

CAMBRIDGE LITERARY FESTIVAL LIMITED
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

CAMBRIDGE LITERARY FESTIVAL LIMITED
CONTENTS

	Page
Trustees' report	1 - 3
Independent examiners' report	4
Statement of financial activities	5
Balance sheet	6
Notes to the financial statements	7 - 13
Reference and administrative details	14

CAMBRIDGE LITERARY FESTIVAL LIMITED

TRUSTEES' REPORT (INCORPORATING A DIRECTOR'S REPORT)

FOR THE YEAR ENDED 30 JUNE 2021

The trustees present their annual report and financial statements of the charity for the year ended 30 June 2021.

Structure, governance and management

a. Constitution

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 21 May 2008 and subsequently amended on 25 September 2013 when it became a registered charity, registered charity number 1153944.

b. Method of appointment or election of directors

The Board of trustees appoint new members of the Board either to fill a casual vacancy or by way of addition to the Board. Particular emphasis is placed upon the appointment of trustees with knowledge and experience relevant to the charity's activities.

Board members are the trustees of the registered charity and comprise a maximum of twelve members who are elected by an ordinary resolution of the members of the charity. The Board may co-opt members who hold office until submitted for election at the next Annual General Meeting for a three year term, subject to provisions in the Articles.

c. Organisational structure and decision making

Day to day administration of the charity is delegated to the management, under supervision of the Board of trustees. Decision making powers are retained by the Board and exercised at their regular meetings.

Risk management

The trustees have identified the major risks which may affect the charity and have taken reasonable steps to mitigate those risks. In particular during this year the trustees have focused on the risks of the Covid pandemic and have taken steps to ensure the long term viability of the festival.

Objectives and activities

The objects of the charity are the advancement of education for the benefit of the public by the promotion of literature, language and the arts in particular through literary festivals in Cambridge, and such other activities as the members of the management committee shall from time to time determine.

The trustees confirm that they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

Achievements and performance

Cambridge Literary Festival delivered two online festivals plus introduced a year-round programme of online events

The major initiatives introduced were:

- Major website development to better facilitate online events and to allow us sell our own tickets
- Held first major online festival in November 2020
- Introduced a subscriber-based CLF Player to use our archived events
- Launched series of three online Masterclasses
- Launched a monthly online Book Club with Alex Clark as host
- Partnered with London Review Bookshop as our online bookseller
- Introduced producing films on location to add value to our author events
- Attracted a global audience for the first time
- Free online festival for children over the Easter break

CAMBRIDGE LITERARY FESTIVAL LIMITED

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 30 JUNE 2021

Amongst the highlights for 2020/21 were:

- Hosting Turkish writer Elif Shafak to discuss *How to Stay Sane in an Age of Division*, a powerful, uplifting plea for conscious optimism.
- Launching *Summer* by Ali Smith, the final instalment of her best-selling seasonal quartet
- Hosted the inaugural Laurel Prize with prize founder Simon Armitage and winner Pascal Petit
- Hosted the launch of Hazel Press
- Hosted Comedy Women in Print Prize-winner Nina Stibbe
- Commissioned and screened a film with children's writer Jacqueline Wilson from her home in Sussex.
- Commissioned and screened a film to mark the anniversary of 150 years since the death of Charles Dickens
- Commissioned and screened a film with British Artist Maggi Hambling in her studio in Suffolk to mark the publication of her book *A Suffolk Eye* in honour of her father.
- Commissioned and screened a film with Rachel Holmes to discuss her biography *Sylvia Pankhurst: Natural Born Rebel* with Melissa Benn
- Hosted Baillie Gifford Prize 2020 shortlist event
- Stand alone event with Palliative Care Nurse and writer Rachel Clarke and GP and writer Gavin Francis to mark the one year anniversary of the first national lockdown.
- Hosted award-winning Russian poet Maria Stepanova to discuss her International Booker Prize shortlisted *In Memory of Memory* with her translator and fellow poet Sasha Dugdale
- Hosted Maggie O'Farrell to discuss *Hamnet* her 2020 Women's Prize for Fiction winner with Jo Browning Wroe
- Hosted Douglas Stuart to discuss his Booker Prize winning debut novel *Shuggie Bain* with Jackie Kay
- Commissioned and screened a film with John Bercow to discuss his life and his time as former Speaker of the House of Commons with Melissa Benn
- Commissioned a film in the beautiful surroundings of the Impressionist Gallery in The Fitzwilliam Museum with Charles Saumarez Smith discussing *The Art Museum in Modern Times* with Luke Syson, Director of The Fitzwilliam
- Hosted our first online New Statesmen debate which considered the motion *This House believes that the pandemic will change the way we live – for the better.*
- Hosted Ed Miliband in conversation with Melissa Benn for our first in person event since November 2019. The event was socially distanced and live-streamed.

Financial review

a. Going concern

The trustees have focused on the management of the finances and particularly management of the cash flow throughout the period of the pandemic and lockdown. A small group of trustees have met regularly to manage the finances and discuss the actions required to maintain the viability of the organisation. We have reduced our costs to minimal levels by vacating our offices and surrendering our lease. We have introduced paying ticketed online events and we delivered a successful online paid festival in November 2020. Since moving back into in-person events our costs have been higher due to live streaming and our in-person ticket sales have been disappointing with audiences not returning as expected. As a result, our winter festival 2021 will be online and we continue to monitor all expenditure, reducing costs where we can and focussing on areas to increase income in early spring 2022, when we plan to hold an in person and online festival. We have healthy reserves and therefore, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the period to December 2022. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

CAMBRIDGE LITERARY FESTIVAL LIMITED

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 30 JUNE 2021

b. Financial results

The financial results reflect the holding of two online festivals, three online Masterclasses, five online book clubs, three standalone events and one in person event in the year. The charity's overall unrestricted excess of expenditure over income for the year was £16,438 (2020: surplus £51,400) which, when aggregated with unrestricted reserves brought forward of £170,777 gives an unrestricted reserve to carry forward of £154,339.

The charity received no restricted income during the year. There were no restricted reserves brought forward.

c. Reserves policy

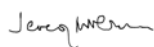
The board considers that it should have a minimum of £96,000 of cash reserves to meet six months of fixed operational costs. The actual free reserves after fixed assets are £153,800 (2020: £169,543).

The board wish to record their warm appreciation and thanks to:

- i. Our longstanding and new sponsors, donors, patrons, benefactors, friends and partners, in particular The Technology Partnership (TTP), Baillie Gifford, The University Arms, The Arts Council Cultural Recovery Fund, Trinity College Cambridge, New Statesman, London Review Bookshop, Cambridge BID
- ii. Our audiences, authors and event chairs for their loyalty and adaptability during this challenging year
- iii. Our staff and new digital team in particular who worked tirelessly to transform the festival operation to deliver a robust online programme
- iv. Our festival Honorary Patrons for their loyal support

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within section 415A of the Companies Act 2006 and was approved by the Board of Directors on 21 Feb 2022 and signed on its behalf by:

On behalf of the Board of Trustees



Jeremy H M Newsum

INDEPENDENT EXAMINERS' REPORT TO THE MEMBERS OF CAMBRIDGE LITERARY FESTIVAL LIMITED

FOR THE YEAR ENDED 30 JUNE 2021

I report to the charity trustees on my examination of the accounts of the company for the year ended 30 June 2021 which are set out on pages 5 to 14.

Responsibilities and basis of report

As the charity trustees of the company (and also 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 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 your company's accounts as 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 that in any material respect:

1. accounting records were not kept in respect of the 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.

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.



Michael Cooper-Davis FCCA ACA
Price Bailey LLP
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Date: 3 March 2022

CAMBRIDGE LITERARY FESTIVAL LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 Total Unrestricted £	2020 Total Unrestricted £
INCOME			
Donations		75,660	114,431
Charitable activities	2	155,498	185,136
Investment income	3	1,268	268
Other income – Job Retention Scheme		6,360	8,524
Total		238,786	308,359
EXPENDITURE			
Raising funds	4	26,136	29,632
Charitable activities	4	229,088	227,327
Total		255,224	256,959
NET (EXPENDITURE) / INCOME		(16,438)	51,400
RECONCILIATION OF FUNDS			
Total funds brought forward		170,777	119,377
TOTAL FUNDS CARRIED FORWARD		154,339	170,777

All amounts relate to continuing activities of the company.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes to the accounts are shown on pages 7 to 14.

CAMBRIDGE LITERARY FESTIVAL LIMITED

CHARITY REGISTRATION NUMBER: 1153944

COMPANY NUMBER: 06599041

BALANCE SHEET AS AT 30 JUNE 2021

	Note	2021 Total £	2020 Total £
FIXED ASSETS			
Tangible assets	10	539	1,234
CURRENT ASSETS			
Debtors	11	5,195	12,394
Cash at bank and in hand		165,517	161,930
Total		170,712	174,324
CREDITORS			
Amounts falling due within one year	12	16,912	4,781
NET CURRENT ASSETS		153,800	169,543
TOTAL ASSETS LESS CURRENT LIABILITIES		154,339	170,777
NET ASSETS		154,339	170,777
FUNDS			
Unrestricted funds		154,339	170,777
Restricted funds		-	-
TOTAL FUNDS		154,339	170,777

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies and the directors acknowledge their responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small company's regime.

The financial statements were approved by the Board of Trustees on 21 February 2022 and signed on their behalf by:



Jeremy H M Newsum

The notes to the accounts are shown on pages 7 to 14.

CAMBRIDGE LITERARY FESTIVAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1 ACCOUNTING POLICIES

(a) General information

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The company and charity numbers and the address of the registered office are shown on the reference and admin section of these financial statements.

(b) Statement of compliance

These financial statements have been prepared in accordance with 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) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements are prepared on a going concern basis and are presented in Sterling, which is the functional currency of the charity.

The company meets the definition of a public benefit entity under FRS 102.

(c) Basis of preparation

The financial statements have been prepared on the historical cost basis. The financial statements are prepared in sterling, which is the functional currency of the entity.

(d) Going concern

The Trustees have carefully considered the status of the organisation in light of the Covid pandemic; the ability of the Festival to raise funds and generate ticket income from online and live events and the grant of £50,000 received from the Arts Council in October 2020. Taking all these matters into account the Trustees believe that the organisation is a going concern and that there are no material uncertainties about the charity's ability to continue.

(e) Judgements and key sources of estimation or uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no estimates which might materially affect the results reported in these financial statements.

(f) Taxation

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

(g) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes. Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment. Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Income from donation or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

CAMBRIDGE LITERARY FESTIVAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1 ACCOUNTING POLICIES (continued)

(h) Income

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.
- membership subscriptions which gives a member the right to buy services or other benefits are recognised as they are received

(i) Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

(j) Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

(k) Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	- 33% straight line
Equipment	- 25% straight line

(l) Cash at bank and In hand

Cash at bank and cash 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.

CAMBRIDGE LITERARY FESTIVAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1 ACCOUNTING POLICIES (continued)

(m) Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

(n) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Fixed assets are recorded at depreciated historical cost.

(o) Operating leases

Operating leases are recognised over the period of which the lease falls due.

(p) Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

(q) Limited by guarantee

The company is a company limited by guarantee. Not all members of the company are Directors. A register of members is kept at the registered office. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2 INCOME FROM CHARITABLE ACTIVITIES

	2021 £	2020 £
Ticket sales and similar income	87,961	117,171
Supporters schemes	17,362	45,268
Sponsorship and advertising	175	22,697
ACE grant	50,000	-
	<u>155,498</u>	<u>185,136</u>

3 INVESTMENT INCOME

	2021 £	2020 £
Bank interest received	1,268	52
Other interest received	-	216
	<u>1,268</u>	<u>268</u>

CAMBRIDGE LITERARY FESTIVAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

4a. ANALYSIS OF EXPENDITURE – CURRENT YEAR

	Direct costs 2021 £	Support costs 2021 £ (note 5)	Total 2021 £
Fundraising and managing membership scheme and Corporate partners	20,774	5,362	26,136
Charitable activities:			
Literary festivals and one off events	175,778	53,310	229,088
	<u>196,552</u>	<u>58,672</u>	<u>255,224</u>

4b. ANALYSIS OF CHARITABLE ACTIVITIES – PRIOR YEAR

	Direct costs 2020 £	Support costs 2020 £ (note 5)	Total 2020 £
Fundraising and managing membership scheme and Corporate partners	23,340	6,292	29,632
Charitable activities:			
Literary festivals and one off events	184,021	43,306	227,327
	<u>207,361</u>	<u>49,598</u>	<u>256,959</u>

All expenditure related to unrestricted funds in both years.

5 ANALYSIS OF SUPPORT COSTS

	2021 £	2020 £
Staff costs	15,181	12,940
Office, premises and IT	20,362	28,392
Governance costs (note 6)	3,000	3,171
Travel and subsistence	62	184
Other costs	19,372	3,340
Depreciation	695	1,571
	<u>58,672</u>	<u>49,598</u>

Support costs are allocated based upon the percentage of time spent on activities

CAMBRIDGE LITERARY FESTIVAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

6 ANALYSIS OF GOVERNANCE COSTS

	2021 £	2020 £
Independent examination fees	3,000	3,060
Other governance costs	-	111
	<u>3,000</u>	<u>3,171</u>

7 STAFF COSTS

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021 £	2020 £
Wages and salaries	120,055	101,299
Social security costs	12,215	9,832
Employer contributions to pension plans	7,102	6,422
	<u>139,372</u>	<u>117,553</u>

8 AVERAGE NUMBER OF EMPLOYEES

The average head count of employees during the year was 3 (2020: 3). The average number of full-time equivalent employees during the year is analysed as follows:

	2021 No	2020 No
Festival Director	1	1
Festival Manager	1	1
Administrator	1	1
	<u>3</u>	<u>3</u>

No employee received benefits of more than £60,000 during the year (2020: £60,000).

Key management personnel remuneration was £59,725 (2020: £57,662) for 1 employee (2020: 1), including employer's national insurance and pension contributions.

9 TRUSTEE REMUNERATION AND EXPENSES

No trustees were reimbursed any expenses during the year (2020:£111).

CAMBRIDGE LITERARY FESTIVAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

10 TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Equipment £	Totals £
COST			
At 1 July 2020	3,220	22,484	25,704
Additions	-	-	-
At 30 June 2021	3,220	22,484	25,704
DEPRECIATION			
At 1 July 2020	3,220	21,250	24,470
Charge for year	-	695	695
At 30 June 2021	3,220	21,945	25,165
NET BOOK VALUE			
At 30 June 2021	-	539	539
At 30 June 2020	-	1,234	1,234

11 DEBTORS

	2021 £	2020 £
Trade debtors	-	5,600
Other debtors	5,195	2,695
Other debtors - furlough	-	4,099
	5,195	12,394

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	1,920	475
Social security and other taxes	2,481	1,795
Accruals	2,511	2,511
Deferred income	10,000	-
	16,912	4,781

13 DEFERRED INCOME

	2021 £	2020 £
At 1 July 2020	-	-
Amount released to income	-	-
Amount deferred in year	10,000	-
At 30 June 2021	10,000	-
Deferred income relates to festivals which take place post year end.		

CAMBRIDGE LITERARY FESTIVAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

14 PENSIONS AND OTHER POST RETIREMENT BENEFITS

Defined contribution plans

The amount recognised in income and expenditure as an expense in relation to defined contribution plans were £7,102 (2020: £6,422). The amount outstanding at the year end was £91(2020:£55).

15 Related Parties

During the year donations from 1 (2020: 3) trustees amounting to £3,000 (2020: £7,850) to support the Festival during the Covid crisis.

During the year donation from 2 (2020: 0) trustees amounting to £750 (2020: £nil) to support the running of the charity.

One of the trustees of the Festival is also a Trustee of Binks Trust which made a donation of £15,000 (2020: £15,000) to the festival during the year.

One of the trustees is the managing director of TTP plc which supports the festival with donations of £50,000 (2020: £32,500) in the year.

There wre no other related party transactions in the year (2020: none).

CAMBRIDGE LITERARY FESTIVAL LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

CHARITY REGISTRATION NUMBER 1153944

COMPANY REGISTRARION NUMBER 06599041

TRUSTEES
Jane Reid (known as Sian Reid)
Andrea Reiner (resigned 28/05/2021)
Peter Taylor
Julia Collins
Karen Duffy
Jeremy Newsum
Katie Taylor
Henry Elliot
Phoebe Garfinkel (resigned 12/11/2021)

COMPANY SECRETARY Alexandra Young (appointed 01/01/2021)

REGISTERED OFFICE
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INDEPENDENT EXAMINERS
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Cambridge Business Park
Cambridge
CB4 0WZ