

Charity Registration No. 1074552

Company Registration No. 03685496 (England and Wales)

THE FOLKLORE SOCIETY
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

THE FOLKLORE SOCIETY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Prof O Davies Prof P Lysaght Dr W J Roberts Prof R P Jenkins
Secretary	Dr W J Roberts
Charity number	1074552
Company number	03685496
Principal Office	50 Fitzroy Street London W1T 5BT
Registered office	Globe House Eclipse Park Sittingbourne Road Maidstone Kent ME14 3EN
Independent examiner	Stephen Farrant FCA Azets Audit Services Globe House Eclipse Park Sittingbourne Road Maidstone Kent ME14 3EN
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Solicitors	Capital Law LLP Capital Building Tyndall Street Cardiff CF10 4AZ
Investment Managers	CCLA Investment Management Limited Senator House 85 Queen Victoria Street London EC4V 4ET

THE FOLKLORE SOCIETY

CONTENTS

	Page
Trustees' report	1 - 5
Independent examiner's report	6
Statement of financial activities	7
Balance sheet	8
Notes to the financial statements	9 - 19

THE FOLKLORE SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their report and financial statements for the year ended 31 December 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's governing document, the Companies Act 2006 and "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)".

Objectives and activities

The Folklore Society was founded in 1878. It was one of the first organisations in the world to be devoted to the study of traditional vernacular culture. Its objectives are to foster folklore research and recording worldwide, and to make the results of these studies available to all persons whether members of the Society or not. With effect from the year 2001 membership of the Society was available both to institutions and individuals through subscription to its journal *Folklore*. This is on a joint-venture basis with the publisher, Taylor & Francis Plc. From 2003 the publication frequency was increased from twice to three times per year, and this was increased again to four times per year from 2017. The Society and Taylor & Francis Plc exercised their option to mutually renew the joint venture by entering into a new licence agreement for publication of *Folklore* for a further ten years with effect from 1 January 2017.

The Society operates its administrative and library office facilities from 50 Fitzroy Street, London W1T 5BT, a building owned by The Royal Anthropological Institute. The Society's rights and obligations in respect of its occupancy at 50 Fitzroy Street are reflected in a licence agreement. The licence is underwritten by the Director of The Royal Anthropological Institute. With effect from 27 July 2019, the Society pays £15,000 per annum for its licence. Under the terms of the current licence, the licensee and licensor are required to give twelve months' notice of termination. The current licence expires on 27 July 2029. Under this licence, Folklore Society members may visit the FLS Office by appointment to consult with the librarians and view the society's most recent folklore periodicals and c.250 reference books that are kept there.

The Society maintains links with University College London. The majority of the Society's library is retained under a custodial agreement, which is to continue, with University College London, which maintains the library on a retrieval basis and insures it at no cost to the Society. The membership of the Society is granted membership of the libraries of University College London at no additional cost in order that they may access and borrow books. The terms of custodianship of the collection and the rights of the membership to access the collection are enshrined in an agreement with University College London.

The Society's archives and manuscript collections, as well as its folios, rare books and pamphlets, are also maintained under a custodial agreement, which is to continue, with University College London. They are held and insured by University College London at no cost to the Society. They are accessible with notice and upon request. The terms of custodianship are reflected in an agreement with University College London. Artefacts are held on loan at other institutions and museums, and the Canziani paintings are held at UCL Special Collections. These are documented. The Society's Rare Books, Archives and Collections are housed at UCL Library Special Collections, currently in temporary quarters at the National Archives at Kew and will eventually move to a new location with UCL Special Collections.

Public benefit

The directors confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

THE FOLKLORE SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance

The outbreak of Covid-19 and consequent restrictions on travel and gatherings severely impacted the society's activities from March 2020: all in-person events were cancelled, our office was closed, staff began working mainly from home, and our library and archives enquiries were handled remotely using digital resources while our collections at University College London were closed and inaccessible (a restricted delivery service has now resumed at UCL).

In keeping with the government's pandemic guidance, the society's Annual General Meeting 2020 was postponed from April and held via email up to 27 June. Prof. Patricia Lysaght delivered her Presidential Address 2020 via email "Collecting the Folklore of Ireland: The Schoolchildren's Contribution", which will be published in *Folklore* in 2021. Prof. Lysaght stepped into her role as vice-president, and Prof. Owen Davies was elected as president of the society for 2020-23. Three new Council members were elected for 3 years: Mr Nick Lebigre, Ms Sophia Kingshill and Dr Kate Smith. The following Council members were re-elected for 2020-23: Dr Matthew Cheeseman, Dr Helen Frisby, Prof. James H. Grayson, Prof. David Hopkin, Prof. Richard Jenkins (Treasurer), Dr William Roberts (Hon. Secretary). Continuing Council members: Dr Paul Cowdell, Dr Oliver Douglas, Mr Jeremy Harte, Dr Jessica Hemming (Editor of *Folklore*), Dr Ceri Houlbrook (Editor of *FLS News*), Prof. Patricia Lysaght (vice-president), Mr Mark Norman, Mr David Palliser, Dr Doc Rowe, Prof. Ian Russell, Dr Juliette Wood (Reviews Editor).

The Annual conference "Folklore, Learning and Literacies", originally scheduled for April 2020, was postponed until May 2021, a three-day online conference, with speakers from around the world and a keynote address by Prof. Michael Rosen. "Don't say that! – how my parents negotiated Yiddish."

The conference "Sky in Legend and Tradition: the Fifteenth Legendary Weekend," was postponed from September 2020 to 4-5 September 2021, in Salisbury. These weekends are for both specialists and non-specialists in folklore and focus on a particular topic in a place outside of London.

The sixth annual joint symposium of the society with the Royal Anthropological Institute, "Anthropology and Folklore in Conversation," was postponed from October 2020 to 7 October 2021; the rescheduled symposium will be held online, on the theme of "Creativity during the Covid Lockdown: Life and Renewal during the Pandemic."

The flagship event for the Society is the annual Katharine Briggs Lecture, commemorating the work of this key figure in folklore scholarship. The 2020 Katharine Briggs Lecture was postponed from November 2020 to 23 February 2021, and given online, to an audience of several hundred, by Dr Juliette Wood: "I Cannot Find the Hanged Man': Tarot Cards in Fantastic Fiction."

In 2020, the Society made various awards to promote the academic discipline of folklore. The prestigious Katharine Briggs Award, for the best published monograph in folklore studies in the past year, was presented after the rescheduled Katharine Briggs Lecture, to William Pooley for his book *Body and Tradition in Nineteenth-Century France: Félix Arnaud and the Moorlands of Gascony, 1870-1914*, published by Oxford University Press.

Recognising the importance of supporting the growth of the next generation of folklore scholars, the Society awards the Estella Canziani Bursary for Post-Graduate Research (worth up to £1,000). In 2020, two applicants were awarded £500 each: Abraham Murad, for research on "Within and without: Christianity in Late colonial India and Postcolonial Pakistan 1930-1971," and Estera Jaros, for fieldwork on "Samba de Roda on the Ground: A New Perspective on Gender and Intangible Cultural Heritage". It was agreed to change the deadline for entries for the Canziani Bursary to early December for the following year's award, starting December 2021.

The President's Prize of £100 is an annual award made for a student essay: in 2020, the prize was awarded to two students: Antonia Craven: "Voices of Salento: identity in traditional song and rituals of the 'Terra d'Otranto', c.1900 to the present day," and Louise Edge: "Méchante mère': Infanticide in the folk ballads of nineteenth-century France".

THE FOLKLORE SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

In recognition of the University of Hertfordshire's work in promoting the academic study of folklore, the society supports the students on their MA in Folklore Studies by offering them the benefits of membership and access to our library collections.

To offset the cancellation of in-person events and lack of access to our library and archives, the society arranged a series of fortnightly online talks for 2021, open to the public as well as members, by experts on a wide range of folklore topics. The society devoted more resources to increasing its social media activity and expanded the digital resources available at <https://folklore-society.com>, including back numbers of *FLS News* and Virtual Special Issues of *Folklore*.

Financial review

The level of reserves as at 31 December 2020 was £928,605 (2019: £934,606).

In terms of an overview of the results for the financial year 2020 as compared with 2019, the position can be summarised as follows:-

	£
Increase/(decrease) in net income (2019: £(5,639)) for the year	14,477
Accounted for by:-	
Increase in total gross income	5,446
Decrease in costs of charitable activities	12,133
Decrease in gains on current asset investments	(3,102)

Before proceeding to a more detailed commentary on the results, it is worth saying a few words about the broader picture. The increased fixed costs associated with the move to new accommodation have required the Society to begin a re-evaluation of its income-generating activities, on the one hand, and its costs, on the other, particularly those associated with administration and meetings. The inhibition of our activities in 2020 directly caused by the restrictions resulting from the Covid-19 pandemic has been both a restraint and an opportunity in this respect: for example, although this does not show up in these accounts the net income from all on-line activities in the first half of 2021, after Eventbrite fees and VAT have been paid, was just under £1,500.

I am able to report that for 2020, and after absorbing a significant increase in the charity's office space costs paid under a Licence fee, there was net income of £18,853 achieved before recognising the movement in carrying value of the charity's current asset investment fund, compared to a net income in the previous year of £1,274. For the 2021 financial reporting year, we anticipate some continuing income from on-line activities, as noted above; some continued saving in expenses payments arising from holding on-line meetings; no further government-funded 'pandemic aid'; and continued uncertainty.

After non-cash items (being revaluations on intangible assets), there was a net decrease in charity funds for the year of £6,001, meaning that the carried forward reserves position as at 31 December 2020 amounted to £928,605.

The principal source of income of the Society and its trading subsidiary continues to be provided by the *Folklore* journal publishing arrangement with Taylor and Francis, a trading arm of Informa UK Ltd. This company is a wholly owned subsidiary of Informa plc, a company whose shares are quoted on the London International Stock Exchange. The Society's previous joint venture profit share agreement with Taylor and Francis expired on 31 December 2016 and was replaced from 1 January 2017 by a new, royalty based agreement for ten years. This new agreement is a fixed royalty based on forty (40) percent of net sales receipts as defined, with a guaranteed nonreturnable advance each year of £30,000 and an annual contribution towards editorial expenses of £16,080. The current agreement offers the Society more protection from the vagaries of prevailing market conditions. Payments under the agreement are made to the Society's trading subsidiary, Folklore Enterprises Limited, and the surplus profits are paid up to the Society by way of a gift aided donation.

THE FOLKLORE SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Financial review (continued)

The royalty payment (@ 40%) from Taylor and Francis to Folklore Enterprises Limited in respect of 2020 was £57,655, an increase of £2,297 on the profit share from 2019 (£55,358).

The other principal source of cash income is the revenues paid to the Folklore Enterprises Limited by JSTOR which allows Society members to access, through its digital archive, back issues of Folklore for all periods other than the most recent five years as part and parcel of the current membership package. For 2020 and 2019, Folklore Enterprises Limited received a minimum royalty of USD \$14,775, which equated to £10,595 (2019: £11,624).

The surplus profits of Folklore Enterprises Limited are paid up to the Society by way of a gift aided donation. In 2021 £66,234 was donated (2019: £65,738).

Reserves policy

For a number of years now the financial strategy has been to maintain a day to day financial reserve (equivalent to net current assets) sufficient to meet roughly two years of running costs (covering employment costs of the Librarian and her assistant plus a license fee for office accommodation and other costs) in order to provide ample time for restructure should there be dramatic reductions in the income line in any future period. The net current assets position of £187,203 at 31 December 2020 was adequate to satisfy that strategy based on total expenditure during 2020.

At 31 December 2020 there was a balance of £27,769 (stated at its current market value) in the COIF Charities Investment Fund with cash or near cash balances amounting to £102,805.

Periodic meetings take place with Society's Fund Managers to review performance of the investments and if felt appropriate to effect changes in direction.

Risk management

In addition to the unanticipated and evolving Covid-19 impact referred to above, which the Trustees are working through at the time of approving these accounts, the Charity's risks may be categorised into financial dependency and stewardship.

So far as financial dependency is concerned there is the obvious one linked to the financial good health of Taylor and Francis. In this regard, from time to time, the Trustees check published financial data on Informa plc. As at 31 December 2020, it can be reported that the financial performance of the Informa group appears both robust and soundly based so far as the future is concerned.

As reported above, the Trustees have sought to manage risk and future uncertainty in its commercial arrangements with Taylor and Francis by concluding a new ten year agreement based on a royalty model with a minimum royalty payment that came into effect from 1 January 2017.

In common with many charities the Society is heavily dependent upon being able to identify and then secure a stream of prospective Trustees and Officers who will take a lead in preserving the Society together with its aims and objectives for future generations.

This risk is being addressed by changes to governance which facilitate changes in the main officer group so that succession plans are in place for the next three to five year period at any point in time. This initiative is linked to a more general one of openly inviting participation by new and younger members to the Society by a natural process to fill all the key roles.

Plans for the future

The Society continues to develop its programme of increasing and widening its personal membership and outreach, particularly amongst younger people and those who pursue the study of folklore both academically and for personal interest. It is also working to increase its collaboration with cognate societies and received support from other societies at its own events, or contributed to the support of events of similar societies.

THE FOLKLORE SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Governance and management

The Charity is a company limited by guarantee, founded in 1878 and incorporated in the UK under England and Wales (registration number 03685496) and has been granted charitable status (registration number 1074552).

Trustees of the charity

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Prof O Davies (appointed 27 June 2020)
Prof J H Grayson (resigned 27 June 2020)
Prof P Lysaght
Prof R P Jenkins
Dr W J Roberts

Appointment of trustees

The directors of The Folklore Society are proposed by the board of directors on the basis of any nominations received and seconded in accordance with the articles and memorandum of association. They are elected by votes on a show of hands at the AGM by the membership. Proxy votes are cast in accordance with instructions from those absent but entitled to attend by the President of the Society, who is always a Director of the Society. They are elected to serve a term of three years.

The directors of Folklore Enterprises Limited, the wholly owned subsidiary of The Folklore Society, are elected at the meeting of the directors of The Folklore Society. They represent the commercial interests of the Society in its trading subsidiary and comprise the Secretary and Treasurer of The Folklore Society.

Pay policy for key management personnel

The trustees consider the trustees and the senior management team to 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. The key management individual who is involved in all decision-making and responsible for the day-to-day management of the charity is Dr C Oates, the administrative manager. All trustees give of their time freely and no trustee received remuneration in the year. The pay of the senior staff is reviewed annually and normally increased in accordance with market rates.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

The trustees' report was approved by the Board of Trustees.

Professor R P Jenkins
Trustee
Dated: 20/12/21



THE FOLKLORE SOCIETY

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE FOLKLORE SOCIETY

I report to the Trustees on my examination of the financial statements of The Folklore Society (the Charity) for the year ended 31 December 2020.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

Stephen Farrant FCA
Azets Audit Services

Globe House
Eclipse Park
Sittingbourne Road
Maidstone
Kent
ME14 3EN
United Kingdom

Dated: 28/9/2021

THE FOLKLORE SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

		Income fund (Unrestricted) 2020 £	Income fund (Unrestricted) 2019 £
	Notes		
Income from:			
Donations and legacies	3	12,331	685
Other trading activities	4	138	6,283
Investments	5	67,289	67,344
Total income		79,758	74,312
Expenditure on:			
Charitable activities	6	60,905	73,038
Net gains/(losses) on investments	11	1,263	4,365
Net income for the year		20,116	5,639
Other recognised gains and losses			
Loss on revaluation of publishing licences	12	(26,117)	(25,677)
Other gains or (losses)		-	(72)
Net movement in funds		(6,001)	(20,110)
Fund balances at 1 January 2020		934,606	954,716
Fund balances at 31 December 2020		928,605	934,606

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE FOLKLORE SOCIETY

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Intangible assets	12		201,565		227,682
Tangible assets	13		539,827		539,485
Investments	14		10		10
			<u>741,402</u>		<u>767,177</u>
Current assets					
Debtors	15	59,818		39,447	
Investments	16	27,769		26,506	
Cash at bank and in hand		102,805		105,581	
		<u>190,392</u>		<u>171,534</u>	
Creditors: amounts falling due within one year	17	(3,189)		(4,105)	
Net current assets			187,203		167,429
Total assets less current liabilities			<u>928,605</u>		<u>934,606</u>
Income funds					
<u>Unrestricted funds</u>					
Income fund			<u>928,605</u>		<u>934,606</u>

The Trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

For the year ending 31 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 28/9/21.....


.....
Professor R P Jenkins
Trustee

Company Registration No. 03685496

THE FOLKLORE SOCIETY

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

1 Accounting policies

Charity information

The Folklore Society is a private company limited by guarantee incorporated in England and Wales and a registered charity with the Charity Commission in the United Kingdom. The registered office is Globe House, Eclipse Park, Sittingbourne Road, Maidstone, Kent, ME14 3EN. The principal place of business is 50 Fitzroy Street, London W1T 5BT. The nature of the charity's operations and principal activities are detailed in page 1 of these financial statements.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's governing document, the Companies Act 2006 and "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)". The Charity is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

The financial statements have been prepared under the historical cost convention, modified to include certain financial items at fair value. The principal accounting policies adopted are set out below.

The charity has availed itself of Paragraph 4(1) of Schedule 1 of the Small Companies and Groups (Accounts and Directors' Reports) Regulations 2008 and adapted the format to reflect the special nature of the charity's activities.

1.2 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist, even after considering the potential but uncertain financial impact of Covid-19. In reaching that view, the trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from approving these financial statements. Their belief is that the anticipated income and expenditure for that period will be adequate for the charity to be able to continue as a going concern, given its level of reserves at 31 December 2020 and the fact that they currently still believe and expect that the charity's trading subsidiary will also continue operating as a going concern for the foreseeable future.

1.3 Charitable funds

The Income Fund consists of unrestricted funds. Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

1.4 Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE FOLKLORE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

1.5 Expenditure

All expenditure is accounted for on an accruals basis, is inclusive of VAT where incurred, and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

1.6 Intangible fixed assets other than goodwill

Intangible fixed assets relate to the licences of the copyright of the journal *Folklore* to Taylor & Francis Plc and JSTOR under the terms of the respective journal publishing and royalty agreements. The assets have been valued by the trustees at the present value of projected future cash flows over the minimum expected remaining life of the underlying agreements.

1.7 Tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Computers and office equipment	33% on written down value
Display equipment	20% on cost

The charity's library, artefacts, paintings and archives have been included at market value for insurance purposes. In the opinion of the trustees, the estimated residual values of these assets are not less than the valuations, which will normally be updated every five years, and no depreciation charge is required. The trustees consider this policy is necessary in order that the accounts show a true and fair view.

1.8 Group accounts

The charity is a parent company subject to the small companies' regime. The charity and its subsidiary comprise a small group and the charity has taken advantage of the exemption provided by the Statement of Recommended Practice 'Accounting and Reporting Charities' not to prepare group accounts. As a result, these accounts give information about the company as an individual undertaking and not about the group.

1.9 Company status

The charity is a company limited by guarantee. The members of the company are the directors/trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

1.10 Fixed asset investments

Fixed and current asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the Charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.11 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

THE FOLKLORE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

1.13 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.14 Foreign exchange

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All exchange differences are taken to the Statement of Financial Activities.

THE FOLKLORE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Critical accounting estimates and judgements

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Tangible assets carried at valuation

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the charity's library, paintings, artefacts and archives.

There are no undisclosed key assumptions concerning the future or other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Donations and gifts	2,331	685
Business interruption grant	10,000	-
	<u>12,331</u>	<u>685</u>

As a result of the Covid-19 pandemic the charity received a business interruption grant amounting to £10,000. This was a discretionary grant with no terms or conditions attached.

No Legacy income was notified to the trustees during the year under review.

THE FOLKLORE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

4 Other trading activities

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Subscriptions received	-	129
Conference fees	-	5,920
Royalties and book sales	138	234
	<u>138</u>	<u>6,283</u>
Other trading activities	<u>138</u>	<u>6,283</u>

5 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Gift aided donation from subsidiary	66,234	65,738
Other investment income	1,055	1,606
	<u>67,289</u>	<u>67,344</u>
	<u>67,289</u>	<u>67,344</u>

6 Charitable activities

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Depreciation and impairment	169	-
Licence fee - occupation of office	4,745	4,635
Staff costs	(450)	6,105
Conference speakers' travel bursaries	-	281
	<u>4,464</u>	<u>11,021</u>
Grant funding of activities (see note 7)	1,200	1,406
Share of support costs (see note 8)	50,801	56,231
Share of governance costs (see note 8)	4,440	4,380
	<u>60,905</u>	<u>73,038</u>
	<u>60,905</u>	<u>73,038</u>

THE FOLKLORE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Grants payable

During the year £1,200 (2019: £1,406) was paid in grants to individuals. This included the Bursary and President's Prize of £1,000 (2019: £1,000).

8 Support and governance costs (all unrestricted funds)

	Support costs	Governance costs	2020	Support costs	Governance costs	2019
	£	£	£	£	£	£
Staff costs	33,630	-	33,630	39,005	-	39,005
Licence fee – occupation of office	15,000	-	15,000	8,275	-	8,275
Legal and professional fees	-	-	-	513	-	513
Postage, stationery and telephone	282	-	282	1,057	-	1,057
Sundry expenses	57	-	57	55	-	55
Bank charges	60	-	60	72	-	72
Insurance	728	-	728	615	-	615
Computer running costs	254	-	254	351	-	351
Subscriptions	-	-	-	213	-	213
Officers' travel and subsistence	790	-	790	6,075	-	6,075
Accountancy	-	1,680	1,680	-	1,680	1,680
Independent examiner's fee	-	2,760	2,760	-	2,700	2,700
	<u>50,801</u>	<u>4,440</u>	<u>55,241</u>	<u>56,231</u>	<u>4,380</u>	<u>60,611</u>
All relate to Charitable activities	<u>50,801</u>	<u>4,440</u>	<u>55,241</u>	<u>56,231</u>	<u>4,380</u>	<u>60,611</u>

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

Included in officers' travel and subsistence is a total of £375 (2019: £2,702) reimbursed to the 4 trustees during the year.

THE FOLKLORE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

10 Employees

Number of employees

	2020	2019
	Number	Number
Administration	<u>3</u>	<u>3</u>

Employment costs

	2020	2019
	£	£
Wages and salaries	<u>33,630</u>	<u>39,005</u>

The trustees consider that they, together with the charity's Senior Librarian, comprise the key management personnel of the charity who are jointly in charge of directing and controlling, running and operating the charity on a day to day basis.

There are no employees with emoluments above £60,000 (2019: None).

11 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Revaluation of investments	<u>1,263</u>	<u>4,365</u>

12 Intangible fixed assets

	Publishing licences
	£
Valuation	
At 1 January 2020	227,682
Revaluation	<u>(26,117)</u>
At 31 December 2020	<u>201,565</u>
Amortisation and impairment	
At 1 January 2020 and 31 December 2020	<u>-</u>
Carrying amount	
At 31 December 2020	<u>201,565</u>
At 31 December 2019	<u>227,682</u>

THE FOLKLORE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Intangible fixed assets

(Continued)

Intangible fixed assets relate to the licences of the copyright of the journal *Folklore* to Taylor & Francis Plc and JSTOR under the terms of the respective journal publishing and royalty agreements. The assets have been valued by the trustees at the present value of projected future cash flows over the minimum expected remaining life of the underlying agreements.

THE FOLKLORE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

13 Tangible fixed assets	Library	Furniture and Equipment	Paintings	Artefacts	Archives	Total
	£	£	£	£	£	£
Cost/Valuation						
At 1 January 2020	475,275	10,703	12,000	2,500	60,509	560,987
Additions	-	511	-	-	-	511
At 31 December 2020	475,275	11,214	12,000	2,500	60,509	561,498
Depreciation and impairment						
At 1 January 2020	-	10,702	10,800	-	-	21,502
Depreciation charged in the year	-	169	-	-	-	169
At 31 December 2020	-	10,871	10,800	-	-	21,671
Carrying amount						
At 31 December 2020	475,275	343	1,200	2,500	60,509	539,827
At 31 December 2019	475,275	1	1,200	2,500	60,509	539,485

THE FOLKLORE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13 Tangible fixed assets

(Continued)

The Trustees assess the fair value of the assets on an annual basis. The most recent formal valuation was undertaken by Mike Banwell on 22 January 2015. The charity also owns the Mary Young Collection and the Cambridge Anthropology Collection, these items have not yet been professionally valued and are not included in these accounts.

14 Fixed asset investments

Other
investments

Cost

At 1 January 2020 & 31 December 2020 10

Carrying amount

At 31 December 2020 10

At 31 December 2019 10

The investment comprises the cost of the ordinary shares of Folklore Enterprises Limited, registered company number 03935903, which is a wholly owned subsidiary of the charity. The profits of the company for the year ended 31 December 2020 amounted to £66,234 (2019: £65,738) before donations to The Folklore Society, and at 31 December 2020, net assets totalled £10 (2019: £10).

	2020	2019
	£	£
Other investments comprise:		
Investments in subsidiaries	10	10

15 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Amounts owed by fellow group undertakings	58,568	38,197
Prepayments and accrued income	1,250	1,250
	<u>59,818</u>	<u>39,447</u>

16 Current asset investments

	2020	2019
	£	£
COIF Charities Investment Fund	27,769	26,506

THE FOLKLORE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

17 Creditors: amounts falling due within one year

	2020	2019
	£	£
Other creditors	9	-
Accruals and deferred income	3,180	4,105
	<u>3,189</u>	<u>4,105</u>

18 Operating lease commitments

At the reporting end date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Within one year	15,000	15,000
Between two and five years	60,000	60,000
In over five years	53,750	68,750
	<u>128,750</u>	<u>143,750</u>

At 31 December 2020 the charity had an operating lease commitment with The Royal Anthropological Institute under the terms of a licence agreement to occupy space at 50 Fitzroy Street, London, W1. The total commitment covers the remaining period of occupancy by the Charity expected to end on 27 July 2029.

The amount of the rent paid under this agreement in the year to 31 December 2020 was £15,000.

19 Related party transactions

At 31 December 2020 the charity was owed £58,568 (2019: £38,197) by its wholly owned trading subsidiary, Folklore Enterprises Limited.

The subsidiary conducts the commercial activities of its parent charity and donates under gift aid any trading surplus to the parent charity each financial year. For the year ended 31 December 2020 the amount donated was £66,234 (2019: £65,738).