of London's gardens over Open Garden Squares Weekend.

The Complete Works – working with the BAME poets development scheme to create bespoke programming.

The Forward Arts Foundation – working with the people behind the Forward Prizes for Poetry to deepen the connection between the prize process and poetry readers and writers via programming and marketing.

Primers – a collaboration with Nine Arches Press – a poetry mentoring and publication project, resulting in a first volume (of three planned) publishing four new talented writers.

New North Poets – a mentoring project delivered for New Writing North.

1215now – the second year of a youth focussed digital poetry residency focussing on the 800th anniversary of the Magna Carta.

THE POETRY SCHOOL
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2017
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Our Creative Values

The Poetry School was established in 1997 by three poets around a kitchen table. From these beginnings our artistic values have grown with a core commitment to providing inspiring tuition and opportunities for poets and poetry audiences. Since our earliest days our activities have enabled poets and poetry to flourish.

With established teaching centres throughout England as well as online courses, downloadable activities, and the world's biggest social network dedicated to poetry – CAMPUS – the Poetry School is unique in its ability to reach and develop aspiring poets wherever they may be, both in the UK and internationally.

We respect the diversity and views of our audiences and ensure that all comments on our artistic programme, both positive and negative are respected and heard. We aim to respond to all queries and complaints regarding our programme immediately and properly and ensure that all tutors, students and other stakeholders have their voices heard and their comments noted.

The Poetry School is a proud National Portfolio Organisation of Arts Council England 2018-22.

Student Experience

The School is committed to monitoring the satisfaction of its students and all the groups with which we work. Over 80% of our students return to take courses in the future, a statistic which indicates the success of our offer.

'The Poetry School has changed my life by providing an international forum for writing and talking about poetry - it is wonderful.' – Spring 2017 Online Survey response

'Each course has enriched my life. I have entered deeply into new poetry, pushed my own writing to new limits, had immense delight from deepening my appreciation.' – Spring 2017 Online Survey response

'The Poetry School enables poets of all levels to stay in touch with the wider world and each other. The courses, delivered by experienced poets, are inspirational.' – Spring 2017 Online Survey response

'I have enjoyed every course I have done at the Poetry School and feel it is a very warm and stimulating learning community' – Spring 2017 Survey response

'It has changed my quality of life for the better.' – Spring 2017 Survey response

Financial Review

The Poetry school has been mainly funded by the Art Council England. The support of ACE continues to be essential to maintaining our core costs which will be kept at the current level of activity. Despite the increasing pressure on the public expenditure, the poetry school has secured funding from the ACE as one of its NPO's from 2018-22. The trustees understand that the charity is expected to generate increasing proportions of funds through increased sales income, commissioned projects and philanthropy from major trusts and foundations as well as individual donors.

The principal source of income for the school was the course sales of £177,356 in 2017 with a slight decrease compared to 2016. The New Artistic Programme also generated £6,071 in 2017. The poetry school has successfully generated £40,000 income through MA Programme in partnership with Newcastle University.

THE POETRY SCHOOL
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2017
/contd...

Our Pricing Policy

The Poetry School is committed to ensuring that its work is accessible and affordable to all who wish to participate, no matter their financial circumstances.

We have not increased our course fees since Autumn 2014. The full price for a term (9 or 10 weeks) is £171.

We are still offering 5 sessions short courses for £90 during the term as well as free content on the website.

Tutorials in person cost £100 for a meeting with prepared feedback from the tutor on a submission of 200 lines of poetry.

Our MA is £5,500 for the two year course. Of this amount the Poetry School takes 85% and Newcastle University 15%.

We offer means tested bursaries to all those who qualify, with up to 75% of costs funded. In 2016 – 17, £2,776 was given in bursary funding to students.

Our tutor fees are based on the Society of Authors Freelance Rate Reckoner and we are proud to be a London minimum wage employer. We hold regular reviews with tutors and benchmark our policies against comparators within the arts and academic sectors

Investments

The Poetry School currently has no investments on which to report.

Reserves Policy and Going Concern

Reserves are required to cover unplanned emergency expenditure and the trustees consider the ideal level of reserve would be three months' worth of overhead costs. The poetry school held a reserve of £77,794 at 31st March 2017. The Poetry School balance sheet remains strong with a current asset of £76,774.

The trustees have reviewed the circumstances of the school and consider that adequate resources continue to be available to fund the activities of the charity for the foreseeable future. The trustees are of the view that the Poetry School is a going concern.

Plans for Future Periods

With a new Director in place from March 2016 the School has had a good year, revising its Articles of Association to bring it more closely in line with current Charity Committee advice based on the Charities Act 2006.

The School continues to develop and strengthen relevant partnerships with key organisations as can be seen in our special projects and other activities. Of particular note are the Poetry in Aldeburgh curatorship and the taking on of the Resurgence Prize.

The School is also currently looking for a new home and in addition to the Poetry in Aldeburgh festival is planning a series of celebratory projects over 2017-18.

THE POETRY SCHOOL
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2017
/contd...

Structure Governance and Management

Governing Document

The Poetry School is a private company limited by guarantee (company number 03434849) governed by its Memorandum and Articles of Association dated September 2016. It is a registered charity with the Charity Commission, number 1069314.

Appointment of Trustees

As set out in the Articles of Association the chair of the trustees is nominated by the Board. Board members serve for 3 years with 30% of members retiring on an annual basis with an option of re-election.

All members have the opportunity to nominate or support the nomination of trustees before each board meeting and when considering new trustees the Board considers the requirement for any specialist skills required – for instance, in the eventuality of a capital campaign large scale project management and construction skills will be required.

Organisation

The board of trustees administers the charity. The Board normally meets quarterly and a representative from Arts Council England is also invited to attend. An Executive Director is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations a Creative Director has also been appointed by the Board to manage the programme and special projects.

Related Parties and Co-operation with other organisations

None of our trustees receive remuneration or other benefit from their work with the charity. Any connection between a trustee or senior manager of the charity with other poetry organisations must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. In the current year no such related party transactions were reported.

Pay Policy for Senior Staff

The directors consider the board of directors, who are the Poetry School's trustees and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. All directors give of their time freely and no director received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in note 12 of the accounts.

The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity the directors benchmark against other arts organisations of a similar size.

Risk Management

The organisation has a risk management strategy which comprises –

- An annual review of the principal risks and uncertainties that the charity faces in line with ACE reporting guidelines
- The establishment of policies, systems and procedures to mitigate these risks identified

THE POETRY SCHOOL

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017

/contd...

- Discreet risk assessments when faced with new or special projects, such as the potential for a capital campaign or other extraordinary activity.

ACE gave the charity a risk rating of 6 (moderate).

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of the Poetry School for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 (FRS 102)
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

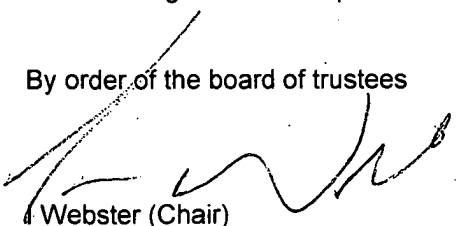
The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware ;

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

By order of the board of trustees


Webster (Chair)

10 November 2017

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF:
THE POETRY SCHOOL
FOR THE YEAR ENDED 31 MARCH 2017

We have audited the financial statements of The Poetry School for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF:
THE POETRY SCHOOL
FOR THE YEAR ENDED 31 MARCH 2017**

/contd...

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.



K.C. Fisher (Senior Statutory Auditor)
For and on behalf of Myrus Smith,
Chartered Accountants and Statutory Auditors

Norman House,
8 Burnell Road,
Sutton, Surrey,
SM1 4BW

17 November 2017

THE POETRY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES (including the Income and Expenditure Account)

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	2	148,203	-	148,203	146,932
Investment income	3	119	-	119	224
Charitable activities	4	225,767	-	225,767	231,685
TOTAL INCOME		<u>374,089</u>	<u>-</u>	<u>374,089</u>	<u>378,841</u>
EXPENDITURE ON:					
Raising funds		1,768	-	1,768	-
Charitable activities	5	403,824	-	403,824	364,214
TOTAL EXPENDITURE		<u>405,592</u>	<u>-</u>	<u>405,592</u>	<u>364,214</u>
NET INCOME/(EXPENDITURE)	6	(31,503)	-	(31,503)	14,627
Transfer between funds		1,000	(1,000)	-	-
NET MOVEMENT IN FUNDS		<u>(30,503)</u>	<u>(1,000)</u>	<u>(31,503)</u>	<u>14,627</u>
RECONCILIATION OF FUNDS					
Total funds brought forward at 1 April 2016		108,297	1,250	109,547	94,920
TOTAL FUNDS CARRIED FORWARD AT 31-MARCH 2017		<u>£77,794</u>	<u>£250</u>	<u>£78,044</u>	<u>£109,547</u>

The company made no recognised gains and losses other than those reported in the income and expenditure account.

All income and expenditure derives from continuing activities.

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

THE POETRY SCHOOL
(Company No. 03434849)

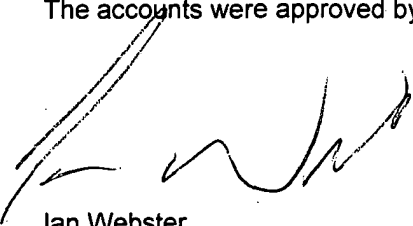
BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017		2016	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9		1,270		1,496
CURRENT ASSETS					
Debtors	10	11,576		13,336	
Cash at bank and in hand		102,980		126,144	
		<u>114,556</u>		<u>139,480</u>	
CREDITORS:					
Amounts falling due within one year	11	<u>37,782</u>		<u>31,429</u>	
NET CURRENT ASSETS			76,774		108,051
NET ASSETS	12		<u>£78,044</u>		<u>£109,547</u>
FINANCED BY:					
Unrestricted funds	13		77,794		108,297
Restricted funds	13		250		1,250
			<u>£78,044</u>		<u>£109,547</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The accounts were approved by the Board of Directors on ~~10 November~~ 2017.



Ian Webster
(Chair)

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

THE POETRY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES

General information and basis of accounting

The Poetry School is a registered charity (No. 1069314) and private company limited by guarantee (No. 03434849), incorporated in Great Britain and registered in England and Wales. The registered office is given in the Reference and Administrative Details in the Trustees' Annual Report.

The charity constitutes a public benefit entity as defined by FRS 102. 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) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102); the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis and under the historical cost convention. 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.

Tangible Fixed Assets

Fixed assets are shown at historical cost.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life by the straight line method.

Furniture and equipment	25%
Improvements to leasehold premises	20%

Taxation

The charitable company is exempt from taxation under s505 Income and Corporation Taxes Act 1988.

THE POETRY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017
(CONTINUED)

1. ACCOUNTING POLICIES/contd...

Income recognition

All income is recognised once the charity has entitlement to the income, there is sufficient certainty that receipt of the income is considered probable and the amount can be measured reliably.

The Poetry School receives much of its income at the start of the academic year for courses held throughout that year. Accordingly the proportion of income for the next financial year is deferred.

Expenditure recognition

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount can be measured reliably.

Expenditure is classified under the following headings:

- Raising funds which comprise of those costs associated with attracting voluntary income such as grants and donations
- Charitable activities which comprise of those costs associated with carrying out the charity's various activities in order to meet its objectives

Expenditure includes those a direct nature which can be allocated to a specific activity. It also includes indirect costs, including governance costs that do not relate to a specific activity but are necessary to support those activities.

Funds

The Restricted Funds are restricted income funds given to the charity for specific reasons. They are expendable by the trustees in respect of particular projects in furtherance of the objects of the charity.

The Unrestricted Funds are funds expendable at the discretion of the trustees in furtherance of the objects of the charity.

Leases

Operating lease rentals are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

THE POETRY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

(CONTINUED)

2. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Arts Council England grant	140,409	-	140,409	140,409
Other grants	5,000	-	5,000	-
Donations	2,794	-	2,794	6,523
	<u>£148,203</u>	<u>£Nil</u>	<u>£148,203</u>	<u>£146,932</u>

Of the £146,932 received in 2016, £145,932 was unrestricted funds and £1,000 was restricted funds.

3. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Bank interest receivable	<u>£119</u>	<u>£Nil</u>	<u>£119</u>	<u>£224</u>

All of the £224 received in 2016 was unrestricted funds.

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Courses (inc. online)	129,602	-	129,602	129,576
Tutorials	6,104	-	6,104	10,724
Seminars	23,234	-	23,234	28,408
Workshops	18,416	-	18,416	18,111
New Artistic Programmes and Special Projects	6,071	-	6,071	19,562
Higher Education Programme	39,199	-	39,199	22,378
Rent receivable	3,141	-	3,141	2,926
	<u>£225,767</u>	<u>£Nil</u>	<u>£225,767</u>	<u>£231,685</u>

All of the £231,685 received in 2016 was unrestricted funds.

THE POETRY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017
(CONTINUED)

5. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
H.E.L.P. (Designated)	-	-	-	1,836
Salaries and staff costs	170,200	-	170,200	124,407
Tutor fees	84,292	-	84,292	85,518
Rent and venue hire	37,549	-	37,549	37,003
Premises cost	7,527	-	7,527	7,561
Marketing	17,761	-	17,761	25,934
Course Expenses	3,176	-	3,176	3,817
Higher Education Programme	10,220	-	10,220	4,641
New Artistic Programmes	17,413	-	17,413	15,295
Bursary	2,776	-	2,776	2,206
Insurance	1,882	-	1,882	1,779
Postage	231	-	231	89
Website costs	7,400	-	7,400	11,125
Legal and professional	2,019	-	2,019	3,573
Refunds	5,038	-	5,038	4,474
Repairs and renewals (Inc. IT)	4,306	-	4,306	7,914
Stationery and office supplies	3,343	-	3,343	3,169
Telephone and Internet	1,204	-	1,204	1,133
Bank and PayPal charges	2,148	-	2,148	2,962
Sundry expenses	2,275	-	2,275	1,453
Depreciation	781	-	781	1,024
DIRECT PROJECT COSTS	381,541	-	381,541	346,913
SUPPORT COSTS				
Salaries and staff costs	15,600	-	15,600	15,000
Governance costs:				
Auditors remuneration	1,728	-	1,728	1,704
Director and trustees' expenses	4,955	-	4,955	597
	<u>£403,824</u>	<u>£Nil</u>	<u>£403,824</u>	<u>£364,214</u>

Of the £364,214 expended in 2016, £349,127 was charged to unrestricted funds and £15,087 was charged to restricted funds.

THE POETRY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

(CONTINUED)

6. NET INCOME/(EXPENDITURE) FOR THE YEAR

	2017	2016
This is stated after charging:		
Auditors' remuneration:		
Audit services	£1,528	£1,504
Non-audit services – accountancy services	£200	£200
Depreciation	£781	£1,024
	<u> </u>	<u> </u>

7. STAFFING

	2017	2016
	£	£
Salaries	151,655	121,803
Social Security cost	10,320	8,265
	<u> </u>	<u> </u>
	165,975	130,068
Consultants and other staff costs	24,466	13,561
	<u> </u>	<u> </u>
	£190,441	£143,629
	<u> </u>	<u> </u>

No employee received employee benefits (excluding employee pension costs) of more than £60,000.

Total employee benefits received by key management amounted to £48,000 (2016: £22,258).

	2017	2016
	No.	No.
Number of Staff		
Director	1	1
Programme & Marketing	4	3
Administration & Finance	1	1
Caretakers	2	2
	<u> </u>	<u> </u>
	8	7
	<u> </u>	<u> </u>

8. TRUSTEE EXPENSES

Trustees were reimbursed for out of pocket subsistence expenses. These amounted to £168 for the year (2016: £151).

THE POETRY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

(CONTINUED)

9. TANGIBLE FIXED ASSETS

	Improvements to Leasehold Premises £	Furniture & Equipment £	Total £
Cost			
At 1 April 2016	21,712	40,076	61,788
Additions	-	555	555
	<u>21,712</u>	<u>40,631</u>	<u>62,343</u>
At 31 March 2017	21,712	40,631	62,343
Depreciation			
At 1 April 2016	21,712	38,580	60,292
Charge for the year	-	781	781
	<u>21,712</u>	<u>39,361</u>	<u>61,073</u>
At 31 March 2017	21,712	39,361	61,073
Net Book Values			
At 31 March 2017	£Nil	£1,270	£1,270
	<u>£Nil</u>	<u>£1,270</u>	<u>£1,270</u>
At 31 March 2016	£Nil	£1,496	£1,496
	<u>£Nil</u>	<u>£1,496</u>	<u>£1,496</u>

10. DEBTORS

	2017 £	2016 £
Other debtors	-	357
Prepayments	11,576	12,979
	<u>£11,576</u>	<u>£13,336</u>

11. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Other creditors including taxation and social security	10,741	11,562
Accruals	1,830	1,830
Deferred income	25,211	18,037
	<u>£37,782</u>	<u>£31,429</u>

All of the deferred income brought forward was released during the year.

THE POETRY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017
(CONTINUED)

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Fund Balances at 31 March 2017 are represented by				
Tangible fixed assets	1,270	-	1,270	1,496
Current assets	114,306	250	114,556	139,480
Current liabilities	(37,782)	-	(37,782)	(31,429)
	<u>£77,794</u>	<u>£250</u>	<u>£78,044</u>	<u>£109,547</u>

13. MOVEMENT IN FUNDS

	At 1 April 2016 £	Income £	Expenditure £	Transfers £	At 31 March 2017 £
Restricted Funds:					
Student Residency	1,000	-	-	(1,000)	-
Apples & Snakes	250	-	-	-	250
	<u>1,250</u>	<u>-</u>	<u>-</u>	<u>(1,000)</u>	<u>250</u>
Unrestricted Funds:					
General	108,297	374,089	405,592	1,000	77,794
Total Funds	<u>£109,547</u>	<u>£374,089</u>	<u>£405,592</u>	<u>£Nil</u>	<u>£78,044</u>

Funds

Apples & Snakes – £250 remains for partnership working between the two organisations following a successful jointly programmed course in 2014.

The donor of the Student Residency Fund has consented to this being released to the General Fund.