

LITERATURE WORKS
(A company limited by guarantee)
UNAUDITED
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021



LITERATURE WORKS
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021**

Trustees

H Norman-Soderlind, Chair
M Krishnan
P Warin
K Murray
A Caleshu (appointed 28 September 2020)
S P Ariaratnam (appointed 8 February 2021)
P Bradley-Cong (appointed 1 February 2021)
D Moore (resigned 20 July 2020)
D Punter (resigned 20 July 2020)

Company registered number

06858956

Charity registered number

1132586

Registered office

Plymouth University
Roland Levinsky Building
Plymouth
Devon
PL4 8AA

Chief executive officer

H Chaloner

Key management

H Chaloner, Chief Executive Officer
C Moynan, Deputy Chief Executive Officer (fixed term contract to 29th April 2020)

Accountants

Griffin
Chartered Accountants
165 High Street
Honiton
EX14 1LQ

LITERATURE WORKS
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report together with the financial statements of Literature Works for the 1 April 2020 to 31 March 2021. The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the charitable company qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

Literature Works is the regional literature development agency for South West England, a registered charity and an Arts Council England National Portfolio Organisation. We support inclusivity and diversity in creative writing and reading, providing ways in and pathways for progression for people of all ages, from all walks of life. We champion the power of poetry, story, writing and reading, working to safeguard and enlarge their role in our lives. We provide opportunities for writers to develop their craft and sustain a living as writers. A range of community initiatives is aimed at engaging everyone with the social benefits and pleasures of creative writing and reading. We work closely with libraries and a wide range of other partners across the UK.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'

b. Main activities undertaken to further the charitable company's purposes for the public benefit

We offer hands-on opportunity and develop writers, readers and audiences across our demographic and geography with a view to enriching lives, improving social cohesion and enhancing health and wellbeing. We organise our work into high-profile partnership programmes, alongside continuous core activity, such as our Annual Fund scheme, our SW Writers' Community and our dynamic website that showcases opportunities and activity across our region. We continually raise support through trusts and foundations, grant-giving organisations, corporate sponsorship and public donations. We are dynamic and always investigating opportunities for commercial income generated through our programme and artform expertise, for reinvesting in socially engaged work with underserved communities.

Literature Works delivers its charitable mission with the support of a number of strategic partners. Chief amongst these are:

- An informal network of regional literature development agencies in England, delivering as Arts Council England National Portfolio Organisations
- The Alzheimer's Society – Poetry Cares poet training
- Bristol Cultural Development Partnership – Bristol A Poetic City
- The British Council – grant support for Quay Words international working
- Exeter Canal and Quay Trust – Quay Words
- Exeter Culture (at University of Exeter) – Exeter UNESCO and Quay Words
- Kernow Education Arts Partnership – teacher training and schools' place-based creative writing at Quay Words
- Library services and individual libraries around the region, notably Bristol Library Service and Libraries Unlimited in Devon
- The National Trust – Writing Places residencies and Greenway Literature Festival

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

- 'Out on the Page' – sitting on the advisory group
- Paper Nations (at Bath Spa University) – sitting on Advisory Group, liaising over shared priorities
- Poetry Africa, Durban – British Council-funded collaboration for women writers at Quay Words
- Plymouth Culture – Plymouth Young City Laureate, Plymouth Laureate of Words, Plymouth Cultural Recovery Fund
- South Western Regional Library Service (SWRLS) – matched funder for our recent live literature tour of regional libraries; our CEO is also a Trustee
- Speaking Volumes – diversity advisers and programme partners, connecting us to Roger Robinson and Raymond Antrobus, amongst others, for Quay Words
- Take A Part Plymouth
- TLC – Free Reads scheme
- Torbay Culture – Recovery Writing
- University of Exeter – through Quay Words, Exeter UNESCO and Exeter Heritage Partnership
- The University of Plymouth – hosting organisation and partnering with the Publishing MA

Literature Works is dedicated to developing and supporting the literature sector at a strategic and regional level through:

- Research and advocacy, for example as a strategic partner of Exeter as UNESCO City of Literature
- The development of a diverse South West Writers' Community
- Support, through mentoring and funding for community-based literature activity through our Annual Fund
- Programming diverse and inclusive literary conferences, events, festivals and courses
- Writing competitions and challenges
- Writers in schools, Young Laureates and other opportunities for young writers
- Writer residencies in a wide range of contexts and settings, virtual and location-based
- Creative and professional progression opportunities

Achievements and performance

a. Key performance indicators

During the year the charity received funding amounting to £201,658 [2020 - £209,667]. Expenditure of £179,935 [2020 - £212,651] was incurred, mainly in raising funds and raising awareness of the charity. As at 31 March 2021 Literature Works holds total funds amounting to £115,079 [2020- £93,356] of which £19,288 [2020 - £10,878] is allocated to Restricted Funds.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance (continued)

b. Review of activities

Government restrictions to stem the Covid-19 pandemic mandated a country-wide lockdown in March 2020. Literature Works was able to swiftly adapt to remote home-working for the executive team and repurposed its programming to a digital model, making use of state-of-the-art technology for live-streaming and audience building.

Literature Works continued to benefit from core funding as a National Portfolio Organisation [NPO] of Arts Council England [ACE] secured for the four-year period 2018-2022. In the wake of the pandemic ACE has introduced an NPO 'Extension Year' 2022-23 to which we will bid before entering negotiations in financial year 2022-23 for future NPO core funding 2023-2026.

We continued to focus on inclusion and relevance across all areas of our operation and made it a priority to work with diverse writers, often – but not exclusively – bringing them from outside the region to audiences in the South West.

Governance and Inclusion - following an audit of Board skills and representation, we advertised in 2020 for new Trustees with specific skills and experience, explicitly stating that we wish to strengthen the diversity of representation on the Literature Works' Board. In January 2021 we welcomed two new Trustees as a result.

Through a combination of artistic strategy and strengthened governance, we were delighted that Literature Works attained a 'strong' rating against Arts Council England's Creative Case for Diversity in 2019-20. We are committed to developing our approach to diversity further, drawing on external expertise and training. In October 2020, our full Trustee Board and staff team attended a Sour Lemons unconscious bias and anti-racism training. Our CEO also participated in anti-racism training with a group of Exeter organisations, led by Samenua Seshier OBE. This will be followed in 2021-22 with Active Bystander training for Literature Works' Trustees and staff.

Key projects this year included:

Quay Words at Exeter Custom House – following delivery of a successful pilot programme in 2019-20, Literature Works secured a commission from Exeter Canal & Quay Trust [ECQT], in partnership with Arts Council England, to curate and deliver a further two years of literature programming 2020-2022 starting from May 2020 at the Grade-1 listed Custom House on Exeter's quayside. The programme, called Quay Words, is supported by a grant totalling £158,000 over the period (£98,000 from ACE; £60,000 from ECQT). Since the start of the grant period and measured to the end of this FY we have delivered three programme 'seasons', engaging 66 creative practitioners and reaching 11,500 people through a combination of in-person and digital events.

British Council – working internationally: Literature Works received an award from the British Council to deliver a digital creative writing exchange between the UNESCO Cities of Literature Exeter and Durban. Launching on UN International Women's Day 8 March 2021, Quay Words and Poetry Africa is a collaboration between Literature Works (through Quay Words) and the University of KwaZulu Natal Centre for the Creative Arts (Poetry Africa) to host a series of five free online networking, writer development and showcase days, celebrating writing by women in the UK and South Africa.

Resilient Women – socially engaged literature development: supported by seed funding from the Wellcome Centre for Cultures of Health & Wellbeing, Literature Works through Quay Words partnered with Resilient Women in Exeter, an organisation supporting women in recovery from addiction or referred through the criminal justice system. Creative writing workshops launched in December 2020 and facilitated by spoken word poet Jackie Juno helped embed an important new strand of our work which we now aim to expand, subject to funding, to support similar community groups in Plymouth and Torbay.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance (continued)

Poetry Cares (previously National Memory Day Project) in partnership with the Alzheimer's Society - designed to engage people living with memory loss and their carers with the wellbeing benefits of recalling familiar poetry, the project reached the end of its initial two-year funded timeline in March 2020. The new project name, Poetry Cares, accompanies our introduction of the programme to residential care homes 2020-21 alongside continuing sessions with groups meeting in community settings for dementia. Whereas Covid-19 suspended temporarily our ability to reach people face to face, we were able to deliver a limited number of sessions online; we continued to seek funding, securing £3,700 from D'Oyly Carte Charitable Trust. We are now seeking funds to extend the project to care homes and to BAME elders' groups in Bristol and the West Midlands in partnership with Writing West Midlands.

Exeter UNESCO City of Literature partnership – during 2020-21 Literature Works continued to play an active role on a city-wide Steering Group, alongside other cultural, civic and academic organisations. We supported the newly designated Exeter UNESCO City of Literature to successfully secure funding from Arts Council England for establishing a Director's Office. Quay Words remains a core project of the Exeter City of Literature programme, as envisaged within the original bid to UNESCO, which was authored by Literature Works on behalf of the Steering Group.

Key core programme activity included:

Literature Works Free Advice Surgeries - During lockdown, we formalised and extended our ongoing advisory work by advertising free, bookable online advice surgeries for writers and projects around the region, sharing our knowledge, our networks and our operational know-how. Opening up the sessions in this way and from time to time offering them in partnership with other projects, festivals and programmes has extended reach and made them more accessible to all. Through strategic partnership work, we can over time target them at growing numbers of people who would not otherwise know about our work.

Literature Works Annual Fund - Literature Works fundraises for and delivers an annual programme of small grants under £500 for community-based literature activity with a particular emphasis on disadvantage, vulnerability or under-representation. Alongside the grants, we offer support, advice and partnerships throughout the region. In this way Literature Works helps to nurture grassroots activity, from reader groups to library and school visits, author engagement, small festivals and creative writing workshops across the South West.

Literature Works South West Writers Community - At www.literatureworks.org.uk/writers/ Literature Works maintains and builds an online community of writers throughout the South West. The community features both emerging writers, whom we can signpost to support and mentoring opportunities and established writers with a commitment to supporting others. We offer opportunities to the latter and development to the former.

Literature Works Annual Membership - We launched our free annual membership scheme in January 2020, offering priority booking periods and special offers for events and activities. It has grown already to over 200 members and we have plans to expand the scheme, introducing a paid option and further benefits. This income will support our ongoing work with underserved and under-represented groups.

LW Website - We make use of our website as a key tool to compensate for the dispersed nature of our region and to increase our reach. This is based on an early strategic decision that it should be a resource for readers and writers, rather than a simple promotional tool for our organisation. Functioning as a virtual support network, we are proud that the site is rich with constantly renewing opportunities, news, events, interviews, courses, information and advice. We will put out to tender and relaunch the website in 2021-22.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

Reserves Policy – In July 2020 we reviewed and revised our reserves policy in line with guidance issued by the Charities Commission for England and Wales. We require reserves in order to:

1. Meet notice period and statutory redundancy liabilities should the charity be wound up
2. Ensure there are sufficient cash reserves in the current account to cover day to day running costs for a period of 3 months
3. Ensure that existing writer and practitioner freelance contracts may be honoured up to the end of any 3-month wind-down period
4. Ensure continuity of business provision by meeting unexpected costs such as a cover for illness (recruiting interim executive cover)
5. Covering running costs during periods of lower income, such as a fall in fundraising; major projects terminating or Literature Works' project pipeline stalling.

In July 2020, we estimated the full extent of reserves required for the above at a minimum of £90,300. For reserves above this minimum, the Board of Trustees has discretion over their transfer to a Designated Fund known as the Development Fund. Any such transfer requires a quorate decision by Trustees and will be recorded in the minutes of the meeting. The charity's reserves at the year end were £115,079.

c. Principal risks and uncertainties

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The board maintains a risk register which is reviewed as a statutory element of our quarterly board meetings.

Structure, governance and management

a. Constitution

The charity is a company limited by guarantee, governed by its Memorandum and Articles of Association. It is managed by its Trustees, however the day to day running of the organisation is delegated to the Chief Executive (CEO) and Company Secretary. The company was incorporated on 25 March 2009, company registration number 6858956, and registered as a charity on 7 November 2009, charitable registration number 1132586.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management (continued)

b. Methods of appointment or election of Trustees

The management of the charitable company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. The company had a total of seven serving members as at March 31st 2021, who are also the Trustees. In the event of the company being wound up, the liability of each member is limited to £1.00.

The Board of Trustees is appointed through an open application process and by co-opting. New potential Board members are invited to observe a Board meeting with a view to become a full Trustee by the following meeting. All applications to become a member of the Board of Trustees can be approved or rejected by the Board.

c. Organisational structure and decision-making policies

The Board of Trustees meets quarterly in April, July, October and January. The CEO is invited to the meeting to report on the statement of accounts and general running of the charity. Other attendees are invited to Board meetings from time to time as guests or observers and to discuss relevant agenda points. The Board, or any Board member, may at any time convene a general meeting by giving at least 14 days clear notice to the other Trustees, or sooner if such notice is agreed to be shortened by the other Trustees. Notices of all Board meetings are given with at least 14 days written notice by email to all Trustees.

No business can be transacted at Board meetings with less than a quorum of members present. Quoracy is that two voting members, or twenty-five per cent of Board membership (whichever is the higher), each being a member, a proxy for a member or a duly authorised representative of a member, shall be present. If quoracy is not met then the Board meeting is adjourned to another day. The Chair will attend all meetings, and if the Chair is unable to then a Vice-Chair will either be appointed prior to the meeting, or the meeting will be adjourned to another day.

Board decisions are carried by a vote of resolution, which is given by a show of hands by those members present and able to vote. Resolutions are also able to be carried by the Chair. All resolutions and decisions taken are entered into the minutes of the meeting.

Board minutes are circulated to the Trustees to ascertain they are a true record of the meeting detail and resolutions before the minutes are signed off by the Chair at the following Board meeting.

Literature Works Patrons and honorary officers are entitled to appointment for life or for any term agreed. Unless otherwise agreed, the Board of Trustees will consist of a minimum of three and not more than nine Trustees. All Trustees are paid reasonable expenses properly incurred in connection with exercising their responsibilities for Literature Works. All expense forms and returns are made by the Trustee completing an expense claims form and attaching all original receipts to the form.

The position of Chair was reviewed at January 2016. The Board of Trustees are able to appoint advisory groups as necessary.

Secretary and record keeping - The Chief Executive Officer, Helen Chaloner, is appointed to act as Company Secretary for the organisation.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the charitable company for the purposes 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 . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees on
10/12/2021 and signed on their behalf by:



H Norman-Soderlind
Chair of Trustees

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INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2021

Independent examiner's report to the Trustees of Literature Works ('the charitable company')

I report to the charity Trustees on my examination of the accounts of the charitable company for the year ended 31 March 2021.

Responsibilities and basis of report

As the Trustees of the charitable company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the charitable company 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 charitable company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the 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:

1. accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts 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 accounts 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 accounts to be reached. This report is made solely to the charitable company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the charitable company's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charitable company and the charitable company's Trustees as a body, for my work or for this report.

Signed:



Dated: 10/12/2021

Sam Reed

CA

Westerly Chartered Accountants
24 Orchard Road
Wrafton
Braunton
EX33 2DZ

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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	3	128,794	8,639	137,433	126,595
Charitable activities	4	3,167	61,046	64,213	83,031
Investments	5	12	-	12	41
Total income		131,973	69,685	201,658	209,667
Expenditure on:					
Raising funds	7	432	-	432	34,687
Charitable activities	7	115,828	63,675	179,503	177,964
Total expenditure		116,260	63,675	179,935	212,651
Net income		15,713	6,010	21,723	(2,984)
Transfers between funds	14	(2,400)	2,400	-	-
Net movement in funds		13,313	8,410	21,723	(2,984)
Reconciliation of funds:					
Total funds brought forward		82,478	10,878	93,356	96,340
Net movement in funds		13,313	8,410	21,723	(2,984)
Total funds carried forward		95,791	19,288	115,079	93,356

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

The notes on pages 13 to 28 form part of these financial statements.

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BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	1,434	759
		<u>1,434</u>	<u>759</u>
Current assets			
Debtors	12	4,454	5,404
Cash at bank and in hand		113,002	90,355
		<u>117,456</u>	<u>95,759</u>
Creditors: amounts falling due within one year	13	(3,811)	(3,162)
Net current assets		<u>113,645</u>	<u>92,597</u>
Total assets less current liabilities		<u>115,079</u>	<u>93,356</u>
Total net assets		<u>115,079</u>	<u>93,356</u>
Charity funds			
Restricted funds	14	19,288	10,878
Unrestricted funds	14	95,791	82,478
Total funds		<u>115,079</u>	<u>93,356</u>

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BALANCE SHEET (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

The charitable 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 for the year in question in accordance with section 476 of Companies Act 2006.

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

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

The financial statements were approved and authorised for issue by the Trustees on
10/12/2021 and signed on their behalf by:



H Norman-Soderlind
Chair of Trustees

The notes on pages 13 to 28 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. General information

Literature Works is registered charity domiciled in England and Wales. Its registered office address is Plymouth University, Roland Levinsky Building, Plymouth, Devon, PL4 8AA.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Literature Works meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Income

All income is recognised once the charitable company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the charitable company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charitable company's objectives, as well as any associated support costs.

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NOTES TO THE FINANCIAL STATEMENTS
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2. Accounting policies (continued)

2.3 Expenditure (continued)

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.4 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £100 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	- 3 years straight line
--------------------	-------------------------

2.6 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.7 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.8 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charitable company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.9 Pensions

The charitable company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charitable company to the fund in respect of the year.

2.10 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charitable company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

3. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Donations	25,000	-	25,000
Grants	103,794	8,639	112,433
	<u>128,794</u>	<u>8,639</u>	<u>137,433</u>

Included in donations is £25,000 (2020: £25,000) of donated facilities. The charity is grateful to University of Plymouth for the use of office space and facilities. The estimated value of these services is recognised within incoming resources as a donation and an equivalent charge included within rent costs.

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Donations	25,000	228	25,228
Grants	96,556	4,811	101,367
	<u>121,556</u>	<u>5,039</u>	<u>126,595</u>

4. Income from charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Literature development	3,167	61,046	64,213

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Literature development	371	82,660	83,031

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

5. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Interest receivable	12	12

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Interest receivable	41	41

6. Analysis of grants

	Grants to Institutions 2021 £	Grants to Individuals 2021 £	Total funds 2021 £
Grants made	3,879	-	3,879

	<i>Grants to Institutions 2020 £</i>	<i>Grants to Individuals 2020 £</i>	<i>Total funds 2020 £</i>
Grants made	1,950	1,100	3,050

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6. Analysis of grants (continued)

The charitable company has made the following material grants to institutions during the year:

	2021 £	2020 £
Name of institution		
Prime Theatre	-	500
Wadebridge School	-	500
The Inclusion Agency CIC	-	500
Friends of Henleaze Library	-	450
Jazz Hands	500	-
Take a Part	500	-
Somerset Libraries	500	-
The Paddleboat Theatre	500	-
Weston Writers	479	-
Outsider Writers	400	-
Art and Energy CIC	500	-
Plymouth Culture	500	-
	<hr/> 3,879	<hr/> 1,950
	<hr/> 3,879	<hr/> 1,950

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

7. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Grant funding of activities 2021 £	Support costs 2021 £	Total funds 2021 £
Literature development	133,310	3,879	42,314	179,503

	Activities undertaken directly 2020 £	Grant funding of activities 2020 £	Support costs 2020 £	Total funds 2020 £
Literature development	129,000	3,050	45,914	177,964

Analysis of direct costs

	Literature development 2021 £	Total funds 2021 £
Staff costs	97,695	97,695
Promotion of literature	8,110	8,110
Writer and poet fees	22,405	22,405
Contract staff	4,200	4,200
Consultancy	900	900
	133,310	133,310

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

7. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	<i>Literature development 2020 £</i>	<i>Total funds 2020 £</i>
Staff costs	58,122	58,122
Promotion of literature	22,328	22,328
Writer and poet fees	39,376	39,376
Contract staff	1,474	1,474
Consultancy	7,700	7,700
	<u>129,000</u>	<u>129,000</u>

Analysis of support costs

	<i>Literature development 2021 £</i>	<i>Total funds 2021 £</i>
Depreciation	907	907
Rent	25,417	25,417
Insurance	540	540
Website costs	3,475	3,475
Other expenses	4,102	4,102
Travel	499	499
Professional fees	7,320	7,320
Governance costs	54	54
	<u>42,314</u>	<u>42,314</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

7. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Literature development 2020 £</i>	<i>Total funds 2020 £</i>
Depreciation	379	379
Rent	25,000	25,000
Insurance	2,160	2,160
Website costs	3,366	3,366
Other expenses	4,046	4,046
Travel	2,334	2,334
Professional fees	6,374	6,374
Governance costs	2,255	2,255
	<u>45,914</u>	<u>45,914</u>

8. Independent examiner's remuneration

	2021 £	2020 £
Fees payable to the charitable company's independent examiner for the independent examination of the charitable company's annual accounts	<u>600</u>	<u>600</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. Staff costs

	2021 £	2020 £
Wages and salaries	90,883	85,525
Social security costs	4,085	4,307
Contribution to defined contribution pension schemes	2,727	2,517
	<u>97,695</u>	<u>92,349</u>

The average number of persons employed by the charitable company during the year was as follows:

	2021 No.	2020 No.
Employees	<u>4</u>	<u>4</u>

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the charity comprises the Chief Executive Officer and the Deputy Chief Executive Officer. The Deputy Chief Executive Officer was employed on a fixed term contract which ended in April 2020. The total employee benefits of the key management personnel of the charity is £43,807 (2020 - £57,751).

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £5,558).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £1,953).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

11. Tangible fixed assets

	Computer equipment £
Cost or valuation	
At 1 April 2020	1,138
Additions	1,582
At 31 March 2021	<u>2,720</u>
Depreciation	
At 1 April 2020	379
Charge for the year	907
At 31 March 2021	<u>1,286</u>
Net book value	
At 31 March 2021	<u><u>1,434</u></u>
At 31 March 2020	<u><u>759</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

12. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	3,050	4,000
Prepayments and accrued income	1,404	1,404
	<u>4,454</u>	<u>5,404</u>

13. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	1,816	2,055
Other creditors	555	507
Accruals and deferred income	1,440	600
	<u>3,811</u>	<u>3,162</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

14. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Unrestricted funds					
General Funds	82,478	131,973	(116,260)	(2,400)	95,791
Restricted funds					
Quay Words 2020-22	125	63,117	(58,614)	2,400	7,028
National Memory Day	7,942	-	(4,381)	(3,561)	-
Strategic Touring Fund	2,811	(2,811)	-	-	-
Poetry Cares	-	3,700	(330)	3,561	6,931
Plymouth City Laureate	-	1,829	(350)	-	1,479
Word Online	-	3,850	-	-	3,850
	10,878	69,685	(63,675)	2,400	19,288

Quay Words 2020-22 - This restricted fund represents income received from The Exeter Canal & Quay Trust which has funded consultancy services provided for the programming and research of a literature centre. This year, the Charity has held workshops and events at the Customs House which has brought in additional income by the way of ticket sales.

National Memory Day - This restricted fund represents income received in the form of a grant from the Walter Guinness Charitable Trust which has been used to fund the National Memory Day project. The balance on this fund was transferred to the Poetry Cares fund.

Strategic Touring Fund - This restricted fund represents income received from the Arts Council to provide tours of libraries across the region. The project underspend was deducted from the mains Arts Council grant.

Poetry Cares - This restricted fund represents income received for the Poetry Cares project which celebrates the power of the poetry and the positive impact of creative engagement with those affected by memory loss.

Plymouth City Laureate - This restricted fund represents income received to facilitate a partnership initiative between Literature Works, Plymouth Culture and The Box for a 'Plymouth Laureate of Words' winner.

Word Online - This restricted fund represents income received from libraries to run an exciting programme of virtual events in celebration of the work of diverse authors including Black, Asian and minority ethnic, disabled and LGBT+ writer.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

14. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2020 £</i>
Unrestricted funds					
General Funds	62,282	121,695	(103,041)	1,542	82,478
Restricted funds					
Annual Fund	1,189	-	(2,950)	1,761	-
British Council	3,000	-	(2,272)	(728)	-
Quay Words 2020-22	4,662	54,967	(59,504)	-	125
Greenway	-	16,100	(9,256)	(6,844)	-
National Memory Day	14,838	2,000	(19,246)	10,350	7,942
Plymouth Festival of Words	-	-	(14)	14	-
Strategic Touring Fund	-	2,811	-	-	2,811
Poetry Cares	4,586	79	(4,634)	(31)	-
Plymouth City Laureate	-	9,000	(7,329)	(1,671)	-
Word Online	-	200	-	(200)	-
Writing Places	5,783	-	(76)	(5,707)	-
Young City Laureate Fund	-	-	(100)	100	-
The Common People	-	2,815	(4,229)	1,414	-
	34,058	87,972	(109,610)	(1,542)	10,878
Total of funds	96,340	209,667	(212,651)	-	93,356

LITERATURE WORKS
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

15. Summary of funds

Summary of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
General funds	82,478	131,973	(116,260)	(2,400)	95,791
Restricted funds	10,878	69,685	(63,675)	2,400	19,288
	<u>93,356</u>	<u>201,658</u>	<u>(179,935)</u>	<u>-</u>	<u>115,079</u>

Summary of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
General funds	62,282	121,695	(103,041)	1,542	82,478
Restricted funds	34,058	87,972	(109,610)	(1,542)	10,878
	<u>96,340</u>	<u>209,667</u>	<u>(212,651)</u>	<u>-</u>	<u>93,356</u>

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	1,434	-	1,434
Current assets	98,168	19,288	117,456
Creditors due within one year	(3,811)	-	(3,811)
Total	<u>95,791</u>	<u>19,288</u>	<u>115,079</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

16. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	759	-	759
Current assets	84,881	10,878	95,759
Creditors due within one year	(3,162)	-	(3,162)
Total	82,478	10,878	93,356

17. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable by the charitable company to the fund and amounted to £2,727 (2020 - £2,517). £555 (2020 - £507) was payable to the fund at the balance sheet date and is included in creditors.

18. Related party transactions

There were no related party transactions during the year.