

Charity Registration No. 1168860

BERWICK LITERARY FESTIVAL
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

BERWICK LITERARY FESTIVAL

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Professor Michael Wright Canon Christopher M. Smith Mr Michael Gallico Miss Lindsay Dalgliesh Mr Michael Fraser Mr Nolan Dalrymple The Rt Revd Dr Stephen Platten (Appointed 15 July 2021)
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 YEAR ENDED 31 DECEMBER 2021

The trustees present their report and accounts for the year ended 31 December 2021.

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 8th Berwick Literary Festival ran successfully over the weekend of 14-17 October 2021. For a second year the continuing Covid-19 pandemic meant that when planning the programme in the spring it was clear that in-person events would be difficult to arrange, and a reduced programme was largely delivered by Zoom again. The expertise with Zoom events developed in 2020 was extended, not least by using the Webinar version of the software, which made the technical team's task a great deal simpler, although by suppressing individuals' cameras and microphones it made attending events feel much less 'personal'.

Eighteen speaker events were offered in a programme that as ever reflected the current concerns for environment, Covid, history, fiction, poetry, and some more eclectic choices. It is invidious to judge a festival by the 'big names' assembled but having Gordon Brown, William Dalrymple, Diarmaid MacCulloch, Salley Vickers and Andrew Lownie int. al. indicates that the Festival is achieving growing recognition as an outlet for speakers significant in their fields. Few of these would have been likely to attend in person so the challenge for future festivals is to entice to Berwick speakers of similar profile.

Sessions were freely available, donations were requested, and each event promoted Berwick extensively. Increasingly we secure the services of interviewers with a background in the topics discussed, which adds considerably to the flow of presentations.

As in previous years, a poetry- and a fiction-writing workshop launched the Festival on the Thursday.

Two live events were held in the Maltings: Dyad Production's Female Gothic on the Friday night and a reading by the Poet Laureate Simon Armitage on Saturday. Audiences for both were moderate, reflecting continuing 'covid caution', but those who attended greatly enjoyed the events.

Audiences were smaller in 2021 than in 2020 as 'Zoom fatigue' set in; some speakers have already put versions of their talks online, so the novelty is less; and by October 2021 it was possible to travel and go about, whereas in 2020 people were much more confined to home. The best assessment is that total "seats occupied" was about 20% lower than in 2020; that average age was lower (for the first time the majority of the audience was under 65), although it varied sharply according to the event; and that 50% of the audience was again from beyond the rivers Tyne or Forth, and this group will be unlikely to attend in-person in 2021. The vast majority of the audience attended only one event, being able to select their chosen speaker via Zoom.

Promotion of the Festival continued by online methods, with a much wider outreach than the format of posters and brochures could have achieved. The main source of information for attendees was the Festival's own mailing list and Twitter (used by many speakers to promote themselves). Recordings of nearly all 2021 sessions have been added to the Festival YouTube channel created in 2020, where they attract widely varying viewing figures.

BERWICK LITERARY FESTIVAL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance continued

Again we could not run live events in the town schools, but we offered two activities. The first, the Radius 2021 poetry competition, asked pupils to make a short film of, and write a poem about, a favourite place. Berwick Academy and Eyemouth High School won the prizes and Festival volunteers found themselves in a classroom presenting these. All seven first schools in the Berwick Partnership took part in the online short poetry workshops offered by Joseph Coelho and about 400 pupils and staff were in the audience for his two hour-long events. The output of the schools' events is also live on YouTube.

The Festival set up the Little Library by the Sea at the Little Beach car park, the most northerly in a Books by the Sea chain that is spreading along the Northumberland coast and (in 2022) up the Tweed valley and its tributaries. This is a year-round Festival asset that has proved popular, has been well-used since its siting and is maintained by two volunteers.

The Rotary Schools short story competition and poetry-reading in care homes were again suspended.

The number of Patrons increased further to 143 and their financial support is often beyond generous. Several Patrons-only online talks were staged, with Rosamund de la Hey of Main Street Trading Company in St Boswell's a particular success.

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.

The largely unchanged 2020 Steering Group ran this 8th Festival but at the year's end a number of individuals stepped back and to deliver the 9th an enlarged Steering Group and a wider group of supporters will be necessary to deliver what is an increasingly complex event. 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 2021 when many smaller festivals had been unable to restart or did so in a very low-key way; that our financial position is sustainable; and that adequate funding and the organisational capacity is in place for 2022 for a live festival (albeit with provision for Zoom events for speakers who cannot come to Berwick for any reason).

Financial review

The 2021 virtual Festival ran at a small loss, which was envisaged, since part of the significant surplus generated in 2020 was applied to consultancy on marketing strategy and increased promotion. However the CIO's funds are more than adequate to support a festival for a year even if no income were received, a constant aim of the Trustees. Finally, the Trustees are grateful for the work of the Hon. Treasurer in preparing the accounts and for advice given throughout the year, not least for the swift collection of Gift Aid and managing the complexities of the GoFundMe system and PayPal; and to the independent examiner of these accounts for his continued scrutiny of their correctness.

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.

BERWICK LITERARY FESTIVAL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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.

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

Professor Michael Wright

Canon Christopher M. Smith

Sir Philip Mawer (Resigned 15 July 2021)

Ms Hilary O'Shea (Resigned 15 July 2021)

Mr Michael Gallico

Miss Lindsay Dalglish

Mr Michael Fraser

Mr Nolan Dalrymple

The Rt Revd Dr Stephen Platten (Appointed 15 July 2021)

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 year.

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

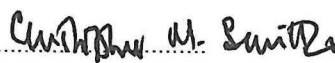
The Trustees intend to continue to build on the work previously carried out provide an ongoing benefit to the town. Preparations for the 9th Festival, which will take place from 13 - 16 October 2022, are well under way.

BERWICK LITERARY FESTIVAL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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



Canon Christopher M. Smith

Trustee

Dated: 29/6/22



Mr Michael Gallico

Trustee

Dated: 23/6/22

BERWICK LITERARY FESTIVAL

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF BERWICK LITERARY FESTIVAL

I report to the trustees on my examination of the financial statements of Berwick Literary Festival (the CIO) for the year ended 31 December 2021.

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: 6 June 2022

BERWICK LITERARY FESTIVAL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total Unrestricted funds 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Income from:							
Donations and legacies	3	7,005	1,109	8,114	7,612	2,149	9,761
Charitable activities	4	6,244	-	6,244	3,355	-	3,355
Total income		13,249	1,109	14,358	10,967	2,149	13,116
Expenditure on:							
Charitable activities	5	14,788	1,109	15,897	5,308	2,149	7,457
Net (expenditure)/income for the year/ Net movement in funds		(1,539)	-	(1,539)	5,659	-	5,659
Fund balances at 1 January 2021		18,593	-	18,593	12,934	-	12,934
Fund balances at 31 December 2021		17,054	-	17,054	18,593	-	18,593

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

All income and expenditure derive from continuing activities.


BERWICK LITERARY FESTIVAL

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Current assets					
Debtors	8	783		4,445	
Cash at bank and in hand		16,821		14,519	
		<u>17,604</u>		<u>18,964</u>	
Creditors: amounts falling due within one year	9	(550)		(371)	
Net current assets			17,054		18,593
Income funds					
Unrestricted funds			17,054		18,593
			<u>17,054</u>		<u>18,593</u>

The financial statements were approved by the Trustees on


Canon Christopher M. Smith
Trustee


Mr Michael Gallico
Trustee

BERWICK LITERARY FESTIVAL

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

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 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 are allocated on the portion of the asset's use.

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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BERWICK LITERARY FESTIVAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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 the statement of financial activities.

1.6 Cash and cash equivalents

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

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 YEAR ENDED 31 DECEMBER 2021

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Donations and gifts	2,755	-	2,755	4,262	-	4,262
Grants	2,500	1,109	3,609	1,000	1,999	2,999
Sponsorship	1,750	-	1,750	2,350	150	2,500
	<u>7,005</u>	<u>1,109</u>	<u>8,114</u>	<u>7,612</u>	<u>2,149</u>	<u>9,761</u>

4 Charitable activities

	2021 £	2020 £
Patrons	4,050	3,355
Tickets	375	-
Gift Aid	1,819	-
	<u>6,244</u>	<u>3,355</u>

BERWICK LITERARY FESTIVAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

5 Charitable activities

	Direct charitable expenditure	Overhead expenses	Total 2021	Direct charitable expenditure	Overhead expenses	Total 2020
	2021	2021		2020	2020	
	£	£	£	£	£	£
Contributors' fees	3,730	-	3,730	2,579	-	2,579
Patrons' events	143	-	143	114	-	114
Poetry illustration/ Children's events	1,282	-	1,282	100	-	100
Printing and advertising	-	3,024	3,024	-	2,107	2,107
Hall hire	-	-	-	61	-	61
Postage and stationery	-	81	81	-	-	-
Website and IT	-	1,083	1,083	-	403	403
Admin support	-	5,186	5,186	-	1,875	1,875
Other charitable expenditure	-	1,368	1,368	-	218	218
	<u>5,155</u>	<u>10,742</u>	<u>15,897</u>	<u>2,854</u>	<u>4,603</u>	<u>7,457</u>
	<u>5,155</u>	<u>10,742</u>	<u>15,897</u>	<u>2,854</u>	<u>4,603</u>	<u>7,457</u>
Analysis by fund						
Unrestricted funds	4,655	10,133	14,788	2,704	2,604	5,308
Restricted funds	500	609	1,109	150	1,999	2,149
	<u>5,155</u>	<u>10,742</u>	<u>15,897</u>	<u>2,854</u>	<u>4,603</u>	<u>7,457</u>

6 Trustees

One trustee was reimbursed expenses of £114 from the CIO during the year (31 December 2020 £180). None of the trustees (or any persons connected to them) received any remuneration from the CIO during the year (31 December 2020 £Nil).

7 Employees

There were no employees during the year, but two part-time freelance administrators were retained.

BERWICK LITERARY FESTIVAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	-	4,445
Prepayments and accrued income	783	-
	<u>783</u>	<u>4,445</u>

9 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	-	221
Accruals and deferred income	550	150
	<u>550</u>	<u>371</u>

10 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 1 January 2021	Incoming resources	Resources expended	Balance at 31 December 2021
	£	£	£	£	£	£
Anonymous donation towards Schools' events	-	-	-	500	(500)	-
Berwick Town Council	1,999	(1,999)	-	609	(609)	-
Patrons' sponsorship of specific event	150	(150)	-	-	-	-
	<u>2,149</u>	<u>(2,149)</u>	<u>-</u>	<u>1,109</u>	<u>(1,109)</u>	<u>-</u>

11 Related party transactions

There were no disclosable related party transactions during the year.