

**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 2021**

# THE FOLKLORE SOCIETY

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Prof O Davies Dr H Frisby Prof R P Jenkins Ms S Kingshill Prof P Lysaght Dr W J Roberts
<b>Secretary</b>	Dr W J Roberts
<b>Senior Librarian</b>	Dr C Oates
<b>Editor of Folklore</b>	Dr J Hemming
<b>Company number</b>	03685496
<b>Principal Office</b>	50 Fitzroy Street London W1T 5BT
<b>Registered office</b>	Globe House Eclipse Park Sittingbourne Road Maidstone Kent ME14 3EN
<b>Independent examiner</b>	M Wilkes FCA Azets Audit Services Globe House Eclipse Park Sittingbourne Road Maidstone Kent ME14 3EN
<b>Bankers</b>	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
<b>Solicitors</b>	Alan Murdie, LL.B. Barrister Nucleus Legal Advice 298 Old Brompton Road London SW5 9JF
<b>Investment Managers</b>	CCLA Investment Management Limited Senator House 85 Queen Victoria Street London EC4V 4ET

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# THE FOLKLORE SOCIETY

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# THE FOLKLORE SOCIETY

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The Trustees present their report and financial statements for the year ended 31 December 2021. 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 Society'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 Royal Anthropological Institute recognised the Society's loss of use of the office space during the pandemic and accordingly reduced the rent by half, to £7,500, for the year from March 2021 to February 2022, and to two thirds, £10,000, for the year from March 2022 to February 2023.

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 trustees 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 2021

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#### Achievements and performance

Covid-19 pandemic restrictions continued to affect the Society's activities in 2021. Staff worked mainly remotely, and most Society events were held online; in-person events, and access to the Society's library at UCL, resumed partially from September.

Due to the pandemic, the Annual General Meeting was deferred until 12 October 2021, and was held in person at 50 Fitzroy Street; Prof. Owen Davies gave his Presidential Address 2021: 'Finding the Folklore in the Annals of Psychiatry', which was also streamed online, and published in *Folklore* in 2022. 20 members attended the AGM; the meeting voted to reduce the quorum to 10 in future. One new Council member was elected: Mr Ross MacFarlane. The following Council members were re-elected for 2021-24: Dr Paul Cowdell, Dr Oliver Douglas, Mr Jeremy Harte, Dr 'Doc' Rowe, Prof. Ian Russell. Continuing members of Council: Prof. Owen Davies (President), Dr Matthew Cheeseman, Dr Helen Frisby, Prof. James Grayson, Dr Jessica Hemming (Editor *Folklore*), Prof. David Hopkin, Dr Ceri Houlbrook (Editor, *FLS News*), Prof. Richard Jenkins (Hon. Treasurer), Ms Sophia Kingshill, Mr Nicolas Le Bigre, Prof. Patricia Lysaght (Vice-president), Mr Mark Norman, Dr William Roberts, Dr Kate Smith, Dr Juliette Wood (Reviews Editor). Dr Helen Frisby and Ms Sophia Kingshill were appointed as Trustees of the Society in March 2022. Dr Tina Paphitis stepped down as Assistant Librarian in August 2021 but continues to work voluntarily as Assistant Reviews Editor; and Ms Sophie Crawford was appointed as Administrative Assistant.

The Society's Annual conference "Folklore, Learning and Literacies" (postponed from April 2020), was held online from 21-23 May 2021, 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," (postponed from September 2020) was held in the Medieval Hall, Salisbury, 4-5 September, with 42 participants attending. 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 'Anthropology and Folklore in Conversation' joint symposium of the society with the Royal Anthropological Institute: "Creativity during the Covid Lockdown: Life and Renewal during the Pandemic," (postponed from October 2020) was held online 7-8 October 2021. The online conference was well attended, with speakers from around the world, and a publication of some of the conference papers is anticipated.

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." The 2021 Katharine Briggs Lecture was given online on 16 November by Prof. Ian Russell (Elphinstone Institute): "'Peace o'er the World:' Christmas Carolling in the Hope Valley,' to an audience of over 250 people.

The Society hosted the Roy Palmer Lecture 2020 (postponed from November 2020) online on 2 November 2021; the speaker was Mr Jeremy Harte: "Brother Workmen: Solidarity in Trade Folklore".

In 2021, the Society made various awards to promote the academic discipline of folklore. The prestigious Katharine Briggs Award, for the best book entered in folklore studies in the past year, was presented online, after the Katharine Briggs Lecture 2021, to Jonathan Y. H. Hui, *Vilmundur saga viðutan*. The Saga of Vilmundur the Outsider, published by The Viking Society for Northern Research. And on the same evening, the society's biennial Non-Print Media Award 2020-2021 was given to *Iorram* (Boat Song), a documentary directed by Alastair Cole (Tongue Tied Films, 2021).

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). The Bursary for 2021 was awarded to Elena Sottilotta for her fieldwork project 'Women Writing Folklore: Politics of Folk and Fairy-tale Collections' from Italian and Irish Islands (1870-1920).'

The President's Prize of £100 is an annual award made for a student essay: in 2021 there were no entries.

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# THE FOLKLORE SOCIETY

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

### FOR THE YEAR ENDED 31 DECEMBER 2021

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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 at UCL.

To offset the cancellation of in-person events and lack of access to our library and archives, the society arranged a series of online talks for 2021, once or twice per month, by experts on a wide range of folklore topics, including: Dr Helen Frisby on 'Traditions of Death and Burial;' Sophia Kingshill 'Mermaids: Fish, Flesh or Fowl?' Prof. Owen Davies, Laura-Beth Cowley and Nigel Jeffries: 'The Life and Times of a Witch-Bottle;' Prof. Richard Jenkins: 'The Strange History of Old Mother Shipton;' Prof. David Hopkin: 'The Soldier's Tale: Military Storytelling in Revolutionary Europe;' Prof. James H. Grayson: 'Folklore and Philately: The Semiotics of Folklore on Postage Stamps;' Dr Paul Cowdell: "Old Clem! Blow the fire, blow the fire." St Clement's Day and Dickens;' 'Henry Glassie and Doc Rowe in Conversation re *Henry Glassie: Fieldwork*;' Dr Ceri Houlbrook: 'The Suburban Boggart;' Shara Atashi: 'Fairy-stricken in Iran;' Jeremy Harte: "I was Satan's Roadie." Tracking the Devil in English Local Lore;' 'Mark Norman: 'Dark Folklore.' These online talks were very well attended, both by the general public and society members (who benefit from discounted tickets) and attracted a diverse audience nationally and internationally (including participants from Europe, India, South Africa, Canada, USA), increasing the accessibility of the Society's programme accessible to participants who would have struggled to attend an in-person event. These online talks have proved to be popular and the society is considering how best to integrate this provision into its future events programme.

The Society devoted more resources to increasing its social media activity and expanded the digital resources available at <https://folklore-society.com>, including a number of recorded talks, indexes to the journal *Folklore*, and Virtual Special Issues of *Folklore*. Since February 2021, Folklore Society members now benefit from a dedicated Members Only area of the website where they can access: the entire digital archive of back issues of *Folklore* and its earlier titles from 1878 onwards via tandfonline.com, selected folklore journals from JStor.org, and the digital form of all back issues of *FLS News*.

The Society's library received a bequest of books from the collection of the late Mrs Jean Tsushima, former archivist of the Society; a number of the books will be added to the Society's library at University College London in 2022, and duplicates will be donated to other libraries. In 2021, 64 new books were added to the collection.

#### Financial review

##### *Prior year adjustments*

The Society has always accounted for the donation of the gift aided surplus from Folklore Enterprises Limited on an accruals basis. SORP 2019 requires such donations to be recognised on a paid basis. Therefore an adjustment has been made to correct the difference between donations accrued and donations paid in the prior period. As a result the donations received from FLE in 2020 have changed from £66,234 to £45,862. A similar adjustment was made to the 2020 opening balances to reflect the difference in 2019.

The Society's library, archives and paintings meet the criteria in SORP 2019 to be recognised as Heritage Assets. These have been reclassified as such.

Note 24 details the effects of these adjustments to the Net income for the year and closing funds at 31 December 2021.

# THE FOLKLORE SOCIETY

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

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### Financial review (continued)

##### Review of financial position

The level of reserves as at 31 December 2021 was £923,993 (2020: £870,036) (as restated).

In terms of an overview of the results for the financial year 2021 as compared with 2020 (as restated), the position can be summarised as follows:-

	£
Increase/(decrease) in net income for the year	55,472
Accounted for by:-	
Increase in total gross income	49,464
Decrease in costs of charitable activities	2,990
Increase in gains on current asset investments	3,018

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 2021 directly caused by the restrictions resulting from the Covid-19 pandemic has been both a restraint and an opportunity in this respect: net income from all on-line activities in the trading subsidiary in the year, after Eventbrite fees and VAT have been paid, was £3,485 (2020: £nil).

We are able to report that for 2021, and after absorbing a significant increase in the charity's office space costs paid under a Licence fee - even allowing for the fact the RAI generously rebated the licence fee significantly because lockdown and homeworking meant that the office space was hardly being used - there was net income of £50,935 achieved before recognising the movement in carrying value of the charity's current asset investment fund, compared to a net expenditure in the previous year of £1,519 (which included a one-off business support payment from Camden Council of £10,000). This includes £20,000 of donated heritage assets for the library. For the 2022 financial reporting year, we anticipate: continuing modest income from on-line activities; some continued saving in expenses payments arising from holding on-line meetings; and continued uncertainty.

Accommodation - the Society is currently paying £15,000 p.a. for an office measuring approximately 10 feet by 11 feet, and the occasional use of a meeting room - is an issue, both in terms of cost and the quality of the accommodation for our staff, as in-office working will gradually return. Active steps need to be taken to find an alternative.

After non-cash items (being revaluations on intangible and heritage assets), there was a net increase in charity funds for the year of £80,330, meaning that the carried forward reserves position as at 31 December 2021 amounted to £923,993.

#### Folklore Enterprises Limited

The principal source of income of the Society and its trading subsidiary (Folklore Enterprises Limited) 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 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 royalty payment (@ 40%) from Taylor and Francis to Folklore Enterprises Limited in respect of 2021 was £50,086, a decrease of £7,569 on the profit share from 2020 (£57,655).

# THE FOLKLORE SOCIETY

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

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **Financial review (continued)**

Despite an increase in article downloads recently (up by over 6,000 between 2020 and 2021) and with no marked decline in the number of institutions that have access, one way or another, to *Folklore*, the royalty payable to Folklore Enterprises Limited by Taylor and Francis for 2021 was down, from 2020, by £7,569 (and the 2020 royalty was up by £2,297 from 2019). This appears to be largely due to a decline in electronic income, which in turn appears to reflect declines in consortia license sales and, more dramatically, in database income. This appears to be part of a movement across academic journal publishing, particularly involving an increase in open access (OA) publishing. The decline in database income is reflective of librarian decisions to reallocate funds from traditional content database purchases towards OA agreements (also known as Read and Publish Agreements). It is to be hoped that this is not a long-term trend of revenue decline, but, rather, a readjustment which will eventually restore revenue. The Society will see a better return in electronic income by further engaging with these OA transformative agreement, which can be achieved by publishing more research on an OA basis from researchers at participating institutions. The Trustees, together with the journal editor and Taylor and Francis, will continue to monitor this situation closely and report as appropriate.

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 2021 and 2020, Folklore Enterprises Limited received a minimum royalty of USD \$14,775, which equated to £11,851 (2020: £10,595).

The surplus profits of Folklore Enterprises Limited are paid up to the Society by way of a gift aided donation. In 2021 £84,982 was paid, and therefore donated, to the Society (2020: £45,862).

### **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. Based on the previous two years costs this would be equivalent to approximately £120,000. The net current assets position of £163,919 at 31 December 2021 was more than adequate to satisfy that strategy.

At 31 December 2021 there was a balance of £32,050 (stated at its current market value) in the COIF Charities Investment Fund with cash or near cash balances amounting to £134,664.

Although this has been interrupted by the pandemic, periodic meetings take place with Society's Fund Managers to review performance of the investments and if felt appropriate to effect changes in direction.

# THE FOLKLORE SOCIETY

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

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **Risk management**

In addition to the continuing fallout from Covid-19, accommodation costs, and the potential decline in royalty payments from Taylor and Francis, all of which the Trustees are working through at the time of approving these accounts, the Charity's other 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 2021, 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 the ten year agreement based on a royalty model with a minimum royalty payment that came into effect from 1 January 2017. The issues that this strategy is now raising have already been discussed.

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.

### **Governance and management**

The Society 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).

The officers of the Society (President, Vice-President, Treasurer, Secretary and Participation Officer) are directors of the company and trustees of the charity. The officers act as the Management Board and have equal responsibility for the legally mandated affairs of the Society, including annual returns to Companies House and the Charity Commission. Officers also deal with on-going financial matters, staff, accommodation, links with Taylor and Francis who publish *Folklore*, and whatever other issues arise. The Society has accountants and solicitors to provide professional services as appropriate.

The Council of the Society, of which the officers are part, is responsible for non-mandated matters, such as the academic-related activities, including organising and participating in conferences and other events, acting as judges for various annual awards, and as members of ad-hoc working groups.

### **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  
Dr H Frisby (appointed 4 March 2022)  
Prof R P Jenkins  
Ms S Kingshill (appointed 4 March 2022)  
Prof P Lysaght  
Dr W J Roberts

# THE FOLKLORE SOCIETY

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

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **Appointment of trustees**

The trustees of The Folklore Society are proposed by the Management Board, which consists of the Trustees and the Editor of *Folklore*, 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 Annual General Meeting. 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 Trustee 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 Senior Librarian and 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: 11 June 2022

# THE FOLKLORE SOCIETY

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

*FOR THE YEAR ENDED 31 DECEMBER 2021*

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The Trustees, who are also the directors of The Folklore Society for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law 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 Society and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 SORP;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society 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 Society and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# THE FOLKLORE SOCIETY

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

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I report to the Trustees on my examination of the financial statements of The Folklore Society (the Society) for the year ended 31 December 2021.

### **Responsibilities and basis of report**

As the Trustees of the Society (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 Society 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 Society'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 Society 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.

### **M Wilkes FCA Azets Audit Services**

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

Dated: 16 June 2022

# THE FOLKLORE SOCIETY

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

		Unrestricted fund	Unrestricted fund (As restated)
	Notes	2021 £	2020 £
<b>Income from:</b>			
Donations	3	106,111	58,193
Other trading activities	4	1,910	138
Investments	5	829	1,055
<b>Total income</b>		<u>108,850</u>	<u>59,386</u>
<b>Expenditure on:</b>			
Charitable activities	6	<u>57,915</u>	<u>60,905</u>
Net gains/(losses) on investments	11	<u>4,281</u>	<u>1,263</u>
<b>Net income/(expenditure)</b>		55,216	(256)
<b>Other recognised gains and losses</b>			
Gain on revaluation of heritage assets		24,725	-
Other gains or (losses)		<u>(25,984)</u>	<u>(26,117)</u>
<b>Net movement in funds</b>		53,957	(26,373)
Fund balances at 1 January 2021			
As originally reported		928,605	934,606
Prior year adjustment	24	(58,569)	(38,197)
As restated		<u>870,036</u>	<u>896,409</u>
<b>Fund balances at 31 December 2021</b>		<u><u>923,993</u></u>	<u><u>870,036</u></u>

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 2021

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		2021		2020 as restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	12		175,581		201,565
Tangible assets	13		274		343
Heritage assets	14		584,209		539,484
Investments	15		10		10
			<hr/>		<hr/>
			760,074		741,402
<b>Current assets</b>					
Debtors	16	625		1,250	
Investments	17	32,050		27,769	
Cash at bank and in hand		134,664		102,805	
		<hr/>		<hr/>	
		167,339		131,824	
<b>Creditors: amounts falling due within one year</b>					
	18	(3,420)		(3,190)	
		<hr/>		<hr/>	
Net current assets			163,919		128,634
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>			923,993		870,036
			<hr/> <hr/>		<hr/> <hr/>
<b>Income funds</b>					
<u>Unrestricted funds</u>					
Designated funds	19	760,074		741,402	
General unrestricted funds		163,919		128,634	
		<hr/>		<hr/>	
			923,993		870,036
			<hr/>		<hr/>
			923,993		870,036
			<hr/> <hr/>		<hr/> <hr/>

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# THE FOLKLORE SOCIETY

## BALANCE SHEET (CONTINUED)

**AS AT 31 DECEMBER 2021**

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The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2021.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 11 June 2022

Professor R P Jenkins

**Trustee**

**Company Registration No. 03685496**

# THE FOLKLORE SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 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 Society'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 Society is a Public Benefit Entity as defined by FRS 102.

The Society 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 Society. 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.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

#### 1.4 Income

Income is recognised when the Society 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 Society 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.

# THE FOLKLORE SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the Society 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.

Income from ancillary trading activities (conference fees and royalty and book sales) is recognised when the Charity is legally entitled to it, being the occurrence of the event or the sale of the book.

#### 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

##### *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:

Display equipment	20% on cost
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##### *Heritage assets*

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 Society. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

# THE FOLKLORE SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

(Continued)

##### 1.11 Impairment of fixed assets

At each reporting end date, the Society 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).

##### 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 Society 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 Society's balance sheet when the Society 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 Society's contractual obligations expire or are discharged or cancelled.

##### 1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

##### 1.15 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 2021**

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### **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:

#### *Intangible assets*

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.

#### *Heritage assets carried at valuation*

The useful economic lives and residual values of heritage are reassessed annually for any impairment. 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 14 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.

# THE FOLKLORE SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 3 Donations

	<b>Unrestricted funds</b>	Unrestricted funds (As restated)
	<b>2021</b>	2020
	<b>£</b>	£
Donations and gifts	86,111	48,193
Business interruption grant	-	10,000
Donated heritage assets	20,000	-
	<u>106,111</u>	<u>58,193</u>

Donations and gifts includes £84,982 (2020: £45,862) of trading surplus paid to the charity in the year. This includes £58,569 (2020: £38,197) unpaid from the previous financial period.

In 2020, 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.

The trustees were notified of one bequest in the year of an extensive library. At the year end the trustees had been unable to quantify the number of books they will receive from the bequest and as such no valuation has been arrived at. For this reason, no legacy income has been included for the year ended 31 December 2021.

In March 2022 the trustees were notified the Katharine Briggs Trust should be terminated in the coming months and the intention is that the Society will be entitled to any remaining funds once all the Trust's financial obligations have been discharged.

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

### 4 Other trading activities

	<b>Unrestricted funds</b>	Unrestricted funds
	<b>2021</b>	2020
	<b>£</b>	£
Conference fees	1,790	-
Royalties and book sales	120	138
	<u>1,910</u>	<u>138</u>

# THE FOLKLORE SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 5 Investments

	<b>Unrestricted funds</b>	Unrestricted funds
	<b>2021</b>	2020
	<b>£</b>	<b>£</b>
Other investment income	829	1,055

### 6 Charitable activities

	<b>Unrestricted funds</b>	Unrestricted funds
	<b>2021</b>	2020
	<b>£</b>	<b>£</b>
Depreciation and impairment	135	169
FLS news	3,571	4,745
Room hire	-	(450)
Conference speakers' travel bursaries	1,996	-
	<u>5,702</u>	<u>4,464</u>
Grant funding of activities (see note 7)	1,182	1,200
Share of support costs (see note 8)	46,111	50,801
Share of governance costs (see note 8)	4,920	4,440
	<u>57,915</u>	<u>60,905</u>

Charitable activities include holding various conferences throughout the year to foster and further research into folklore, and publishing a regular journal (FLS news) to the members of the Society. All support and governance costs are charitable activities.

### 7 Grants payable

During the year, 2 grants totalling £1,182 were paid to individuals (2020: £1,200).

# THE FOLKLORE SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 8 Support and governance costs (all unrestricted funds)

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Staff costs	36,391	-	36,391	33,630	-	33,630
Licence fee – occupation of office	8,125	-	8,125	15,000	-	15,000
Postage, stationery and telephone	371	-	371	282	-	282
Sundry expenses	33	-	33	57	-	57
Bank charges	96	-	96	60	-	60
Insurance	759	-	759	728	-	728
Computer running costs	240	-	240	254	-	254
Subscriptions	96	-	96	-	-	-
Officers' travel and subsistence	-	-	-	790	-	790
Accountancy	-	1,260	1,260	-	1,680	1,680
Independent examiner's fee	-	3,660	3,660	-	2,760	2,760
	<u>46,111</u>	<u>4,920</u>	<u>51,031</u>	<u>50,801</u>	<u>4,440</u>	<u>55,241</u>
All relate to Charitable activities	<u>46,111</u>	<u>4,920</u>	<u>51,031</u>	<u>50,801</u>	<u>4,440</u>	<u>55,241</u>

### 9 Trustees

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

Included in officers' travel and subsistence is a total of £nil (2020: £375) reimbursed to the 4 trustees during the year.

# THE FOLKLORE SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 10 Employees

#### Number of employees

	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
Administration	3	3

#### Employment costs

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	36,366	33,630
Other pension costs	25	-
	<u>36,391</u>	<u>33,630</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. The Senior Librarian's salary cost was £23,918 (2020: £23,918).

There are no employees with emoluments above £60,000 (2020: None).

### 11 Net gains/(losses) on investments

	<b>Unrestricted</b>	<b>Unrestricted</b>
	<b>funds</b>	<b>funds</b>
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Revaluation of investments	4,281	1,263

# THE FOLKLORE SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 12 Intangible fixed assets

	Publishing licences £
<b>Valuation</b>	
At 1 January 2021	201,565
Revaluation	(25,984)
	<hr/>
At 31 December 2021	175,581
	<hr/>
<b>Amortisation and impairment</b>	
At 1 January 2021 and 31 December 2021	-
	<hr/>
<b>Carrying amount</b>	
At 31 December 2021	175,581
	<hr/> <hr/>
At 31 December 2020	201,565
	<hr/> <hr/>

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.

### 13 Tangible fixed assets

	Fixtures and fittings £
<b>Cost</b>	
At 1 January 2021	11,214
Additions	66
	<hr/>
At 31 December 2021	11,280
	<hr/>
<b>Depreciation and impairment</b>	
At 1 January 2021	10,871
Depreciation charged in the year	135
	<hr/>
At 31 December 2021	11,006
	<hr/>
<b>Carrying amount</b>	
At 31 December 2021	274
	<hr/> <hr/>
At 31 December 2020	343
	<hr/> <hr/>

# THE FOLKLORE SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 14 Heritage assets

	At valuation £
At 1 January 2021	539,484
Purchases	20,000
Revaluation	24,725
<b>At 31 December 2021</b>	<b>584,209</b>

The Trustees assess the fair value of the heritage assets on an annual basis.

The paintings and artefacts were last formally valued during the year ended 31 December 1997, with the archives last formally valued in the year ended 31 December 2015.

Purchases comprise over 1,000 titles donated to the Library over the course of the last 5 years. The most recent formal valuation of the Library was undertaken by Mr M Banwell in May 2022. Mr M Banwell is a specialist in Folklore material.

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.

### 15 Fixed asset investments

	Other investments
<b>Cost</b>	
At 1 January 2021 & 31 December 2021	10
<b>Carrying amount</b>	
At 31 December 2021	10
At 31 December 2020	10

	2021 £	2020 £
Other investments comprise:		
Investments in subsidiaries	23	10

### 16 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Prepayments and accrued income	625	1,250

# THE FOLKLORE SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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<b>17</b>	<b>Current asset investments</b>		<b>2021</b>	<b>2020</b>
			£	£
	COIF Charities Investment Fund	<b>23</b>	32,050	27,769
			<u>          </u>	<u>          </u>
<b>18</b>	<b>Creditors: amounts falling due within one year</b>		<b>2021</b>	<b>2020</b>
			£	£
	Other creditors		-	9
	Accruals and deferred income		3,420	3,181
			<u>          </u>	<u>          </u>
			<u>3,420</u>	<u>3,190</u>

# THE FOLKLORE SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 19 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds				Movement in funds				
	Balance at 1 January 2020	Incoming resources	Resources expended	Revaluations, gains and losses	Balance at 1 January 2021	Incoming resources	Resources expended	Revaluations, gains and losses	Balance at 31 December 2021
	£	£	£	£	£	£	£	£	£
Copyright licence fund	227,682	-	-	(26,117)	201,565	-	-	(25,984)	175,581
Fixed assets fund	1	511	(169)	-	343	66	(135)	-	274
Heritage assets fund	539,484	-	-	-	539,484	44,725	-	-	584,209
	10	-	-	-	10	-	-	-	10
	<u>767,177</u>	<u>511</u>	<u>(169)</u>	<u>(26,117)</u>	<u>741,402</u>	<u>44,791</u>	<u>(135)</u>	<u>(25,984)</u>	<u>760,074</u>

Copyright licence fund - this fund holds the licences and copyright of the journal Folklore to Taylor & Francis Plc and JSTOR under the terms of the respective journal publishing and royalty agreements.

Fixed asset fund - this fund holds the various tangible assets of the Charity. They are not held to generate income, but utilised in the performance of the charity's activities.

Heritage asset fund - this fund holds the heritage assets of the Charity. They are not held to generate income, but to maintain and preserve the archives and manuscript collections.

Investment fund - this fund holds the trading subsidiary, and is invested to maximise total return and generate income.

# THE FOLKLORE SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 20 Operating lease commitments

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

	2021	2020
	£	£
Within one year	11,875	15,000
Between two and five years	60,000	60,000
In over five years	38,750	53,750
	<u>110,625</u>	<u>128,750</u>

At 31 December 2021 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 2021 was £8,125 (2020: £15,000) which included a 50% discount from 1 February 2021 to 31 January 2022. A discount of one third has been given by The RAI for the period 1 February 2022 to 31 July 2022.

#### 21 Events after the reporting date

During the year ended 31 December 2021, the Trustees were notified of a bequest of books. As of 31 December 2021, the Society had been unable to take possession of the books, and as a result a valuation of the bequest has not yet been performed. The expectation of the Trustees is that this bequest will be recognised in the 2022 financial statements.

#### 22 Related party transactions

The Charity's wholly owned trading subsidiary, Folklore Enterprises Limited, 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 2021 the amount donated was £84,982 (2020: £45,862).

At 31 December 2021 there were no balances outstanding between the charity and Folklore Enterprises Limited.

# THE FOLKLORE SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 23 Subsidiaries

These financial statements are separate Society financial statements for The Folklore Society.

The Society is a parent company subject to the small companies' regime. The Society and its subsidiary comprise a small group and the Society 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.

Details of the Society's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Folklore Enterprises Limited	England & Wales	Not for profit publishing and library activities	Ordinary	100.00	

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Folklore Enterprises Limited	(20,199)	38,380

#### 24 Prior period adjustment

Under charity law the donations can only be recognised when paid. Therefore an adjustment has been made to the comparative period to reflect the difference between what was paid over and what was previously recognised. The impact of the adjustment on the result for the year was £58,569 (2020: £38,197).

The charity's tangible fixed assets meet the criteria for recognition as heritage assets in both the current and preceding years. Therefore an adjustment has been made to the comparative period to reclassify these assets. There is no impact on the result for the year, this adjustment was for disclosure purposes only.

# THE FOLKLORE SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 24 Prior period adjustment

(Continued)

#### Changes to the balance sheet

	At 31 December 2020		
	As previously reported	Adjustment	As restated
	£	£	£
<b>Fixed assets</b>			
Tangible assets	539,827	(539,484)	343
Heritage assets	-	539,484	539,484
<b>Current assets</b>			
Debtors due within one year	59,818	(58,569)	1,249
	<u>          </u>	<u>          </u>	<u>          </u>
Net assets	928,605	(58,569)	870,036
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Income funds</b>			
Unrestricted funds	928,605	(58,569)	870,036
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total funds</b>	928,605	(58,569)	870,036
	<u>          </u>	<u>          </u>	<u>          </u>

#### Changes to the Statement of Financial Activities

	Period ended 31 December 2020		
	As previously reported	Adjustment	As restated
	£	£	£
<b>Income from:</b>			
Donations	12,331	45,862	58,193
Investments	67,289	(66,234)	1,055
	<u>          </u>	<u>          </u>	<u>          </u>
Net movement in funds	(6,001)	(20,372)	(26,373)
	<u>          </u>	<u>          </u>	<u>          </u>