

The Registered Company Number is:- 4369668

The Charity Registration Number is :- 1121276

Manchester Literature Festival Limited

Report and Accounts

31 March 2016

Manchester Literature Festival Limited
Report and accounts

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Manchester Literature Festival Limited

Registered company number:- 4369668

Trustees' Annual Report for the year ended 31 March 2016

The Trustees present their Report and Accounts for the year ended 31 March 2016, which also comprises the Directors' Report required by the Companies Act 2006.

Reference and administrative details

The charity name.

The legal name of the charity is:- Manchester Literature Festival Limited

The charity's areas of operation and UK charitable registration.

The charity is registered in England & Wales with charity number 1121276

Legal structure of the charity

The charity is constituted as a company limited by guarantee, registered under the Companies Acts. and its governing document is a Memorandum and Articles of Association under company legislation.

By operation of law all, trustees are directors under the Companies Act 2006 and all directors are trustees under Charities legislation and have responsibilities, as such, under both company and charity legislation.

The principal operating address, telephone number and email and web addresses of the charity are:-

The Department Store
5 Oak Street , Manchester
M4 6JD
Telephone 0161 832 5502

The registered office of the charity for Companies Act purposes is the same as the operating address shown above

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The Trustees in office on the date the report was approved were:-

Matthew Jonathan Frost
Punam Ranchum
Jerome de Groot (Chair)
Ed Farrelly
Martin Alexander Carr
Katherine Elizabeth Jane Beacon

The Trustees in office during the year were:-

The trustees who served as a trustee in the reporting period were as shown above, and there were no changes during the year, or in the period between the year end and the approval of the accounts.

Matthew Jonathan Frost
Janice Bradley (resigned 7 December 2015)
Punam Ranchum
Jerome de Groot (Chair)
Ed Farrelly
Collette Morgan - Ford (resigned 7 December 2015)
Alison Spenceley (resigned 7 December 2015)
Martin Alexander Carr (appointed 7 December 2015)
Katherine Elizabeth Jane Beacon

All the trustees are also members of the charity. Their responsibilities include All the responsibilities of directors under the Companies acts and of trustees under the Charities Acts

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Objectives and Activities of the Charity

A summary of the objects of the charity as set out in its governing document.

Manchester Literature Festival's charitable objectives are: "to promote arts and, in particular, literature in society for the benefit of the inhabitants of the North West Area of England and elsewhere by developing public appreciation of literature and by improving public access to and the quality of literature."

To achieve these aims in 2015/16, the Charity organised and promoted the Manchester Literature Festival 12 – 25 October 2015.

The 2015 Manchester Literature Festival (MLF) was highly successful in meeting our primary goals:

- To bring to Manchester the very best in contemporary writing from across the world.
- To commission and showcase innovative literature from North West writers.
- To provide life-enriching opportunities for local people to participate in an exciting range of creative and educational activities.
- To provide opportunities for writers to experiment with new media in the production and presentation of their work.
- To promote Manchester as a hub for international cultural exchange.
- To provide inspirational opportunities for children and young people to experience high-quality live literature and engage in creative writing and reading activities.

MLF continued to distinguish itself from the many literary events and festivals elsewhere by imaginative and diverse programming, offering a much broader range of experience than traditional book trade-serving events. The tenth edition of the Manchester Literature Festival featured 85 live events (including bookend events) spread across 26 venues, attracting a total audience of 12,754 people (a 30% increase on 2014 attendance). In total 187 writers and other artists took part in the Festival, and with rare exception proved to be of excellent calibre, not only in terms of artistic merit but also their ability to engage with an audience. According to Audience Survey results 98% of the audience rated their overall experience of the festival as very good (73%) or good (25%).

The eclectic programme, including bestselling genre writers alongside literary heavy-weights, and featuring everything from a series of literature in translation events to a Comic Art Masterclass, purposefully reached out to new and diverse audiences. For the first time we incorporated non-fiction events to the Festival programme with popular broadcasts and authors Paul Mason, Steven Pinker and Anita Anand giving fascinating talks on economics and post- capitalism , language and linguistics, the suffragettes and Indian history. These talks all proved very popular. We also introduced a new strand to the programme, Literature and Landscape, showcasing writers reflecting on nature writing, psychogeography, climate change and our relationship with the earth and the

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landscape around us.

Events featuring well-known names such as Margaret Atwood, Simon Armitage, Melvyn Bragg, Carol Ann Duffy, Paul Mason, Steven Pinker and Jeanette Winterson were predictably popular, and nearly all the events in our Young Readers, Literary Reputations and Weightmans Literary Tours strands sold out. In all 39 (46%) of this year's events sold out and the overall attendance was 77% of capacity.

The Festival also featured a number of new commissions:

An Ape's Progress – MLF and Manchester jazz festival co-commissioned this ambitious multi-media show bringing together the various talents of saxophonist and composer Iain Ballamy, poet Matthew Sweeney and graphic artist Dave McKean, as part of our respective 10th and 20th anniversary celebrations. The playful reimagining of Hogarth's *A Rake Progress* was performed at the RNCM in August as part of mlf and then at the Whitworth Art Gallery as part of MLF in October.

Joanne Harris: Why I Write – A Writer's Manifesto – MLF and Writers Centre Norwich co-commissioned Joanne Harris to deliver the latest provocation in their series of National Conversation discussions. The delivery of Joanne's provocation was followed by a discussion about the issues raised with newly appointed chancellor of the University of Manchester Lemn Sissay. The Manifesto received wide spread media attention in the Bookseller, The Guardian and The Telegraph.

Ned Beauman – An Oral History of the Nov Lik and its Legacy was co-commissioned by MLF and Manchester Art Gallery in response to artist Matthew Darbyshire's *An Exhibition for Modern Living*. The piece was performed at a special event at the gallery followed by an in conversation with Matthew about their respective artistic processes.

The GAEIA Manchester Sermon – Turkish novelist Elif Shafak was commissioned to deliver the sixth Manchester Sermon at Manchester Cathedral.

Midland Hotel Commission – as part of the fifth writer in residence project at the Midland Hotel, Kate Clancy was co-commissioned to write a new short story set in the hotel which was performed as part of an Afternoon Tea event at the Midland.

All these commissioning projects culminated in unique live events, providing opportunities for audiences to experience a one-off literary encounter, and also digital legacies enabling the new work to be experienced by a wider audience. These commissions also provide writers with interesting new challenges and encourages them to flex their creative muscles.

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The programme also featured a wide range of events and projects aimed at children and young people and their families, including our Family Reading Day - a daylong event at Manchester Central Library featuring 5 live literature events and a Market Place offering a range of craft activities, a drop-in storytelling tent, and tips on how to encourage good reading habits.

The Festival continued to deliver a year-round education programme encouraging children and young people to develop a passion for reading and creative writing. Activities included support for the second cohort of the Writing Squad young writers' hot housing project, establishing monthly Storytime with Dad sessions at Central, Longsight, Levenshulme and North City Libraries, and support for Alma Park Primary School's first book Festival.

HSBC continued their Principal Sponsorship and GAEIA/Castlefield, Weightmans and Squire Patton Boggs continued their corporate Festival Friends support. Specsavers came on board as a programme sponsor for our Young Readers and Literary Reputations strands. Our annual box office increased by an impressive 52% and we increased the festival's reserves by £12,681

Using the freelance services of Lethal Communications, the festival conducted an extensive media campaign. Press coverage included several pages of features and interviews in the Manchester Evening News, Big Issue in the North, The Skinny, two previews in the Guardian Guide, and coverage in Cheshire Life, The Speaker, the Easy Jet inflight magazine, Creative Tourist and Law Society Messenger. We also had author reviews on Radio 5 Live and Radio Manchester. We developed our media partnerships with Big Issue in the North and The Skinny, resulting in widespread coverage of the festival in print and online. Many events were reviewed on independent Blogs and other online platforms including The Bookseller, Guardian, Telegraph, Manchester Review and The State of the Arts.

Our website attracted a 14% increase in page views and 17% increase in unique visits from 2014. Our Twitter followers grew by 24% and Facebook likes by 26%. Our live tweeting from events proved very popular judging by favouriting and retweeting activity.

Public Benefit

Manchester Literature Festival's activities in the year were designed to provide the following public benefits in accordance with the Charities Act 2006:

The advancement of the arts: MLF provided a unique and diverse programme of activities designed to appeal to readers of all ages and literary tastes.

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The advancement of education: MLF provided an imaginative programme of events and reading projects for children and young people and supported local writers through commissioning and showcasing opportunities, enabling them to reach a broader audience and advance their careers.

The year ahead

The 11th edition of the Manchester Literature Festival will feature a packed programme of internationally renowned authors and special commissions including new collaborations with the Canal & River Trust and the Royal Literary Fund. We are developing an international programme exchange with Karachi Literature Festival.

With the support of funding from the Madeline Mabey Trust we will be launching a new young writers' project. We will continue our efforts to apply to a range of other Charitable Trusts to help support future commissioning and education projects and develop a dedicated marketing role within the organisation.

We have identified a need to secure sufficient income to create a dedicated marketing function within the organisation. This role will include deeper analysis of box office statistics and audience booking trends to inform future planning and fundraising.

Financial Review

Policies on reserves

The Festival currently holds £72,949 in reserves. The Festival aims to retain a minimum of 25% annual turnover (approximately £55,000) in reserve to smooth out peaks and troughs in funding and box office income and to cover any one-off additional expenditure such as office moves. The Trustees may choose to invest any excess reserves in activities that will help to secure the continued growth of the festival, such as fundraising or marketing, or to seek out low risk investment banking options.

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The trustees' bankers and advisors

Bankers	HSBC plc 760 Wilmslow Road, Manchester M20 0DP
Accountants	RWF Rubinstein Chartered Accountants, Brentwood, 171 Bury New Road, Manchester M45 6AB

Financial review

The charity's financial position at the end of the year ended 31 March 2016

The financial position of the charity at 31 March 2016 and comparatives for the prior period, as more fully detailed in the accounts, can be summarised as follows:-

	2016	2015
	£	£
Net Income	<u>12,680</u>	<u>6,863</u>
Unrestricted Revenue Funds available for the general purposes of the charity	70,636	57,955
Restricted Revenue Funds	2,313	2,313
Total Funds	<u>72,949</u>	<u>60,268</u>

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Statement of Directors' and Trustees' Responsibilities

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Companies Act 2006, the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008. Notwithstanding the explicit requirement in the extant statutory regulations, the Charities (Accounts and Reports) Regulations 2008, to prepare the financial statements in accordance with the SORP 2005, in view of the fact that the SORP 2005 has been withdrawn, the Trustees determined to interpret this responsibility as requiring them to follow current best practice and prepare the accounts according to the FRSSE SORP 2015.

In particular, the Companies Act 2006 and charity law require the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of the surplus or deficit of the charity. In preparing those financial statements the Board is required to :-

- to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;

The law requires that the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for the year.

The Trustees are also responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which are sufficient to show and explain the charity's transactions and enable them to ensure that the financial statements comply with the Companies Act 2006 and comply with regulations made under the Charities Act. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are also responsible for the contents of the Trustees' report, and the statutory responsibility of the Independent Examiner in relation to the Trustees' report is limited to examining the report and ensuring that, on the face of the report, there are no material inconsistencies with the figures disclosed in the financial statements.

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Trustees' Annual Report for the year ended 31 March 2016

Method of preparation of accounts - Small company provisions

The financial statements are set out on pages 17 to 22.

The financial statements have been prepared implementing the Statement of Recommended Practice for Accounting and Reporting by Charities 2015 and in accordance with the Financial Reporting Standard for Smaller Entities 2015.

These accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

This report was approved by the board of trustees on 5 September 2016.

A handwritten signature in dark ink, consisting of a stylized 'J' followed by a series of loops and a final horizontal stroke.

Jerome de Groot
Director and Trustee

Manchester Literature Festival Limited

Report of the Independent Examiner to the Trustees of the charitable company on the accounts for the year ended 31 March 2016

I report on the financial statements of the charitable company on pages 12 to 22 for the year ended 31 March 2016 which have been prepared in accordance with the Charities Act 2011 (the Act) and with the Financial Reporting Standard for Smaller Entities (FRSSE), effective January 2015, as modified by the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commission for England & Wales, effective January 2015 (The SORP), under the historical cost convention and the accounting policies set out on page 17.

Respective responsibilities of Trustees and Independent Examiner

As described on page 8, the charitable company's Trustees, who are also the Directors of the Company for the purposes of Company law, are responsible for the preparation of the financial statements.

The Trustees consider that the audit requirement of Section 144(1) of the Charities Act 2011 (the Act) does not apply, and that there is no requirement in the memorandum and articles of the charity for the conducting of an audit, and that the accounts do not require an audit in accordance with Part 16 of the Companies Act 2006 and that no member or members have requested an audit pursuant to section 476 of the Companies Act 2006. As a consequence, the Trustees have elected that the financial statements be subject to independent examination.

Having satisfied myself that the charity is not subject to audit under any legal provision, or otherwise, and is eligible for independent examination, it is my responsibility to:-

- a) examine the accounts under section 145 of the Act;
- b) follow the procedures in the General Directions given by the Charity Commission under section 145(5)(b) of the Act; and;
- c) state whether particular matters have come to my attention.

Basis of Examiner's Statement and scope of work undertaken

I conducted my examination in accordance with the General Directions issued by the Charity Commission for England & Wales, under section 145(5)(b) of the Act, setting out the duties of an Independent Examiner in relation to the conducting of an Independent Examination. An Independent Examination includes a review of the accounting records kept by the charitable company and of the accounting systems employed by the charitable company and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you, as Trustees, concerning such matters. The purpose of the examination is to establish as far as possible that there have been no breaches of charity legislation and that the financial statements comply with the SORP, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements.

The procedures undertaken do not provide all the evidence that would be required in an audit, and information supplied by the Trustees in the course of the examination is not subjected to audit tests or enquiries, and consequently I do not express an audit opinion on the view given by the financial statements, and in particular, I express no opinion as to whether the financial statements give a true and fair view of the affairs of the charity, and my report is limited to the matters set out in the statement below.

I planned and performed my examination so as to satisfy myself that the objectives of the Independent Examination are achieved and before finalising the report I obtained written assurances from the Trustees of all material matters.

Subject to the limitations upon the scope of my work as detailed above, in connection with my examination, I can confirm that :-

In accordance with Regulation 31 of The Charities (Accounts and Reports) Regulations 2008, (The Regulations) the accounts of this charitable company are not required to be audited under Part 16 of the Companies Act 2006;

Manchester Literature Festival Limited

This is a report in respect of an examination carried out under section 145 of the Act and in accordance with any directions given by the Commission under subsection (5)(b) of that section which are applicable;

and that no matter has come to my attention in connection with my examination which gives me reasonable cause to believe that in any material respect the requirements :-

to keep accounting records in accordance with section 386 of the Companies Act 2006 and section 130 of the Charities Act 2011;

to prepare financial statements which accord with the accounting records and comply with the accounting requirements of section 396 of the Companies Act 2006 and The Charities Act 2011 and;

that the financial statements be prepared in accordance with the methods and principles set out in the Statement of Recommended Practice - Accounting and Reporting by Charities (effective January 2015)

have not been met or to which, in my opinion, attention should be drawn in my report in order to enable a proper understanding of the accounts to be reached;

Michael J Rubinstein - Independent Examiner

Institute of Chartered Accountants in England and Wales

171 Bury New Road
Whitefield
Manchester
M45 6AB

This report was signed on 5 September 2016

Manchester Literature Festival Limited - Statement of Financial Activities for the year ended 31 March 2016

Statement of Financial Activities for the year ended 31 March 2016

	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
	2016 £	2016 £	2016 £	2015 £
Income & Endowments				
Donations & Legacies	173,877	-	173,877	164,292
Income from charitable activities	51,664	-	51,664	33,011
Investment income	22	-	22	16
Total income	225,563	-	225,563	197,319
Expenditure				
Cost of raising funds	17,000	-	17,000	16,500
Expenditure on charitable activities	195,883	-	195,883	173,956
Total expenditure	212,883	-	212,883	190,456
Net Income for the year	12,680	-	12,680	6,863
Net income after transfers	12,680	-	12,680	6,863
Net movement in funds	12,680	-	12,680	6,863
Reconciliation of funds:-				
Total funds brought forward	57,955	2,313	60,268	53,405
Total funds carried forward	70,635	2,313	72,948	60,268

A separate Statement of Total Recognised Gains and Losses is not required as this statement includes all recognised gains and losses.'

All activities derive from continuing operations

The notes attached on pages 17 to 22 form an integral part of these accounts.

Manchester Literature Festival Limited - Statement of Financial Activities for the year ended 31 March 2016

Manchester Literature Festival Limited - Analysis of prior year total funds, as required by paragraph 4.2 of the SORP

	Prior Year Unrestricted Funds 2015 £	Prior Year Restricted Funds 2015 £	Prior Year Total Funds 2015 £
Income & Endowments			
Donations & Legacies	164,292	-	164,292
Income from charitable activities	33,011	-	33,011
Income from other, non charitable, trading activities	-	-	-
Investment income	16	-	16
Other income	-	-	-
Total income	197,319	-	197,319
Expenditure			
Cost of raising funds	16,500	-	16,500
Expenditure on charitable activities	173,956	-	173,956
Other expenditure	-	-	-
Total expenditure	190,456	-	190,456
Net income for the year	6,863	-	6,863
Transfers between funds	-	-	-
Net income after transfers	6,863	-	6,863
Other recognised gains/(losses)			
Net movement in funds	6,863	-	6,863
Reconciliation of funds:-			
Total funds brought forward	51,092	2,313	53,405
Total funds carried forward	57,955	2,313	60,268

All activities derive from continuing operations

A separate Statement of Total Recognised Gains and Losses is not required as this statement includes all recognised gains and losses.'

The notes attached on pages 17 to 22 form an integral part of these accounts.

Manchester Literature Festival Limited - Statement of Financial Activities for the year ended 31 March 2016

Manchester Literature Festival Limited - Resources applied in the year ended 31 March 2016 towards fixed assets for Charity use:-

	2016 £	2015 £
Funds generated in the year as detailed in the SOFA	12,680	6,863
Net resources available to fund charitable activities	12,680	6,863

Movements in revenue and capital funds for the year ended 31 March 2016

Revenue accumulated funds

	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Last year Total Funds 2015 £
Accumulated funds brought forward	57,955	2,313	60,268	53,405
Recognised gains and losses before transfers	12,680	-	12,680	6,863
	70,635	2,313	72,948	60,268
Closing revenue funds	70,635	2,313	72,948	60,268

Summary of funds

	Unrestricted and Designated funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Last Year Total Funds 2015 £
Revenue accumulated funds	70,635	2,313	72,948	60,268

The notes attached on pages 17 to 22 form an integral part of these accounts.

Manchester Literature Festival Limited - Statement of Financial Activities for the year ended 31 March 2016

Manchester Literature Festival Limited

Income and Expenditure Account for the year ended 31 March 2016 as required by the Companies Act 2006

	2016 £	2015 £
Income		
Income from operations	225,541	197,303
Investment income		
Interest receivable	22	16
Gross income in the year before exceptional items	225,563	197,319
Gross income in the year including exceptional items	225,563	197,319
Expenditure		
Charitable expenditure, excluding depreciation and amortisation	192,415	170,341
Depreciation and amortisation	668	300
Fundraising costs	17,000	16,500
Governance costs	2,800	3,315
Realised losses on disposals of social investments which are programme related	-	-
Total expenditure in the year	212,883	190,456
Net Income before tax in the financial year	12,680	6,863
Tax on surplus on ordinary activities	-	-
Net Income after tax in the financial year	12,680	6,863
Retained surplus for the financial year	12,680	6,863
All activities derive from continuing operations		

In accordance with the provisions of the Companies Act 2006, the headings and subheadings used in the Income and Expenditure account have been adapted to reflect the special nature of the charity's activities.

The notes attached on pages 17 to 22 form an integral part of these accounts.

Manchester Literature Festival Limited - Balance Sheet as at 31 March 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	7	2,003	2,671
Current assets			
Cash at bank and in hand		89,363	67,365
Creditors: amounts falling due within one year	8	<u>(18,417)</u>	<u>(9,768)</u>
Net current assets		70,946	57,597
The total net assets of the charity		<u>72,949</u>	<u>60,268</u>

The total net assets of the charity are funded by the funds of the charity, as follows:-

Restricted funds			
Restricted Revenue Funds	11	2,313	2,313
Unrestricted Funds			
Unrestricted Revenue Funds	11	70,636	57,955
Designated Funds			
Total charity funds		<u>72,949</u>	<u>60,268</u>

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

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

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The charity is subject to Independent Examination under charity legislation, and the report of the examiner is on page 11.

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

Jerome de Groot
Trustee

Approved by the board of trustees on 5 September 2016

The notes attached on pages 17 to 22 form an integral part of these accounts.

Notes to the Accounts for the year ended 31 March 2016

1 Accounting policies

Policies relating to the production of the accounts.

Basis of preparation and accounting convention

The accounts have been prepared on the accruals basis, under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities' (effective January 2015)) and 'The FRSSE Statement of Recommended Accounting Practice 2015', (The SORP 2015), and in accordance with all applicable law in the charity's jurisdiction of registration, except that the charity has prepared the financial statements in accordance with the FRSSE SORP 2015 in preference to the previous SORP, the SORP 2005, which has been withdrawn, notwithstanding the fact that the extant statutory regulations, the Charities (Accounts and Reports) Regulations 2008 refer explicitly to the SORP 2005. This has been done to accord with current best practice.

Following accounting policies in place prior to the SORP 2015

Under the SORP 2015, where there is no specific requirement to adopt a particular accounting requirement, a charity may follow their existing accounting policies provided that the policy and related disclosures made are consistent with accepted accounting practice. This charity has decided that the accounting policies set out below, which it followed prior to the SORP 2015, shall continue to be followed:-

Historical Cost Convention

Policies relating to categories of income and income recognition.

Nature of income

Gross income represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

Categories of Income

Income is categorised as income from exchange transactions (contract income) and income from non-exchange transactions (gifts), investment income and other income.

Income from exchange transactions is received by the charity for goods or services supplied under contract or where entitlement is subject to fulfilling performance related conditions. The income the charity receives is approximately equal in value to the goods or services supplied by the charity to the purchaser.

Income from a non-exchange transaction is where the charity receives value from the donor without providing equal value in exchange, and includes donations of money, goods and services freely given without giving equal value in exchange.

Income recognition

Income, whether from exchange or non exchange transactions, is recognised in the statement of financial activities (SOFA) on a receivable basis, when a transaction or other event results in an increase in the charity's assets or a reduction in its liabilities and only when the charity has legal entitlement, the income is probable and can be measured reliably.

Income subject to terms and conditions which must be met before the charity is entitled to the resources is not recognised until the conditions have been met.

All income is accounted for gross, before deducting any related fees or costs.

Accounting for deferred income and income received in advance

Where terms and conditions relating to income have not been met or uncertainty exists as to whether the charity can meet any terms or conditions otherwise within its control, income is not recognised but is deferred as a liability until it is probable that the terms or conditions imposed can be met.

Any grant that is subject to performance-related conditions received in advance of delivering the goods and services required by that condition, or is subject to unmet conditions wholly outside the control of the recipient charity, is accounted for as a liability and shown on the balance sheet as deferred income. Deferred income is released to income in the reporting period in which the performance-related or other conditions that limit recognition are met.

Notes to the Accounts for the year ended 31 March 2016

When income from a grant or donation has not been recognised due to the conditions applying to the gift not being wholly within the control of the recipient charity, it is disclosed as a contingent asset if receipt of the grant or donation is probable once those conditions are met.

Where time related conditions are imposed or implied by a funder, then the income is apportioned to the time periods concerned, and, where applicable, is accounted for as a liability and shown on the balance sheet as deferred income. When grants are received in advance of the expenditure on the activity funded by them, but there are no specific time related conditions, then the income is not deferred.

Any condition that allows for the recovery by the donor of any unexpended part of a grant does not prevent recognition of the income concerned, but a liability to any repayment is recognised when repayment becomes probable.

Income from legacies

Income from legacies is recognised when the charity has sufficient evidence that a gift has been left to them, that where required, probate has been granted, the executor is satisfied that the property in question will not be required to satisfy claims in the estate, that it is probable that the amount will be received by the charity, and the amount to be received can be estimated with sufficient accuracy, and that any conditions attached to the legacy are either within the control of the charity or have been met.

Where a payment is received from an estate or is notified as receivable by the executors after the reporting date and before the accounts are authorised for issue but it is clear that the payment had been agreed by the executors prior to the end of the reporting period, then the amount concerned is treated as an adjusting event and accrued as income in the accounting period if receipt is probable.

Where the charity has established entitlement to a legacy but there is uncertainty as to the amount of the payment, details of the legacy are disclosed as a contingent asset until the criteria for income recognition are met. Where a legacy is subject to the interest of a life tenant, the legacy is not recognised as income until the death of the life tenant.

If it is doubtful that full settlement of a legacy debtor will be received, then an adjustment is made to reduce the amount of the legacy debtor and legacy income rather than charging the adjustment as expenditure in the Statement of Financial Activities

Donated goods, facilities and services

Donated fixed assets are recognised at their current market value. All such donations are recognised as donation income, and debited to fixed assets.

Donated goods that are not fixed assets are accounted for at a fair value, unless it is impractical to reliably measure the value of the donation.

In the absence of any direct evidence of fair value of donated goods, then a value is derived from the cost of the item to the donor or, in the case of goods that are expected to be sold, the estimated resale value after deducting any anticipated costs of sales.

If it is impracticable to measure the fair value of goods donated for resale, or the costs of valuation outweigh the benefits, the donated goods are recognised as income when sold, with an equivalent amount being recognised as an expense.

The costs of goods donated for distribution to beneficiaries is deemed to be the fair value of those goods upon receipt. When the goods are distributed freely or for a nominal consideration, then the carrying amount is adjusted at the time of sale, to the value at the point of distribution and the adjustment is shown as a cost of donations made.

All donated goods are recognised as donation income, and debited to trading stock. When trading stock is subsequently sold, or appropriated to meet an expense, then the carrying value of the stock is recognised as an expense. In accordance with the SORP, goods donated for distribution to beneficiaries, or for consumption by the charity are included in '*legacies and donations*'. Goods donated for resale are included in '*Income from other trading activities*'

Donated services and facilities are included in the accounts on the basis of the value of the gift to the charity.

All donated services and facilities are recognised as donation income when received, (provided the value of the gift can be measured reliably) and recognised as an expense with an equivalent value.

Membership subscriptions

The income and any associated Gift Aid or other tax refund from a membership subscription received by the charity in the nature of a gift, is accounted for on the same basis as a donation.

Notes to the Accounts for the year ended 31 March 2016

The income from a membership subscription received by the charity where the subscription purchases the right to services or benefits is recognised as income from charitable activities.

Recognition of liabilities and expenditure

A liability, and the related expenditure, is recognised when a legal or constructive obligation exists as a result of a past event, and when it is more likely than not that a transfer of economic benefits will be required in settlement, and when the amount of the obligation can be measured or reliably estimated.. Liabilities arising from future funding commitments and constructive obligations, including performance related grants, where the timing or the amount of the future expenditure required to settle the obligation are uncertain, give rise to a provision in the accounts, which is reviewed at the accounting year end. The provision is increased to reflect any increases in liabilities, and is decreased by the utilisation of any provision within the period, and reversed if any provision is no longer required. These movements are charged or credited to the respective funds and activities to which the provision relates.

Policies relating to assets, liabilities and provisions and other matters.

Fixed Asset Investments

Fixed asset investments in quoted shares, traded bonds, investment properties and similar investments are shown at their market value at the balance sheet date at the end of the financial period. Investment properties are not depreciated, except where the property is held on a lease with an unexpired term of 20 years or less.

Fixed asset investments in unlisted equities are shown at the balance sheet date at the best estimate of their market value, where practicable. Where valuation techniques are considered unreliable or where, in the opinion of the trustees, the costs outweigh the benefits to the users of the accounts, the investment is included at cost, and a review is undertaken at each year end as to whether the asset should be written down.

All gains on fixed asset investments, whether realised or unrealised, are included in row D2 of the Statement of Financial Activities.

Tangible fixed assets

Tangible fixed assets are measured at their original cost value, or subsequent revaluation, or if donated, as described above. Cost value includes all costs expended in bringing the asset into its intended working condition.

Depreciation has been provided at the following rates in order to write off the assets to their anticipated residual value over their estimated useful lives.

Plant and machinery	25 % reducing balance
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Accounting for capital grants and fixed asset funds.

Gifts of tangible fixed assets or grants of a capital nature, given for the purposes of acquiring specific assets to be fully utilised in the furtherance of the objects of the charity, are credited to fixed asset funds after the donated asset has been received or sums have been properly expended on the restricted purpose.

Where the terms of the gift require the charity to hold the asset on an ongoing basis for a specific purpose, then the fixed asset fund so created is categorised as a restricted fixed asset fund, and the relevant restrictions are noted in the fixed asset note 7.

Where the terms of the gift are met once the asset is acquired, so allowing the charity to use the asset on an unrestricted basis, including the right to receive the proceeds of any future sale of the asset on an unrestricted basis, then the fixed asset fund so created is categorised as a designated fixed asset fund.

When assets are acquired for the furtherance of the charity's objects, utilising the charity's own unrestricted funds, a transfer is made from unrestricted funds to a designated fixed asset fund.

Manchester Literature Festival Limited

Notes to the Accounts for the year ended 31 March 2016

Whether acquired with unrestricted or restricted funds, the asset acquired is initially shown in the balance sheet at the full cost of acquisition or subsequent revaluation.

As the related assets are depreciated, in accordance with the depreciation policy, in order to reflect the diminution in the asset, a transfer is made from the relevant fixed asset funds to either unrestricted or restricted revenue funds, as appropriate to the terms of the original gift, if any.

The effect of this policy is that the aggregate of all fixed asset funds shall equate to the net book value of fixed assets.

In the first year that this policy was adopted, a transfer to fixed asset funds was made equivalent to the net book value of the assets.

Stocks and work in progress

Stock is valued at the lower of cost and net realisable value.

Debtors

Debtors are measured at their recoverable amounts at the balance sheet date.

Cash and Bank Balances

Cash held by the Charity is included at the amount held and counted at the year end. Bank balances, whether in credit or overdrawn, are shown at the amounts properly reconciled to the bank statements.

Creditors and provisions

Creditors and provisions are measured at their payable amounts at the balance sheet date.

Cash and bank balances

Cash held by the charity is included at the amount actually held and counted at the year end. Bank balances, whether in credit or overdrawn, are shown at the amounts properly reconciled to the bank statements.

2 Liability to taxation

As a registered charity, the organisation is exempt from income and corporation tax to the extent that its income and gains are applied towards the charitable objects of the charity and for no other purpose. Value Added Tax is not recoverable by the charity, and is therefore included in the relevant costs in the Statement of Financial Activities.

3 Winding up or dissolution of the charity

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity.

4 Net surplus before tax in the financial year

	2016	2015
	£	£

The net surplus before tax in the financial year is stated after charging:-

Depreciation of owned fixed assets	668	300
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Manchester Literature Festival Limited

Notes to the Accounts for the year ended 31 March 2016

5 Staff costs and emoluments

Salary costs	2016	2015
	£	£
Gross Salaries excluding trustees	63,655	22,322
Employer's National Insurance	5,426	1,946
Total salaries, wages and related costs	69,081	24,268

Numbers of full time employees or full time equivalents	2016	2015
The average number of total staff employed in the year was	3.0	1.6

No employees received emoluments (excluding pension costs) in excess of £60,000 per annum.

6 Remuneration and payments to Trustees and persons connected with them

No trustees or persons connected with them received any remuneration from the charity, or any related entity.

7 Tangible fixed assets

	Land and Buildings	Plant & Machinery	Motor Vehicles	Total	Total
	£	£	£	£	£
Cost					
At 1 April 2015	-	11,248	-	11,248	11,248
At 31 March 2016	-	11,248	-	11,248	11,248
Depreciation					
At 1 April 2015	-	8,577	-	8,577	8,577
Charge for the year	-	668	-	668	668
At 31 March 2016	-	9,245	-	9,245	9,245
Net book value					
At 31 March 2016	-	2,003	-	2,003	2,003
At 31 March 2015	-	2,671	-	2,671	2,671

8 Creditors: amounts falling due within one year	2016	2015
	£	£
Accruals	3,080	2,800
PAYE, NIC VAT and other taxes	2,254	2,398
Other creditors	13,083	4,570
	18,417	9,768

9 Income and Expenditure account summary	2016	2015
	£	£
At 1 April 2015	60,268	53,405
Surplus after tax for the year	12,680	6,863
At 31 March 2016	72,948	60,268

10 Particulars of how particular funds are represented by assets and liabilities

At 31 March 2016	Unrestricted funds	Designated funds	Restricted funds	Total Funds	Total Funds
	£	£	£	£	£
Tangible Fixed Assets	2,003	-	-	2,003	2,003
Investments at valuation:-					
Current Assets	87,050	-	2,313	89,363	89,363
Current Liabilities	(18,417)	-	-	(18,417)	(18,417)
	70,636	-	2,313	72,949	72,949
At 1 April 2015	Unrestricted funds	Designated funds	Restricted funds	Total Funds	Total Funds
	£	£	£	£	£
Tangible Fixed Assets	2,671	-	-	2,671	2,671
Investments at valuation:-					
Current Assets	65,052	-	2,313	67,365	67,365
Current Liabilities	(9,768)	-	-	(9,768)	(9,768)
	57,955	-	2,313	60,268	60,268

11 Change in total funds over the year as shown in Note 10 , analysed by individual funds

	Funds brought forward from 2015	Movement in funds in 2016	Transfers between funds in 2016	Funds carried forward to 2017	Funds carried forward to 2017
	£	See Note 12 £	£	£	£
Unrestricted and designated funds:-					
Unrestricted revenue funds	57,955	12,680	-	70,635	70,635
Total unrestricted and designated funds	57,955	12,680	-	70,635	70,635
Restricted funds:-					
Total restricted funds	2,313	-	-	2,313	2,313
Total charity funds	60,268	12,680	-	72,948	72,948

12 Analysis of movements in funds over the year as shown in Note 11

	Income	Expenditure	Other Gains & Losses	Movement in funds	Movement in funds
	2016 £	2016 £	2016 £	2016 £	2016 £
Unrestricted and designated funds:-					
Unrestricted revenue funds	225,563	(212,883)	-	12,680	12,680
	225,563	(212,883)	-	12,680	12,680

Manchester Literature Festival Limited

Detailed analysis of income and expenditure for the year ended 31 March 2016 as required by the SORP 2015

Donations and Sponsorship

	Current year Unrestricted Funds 2016 £	Current year Restricted Funds 2016 £	Current year Total Funds 2016 £	Prior Year Total Funds 2015 £
Revenue grants from government and public bodies				
Small grants individually less than £1000	679	-	679	1,383
Manchester City Council	13,000	-	13,000	12,500
Arts Council - Regularly Funded	81,231	-	81,231	76,661
Arts Council - Other Funds	5,000	-	5,000	17,500
Big Lottery	6,963	-	6,963	-
Catalyst	-	-	-	3,500
Total public sector revenue grants	106,873	-	106,873	111,544
Revenue grants and donations from non public bodies				
Small grants individually less than £1000	-	-	-	-
Ernest Cook Trust	2,994	-	2,994	-
Manchester Guardian Charitable Trust	1,000	-	1,000	-
Madeline Mabey Trust	2,500	-	2,500	1,500
Awards For All	-	-	-	2,726
Clore Foundation	-	-	-	2,103
Total private sector revenue grants	6,494	-	6,494	6,329
Sponsorship				
Sponsorship Income	60,510	-	60,510	46,419
Total sponsorship income	60,510	-	60,510	46,419
Total Donations and Sponsorship	173,877	-	173,877	164,292

Manchester Literature Festival Limited

Detailed analysis of income and expenditure for the year ended 31 March 2016 as required by the SORP 2015

Income from charitable activities - Trading Activities

	Current year Unrestricted Funds 2016 £	Current year Restricted Funds 2016 £	Current year Total Funds 2016 £	Prior Year Total Funds 2015 £
Sale of goods and services in accordance with the charity's objects	51,664	-	51,664	33,011
Total Primary purpose and ancillary trading	51,664	-	51,664	33,011

Total Income from charitable activities

	Current year Unrestricted Funds £ 2016	Current year Restricted Funds £ 2016	Current year Total Funds £ 2016	Prior Year Total Funds £ 2015
Total income from charitable trading	51,664	-	51,664	33,011
Total from charitable activities	51,664	-	51,664	33,011

Investment income

	Current year Unrestricted Funds 2016 £	Current year Restricted Funds 2016 £	Current year Total Funds 2016 £	Prior Year Total Funds 2015 £
Bank Interest Receivable	22	-	22	16
Total investment income	22	-	22	16

Expenditure on charitable activities - Direct spending

	Current year Unrestricted Funds 2016 £	Current year Restricted Funds 2016 £	Current year Total Funds 2016 £	Prior Year Total Funds 2015 £
Gross wages and salaries - charitable activities	63,655	-	63,655	21,856
Employers' NI - Charitable activities	5,426	-	5,426	1,946
Temporary Staff - Charitable Activities	-	-	-	466
Travel and Subsistence - Charitable Activities	7,989	-	7,989	6,467
Marketing and advertising of charitable services	31,816	-	31,816	38,861
Evaluation Costs	-	-	-	1,485
Artists Costs	31,186	-	31,186	18,208
Venue Costs	15,403	-	15,403	14,657
Total direct spending	155,475	-	155,475	103,946

Manchester Literature Festival Limited

Detailed analysis of income and expenditure for the year ended 31 March 2016 as required by the SORP 2015

Support costs for charitable activities

	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
	2016	2016	2016	2015
	£	£	£	£
<i>Premises Expenses</i>				
Rent, rates and water charges	8,395	-	8,395	9,201
<i>Administrative overheads</i>				
Telephone, fax and internet	1,832	-	1,832	2,743
Postage	2,822	-	2,822	2,269
Stationery and printing	870	-	870	886
Health and safety costs	285	-	285	251
Liability and contents insurance	919	-	919	927
Sundry expenses	722	-	722	13
Equipment, repairs, expenses and	338	-	338	105
Licences & Permits	35	-	35	88
<i>Financial costs</i>			-	
Bank charges	384	-	384	258
Depreciation & Amortisation in total for the period	668	-	668	300
Support costs before reallocation	37,608	-	37,608	66,695
Total support costs	37,608	-	37,608	66,695

The basis of allocation of costs between activities is described under accounting policies

Manchester Literature Festival Limited

Detailed analysis of income and expenditure for the year ended 31 March 2016 as required by the SORP 2015

Other Expenditure - Governance costs

	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
	2016	2016	2016	2015
	£	£	£	£
Independent Examiner's fees	2,800	-	2,800	3,315

Total Charitable expenditure

	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
	2016	2016	2016	2015
	£	£	£	£
Total direct spending	155,475	-	155,475	103,946
Total support costs	37,608	-	37,608	66,695
Total Governance costs	2,800	-	2,800	3,315
Total charitable expenditure	195,883	-	195,883	173,956

Expenditure on raising funds and costs of investment management

	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
	2016	2016	2016	2015
	£	£	£	£
Agent's costs for fundraising	17,000	-	17,000	16,500
Total fundraising costs	17,000	-	17,000	16,500