

The Penguin Collectors Society

Annual Report of the Trustees and Financial Statements for the year ended 30 April 2018

The formal notice of the Annual General Meeting, which will be held at 12.00 noon on Saturday 13 October at the Museum of English Rural Life, Redlands Road, Reading RG1 5EX, and the Form of Proxy enabling members who cannot attend to vote, are in the separate enclosed document.

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Reference and Administrative Details

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 is referred to as the Society.

The Penguin Collectors Society

Company limited by guarantee
(registered in England no.4261702)
and Charity (registered no.1093965)

The principal office of the Society is its registered office:
31 Myddelton Square, London EC1R 1YB.

The Society's bank account is maintained at:
Santander UK plc, Bridle Road, Bootle, Merseyside L30 4GB.

Trustees

The trustees who served during the year under review were:

Michael Fowle CBE FCA	Jo Lunt
Tim Graham	James Mackay
Hannah Lowery	Caroline Maddison
Jeff Lucas	James Robinson

Victoria Love was appointed a trustee on 6 June 2018 and will stand for reappointment by members at the AGM. Brief biographical details of the trustees at the date of this report are provided on pages 15/16.

Structure and Governance

Structure

As a company, the Society is governed by its Memorandum and Articles of Association (most recently amended in October 2007). There are two classes of members of the company, Companies Act members and annual members. The trustees are the only Companies Act members and each has guaranteed that if the company is wound up and is insolvent he/she will contribute a sum of £10. All other members are annual members.

The rights of Companies Act 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.

The total number of paid-up members, Companies Act and annual, at 30 April in each of the past eight years has been:

2018	395	2016	390	2014	392	2012	471
2017	386	2015	390	2013	473	2011	475

The Articles of Association permit the trustees to appoint honorary annual members. The trustees have appointed eleven honorary annual members for 2018/19. Each recipient of a bursary will be sent the Society's publications for up to five years from the award being made.

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 person so appointed holds office only until the next AGM, when he/she 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 personally and by telephone and email.

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 on the first page of 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 is to continue to maintain a co-operative relationship with Penguin Random House. The latter'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 avoid legal claims, and to ensure a steady stream of new publications of a high standard. This also requires the consent of other copyright holders.

The Board is fully aware that the Society depends largely 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 and Activities and the Public Benefit

The Society's objectives for the public benefit are:

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 and since, particularly paperback books and books and art published by Penguin Books Limited and by Sir Allen Lane, and

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.

We fulfil our first objective by encouraging study and research, by publishing the results for circulation to members, by making copies of our publications generally available to the public, and by arranging meetings, exhibitions and study days. Our publications, talks and exhibitions contribute to public learning and knowledge about books and book design, especially about Penguin books and what they have given to English-speaking peoples in the twentieth century and since.

When we get the opportunity, we also encourage people to place historic material in the custody of public collections and assist with arranging this. The Society sometimes purchases material which is then given to the Penguin Archive in Special Collections at the University of Bristol or to other public collections.

We have no intention of becoming a fund-raising charity. We have no staff. We are resourced in two ways: the *pro bono* work of our trustees and other members who volunteer – such work does our research, creates our books, runs our events and provides our administration; and members’ subscriptions (which are charitable donations), supplemented by the sale of publications to the public.

Publications

In 2017 we published *The Penguin Collector* in June and December, each issue containing articles on twentieth-century and contemporary publishing, books and Penguins.

Collector 88 contained articles on the precursors to Penguin’s revolution in paperback design, on the Specials 80 years after their launch, on Penguin Westerns and by Jerry Cinamon on his work designing the opening Allen Lane Penguin Press titles in 1967. It also included Nikolaus Pevsner’s own memoir of Allen Lane, and a tale illustrative of Jan Tschichold’s highest typographical standards. The ‘other’ illustrators of Roald Dahl’s books – before Quentin Blake took over the role – were covered; and another illustrator, Alan Aldridge, was remembered in an obituary. Many shorter pieces completed a full issue.

Collector 89 started with a neutral perspective of Allen and Richard Lane’s parts in post-war Penguin, reproduced some delightful illustrations unused in publicity material in the same era, then included articles on a hardback offshoot of Pelicans, on the lasting mystery of the West Indian Hummingbird books, and on the design of Penguin Modern Classics by their current Creative Director. It then reported on two experiments by independent retailers in running Penguin-only shops, and concluded with several pieces of Archive and Society news.

In December we published a *Supplement to the Checklist of Puffin Picture Books and Related Series*. It updated the detailed bibliography issued alongside *Drawn Direct to the Plate* in 2010, drawing both on members’ observations of editions and variations then unknown and on extended archival research. This distinctive Penguin series is now thus fully covered, to the advantage of both collectors and historians.

The Penguin Collectors Society Bursary

As an educational charity we want to develop links with universities and postgraduate students studying subjects close to the charity's focus. We have identified nineteen courses in eleven UK universities as best representing these subjects (including the History of the Book, Publishing, Book Art, Illustration and Design). These courses teach about 140 graduate students each year. Through their course directors, we invite these students to apply for our £500 Bursary.

As reported last year, the 2017 Bursary was awarded to Siân Heap, an MA student at Oxford Brookes University. A précis of her dissertation, 'Penguins on the March: their impact on reading culture during the Second World War' will be published in *Collector 90* in June 2018.

In April we were pleased to award the 2018 Bursary to Sally Addison who is also an MA student, on Publishing Media, at Oxford Brookes University. Her dissertation has the working title 'The influences and impacts of the marketing behind the Penguin books, from 1935 to the present'; she has already started research work in the Bristol Archive. This year's award is named 'The Steve Hare Bursary' in memory of the life and work as a researcher, author, journalist and authority on all things Penguin of Steve Hare. He was not only a PCS Trustee but a doctoral student at Oxford Brookes when he died.

Website

In its second year, the new version of the Society's website has functioned well. Its address is www.penguincollectorsociety.org. All the Society's publications are now listed in the section 'Buy/Browse Publications' and the website provides a straightforward way to become a member of the Society. Activities on social media (which are also accessible from the website) are maintained.

Meetings

Members of the Society joined an instructive tour of The London Library in April 2017. Though the Library holds only hardback books, so very few Penguins, it is a haven for every serious researcher outside a university, and an extraordinary structure: part is a cast-iron bookstack

five storeys high which itself supports the building. Its membership list reads as an intellectual version of *Who's Who*, and its archives, some put on display for us, reflect the standing of those who have frequented it during its 175-year life.

The Annual Meeting was held at The Higgins, a gallery and museum in Bedford, on 23 September 2017. It is connected with Penguin through the collection of artwork bequeathed to it by Edward Bawden, who illustrated several Penguin books and covers.

Over sixty members and partners attended the AGM to discuss the Society's activities over the previous year and its plans for the next. There was also, as always, a great deal of viewing, buying, selling and bartering, and learned discussion about the finer points of the publisher's history, successes and follies.

The formal proceedings of the AGM included the re-election of the retiring directors of the company and renewal of the decision not to appoint auditors, unnecessary due to the small size of the company. The treasurer, Michael Fowle, confirmed that expenditure slightly exceeded income, but that reserves were healthy enough to withstand such a loss, which was within the normal fluctuations of a thriving organisation: there would be no need to raise subscriptions in the foreseeable future.

Reviewing the Society's activity, the trustees in turn spoke of their parts of it, and invited questions and discussion. The meeting closed with the perennial question: where next year?

Members were then given a presentation of the display of Bawden artwork by Victoria Partridge, Keeper of Fine and Decorative Art, and an evidently gleeful devotee of Bawden's work. It concentrated on his work for Penguin, in particular *The Arabs* and *Life in an English Village*, with the original drawings for *The Arabs*, and the artwork for three Penguin covers, commissioned in 1961 and published in 1962. Finally, Joe Pearson gave an illustrated talk, 'Bawden, Bedford and Carrington', introducing us not just to Bawden but to his friends, Dora and Noel Carrington.

Historic Material

We were pleased to be able to purchase at auction the cover artwork for the 1971 first Puffin edition of Mary Norton's *Bedknobs and*

Broomsticks. The watercolour was accompanied and its provenance established by a 1987 letter from Penguin to the executors of the artist, Diana Stanley, returning it to them. The Society has donated it to the University of Bristol Special Collections.

No other opportunities arose for the Society to make such gifts, but we were delighted to learn that some 10,000 of Steve Hare's collection of books have been placed on deposit at Oxford Brookes University and that, as reported fully in the *Collector*, Patrick Storrs Fox has donated to the University of Bristol Special Collections his substantial collection of Inselbücherei. The Trustees will always be willing to give advice to members who may have further material of historic interest as to how and where it might be accepted into archival care.

Annual General Meeting 2018

The Society's 45th annual meeting will be held in Reading between Friday 12 and Sunday 14 October, with the AGM itself and the main programme on Saturday 13 October 2018.

It will be held at the Museum of English Rural Life and the University of Reading Special Collections. As well as the business of the AGM and our own display and sale of books, there will be a presentation of archive material held by the University. This includes significant collections associated with publishers, publishing and the book trade, and Hans Schmoller's work on *The Complete Pelican Shakespeare*. Members will have the opportunity to eat supper together on the Friday and the Saturday evenings. Full details of the weekend's arrangements, the AGM agenda and, for those unable to attend in person, the proxy form, are enclosed with this report.

On behalf of the Board, 6 June 2018

Jim Robinson, *Chairman*

Financial Report

Results for the Year and Funds

In financial terms the year ended 30 April 2018 has been very successful, aided by increased membership income plus a generous gift from Bernard Quaritch, in memory of Steve Hare. This has been applied as a contribution to the cost of the Bursary Programme. In 2017/18 we published two issues of *The Penguin Collector* and two relatively inexpensive special publications. As a result we have achieved an excess of expenditure over income of £5,034 (2017: deficit £1,647). The 2018/19 publications programme costs will probably cause us to incur a deficit. We are financially healthy, with a satisfactory cash position.

Some of the funds not currently needed remain invested in the COIF Deposit Fund, but interest rates remain very low. Our reserves policy is to seek to ensure that our income covers our expenditure taking one year with another, aiming to hold as reserves about six months' worth of expenditure based on the pattern of recent years, i.e. about £9,000. Currently our reserves are about £25,000, which gives us some financial scope. The Society's funds are unrestricted.

Membership numbers have increased since last year. Many former members still pay £16 annually by standing order despite attempts to contact them, and these receipts are treated as donations.

Trustees' Responsibilities

Company law requires the trustees to prepare accounts for each financial period which give a true and fair view of the Society's state of affairs at the end of the year and of the results for 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, subject to any material departures as 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 the Companies Acts. They are responsible for protecting the Society's assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities and for providing 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.

Because of the size of the Society, there is no obligation to appoint auditors. The members have confirmed each five years since 2002, most recently at the 2017 AGM, that they did not wish to do so. The directors have taken advantage of the special exemptions applicable to small companies conferred by the Companies Acts in the preparation of the directors' report.

By order of the Board, 6 June 2018

Michael Fowle CBE FCA, *Secretary*

Financial Statements

Penguin Collectors Society: Statement of Financial Activities

		Year to 30 Note April 2018	Year to 30 April 2017
Incoming resources during the period			
Incoming resources from charitable activities	2	£17,148	£16,983
Interest receivable		£46	£71
		<u>£17,194</u>	<u>£17,054</u>
Resources expended during the period			
Costs of furthering charitable activities	3	£12,071	£17,644
Donations to public collections	4	£89	£1,057
		<u>£12,160</u>	<u>£18,701</u>
Net incoming (outgoing) resources for the period		£5,034	(£1,647)
Unrestricted funds balance brought forward		<u>£20,101</u>	<u>£21,748</u>
Unrestricted funds carried forward		<u>£25,135</u>	<u>£20,101</u>

Penguin Collectors Society: Balance Sheet

	30 April 2018	30 April 2017
Debtors and payments in advance	£51	£11
Investments – COIF Deposit Fund	£19,000	£19,000
Cash at bank	£17,504	£11,410
	£36,555	£30,421
Creditors due within one year		
Bursary to be paid	£500	-
Accrual for printing & posting	£2,550	£2,500
Subscriptions in advance etc	£8,370	£7,820
	£11,420	£10,320
Net assets	£25,135	£20,101
Unrestricted funds	£25,135	£20,101

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

For the year ended 30 April 2018 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 accounts for that year in accordance with section 476. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of accounts. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Board and signed on its behalf, 6 June 2018

Jim Robinson – *Chairman*
Michael Fowle CBE FCA – *Treasurer*

Notes to the Financial Statements

1. Accounting policies

The Society is a charitable company limited by guarantee. The trustees have departed from the standard descriptions of the profit and loss account as set out in the Companies Acts on the grounds that it is appropriate to give all the information required in the income and expenditure account in the format of a statement of financial affairs as required by the Statement of Recommended Practice for Charities (2015) based on the FRSSE (2015) and known as the SORP (FRSSE). The Society, on the grounds that it is a small company, has taken advantage of the exemption under the FRSSE from the requirement to produce a cash flow statement.

The accounts are prepared under the historical cost convention. Income is taken to credit only if in the Treasurer's hands by the balance sheet date. Subscriptions receivable are those related to the period of the statement of financial affairs arrived at by time apportionment. Expenses are accounted for on the accruals basis. Printing and postage costs for a twelve-month period always include two *Penguin Collectors*, but the number of special publications varies from year to year.

The Society has financial assets and financial liabilities 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.

Past years' accounts have reflected the net cost of AGM catering (always a small figure) in meeting costs. In 2018 the costs are shown separately in costs and the amounts recouped from members are shown separately in Income. The 2017 comparative figures have been appropriately adjusted.

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 our occasional more substantial publications). On this basis our target reserves are some £9,000.

2. Incoming resources from charitable activities

	Year to 30 April 2018	Year to 30 April 2017
Subscriptions and donations	£13,336	£12,844
Contribution from publication sales	£2,185	£3,052
Gift from Bernard Quaritch, received in memory of Steve Hare	£500	-
Annual Meeting catering income	£1,127	£1,087
	<u>£17,148</u>	<u>£16,983</u>

Subscription income is stated after carrying forward to the following year a calculated figure for annual subscriptions received before 30 April but related to the subsequent eight months and bringing forward the equivalent allocated to Creditors in the previous year.

3. Costs of furthering charitable activities

	Year to 30 April 2018	Year to 30 April 2017
Printing and similar costs	£6,562	£10,251
The Penguin Collectors Society Bursaries	£500	£500
Postage, packing & related stationery	£2,281	£2,959
Annual Meeting Catering Costs	£1,057	£1,084
Other Meeting Costs	£404	£667
Website	-	£1,000
IT & office printing and stationery	£70	£73
Other financial and administrative costs	£694	£911
Printing governance papers	£503	£199
	<u>£12,071</u>	<u>£17,644</u>

The trustees provide *pro bono* services to the Society and receive no remuneration.

For the sake of day-to-day efficiency, trustees tend initially to meet minor Society costs from their own pockets for subsequent reclaim. 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.

Total outgoings incurred initially by trustees on the Society's behalf and then reimbursed to them (apart from the amounts mentioned in note 4 below) amounted to £1,481 (2017: £2,383) and are mostly included in costs of furthering charitable activities, being distribution, administrative and editorial costs and meeting and travelling costs.

The Society incurs no liability for income tax or corporation tax.

4. Donations to public collections

The 2018 donation of £89 to public collections relates to the purchase of Puffin artwork, donated to the University of Bristol Special Collections.

Brief Biographical Details of the Trustees

Michael Fowle CBE FCA

Age 78, a chartered accountant, long-ago senior partner of KPMG London and then a building society and bank director and a trustee of several charities. An accumulator of Penguins since the 1950s, a collector and PCS member since the 1980s, Treasurer since 1996, a trustee and Company Secretary since incorporation in 2001.

Tim Graham

Age 71, a retired bookseller and publisher. Started collecting Penguins to add to his father's original 6d purchases and now collects most series. Membership Secretary since 2000, a trustee since incorporation and Chairman from 2005 to 2014.

Victoria Love

Age 68, formerly a solicitor, spending 19 years with Linklaters, and briefly an editor at an online legal publisher. Has now reverted to her first love, English literature, and to writing. Has a library of thousands of books, but only started collecting Penguins in 2011, especially Crime and Poetry. Appointed a trustee in 2018.

Hannah Lowery

Age 48, since 1997 archivist responsible for the Allen Lane Collection at the University of Bristol Special Collections. A reader of Puffins for ever and of Penguins for a long time. Appointed a trustee in 2014.

Jeff Lucas

Age 73, emeritus professor of health studies and a UK Health Regulator. Former Deputy Vice-Chancellor of the University of Bradford. General collector of Penguins since 1970, a member since 2004 and a trustee since 2012, responsible for setting up and managing the Bursary scheme.

Jo Lunt

Age 70, a former teacher and a book dealer since 1993. Eclectic, life-long collector, an enthusiastic promoter of matters Penguinary and of the wellbeing and growth of the Society. Editor from 2000 to 2016 and a trustee since incorporation.

James Mackay

Age 68, once a manager of railway businesses. Brought up in a house of post-war Penguins, and an enthusiast equally for their contents and their design. A trustee since 2006, James has been the organiser of seven annual meetings and has edited the Society's publications since 2016.

Caroline Maddison

Age 64, a former jack of many trades (including a flirt with bookselling) and a proficient itinerant. Enthusiastic reader yet a keen supporter of the internet age; collector of several Penguin series since the early 1980s. Appointed a trustee in 2014 and responsible for the Society's website.

James Robinson

Age 59, a partner in London of Cahill Gordon & Reindel (UK) LLP, a USA law firm. A reader of Penguin Classics, and a trustee since 2006, he took over distribution of our Publications in 2012 and became Chairman in 2014.

