

Charity Registration No. 1168860

**BERWICK LITERARY FESTIVAL  
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2020**

# BERWICK LITERARY FESTIVAL

## LEGAL AND ADMINISTRATIVE INFORMATION

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### Trustees

Professor Michael Wright  
Canon Christopher M. Smith  
Sir Philip Mawer  
Ms Hilary O'Shea  
Mr Michael Gallico  
Miss Lindsay Dalgliesh  
Mr Michael Fraser  
Mr Nolan Dalrymple

(Appointed 18 May 2020)

(Appointed 18 May 2020)

### Charity number

1168860

### Principal address

14 Ravensdowne  
Berwick upon Tweed  
TD15 1HX

### Independent examiner

Laurence Pearson FCA  
5 Tweed Street  
Berwick upon Tweed  
TD15 1NG

### Bankers

TSB  
47 Hide Hill  
Berwick upon Tweed  
Northumberland  
TD15 1EQ

# BERWICK LITERARY FESTIVAL

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# BERWICK LITERARY FESTIVAL

## TRUSTEES' REPORT

### FOR THE PERIOD ENDED 31 DECEMBER 2020

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The trustees present their report and accounts for the period ended 31 December 2020.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the CIO's Constitution, the Charities Act 2011 and "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)".

#### Objectives and activities

The CIO's objects are to advance education by promoting and providing opportunities for the appreciation, understanding and enjoyment of literature and the arts, in particular through the promotion and running of a literary festival in Berwick upon Tweed and the surrounding area, and such other activities as the trustees shall from time to time determine.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the CIO should undertake.

#### Achievements and performance

The 7th Berwick Literary Festival took place successfully on 15-18 October 2020 despite the Covid-19 pandemic. The original plans were for a four-, rather than the established three-day event, with the inclusion of two writing workshops and more parallel sessions totalling nearly 40 events.

It became obvious in April that it would be difficult, at least, to run the previous pattern of in-person talks and the Steering Group (SG) worked very hard to present a smaller (in terms of the number of events – 17) programme online, using Zoom. This event ran successfully, with minimal technical difficulty and to considerable acclaim (when many other book festivals did not run). Sessions were freely available, donations were requested, and each event promoted Berwick extensively. The calibre of speakers was generally higher than before, the range of topics as diverse, and specialist interviewers added considerably to many presentations.

There is difficulty in calculating the exact audience for an online event (one registration may cover a family, for example) but the final audience in terms of "seats occupied" was ca 70% higher than 2019, for fewer than half the number of events. Importantly, whereas 40% of 2019 registrants were from Berwick and only 13% from outside the Tyne-to-Forth area, in 2020 those proportions were 17% and 50%, with 10% of audiences from outside the UK. (In 2019 there was only one known non-UK attendee, a Dutchman who took shelter from the heavy rain).

Promotion of the Festival moved significantly to online methods, with a much wider outreach than the format of posters and brochures could have achieved and was rewarded by much larger audiences. Since the Festival a YouTube channel has been created by individual SG members' enterprise, hosting the majority of sessions recorded in October and a short promotional video for the Festival overall.

Unfortunately it was impossible to run events in schools, although Harry Baker, a poet who performed during the Festival, subsequently recorded workshop material that was provided to the town's schools. The Rotary Schools short story competition and poetry-reading in care homes had to be suspended until 2021. *Wilson's Tales* was brought into the fold with an entertaining online event.

During the year the Festival made significant improvements to its operations that will stand it in good stead for 2021 and beyond. The technical knowledge of running online events will be of great value in the future; the Festival website is now under our control and updated; we have a donation model in place; a mailing list of over 900 contacts has been built; and contacts have been built with hospitality industry and bookshops.

The number of Patrons increased by 36 (over 40%) and a much higher percentage attended Festival events. A programme of Patrons' online talks started, which have been well-attended (and which proved useful rehearsals in 2020!). This scheme is a great asset and envied by the other Autumn Festivals.



# **BERWICK LITERARY FESTIVAL**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE PERIOD ENDED 31 DECEMBER 2020**

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### **Achievements and performance continued**

Despite the difficulties encountered by many businesses in the town during lockdowns, commercial sponsorship was offered generously. The Festival's remit to the wider town (e.g. through the schools' activity) was cited by sponsors as a reason to support it.

Hitherto, the availability of sufficient income to mount the various elements of the Festival has been a key issue facing the Steering Group and, by definition, the Trustees. We now have sufficient experience of monitoring expenditure to be able to estimate the cost of the Festival in either format and the income necessary to support it. The 2020 Festival operated at a notable surplus and the CIO retains assets equal to at least a full year's expenditure, which has been an aim of the Trustees.

At the start of 2020 Chairmanship of the Steering Group passed from Professor Michael Wright to Michael Gallico and there was significant change to form a larger and energised Steering Group and a wider group of supporters. The Trustees are particularly grateful to the members of the Steering Group, volunteers, administrative support and all others who assist with the Festival throughout the year.

Relationships with the other three Autumn Festivals in Berwick have improved, especially with regard to joint marketing at the start of the year. In similar vein contacts have been built with regional publishers and potential partners that will add profile to BLF.

In summary, the Steering Group considers that a very successful Festival was offered in 2020, that our financial position is sustainable and that adequate funding and the organisational capacity is in place for 2021 for a festival in either live or online format (or both), conscious that the BLF should contribute to the economy of the town.

### **Financial review**

The 2020 virtual Festival has generated a significant surplus, primarily due to the generous donations made by those attending the virtual events and reduced expenditure because of fewer speakers and no travel costs or venue hire. This report is for a shortened period of 10 months, to better bring income and expenditure in line with the operation of the Festival: future reports will be for the calendar year and the Trustees are grateful for the work of the Hon. Treasurer in preparing the accounts and for advice given throughout the year.

It is the policy of the CIO that unrestricted funds which have not been designated for a specific use should be held at a level equivalent to one year's expenditure in order for the Festival to be sustainable. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the CIO's current activities while consideration is given to ways in which additional funds may be raised.

The trustees have assessed the major risks to which the CIO is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

### **Structure, governance and management**

#### **Governance**

The CIO was established by a constitution on 22 August 2016.

The CIO has eight trustees who have delegated the running of the Festival to the Steering Group, of which some trustees are members.

Trustees act in a voluntary capacity and do not receive any remuneration. Trustees are appointed in accordance with the terms of the constitution.



# BERWICK LITERARY FESTIVAL

## TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

### Governance continued

The trustees who served during the period and up to the date of signature of the financial statements were:

Professor Michael Wright  
Canon Christopher M. Smith

Sir Philip Mawer  
Lady Zoreen Hill

Ms Hilary O'Shea

Mr Michael Gallico

Miss Lindsay Dalgliesh

Mr Michael Fraser

Mr Nolan Dalrymple

(Resigned 18 May 2020)

(Appointed 18 May 2020)

(Appointed 18 May 2020)

New trustees are recruited and appointed by existing trustees. Copies of the CIO's constitution and other documentation are available to new trustees.

The trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the CIO and of the incoming resources and application of resources of the CIO for that period.

In preparing these accounts, the trustees are required to:

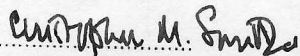
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the CIO and enable them to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the CIO and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Future plans

The Trustees intend to continue to build on the work previously carried out provide an ongoing benefit to the town. Preparations for the 8th Festival, which will take place from 14 - 17 October 2021, are well under way.

The trustees' report was approved by the Board of Trustees.



Canon Christopher M. Smith

Trustee

Dated: 20th July 2021



Mr Michael Gallico

Trustee

Dated: 27/7/21



**BERWICK LITERARY FESTIVAL**  
**INDEPENDENT EXAMINER'S REPORT**  
**TO THE TRUSTEES OF BERWICK LITERARY FESTIVAL**

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I report to the trustees on my examination of the financial statements of Berwick Literary Festival (the CIO) for the period ended 31 December 2020.

**Responsibilities and basis of report**

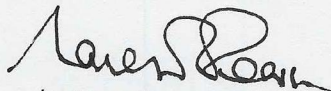
As the trustees of the CIO you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the CIO's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable 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 CIO as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.



Laurence Pearson FCA

5 Tweed Street  
Berwick upon Tweed  
TD15 1NG

Dated: 25 June 2021



# BERWICK LITERARY FESTIVAL

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
<b><u>Income from:</u></b>							
Donations and legacies	3	7,612	2,149	9,761	2,711	5,100	7,811
Charitable activities	4	3,355	-	3,355	9,623	-	9,623
<b>Total income</b>		<u>10,967</u>	<u>2,149</u>	<u>13,116</u>	<u>12,334</u>	<u>5,100</u>	<u>17,434</u>
<b><u>Expenditure on:</u></b>							
Charitable activities	5	5,308	2,149	7,457	13,109	5,100	18,209
<b>Net movement in funds</b>		<u>5,659</u>	<u>-</u>	<u>5,659</u>	<u>(775)</u>	<u>-</u>	<u>(775)</u>
Fund balances at 29 February 2020		<u>12,934</u>	<u>-</u>	<u>12,934</u>	<u>13,709</u>	<u>-</u>	<u>13,709</u>
<b>Fund balances at 31 December 2020</b>		<u><u>18,593</u></u>	<u><u>-</u></u>	<u><u>18,593</u></u>	<u><u>12,934</u></u>	<u><u>-</u></u>	<u><u>12,934</u></u>

The statement of financial activities includes all gains and losses recognised in the period.

All income and expenditure derive from continuing activities.

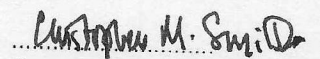
# BERWICK LITERARY FESTIVAL

## BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2020 £	£
<b>Current assets</b>					
Debtors					
Cash at bank and in hand	8	4,445		484	
		14,519		14,180	
		<u>18,964</u>		<u>14,664</u>	
<b>Creditors: amounts falling due within one year</b>	9	(371)		(1,730)	
Net current assets			18,593		12,934
			<u>18,593</u>		<u>12,934</u>
<b>Income funds</b>					
Unrestricted funds			18,593		12,934
			<u>18,593</u>		<u>12,934</u>

The financial statements were approved by the Trustees on 15th July 2021

  
 Canon Christopher M. Smith  
 Trustee

  
 Mr Michael Gallico  
 Trustee



# **BERWICK LITERARY FESTIVAL**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020**

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### **1 Accounting policies**

#### **Charity information**

Berwick Literary Festival is a CIO, registered number 1168860.

#### **1.1 Accounting convention**

The accounts have been prepared in accordance with the CIO's Constitution, the Charities Act 2011 and "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)" (as amended for accounting periods commencing from 1 January 2016). The CIO is a Public Benefit Entity as defined by FRS 102.

The CIO has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the CIO. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### **1.2 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

#### **1.3 Income**

Income is recognised when the CIO is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the CIO has been notified of the donation, unless performance conditions require deferral of the amount.

#### **1.4 Expenditure**

Expenditure is recognised in the period to which it relates.

#### **1.5 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer equipment	33% Straight Line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### **1.6 Cash and cash equivalents**

Cash and cash equivalents include cash in hand and deposits held at call with banks.



# BERWICK LITERARY FESTIVAL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

### 1 Accounting policies

(Continued)

#### 1.7 Financial instruments

The CIO has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the CIO's balance sheet when the CIO becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the CIO's contractual obligations expire or are discharged or cancelled.

### 2 Critical accounting estimates and judgements

In the application of the CIO's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# BERWICK LITERARY FESTIVAL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

### 3 Donations and legacies

	Unrestricted funds 31 Dec 2020 £	Restricted funds 31 Dec 2020 £	Total 31 Dec 2020 £	Unrestricted funds 28 Feb 2020 £	Restricted funds 28 Feb 2020 £	Total 28 Feb 2020 £
Donations and gifts	4,262	-	4,262	461	-	461
Grants	1,000	1,999	2,999	1,500	4,750	6,250
Sponsorship	2,350	150	2,500	750	350	1,100
	<u>7,612</u>	<u>2,149</u>	<u>9,761</u>	<u>2,711</u>	<u>5,100</u>	<u>7,811</u>

### 4 Charitable activities

	31 December 2020 £	28 February 2020 £
Patrons		
Tickets	3,355	2,530
Gift Aid	-	6,669
	<u>3,355</u>	<u>9,623</u>

# BERWICK LITERARY FESTIVAL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

### 5 Charitable activities

	Direct charitable expenditure 31 Dec 2020 £	Overhead Expenses 31 Dec 2020 £	Total 31 Dec 2020 £	Direct charitable expenditure 28 Feb 2020 £	Overhead Expenses 28 Feb 2020 £	Total 28 Feb 2020 £
Contributors' fees	2,579	-	2,579	4,529	-	4,529
Contributors' travel and accommodation	-	-	-	866	-	866
Patrons' events	114	-	114	-	-	-
Poetry illustration/ Children's events	100	-	100	3,822	-	3,822
Printing and advertising	-	2,107	2,107	-	1,991	1,991
Hall hire	61	-	61	965	-	965
Postage and stationery	-	-	-	-	89	89
Website and IT	-	403	403	-	907	907
Equipment hire	-	-	-	65	-	65
Wine/flowers	-	-	-	-	27	27
Other direct event costs	-	-	-	261	-	261
Charges/commission	-	-	-	833	-	833
Admin support	-	1,875	1,875	-	3,450	3,450
Other charitable expenditure	-	218	218	-	404	404
	<u>2,854</u>	<u>4,603</u>	<u>7,457</u>	<u>11,341</u>	<u>6,868</u>	<u>18,209</u>
	<u>2,854</u>	<u>4,603</u>	<u>7,457</u>	<u>11,341</u>	<u>6,868</u>	<u>18,209</u>
<b>Analysis by fund</b>						
Unrestricted funds	2,704	2,604	5,308	7,961	5,148	13,109
Restricted funds	150	1,999	2,149	3,380	1,720	5,100
	<u>2,854</u>	<u>4,603</u>	<u>7,457</u>	<u>11,341</u>	<u>6,868</u>	<u>18,209</u>

### 6 Trustees

One trustee was reimbursed expenses of £114 from the CIO during the period (28 February 2020 £180). None of the trustees (or any persons connected to them) received any remuneration from the CIO during the year (28 February 2020 £Nil).

### 7 Employees

There were no employees during the period, but a part-time freelance administrator was retained.



# BERWICK LITERARY FESTIVAL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

### 8 Debtors

	31 December 2020 £	28 February 2020 £
Amounts falling due within one year:		
Other debtors	4,445	423
Prepayments and accrued income	-	61
	<u>4,445</u>	<u>484</u>

### 9 Creditors: amounts falling due within one year

	Notes	31 December 2020 £	28 February 2020 £
Deferred income	10	-	1,580
Trade creditors		221	-
Accruals and deferred income		150	150
		<u>371</u>	<u>1,730</u>

### 10 Deferred income

	2020 £	2020 £
Other deferred income	-	1,580
	<u>-</u>	<u>1,580</u>

### 11 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds		
	Incoming resources £	Resources expended £	Balance at 29 February 2020 £	Incoming resources £	Resources expended £	Balance at 31 December 2020 £
Community Foundation - Berwick Academy events	1,000	(1,000)	-	-	-	-
Berwick Town Council	3,750	(3,750)	-	1,999	(1,999)	-
Longridge Towers School sponsorship	350	(350)	-	-	-	-
Patrons' sponsorship of specific event	-	-	-	150	(150)	-
	<u>5,100</u>	<u>(5,100)</u>	<u>-</u>	<u>2,149</u>	<u>(2,149)</u>	<u>-</u>

# **BERWICK LITERARY FESTIVAL**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE PERIOD ENDED 31 DECEMBER 2020**

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### **12 Related party transactions**

There were no disclosable related party transactions during the period.



# BERWICK LITERARY FESTIVAL

## DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2020

	Period to 31 December 2020 £	Year to 28 February 2020 £
<b>Donations and legacies</b>		
Donations		
Grants - unrestricted	4,262	461
Sponsorship	1,000	1,500
Grants - restricted	2,350	750
Sponsorship - restricted	1,999	4,750
	150	350
	<hr/>	<hr/>
	9,761	7,811
<b>Incoming resources from charitable activities</b>		
Patrons		
Tickets	3,355	2,530
Gift Aid	-	6,669
	-	424
	<hr/>	<hr/>
	3,355	9,623
<b>Total incoming resources</b>	<hr/>	<hr/>
	13,116	17,434
<b><u>Resources expended</u></b>		
<b>Direct charitable expenditure</b>		
Contributors' fees	2,429	3,114
Contributors - restricted	150	1,415
Contributors' travel and accommodation	-	866
Patrons' events	114	-
Schools' events	100	2,822
Schools' events - restricted	-	1,000
Hall hire	61	-
Hall hire - restricted	-	965
Equipment	-	65
Other direct event costs	-	261
Charge/commission	-	833
	<hr/>	<hr/>
	(2,854)	(11,341)
<b>Balance Carried Forward</b>	<hr/>	<hr/>
	10,262	6,093

# BERWICK LITERARY FESTIVAL

## DETAILED INCOME AND EXPENDITURE ACCOUNT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

	Period to 31 December 2020	Year to 28 February 2020
<b>Overhead Expenses</b>		
Printing and advertising	108	1,020
Printing and advertising - restricted	1,999	971
Postage and stationery	-	89
Website and IT	403	158
Website and IT - restricted	-	749
Wine/flowers	-	27
Admin support	1,875	3,450
Insurance	218	254
Other costs	-	150
	<u>          </u>	<u>          </u>
	(4,603)	(6,868)
<b>Surplus/(Deficit) for the period</b>	<u><u>5,659</u></u>	<u><u>(775)</u></u>