

Scottish Poetry Library

Financial Narrative to the Annual Accounts 2019-2020

The Scottish Poetry Library grew its reserves (General Fund) from £37,962 to £43,534. Reserves are sums specifically held to enable funds to be built up to meet known or predicted expenditure. Ideally, charities will hold reserves to cover up to three-months of operational costs. The increase of just over £5K in the year reflects a modest surplus in our unrestricted budget.

Looking at our overall Financial Statement for the year ending March 2020, which includes spending on restricted income activity, the SPL reported a net deficit for the year ended 31 March 2020 of £10,909.

Income decreased by £32,392 in the year to £386,590 (2019: £418,982). This was mainly due to a managed drop in our core grant from Creative Scotland as per the funding agreement to frontload the investment in a new website at the start of our three-year regular funding cycle from April 2018. Funding from Creative Scotland represented approximately 77% of the charity's income for the year. We have grown our revenue from other sources, most notably venue hire of £18,930 (2019: £3,535), which was supported by an endowment that enabled us to create a new meeting room.

Expenditure increased by £1,753 in the year to £397,499 (2019: £395,746). In addition to the outlay of £5K on creating a new meeting room we replaced our boiler for around £7K and added a hearing loop system for £2K.

The workforce remains the charity's main expenditure item at £231,700, representing 58% of total expenditure. Spending on projects and activities costs decreased by £13,648 in the year to £36,433, in part due to the suspension of our events programme and the natural end of projects that were attached to restricted grants income.

SPL STATEMENT OF ACTIVITIES	2019-2020	2018-2019
INCOME		
Donations and legacies		
Donations (unrestricted)	17069	14709
Donations (restricted)	0	0
Grants	300614	319160
Charitable Activities		
Events and programme (unrestricted)	12570	30266
Events and programme (restricted)	12560	19382
Performance related grants (restricted)	3144	10000
Ancillary trading income (unrestricted)	21687	21913
Venue Hire	18930	3535
Investment Income		
Interest Received	16	17
Total Income	<u>386590</u>	<u>418982</u>
EXPENDITURE		
Raising Funds		
Advertising (unrestricted)		
Other fundraising costs (unrestricted)	978	255
Other fundraising costs (restricted)	2162	2091
Charitable Activities		
Staff and travel costs	237,121	223283
Depreciation and impairment	12,190	14190
Projects and activities costs	36433	50081
Premises costs	34549	27336
Running costs	40453	43490
Legal and professional	3213	7091
Project Management and administrative support	23948	23200
Interest and financial charges	1424	254
Auditor (Governance costs)	5028	4475
Total Expenditure	<u>397,499</u>	<u>395746</u>
BALANCE SHEET		
Fixed assets	1646164	1658353
Current assets (stock, debtors, cash at bank)	98193	97275
Creditors falling due within 1 year	-19626	-19,988
Net current assets	78567	77287
Total assets less liabilities	<u>1724731</u>	<u>1735640</u>
<i>Financed by: capital and reserves</i>		
General Funds (reserves)	<u>43534</u>	<u>37962</u>
Designated Funds (incl. fixed assets)	1649649	1662057
Restricted Funds	31548	35621
Total Charity Funds	<u>1724731</u>	<u>1735640</u>