

The Penguin Collectors Society

Report of the Trustees and Financial Statements for the eight months ended 31 December 2021

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Reference and Administrative Details

The Penguin Collectors Society

Company limited by guarantee
(registered in England no. 04261702)
and Charity (registered no. 1093965)

The principal office of the Society is its registered office:
29 East Street, Oxford OX2 0AU.

The Society's bank accounts are maintained at:
Santander UK plc, Bridle Road, Bootle, Merseyside L30 4GB and
CAF Bank Ltd, 25 Kings Hill Avenue, West Malling, Kent ME19 4JQ.

Trustees

The trustees during the eight months 1 May to 31 December 2021 were:

Ann Davidson	Jeff Lucas
Tim Graham	James Mackay
Neal Houghton (until October)	Caroline Maddison
Hannah Lowery	Patrick Mulcare

Biographical details of the trustees at the period end are given on page 16.

The Society is both a company limited by guarantee and a registered charity. The board of directors of the company is the board of trustees of the charity. For brevity and clarity, throughout this report, except where it is necessary to make a distinction, the directors and trustees are referred to only as the trustees, and the company and charity are referred to as the Society.

Structure and Governance

Structure

As a company, the Society is governed by its Memorandum and Articles of Association (most recently amended in September 2019). There are two classes of members of the company, guarantor members and annual members. The trustees are the only guarantor members and have guaranteed that if the company is wound up and is insolvent, they will each contribute a sum of £10. All other members are annual members.

The rights of guarantor members and annual members are identical and are limited to voting at general meetings. Since the company is limited by guarantee, having no share capital, none of the directors has an interest in the company.

Membership

The total number of paid-up members, guarantor and annual, on 31 December 2021 was:

<i>UK</i>	<i>rest of Europe</i>	<i>Australasia</i>	<i>Canada</i>	<i>USA</i>	<i>Japan</i>	<i>Total</i>
399	12	12	15	61	1	500

The Articles of Association permit the trustees to appoint honorary annual members. Fourteen such members were appointed for 2021.

Appointment of Trustees

Trustees are selected from volunteers amongst the membership who bring *pro bono* the skills, professional backgrounds and personal interests as well as the energy and commitment required to ensure that our tiny learned and charitable Society functions effectively.

Candidates for election as trustees are either proposed by members or recommended by the board. The trustees are appointed by members at the AGM, one-third retiring by rotation each year and being eligible, if willing, to be reappointed. Trustees may be appointed between AGMs by the board, and any persons so appointed hold office only until the next AGM, when they may be reappointed by the members.

The board ensures that new trustees are aware of their legal obligations under charity and company law, of the contents of the Memorandum and Articles of Association, and of the recent financial performance of the Society.

Organisation

The board of trustees manages the whole business of the Society. It normally meets twice each year; *ad hoc* sub-committees are sometimes appointed and given delegated responsibility to manage specific matters. Continual contact between trustees is maintained by telephone and by email and other means of online communication.

Any trustee who has a financial interest in a matter being considered by the board, such as the purchase of items for preservation, takes no part in the other trustees' decision on that matter.

Accounting and other Policies

The trustees are responsible for selecting the policies of the Society including the accounting policies. These responsibilities are detailed in the Financial Report and the Society's accounting policies are included in Note 1 to the Financial Statements.

Risk Assessment

The board has considered the main risks which the charity faces, and taken appropriate action to reduce them where possible and to mitigate their potential effect.

The most important of these actions is to continue to maintain a co-operative relationship with Penguin Random House. The company's willingness for the Society and its members to carry out research and to reproduce copyright material enables all of the activities of the Society, and permits it to give the public benefit of raising awareness and understanding of the history of an extraordinary publishing enterprise.

The other risks are largely operational, and are managed by relevant measures, for example to protect the Society's funds and other assets, to maintain the capabilities of the board of trustees, to ensure a steady stream of new publications of a high standard, and to avoid any risk of legal claims.

The board is fully aware that the Society depends mainly on members' subscriptions as its source of funds and for their *pro bono* contributions to its work, and that it is vital to maintain members' interest and participation, through its publications, meetings and website.

The board continually reviews its own governance of the Society, and seeks to ensure that it is itself capable of providing the necessary direction and control as well as its own ongoing renewal.

Objectives, Strategy and Policies

The Society's Objectives are:

- 1 to encourage and promote the study of and research into the design, history and content of printed books and other art in the twentieth century, particularly paperback books and books and art published by Penguin Books Limited and by Sir Allen Lane; and
- 2 to acquire and assist the acquisition of archive and similar historical material, particularly relating to paperback design, printing and publishing, for gift or long-term loan to university libraries and collections and similar institutions where they will be available for educational and research purposes.

Its Strategy is:

- 1 to encourage study, research and writing; to publish the results for circulation to members; to make copies generally available to the public; and to arrange meetings, exhibitions and the like;
- 2 to purchase historic and archival material for donation to public collections and to encourage the donation of such material by others;
- 3 to achieve its ends by means of the *pro bono* work of trustees and of other members and by use of members' subscriptions (which are charitable donations), supplemented by the incidental sale of publications to the public, but not by broader fundraising activities.

Its Policies in pursuing this strategy are:

- 1 to publish each year two issues of *The Penguin Collector* and at least one other work, all written, edited and produced to a high standard;

- 2 to maintain enough subscribing members to finance its charitable objectives of education and preservation, and to provide the volunteers necessary to carry out research, produce its publications, run events and administer the charity and its activities;
- 3 to encourage and promote the study and the conservation of Penguin Books by raising awareness among non-members, by making its publications generally available either for individual purchase or at specialist libraries, and by information disseminated through its website and social media;
- 4 to facilitate contact in matters of study and research between members and a wider audience, both personally and through the internet, providing information, news updates and access to other sources;
- 5 to offer each year a bursary to one or more postgraduate students studying on an approved course at an affiliated university to help meet the costs of research for a dissertation and, if it is suitable, to publish an extract or a précis of the dissertation in *The Penguin Collector*. To supply the Society's publications free of charge to these students for five years from the grant of the bursary and to offer a reduced subscription for young members;
- 6 when opportunities arise and within its financial resources, to acquire appropriate items for national collections, especially for the Special Collections of the University of Bristol;
- 7 to meet all legal and good practice requirements for the governance of a charity; in particular, ensuring that the responsibilities of the trustees are discharged effectively; that funds are accounted for properly; that costs are minimised, while allowing for efficient operation; and that members' personal data and the data needed for the Society's own functioning are properly protected;
- 8 to maintain the good, informed working relationship with Penguin Random House, now the owner of the Penguin imprint, which has existed since the establishment of the Society in 1973, while remaining completely independent of the company.

The Objectives are set in the Society's Memorandum and Articles of Association. The Strategy and Policies were discussed and updated at a Board meeting on 16 October 2021.

Activities and the Public Benefit

Publications

In 2021 we published volumes of *The Penguin Collector* in June and December, each containing a wide range of articles, shorter pieces, and illustrations on Penguin books and their context.

Penguin Collector 96 reproduced on its cover a detail from a painting by Maurice Spira. It began with several reflections on how Penguins helped us to live through the Coronavirus era. Longer articles covered, among other subjects, John Lehmann's work before *Penguin New Writing* (an extract from the dissertation of bursary winner Anna Richardson), the post-war publicity pamphlet *Penguins Progress*, a piece by Terry Taylor on the flow of material from *The New Yorker* to Penguins, and a review by Jeremy Carver of Dean Blackburn's *Penguin Books and Political Change*.

Penguin Collector 97 included more that we gained from old favourites, from John Wyndham to Puffins, and from re-reading them during the virus closedowns. It then investigated diverse Penguin mysteries. They ranged from the production of one of the Kings to a strange progress through Epping Forest, from a book about a real unknown, the murder of the Princes in the Tower, to more about why and how Penguins were produced and distributed in Canada.

Each *Collector* concluded with brief obituaries of people connected with Penguin or with the Society, and an update on Society news.

The year's special publication was *Advertisements in Wartime Penguin Books*, with a cover designed by Robert Good. In it, Tim Graham added many more images of 'a further wartime blemish', reproduced Russell Edwards' 35-year old article under that title, and added to it further commentary and an index. The result is a handsome insight into how Penguin, its advertisers and the readers of its books all coped with the war.

Historic Material

Artwork for Penguin book covers was offered for sale at auction again in 2021. It included two paintings by Hans Unger and two works by Paul Hogarth, with a letter from Paul Hogarth. All were acquired by

the Society for £851 and donated to the University of Bristol Special Collections. The purchase is described in more detail, and the artworks are illustrated, in *Penguin Collector 97*.

The trustees were asked for advice about the possibility of a suitable institution accepting the Penguin book collection of the late Professor Bob Burchell. We were pleased that it was accepted by the University of Plymouth. Again, more details were provided in *Penguin Collector 97*.

The trustees will always be willing to give advice about further material of historic interest, as to how and where it might be accepted into archival care.

Postgraduate Student Bursary

As an educational charity we have developed links with universities and with postgraduate students studying subjects close to the charity's focus. We have identified 24 courses in 15 UK universities as best representing these subjects (including the History of the Book, Publishing, Book Art, Illustration and Design). Exeter University joined the scheme this year. These courses teach about 200 students each year. Through their course directors, we invite students to apply for a bursary. Each student awarded a bursary receives the Society's publications free of charge for five years from the award being made. The Terms of the Bursary sent out each October include a collation of past winners' *Collector* publications which we hope will whet the appetites of future applicants.

An award was made in 2020/21 to Elizabeth Skipp, an MA Book Design student at the University of Reading. Her dissertation proposal concerned Hans Schmoller and the design of Penguin book covers. We look forward to receiving her dissertation, and to publishing an extract from it in *The Penguin Collector*.

The pandemic remains a challenge to the universities, affecting face-to-face teaching and supervision, and constraining enrolments. But we have invited applications, and hope again to award at least one bursary during Spring 2022.

Meetings

The virus restrictions prevented us from holding our planned Annual Meeting weekend at Aldeburgh, Suffolk in September. The formal business of the AGM was instead conducted in a video conference attended by thirty members. They, with absent proxy voters, re-elected the

retiring trustees, Hannah Lowery, James Mackay and Caroline Maddison. They received trustees' reports updating them on the progress of and plans for the Society's activities, raised questions about them, and put forward other suggestions for the future. After the formal business, members were treated to a brief talk by Henry Eliot expounding on the Penguin Modern Classics, as captured in his latest *tour de force*. A full report and reflection on the meeting by Adrian King was published in *Penguin Collector* 97.

Website and Social Media

The Society's website www.penguincollectorssociety.org is a useful source of information about its activities. All the Society's publications are listed and those that remain in print can be purchased through the website. There are simple forms to join the Society and to renew subscriptions. On the social media sites Instagram and Twitter, a trustee using the address @penguincollsoc frequently posts Penguin-related pictures and stories, interacting with members and non-members.

Trustees

Sadly, Neal Houghton, appointed to the Board in the summer of 2020, was compelled by ill-health to stand down shortly before his untimely death in October 2021. Jeff Lucas thanked him on behalf of the Society for his enthusiastic contribution, which he had hoped would last much longer, and all the trustees sent Neal their best wishes.

Annual General Meeting 2022

The AGM will be held at noon on Saturday 1 October 2022 at the Community and Sports Centre, Aldeburgh, Suffolk. Formal notice of the meeting, joining instructions and proxy voting papers are enclosed. Details are also published on the website. Please check it for any changes necessitated by Covid threats or restrictions. We hope to see you there.

On behalf of the Board, 12 March 2022

Signed Jeff Lucas, Chairman

Financial Report

Change of Year End

The Society's financial year has been changed to align with the subscription year. The accounting period covered by this report which began on 1 May 2021 therefore ran for eight months to 31 December 2021. As a result the amounts presented in the financial statements are not entirely comparable.

Results for the Period and Funds

The eight month period to 31 December 2021 has been satisfactory financially with a surplus of £3,456 (£6,713 for the year to 30 April 2021). Membership numbers increased from 470 to 500 during the period, and a dozen members responded so promptly to subscription requests that they paid their 2022 subscriptions before the end of 2021. Some former members still pay £16 annually by standing order despite attempts to contact them; these payments are treated as donations.

The change of the financial year end to coincide with the membership year means that amounts in the financial statements are not entirely comparable. For example subscriptions represent only eight months of income and there was no bursary award in this period, since applications are geared to the spring of the academic year, when dissertation topics are being finalised.

Covid restrictions again significantly curtailed the Society's physical activities, with our Annual General Meeting once more being held online; but at least this year it was planned, and since notices went out as usual with the *Collector* there were no additional postal costs as there had been in 2020. Otherwise the Society continued to operate as usual: the *Collector* was printed and distributed together with a 'special' in December; members and non-members purchased back copies of publications through the website; and some small items were purchased at auction and donated to the Bristol Archive.

Our balance sheet is healthy, with a satisfactory cash position. Some of the funds not currently needed may be placed on deposit in due course, but interest rates remain very low.

Our reserves policy is to seek to ensure that our income covers our expenditure, aiming to hold as reserves at least six months' worth of expenditure, based on the pattern of recent years and on a normal year's anticipated expenditure (i.e. ignoring the cost of occasional more substantial publications). On this basis our target reserves are some £9,000. Reported reserves are £30,350 and the trustees continue to consider appropriate opportunities to apply the excess.

The Society's funds are unrestricted.

Trustees' Responsibilities

Charity law requires the trustees to prepare accounts for each financial period which give a true and fair view of the Society's results for the period and the state of affairs at the end of that period. In preparing those accounts, the trustees are required to: select suitable accounting policies and apply them consistently; make judgements and estimates that are reasonable and prudent; follow applicable accounting standards, with any material departures explained in the accounts; and prepare the accounts on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that the accounts comply with charity and company law. They are responsible for protecting the Society's assets and for taking reasonable steps to prevent and detect fraud and other irregularities and to provide reasonable assurance that the Society is operating efficiently and effectively, that its assets are safeguarded against unauthorised use or disposition and that the Society complies with relevant laws and regulations.

By order of the Board, 12 March 2022
Signed Ann Davidson FCA, Treasurer

Financial Statements

Statement of Financial Activities

	Note	8 mths to 31 Dec 21	Year to 30 Apr 21
<i>Income</i>			
Income from charitable activities	2	£11,518	£18,961
Interest receivable		0	£7
		<u>£11,518</u>	<u>£18,968</u>
<i>Resources expended during the period</i>			
Costs of furthering charitable activities	3	£7,211	£11,752
Donations to public collections	4	£851	£503
		<u>£8,062</u>	<u>£12,255</u>
<i>Reconciliation of funds</i>			
Net incoming resources for the period		£3,456	£6,713
Unrestricted funds balance brought forward		£26,894	£20,181
Unrestricted funds carried forward		<u>£30,350</u>	<u>£26,894</u>

Balance Sheet

	at	31 Dec 21	30 Apr 21
Debtors and payments in advance		£717	£703
Cash at bank		£35,145	£41,261
		<u>£35,862</u>	<u>£41,964</u>
Creditors due within one year			
Accrual for printing & posting		£4,437	£5,606
Subscriptions in advance etc		£1,075	£9,464
		<u>£5,512</u>	<u>£15,070</u>
Net assets		<u>£30,350</u>	<u>£26,894</u>
Unrestricted funds		<u>£30,350</u>	<u>£26,894</u>

The Notes to the Financial Statements appear on pages 13-15.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime. For the period ended 31 December 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006. The members have not required the company to obtain an audit of its accounts for that period in accordance with section 476 and have confirmed this each five years from 2002, most recently at the 2017 AGM.

The trustees acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 Companies Act 2006; 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 period and of its statement of financial activities for the period in accordance with the requirements of sections 394 and 395 Companies Act 2006 and which otherwise comply with the requirements of the Act relating to the accounts.

Approved by the Board and signed on its behalf, 12 March 2022

Jeff Lucas *Chairman*

Ann Davidson FCA *Treasurer*

Notes to the Financial Statements

1. Accounting policies

The Society is a charitable company limited by guarantee. The financial statements have been prepared in accordance with the Charities Act 2011 and the Charities SORP (FRS 102).

The Society meets the definition of a public benefit entity.

Preparation of financial statements requires judgements, estimates and assumptions that affect the amounts reported as assets and liabilities at the balance sheet date and the amounts reported as income and expenses during the period. Actual outcomes could differ. No judgements, estimates or assumptions made have had a significant effect on the amounts recognised in the financial statements.

The accounts are prepared under the historical cost convention. Income is included in the financial statements when it is reasonably certain at the balance sheet date that it will be received by the Society. Subscriptions, which are payable for a calendar year, are those related to the period of the statement of financial activities arrived at by time apportionment. The Society claims relevant Gift Aid, which is accounted

for on receipt, since it remains uncertain until agreed and paid by HMRC. Expenses are accounted for on the accruals basis. Printing and distribution costs for a twelve-month period include two issues of *The Penguin Collector* but the number and size of special publications varies from year to year.

The Society has financial assets and financial liabilities of a kind that qualify as basic financial instruments. These are initially recognised at transaction value and are then measured at amortised cost. Financial assets held at amortised cost comprise cash at bank, debtors and investments. Financial liabilities held at amortised cost are creditors and accruals.

2. Incoming resources from charitable activities

	8 mths to 31 Dec 21	Year to 30 Apr 21
Subscriptions, donations and Gift Aid receipt	£9,864	£14,897
Contribution from publication sales	£1,654	£4,064
	<u>£11,518</u>	<u>£18,961</u>

3. Costs of furthering charitable activities

	8 mths to 31 Dec 21	Year to 30 Apr 21
Printing and similar costs	£3,621	£3,457
Distribution of publications	£2,071	£4,776
The Penguin Collectors Society Bursaries	0	£500
Postage, packing & related stationery	£386	£1,048
Meeting costs	£97	£244
Website and email	£58	£110
IT and office supplies	0	£493
Trustee travel	0	0
Financial transaction costs	£208	£435
Other administrative costs	£271	£307
Printing governance papers	£499	£382
	<u>£7,211</u>	<u>£11,752</u>

The trustees provide voluntary services to the Society and receive no remuneration.

For day-to-day efficiency, trustees sometimes meet administrative, editorial and distribution costs from their own resources and reclaim them from the Society. Total costs incurred initially by trustees and then reimbursed to them amounted to £4,926 (2020/21 £7,819).

Trustees are entitled to reclaim travelling expenses, but whenever practicable seek to avoid doing so by combining journeys on Society business with personal or other business. Due to Covid restrictions there were no travel costs (2020/21 nil), all trustee meetings being held by Zoom.

Trustees took on the task of organising and paying for posting publications, rather than the Society paying the printer to do it. 2020/21 included the distribution cost for the *Companion* – a substantial publication – and the purchase of up-to-date software for the maintenance of the membership database.

The Society incurs no liability for income or corporation taxes.

4. Donations to public collections

The 2021 donation of £851 relates to the purchase at auction of four artworks by Hans Unger and Paul Hogarth, and of associated documents which establish their connection with Penguin and help to demonstrate the relationships between art directors and cover artists. All were donated to the University of Bristol Special Collections.

The 2020/21 donation of £503 represented the purchase at auction of five signed etchings by David Gentleman of cover designs for *The Penguin New Shakespeare*, which were also given to the University of Bristol Special Collections.



Brief Biographical Details of the Trustees

Ann Davidson

Trustee since 2020

A chartered accountant and a member of the Society since 1995, Ann was appointed Treasurer in 2020. A lifelong accumulator, inheritor and reader of Puffins and Penguins, now resident in the Isle of Man.

Tim Graham

Trustee since 2001

Tim, a retired bookseller and publisher, started collecting Penguins to add to his father's original 6d purchases, and lives in Bath. Chair of the Board from 2005 to 2014, Membership Secretary since 2002, and now deals also with Publications sales.

Hannah Lowery

Trustee since 2014

Archivist responsible for the Allen Lane Collection at the University of Bristol Special Collections, and a resident of that city. A reader of Puffins for ever and of Penguins for a long time.

Jeff Lucas

Trustee since 2012

Former Deputy Vice-Chancellor of the University of Bradford, and lives in Halifax. Collector of Penguins since 1970, a member since 2004. Chair of the Board since 2020; responsible for the Bursary scheme.

James Mackay

Trustee since 2006

Brought up in a house of post-war Penguins, retired from managing railways. James organised our annual meetings from 2012 to 2019 and has edited the Society's publications since 2016. He lives in Warwick.

Caroline Maddison

Trustee since 2014

Many previous jobs, including bookselling, and a proficient itinerant. Enthusiastic reader yet a keen supporter of the internet age; collector of Penguins since the early 1980s. Responsible for the Society's website.

Patrick Mulcare

Trustee since 2020

An Oxfordshire solicitor, appointed Company Secretary in 2020. Patrick has collected Penguins since the 1980s and is married to Sir Allen Lane's granddaughter.