

CAMBRIDGE LITERARY FESTIVAL LIMITED
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

CAMBRIDGE LITERARY FESTIVAL LIMITED
CONTENTS

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

CAMBRIDGE LITERARY FESTIVAL LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 JUNE 2018

The trustees present their annual report and financial statements of the charity for the year ended 30 June 2018.

Structure, governance and management

a. Constitution

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

b. Method of appointment or election of directors

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

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

c. Organisational structure and decision making

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

Risk management

The trustees have identified the major risks which may affect the charity and have taken reasonable steps to mitigate those risks.

Objectives and activities

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

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

Achievements and performance

Cambridge Literary Festival delivered four festivals plus six individual events and welcomed almost 200 speakers from the UK and abroad and over 40,000 audience members.

The major initiatives introduced were:

- Held two major history festivals in partnership with the National Trust at their Wimpole Estate. The inaugural event was in July 2017 and the second June 2018 (which means they both fell in the same financial year). Key speakers included Mary Beard, Andrew Marr, Lucy Worsley, David Olusoga, Chris Patten, Bridget Kendall and Charles Spencer and combined attendance was in the region of 18,000. There was a lively children's programme of events and several schools brought small parties over the weekends.
- First media partnership with BBC History Magazine
- Hosted prize ceremony for PEN Hessel-Tiltman Prize
- Secured funding from The Book Trade Charity for a festival intern.
- Launched a virtual book group in partnership with Cambridge Edition magazine and Heffers Booksellers

CAMBRIDGE LITERARY FESTIVAL LIMITED

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 30 JUNE 2018

Amongst the highlights for 2017/18 were:

- Hosting one of only three UK events for US Writer and global thinker Rebecca Solnit on the publication of *The Mother of All Questions*.
- Hosting former UK Children's Laureate Chris Riddell as part of a unique partnership with Anglia Ruskin University, the home of a highly regarded Children's Book Illustration Course.
- Hosting three one off events with Irish novelist Colm Toibin; Man Booker prize winner Peter Carey; and former Secretary of State for Foreign and Commonwealth Affairs David Miliband
- Launched fundraising campaign to ensure that a copy of the best-selling *The Lost Words* by festival patron Robert Macfarlane and Jackie Morris is donated to every primary school in Cambridgeshire. The launch took place during a heart-warming, fascinating and educational sold-out event with the authors in the Cambridge Union Chamber.
- Taking the centenary of female suffrage as one of the key themes of the spring festival.
- Our annual *New Statesman* Debate proposed the motion 'This house believes that the only way for more women to succeed is for more men to fail'.
- Being a key partner on the Big Read and Write which held a free event for 400 children with author Jo Cotterill and with empathy as the theme. This was live beamed to primary schools throughout Cambridgeshire.
- Hosted the 2017 winner of The Goldsmith's Prize for 'fiction at its most novel' for the fifth consecutive year. This year the award went to Nicola Barker for her novel *H(a)ppy*.
- Hosted an event in partnership with the Royal Literary Fund to celebrate the centenary of the birth of Muriel Spark, one of the finest fiction writers of the 20th Century.

Financial review

a. Going concern

After making appropriate enquires, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

b. Financial review

The financial results reflect the holding of two History Festivals in the same financial year. The charity's overall unrestricted surplus of income over expenditure for the year was £13,097 (2017: £27,181) which, when aggregated with unrestricted reserves brought forward of £133,204 gives an unrestricted reserve to carry forward of £146,301.

The charity received £3,000 restricted income during the year, which was all spent along with the £1,700 restricted reserves brought forward, leaving £Nil restricted reserves at year end.

c. Reserves policy


The board considers that it should have a minimum of £75,000 of cash reserves to meet six months of fixed operational costs.

CAMBRIDGE LITERARY FESTIVAL LIMITED
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2018

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

- i. Our longstanding and new sponsors, donors, patrons, benefactors, friends and partners in particular The Technology Partnership (TTP), Baillie Gifford, Rathbones, Fenner's Chambers, St. Mary's School, Heffers, New Statesman, Cambridge City Council and The Book Trade Charity.
- ii. The Master, Fellows and Scholars of Trinity College, University of Cambridge
- iii. The volunteers and helpers who provide a warm and informed welcome throughout the year and at the festivals.

On behalf of the Board of Trustees


S.2.19

.....
Sian Reid

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

FOR THE YEAR ENDED 30 JUNE 2018

I report to the charity trustees on my examination of the accounts of the company for the year ended 30 June 2018 which are set out on pages 5 to 13.

Responsibilities and basis of report

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

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Chartered Institute of Accounts in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

HWilkinson

Helena Wilkinson
Price Bailey LLP
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Date:

28.2.2019

CAMBRIDGE LITERARY FESTIVAL LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 30 JUNE 2018

	Note	Unrestricted £	Restricted £	2018 Total £	2017 Total £
INCOME AND ENDOWMENTS FROM					
Donations		36,304	5,500	41,804	14,998
Charitable activities	2	370,865	-	370,865	235,828
Investment income	3	19	-	19	46
Total		407,188	5,500	412,688	250,872
EXPENDITURE					
Raising funds	4	24,095	-	24,095	20,221
Charitable activities	4	369,996	7,200	377,196	201,761
Taxation	7	-	-	-	9
Total		394,091	7,200	401,291	221,991
NET INCOME / (EXPENDITURE)		13,097	(1,700)	11,397	28,881
RECONCILIATION OF FUNDS					
Total funds brought forward	15b	133,204	1,700	134,904	106,023
TOTAL FUNDS CARRIED FORWARD	15a	146,301	-	146,301	134,904

All amounts relate to continuing activities of the company.

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

The notes to the accounts are shown on pages 7 to 13.

CAMBRIDGE LITERARY FESTIVAL LIMITED

CHARITY REGISTRATION NUMBER: 1153944

COMPANY NUMBER: 06599041

BALANCE SHEET AS AT 30 JUNE 2018

	Note	2018 Total £	2017 Total £
FIXED ASSETS			
Tangible assets	10	6,297	8,365
CURRENT ASSETS			
Debtors	11	3,471	36,195
Cash at bank and in hand		182,737	133,732
Total		186,208	169,927
CREDITORS			
Amounts falling due within one year	12	46,204	43,388
NET CURRENT ASSETS		140,004	126,539
TOTAL ASSETS LESS CURRENT LIABILITIES		146,301	134,904
NET ASSETS		146,301	134,904
FUNDS			
Unrestricted funds	15	146,301	133,204
Restricted funds	15	-	1,700
TOTAL FUNDS		146,301	134,904

For the year ending 30 June 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

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

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees on 23.1.2019 and signed on their behalf by:



.....
Sian Reid

The notes to the accounts are shown on pages 7 to 13.

CAMBRIDGE LITERARY FESTIVAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1 ACCOUNTING POLICIES

(a) General information

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 7 Downing Place, Cambridge, CB2 3EL.

(b) Statement of compliance

These financial statements have been prepared in compliance with FRS 102, the Statement of Recommended Practice applicable to charities preparing their accounts in accordance in the UK and Republic of Ireland, the Charities SORP (FRS 102) and the Companies Act 2006.

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

(c) Basis of preparation

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

(d) Going concern

There are no material uncertainties about the charity's ability to continue.

(e) Judgements and key sources of estimation or uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(f) Taxation

The Trust is a registered charity and is exempt from corporate taxes, to the extent of operating within its charitable objectives. Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Gift aid is accounted for when received.

(g) Fund accounting

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

(h) Income

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

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised on receipt.

CAMBRIDGE LITERARY FESTIVAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1 ACCOUNTING POLICIES (continued)

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

(i) Expenditure

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

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

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

(j) Tangible assets

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

(k) Depreciation

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

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

(l) Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the fixed assets which are valued at amortised cost.

CAMBRIDGE LITERARY FESTIVAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1 ACCOUNTING POLICIES (continued)

(m) Defined contribution plans

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

(n) Limited by guarantee

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

2 INCOME FROM CHARITABLE ACTIVITIES

	2018 £	2017 £
Ticket sales and similar income	300,176	169,574
Supporters schemes	21,759	18,239
Sponsorship and advertising	48,930	48,015
	<u>370,865</u>	<u>235,828</u>

3 INVESTMENT INCOME

	2018 £	2017 £
Bank interest received	<u>19</u>	<u>46</u>

4a. ANALYSIS OF EXPENDITURE – CURRENT YEAR

	Direct costs 2018 £	Support costs 2018 £ (note 5)	Total 2018 £
Raising funds	20,347	3,748	24,095
Charitable activities:			
Literary festivals and one off events	340,418	36,778	377,196
	<u>360,765</u>	<u>40,526</u>	<u>401,291</u>

In 2018, expenditure on unrestricted income fund charitable activities was £394,091 and £7,200 in relation to restricted income funds. All expenditure on raising funds related to unrestricted funds.

CAMBRIDGE LITERARY FESTIVAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2018

4b. ANALYSIS OF CHARITABLE ACTIVITIES – PRIOR YEAR

	Direct costs 2017 £	Support costs 2017 £ (note 5)	Total 2017 £
Raising funds	18,713	1,508	20,221
Charitable activities:			
Literary festivals and one off events	175,652	26,109	201,761
	<u>194,365</u>	<u>27,617</u>	<u>221,982</u>

In 2017, expenditure on unrestricted income fund charitable activities was £210,751 and £300 in relation to restricted income funds. All expenditure on raising funds related to unrestricted funds.

5 ANALYSIS OF SUPPORT COSTS

	2018 £	2017 £
Staff costs	11,561	9,849
Office, premises and IT	12,887	9,272
Governance costs (note 6)	6,993	781
Travel and subsistence	161	61
Other costs	3,315	2,668
Depreciation	5,609	4,986
	<u>40,526</u>	<u>27,617</u>

6 ANALYSIS OF GOVERNANCE COSTS

	2018 £	2017 £
Independent examination fees – prior year	3,000	375
Independent examination fees – current year	2,250	-
Other governance costs	1,743	406
	<u>6,993</u>	<u>781</u>

7 TAXATION

Major components of tax expense:

	2018 £	2017 £
Current tax:		
UK current tax expense	-	9

CAMBRIDGE LITERARY FESTIVAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2018

8 STAFF COSTS

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

	2018	2017
	£	£
Wages and salaries	79,996	74,396
Social security costs	4,728	4,270
Employer contributions to pension plans	5,580	4,621
	<u>90,304</u>	<u>83,287</u>

The average head count of employees during the year was 3 (2017: 3). The average number of full-time equivalent employees during the year is analysed as follows:

	2018	2017
	No	No
Festival Director	1	1
Festival Manager	1	1
Administrator	1	1
	<u>3</u>	<u>3</u>

No employee received benefits of more than £60,000 during the year (2017: £Nil).

Key management personnel remuneration was £45,938 (2017: £43,456) for one employee (2017: 1)

9 TRUSTEE REMUNERATION AND EXPENSES

No trustees were reimbursed any expenses during the year (2017: none).

10 TANGIBLE FIXED ASSETS

	Fixtures and fittings	Equipment	Totals
	£	£	£
COST			
At 1 July 2017	2,099	17,217	19,316
Additions	856	2,685	3,541
At 30 June 2018	<u>2,955</u>	<u>19,902</u>	<u>22,857</u>
DEPRECIATION			
At 1 July 2017	1,073	9,878	10,951
Charge for year	881	4,728	5,609
At 30 June 2018	<u>1,954</u>	<u>14,606</u>	<u>16,560</u>
NET BOOK VALUE			
At 30 June 2018	<u>1,001</u>	<u>5,296</u>	<u>6,297</u>
At 30 June 2017	<u>1,026</u>	<u>7,339</u>	<u>8,365</u>

CAMBRIDGE LITERARY FESTIVAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2018

11 DEBTORS

	2018	2017
	£	£
Trade debtors	3,147	3,901
Other debtors	324	32,294
	<u>3,471</u>	<u>36,195</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade creditors	32,273	4,167
Corporation tax	16	25
Social security and other taxes	1,442	1,362
Accruals and deferred income	12,473	37,834
	<u>46,204</u>	<u>43,388</u>

13 DEFERRED INCOME

	2018	2017
	£	£
At 1 July 2017	35,335	19,079
Amount released to income	(35,335)	(19,079)
Amount deferred in year	10,000	35,335
	<u>10,000</u>	<u>35,335</u>

Deferred income relates to festivals which take place post year end.

14 PENSIONS AND OTHER POST RETIREMENT BENEFITS

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans were £5,580 (2017: £4,621).

15a ANALYSIS OF CHARITABLE FUNDS – CURRENT YEAR

	At			At
	1 July 2017	Income	Expenditure	30 June 2018
	£	£	£	£
Unrestricted funds				
General funds	133,204	407,188	(394,091)	146,301
Restricted funds				
- Cambridge City Council	1,700	1,000	(2,700)	-
- Internship	-	2,000	(2,000)	-
- Peter Taylor promotional film	-	2,500	(2,500)	-
	<u>1,700</u>	<u>5,500</u>	<u>(7,200)</u>	<u>-</u>
	<u>134,904</u>	<u>412,688</u>	<u>(401,291)</u>	<u>146,301</u>

CAMBRIDGE LITERARY FESTIVAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2018

15b ANALYSIS OF CHARITABLE FUNDS – PRIOR YEAR

	At 1 July 2016 £	Income £	Expenditure £	At 30 June 2017 £
Unrestricted funds				
General funds	106,023	248,872	(221,691)	133,204
Restricted funds				
- Free Tickets for Schools	-	2,000	(300)	1,700
	<u>106,023</u>	<u>250,872</u>	<u>(221,991)</u>	<u>134,904</u>

16a ANALYSIS OF NET ASSETS BETWEEN FUNDS – CURRENT YEAR

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Tangible fixed assets	6,297	-	6,297
Current assets	186,208	-	186,208
Creditors less than 1 year	(46,204)	-	(46,204)
Net assets	<u>146,301</u>	<u>-</u>	<u>146,301</u>

16b ANALYSIS OF NET ASSETS BETWEEN FUNDS – PRIOR YEAR

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Tangible fixed assets	8,365	-	8,365
Current assets	168,227	1,700	169,927
Creditors less than 1 year	(43,388)	-	(43,388)
Net assets	<u>133,204</u>	<u>1,700</u>	<u>134,904</u>

CAMBRIDGE LITERARY FESTIVAL LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

CHARITY REGISTRATION NUMBER 1153944

COMPANY REGISTRATION NUMBER 06599041

TRUSTEES

Jane Reid (known as Sian Reid)
Denise Augar
Andrea Reiner
Peter Taylor
John Stanton
Angel Gurria-Quintana (resigned 31 October 2018)
Justin Richard Collins
Julia Collins
Karen Duffy (appointed 18 October 2017)
Jeremy Newsum (appointed 26 July 2017)
Katie Taylor (appointed 25 July 2018)

COMPANY SECRETARY Jane Dix

REGISTERED OFFICE

7 Downing Place
Cambridge
CB2 3EL

INDEPENDENT EXAMINERS

Price Bailey LLP
Chartered Accountants & Statutory Auditors
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ