

NEW WRITING NORTH
(COMPANY LIMITED BY GUARANTEE)
REPORT AND FINANCIAL STATEMENTS
31 MARCH 2013

Company number 03166037
Charity number 1062729

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COMPANIES HOUSE

JOSEPH MILLER & CO
Chartered Accountants
Newcastle upon Tyne

NEW WRITING NORTH
(COMPANY LIMITED BY GUARANTEE)
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

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NEW WRITING NORTH
(COMPANY LIMITED BY GUARANTEE)
REFERENCE AND ADMINISTRATIVE INFORMATION

Registered charity name	New Writing North
Charity number	1062729
Company registration number	03166037
Date of incorporation	29 February 1996
Board of trustees	J Blackie (Chair) S Chambers (Vice Chair - resigned 22 November 2012) W Scott (appointed Vice Chair 22 November 2012) S Bishop A Coburn S Dearden C Fernyhough (resigned 28 February 2013) J Hale A Lopardo R Rigby R Connorton (appointed 28 February 2013) A Devine (appointed 28 February 2013)
Chief executive	Claire Malcolm
Secretary	Catherine Robson
Telephone number	0191 204 8850
Website	www.newwritingnorth.com
Registered office	3 Ellison Terrace Ellison Place Newcastle upon Tyne NE1 8ST
Auditor	Joseph Miller & Co Chartered Accountants Milburn House Dean Street Newcastle upon Tyne NE1 1LE
Bankers	Lloyds TSB Bank plc 102 Grey Street Newcastle upon Tyne NE99 1SL

NEW WRITING NORTH
(COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES

YEAR ENDED 31 MARCH 2013

The trustees present their report and the financial statements of the charity for the year ended 31 March 2013. Reference and administrative information set out on page 1 forms part of this report.

The financial statements comply with current statutory requirements, the Statement of Recommended Practice "Accounting and Reporting by Charities" (revised 2005) issued by the Charity Commission and are prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Trustees

The trustees, who are also directors for the purposes of company law and are members of the charity, are as follows:

Jonathan Blackie	(Visiting Professor, Northumbria University)	Wendy Scott	(Northumberland County Council)
Steve Bishop	(North Tyneside Council)	Adam Lopardo	(The Sponsors Club)
Ann Coburn	(Writer)	Ros Rigby	(The Sage)
Steve Dearden	(Writer)	Jeanne Hale	(Newcastle City Council)
Ruth Connorton	(Eversheds)	Anthony Devine	(Northumbria University)

Structure, governance and management

Governing document and constitution

New Writing North is a registered charity and a company limited by guarantee (and therefore has no share capital). The charity is governed by its memorandum and articles of association.

Recruitment and appointment of new trustees

Trustees are elected to New Writing North based on discussions and recommendations offered by board members and outside advisors to the organisation (such as Arts Council England).

Board members serve for a minimum term of three years and a maximum of six years in rotation. Board membership can be renewed for longer than this period if the board invites members to continue their terms of office. This was adapted in 2012-13 to allow continuity in board membership and to retain skills and experience during a volatile time for arts funding.

The board membership brings to New Writing North a wealth of skills and expertise in the fields of writing, public policy and business. Over the last three years we have carefully built up the board to ensure that we have high-level skills in the fields of writing, finance, law, education and working with the public sector.

Induction and training of trustees

New trustees are inducted by the Chair of the board and the Chief Executive. This includes a briefing on the aims and objectives of New Writing North, and the current and proposed activities to achieve them. Potential trustees are invited to attend a board meeting as a guest prior to their being invited to become a trustee.

Organisational structure

The board meets four times a year to administer the charity and a Chief Executive is appointed by the board to manage the day-to-day operations of the charity. Both the Chair and Vice Chair meet regularly with the Chief Executive to discuss strategy and to support her work. Individual board members meet with the Chief Executive and other charity staff to advise on specific areas of work in-between meetings. A board Away Day is held every year to evaluate the organisation's work and to forward plan priorities.

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Two new sub-committees were established during the year to oversee finance and human resources and to allow board members to discuss in more detail and depth areas of activity. Both sub-committees report to the board and the full board discusses and actions recommendations from them.

Occasionally trustees of the charity undertake creative work with the organisation for which they are paid industry standard fees. This eventuality is permitted in the organisation's memorandum and articles of association and is approved by the trustees prior to commencement of such work. This arises due to our desire to have practicing freelance writers serving as board members. Writers who serve as board members do not receive any benefits and are not prioritised for work opportunities above other freelance writers, as can be evidenced in the detailed reporting of the range of work that the organisation produces each year.

Membership of a wider network

New Writing North is part of a national network of writing agencies that it helped to create. It engages with both regional and national and increasingly international networks to develop opportunities for writers and to share their skills and expertise.

Relationships with related parties

The charity has a close relationship with Arts Council England. The organisation nominates an observer to the board and provides funding to enable the charity to carry out its charitable objectives. A summary of transactions is set out in note 17 to the financial statements.

Relationships with other groups, charities and individuals

Valuable partnerships this year included the relationships that we have with Durham County Council, Durham University, Northumbria University and with the Port of Tyne.

Risk management

Each year the trustees, as part of their on-going review of activities and assessments, produce a strategic plan setting out the major opportunities available to the charity and the risks to which it is exposed. The plan includes an annual review of the risks which the charity may face, the establishment of systems and procedures to mitigate those risks identified in the plan, the implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise, and a consideration of the most appropriate level of general reserves.

The risks identified this year are

Risks

- 1) Staff changes and periods of leave and the challenge of appointing suitably qualified people into those roles
- 2) The volatile nature of public funding for the arts and the spending review in relation to Arts Council England funding
- 3) The challenge of engaging and influencing a range of new stakeholders across a wider geographical area
- 4) Sustaining fundraising at current levels in an increasingly competitive arena

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Mitigating action

- 1) New models explored to replace staff and to restructure the team around key staff leave periods
- 2) Engage with Arts Council England staff at all levels to ensure that the value of our work and the impact of our activities are understood Explore new income streams and different models of working that may offer wider opportunities or ways to replace funding
- 3) A review of stakeholder information was undertaken during the year, which has established a new database and communications strategy to improve activity in this area
- 4) During the year two new members of staff within the organisation have been training in fundraising techniques to build capacity within the organisation for more fundraising activity During the year significant research was undertaken exploring potential new funding sources for the organisation and in building up contact with potential new supporters

Objectives and activities

New Writing North's mission is to "Lead on the development of new writing and reading in the North by being a catalyst for enterprise and creativity"

New Writing North is a development agency for creative writing and creative reading based in the North East of England We specialise in the development of writing talent and act as a dynamic broker between writers, agents and producers across the creative industries As a promoter of new writing we work to engage people with creative reading, with live literary experiences and with new plays, films and digital work Our commitment to raising the aspirations and developing the creativity of young people and North East communities is realised through the production of creative projects which seek to engage new audiences and to delight and surprise those who already participate

The charity's aims including the changes or differences it seeks to make through its activities

Our values

- > To be a writer-centred organisation
- > To be a good employer and a good partner
- > To engage with the distinctiveness of our region
- > To have broad horizons - nationally and internationally
- > To evaluate the impact of our work and to learn from these findings
- > To communicate what we do well
- > To limit our environmental impact where possible
- > To ensure equality of opportunity throughout our work

Main objectives for the year

Our main objectives for the year were to progress the following strategic priorities

- Increase opportunities for new writers to develop their art and careers through the expansion and growth of the Northern Writers' Awards,
- To promote writers from the North of England to northern readers through a wide ranging partnership with library authorities and festivals and to expand this project to encompass the Yorkshire and Humberside areas,

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- To launch and deliver the Gordon Burn Prize, a new international award for published books that reflect the spirit and quality of Gordon Burn's writing,
- To continue to build Durham Book Festival into a successful and expanded festival offering a wide range of activities to the public and also acts as a platform for supporting and promoting new work by writers and artists commissioned specifically for premiere in Durham,
- To build on the rich activity run under the banner of our Cuckoo Young Writers programme for young writers to offer more opportunities to committed young people and to widen the reach of the projects to engage new people, and
- To continue to develop our work with school children and with teachers to support the development of creative writing activities in schools and to support teachers to engage with the subject

Strategies for achieving the stated objectives

New Writing North operates both as a developer of people and activities and also as a promoter of work and events. This allows us to achieve our strategic objectives in a variety of ways. Priorities for us are always to increase participation in our work, especially from people not usually motivated to engage, to grow audiences for our events and promotions, thereby encouraging wider enjoyment and benefit from our activities.

We manage our work by engaging with a wide variety of people and by developing a wide variety of partnerships with supporters, the public and peer organisations. This gives our small organisation both reach and profile and supports us to achieve our objectives in a flexible and economic way.

Significant activities that contribute to the achievement of the stated objectives

Once again this year we achieved critical success with many of our projects and extended the reach of our work. Of particular note was the success of the production of *Rapunzel* that we co-produced with BalletLORENT and premiered at the Durham Book Festival that went on to win Performance of the Year at the Journal Culture Awards and our relationship with Northumbria University that won Business Partnership of the Year at the same awards.

Partnerships and supportive relationships with key funders and new donors have allowed us to develop a number of new projects whilst undertaking the programme of work that we had planned for the year. Of particular note in this area is the support of the Port of Tyne whose funding allowed the production of an exceptional new book, *Tyne View*, written by Michael Chaplin. The book was launched in September 2012 and is now nearly sold out. In early 2013 Michael adapted the book into a performance at Live Theatre, which premiered as part of the Festival of the North East to great acclaim.

During this year we also established a new partnership with Business Educational Publishing and founded a new imprint, Moth Publishing, to support new northern writers into first time publication.

Achievements and performance

The charity performed well during the year and the small team has worked very hard to deliver an increased workload and expanded programme of work. The profile of our work and activities have increased over a wider geographical area and this means that more people than ever can benefit from our work and value from it.

During this year the organisation received a Catalyst grant from Arts Council England to support it to expand its fundraising activities, to invest in staff training in this area and to re-model how we undertake fundraising across the organisation. This grant allowed the Chief Executive to be back-funded to develop new approaches and to invest her time in new fundraising activities. With the support of Chairman Jonathan Blackie good

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progress was made with the cultivation of new contacts for the organisation and a number of events were held to develop relationships with businesses and charitable givers

Review of charitable activities undertaken

We aim for our work to reach people and we work hard to engage new audiences with our activities. We seek to remove any barriers to attendance and participation whether real or imagined that exist for our users. To ensure that our public engagement processes deliver success we focus on the following

- > Sustaining existing programmes to serve our current audiences well,
- > Offering a range of 'light touch' and 'deeper' opportunities for audiences to engage with our work,
- > Delivering our work across the region so that geography isn't a barrier for participants,
- > Finding a range of funding partners for our work, thus helping to ensure that price isn't a barrier for participants and attendees,
- > Learning more about our users and audiences and equipping ourselves to manage and use this information efficiently,
- > Prioritising activities that improve the visibility of literature as an art form in the region,
- > Pursuing new partnerships to improve the reach of our activities,
- > Evaluating our work well and by learning from this research,
- > Investing in digital communications and infrastructure,
- > Seeking reviews of our performances with our users and audiences,
- > Developing appropriate communications strategies to attract younger audiences, and
- > Producing materials online and in print which clearly shows the public benefit of our work

Public benefit

Many New Writing North projects and events are free to attend or to participate in. Where entrance fees or ticket prices are charged, these payments contribute directly to the cost of delivering the event. All of our day-to-day work with young people is free at the point of access, as are our book group activities. When ticket prices are charged the organisation always offers reduced ticket prices for the elderly, unemployed and those on a low wage. Free tickets for carers are offered where this is in line with the policies of the host venue.

Fundraising activities

The charity relies on grant aid from the donors identified in the financial statements, whose support is valued. There have been no other fundraising activities.

Factors relevant to the achievement of the objectives

We are grateful for the on-going support of project sponsors such as Arts Council England whose financial support allows us to continue to develop strategic regional projects that reach a wide public audience. This year we have also received support from Durham County Council, Esme Fairbairn Foundation, Northumbria University and Newcastle City Council.

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Summary of the main achievements during the year

This year has been a year of high achievement for New Writing North with the critical acclaim for our work increasing and our role as a development agency and producer of exciting new projects and work appreciated by a wider demographic

- Our Cuckoo Young Writer's Programme for teenage writers reached out across the region this year and engaged keen young writers in writing clubs, special events, festival events and holiday events. Many of the participants are studying for Gold Arts Awards through the programme

The launch of Cuckoo Review, a new cultural review website written and edited by young people to compliment our existing online literary magazine Cuckoo Quarterly was an achievement for the charity and has created a valuable critical resource for the region. The project is supported by many arts organisations locally that have also hosted our series of writing masterclasses delivered by leading critics and cultural writers

- Durham Book Festival had its most successful year ever in 2012 with audiences of over 6,000 attending events across a dynamic festival week that saw the premiere of Carol Ann Duffy's adaptation of Rapunzel produced by Ballet Lorent (Performance of the Year at the Journal Culture Awards). This commission was one of the many ways that the festival supports and produces new work by a range of new and established authors. Many other leading writers attended the festival week and we also established a new programme of event sponsorship to open up new avenues of funding for the event
- The Northern Writers' Awards expanded to open to writers from across the north of England seeing a tripling in the work submitted for competition. A new funding partnership was established for the awards with a donation and support in kind from Northumbria University increasing both the prize fund for the awards and allowed us to celebrate the awards more significantly

We also established new partnership working with literature organisations such as The Literacy Consultancy, The Poetry School and Arvon Foundation to support winning writers. Our Summer Talent Party, at which we introduce our winning writers and other regional writers to agents and publishers was a great success with many writers acquiring representation at the event and one writer achieving a book deal for her manuscript

- Read Regional, a project that connects regional writers to readers opened up to the Yorkshire and Humberside regions alongside the North East this year. In partnership with 23 library authorities we programmed over 50 events with our chosen authors in libraries and at festivals across the north. Each library also received book stock from featured authors, reading guides and marketing materials that helped them to programme events with book groups and with young people
- In association with Faber and Faber and the Gordon Burn Trust we established and launched the Gordon Burn Prize during the year. A new venture that aims to support exciting writers from the UK and US. In memory of Newcastle writer Gordon Burn the award supports both imaginative fiction and non-fiction making it a unique addition to the national literary award calendar. The award will also support the winning writer to undertake a residency in the North East care of the Gordon Burn Trust bringing an exceptional writer to our region

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YEAR ENDED 31 MARCH 2013

Financial review

The statement of financial activities shows net incoming resources for the year on unrestricted funds of £105,707, and net outgoing resources on restricted funds of £9,377, making net overall incoming resources of £96,330. The increase in incoming resources in the year is primarily due to Catalyst funding provided by The Arts Council, which is to be used in subsequent years for the purposes of developing future incoming resource streams.

The trustees are satisfied with the performance of the charity during the year and the position at 31 March 2013 and consider that the charity is in a strong position to continue its activities during the coming year, and that the charity's assets are adequate to fulfil its obligations.

The board of trustees is satisfied that the charity's assets in each fund are available and adequate to fulfil its obligations in respect of each fund.

Reserves policy

Reserves are those funds not invested in fixed assets and designated and restricted funds.

During the year the charity's reserves were reviewed and confirmed as adequate in line with the Charity Commission guidelines. In line with best practice the reserves policy will be reviewed annually in line with new budget setting. The level of reserves will be set based on a review of salary and accommodation overheads for a three-month period. The trustees set an acceptable reserve of £60,000 for this year that we believe would adequately cover the costs of the company if it had to be dissolved. The trustees are also aware that the volatile nature of public funding for the arts, which is key to our work and future viability, continues and through reviews of the reserves policy in 2013-14 will be exploring in more detail the on going needs of the company after a period of financial modelling.

The reserves at the year end amounted to £170,810.

Principal funding sources

Arts Council England, North East provided a revenue grant of £300,137 (2012 – £175,137). In addition Catalyst funding of £149,998 was receivable in the period.

Funding for the completion of specific projects within the North East of England has been provided by a number of organisations. The following provided funding in excess of £10,000.

Arts Council England (Grants for the Arts)
Esme Fairbairn Foundation
Durham County Council
Newcastle City Council
Northumbria University

Funds held as custodian trustee on behalf of others

The Andrea Badenoch Award

This award was set up in memory of the North East novelist Andrea Badenoch who died in 2005. The award is supported by New Writing North and by donations from friends and family of Andrea.

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REPORT OF THE TRUSTEES
YEAR ENDED 31 MARCH 2013

Responsibilities of the trustees

The trustees (who are also directors of New Writing North for the purposes of company law) are responsible for preparing the report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income or expenditure, of the charity for the year. In preparing these financial statements, the trustees are required to

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. 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

In so far as the trustees are aware

- there is no relevant audit information of which the charity's auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Auditor

Joseph Miller & Co has expressed its willingness to continue in office as auditor and is deemed to be re-appointed under section 487 (2) of the Companies Act 2006

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Signed on behalf of the trustees

J Blackie
Chair

J Blackie

4 December 2013

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF NEW WRITING NORTH
YEAR ENDED 31 MARCH 2013**

We have audited the financial statements of New Writing North for the year ended 31 March 2013 which comprise the statement of financial activities, including the income and expenditure account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the report of the trustees, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. We have been appointed as auditor under the Companies Act 2006 and report in accordance with that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the reports and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at year ended 31 March 2013, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the report of the trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the report of the trustees.

David Gold BA FCA, Senior Statutory Auditor
For and on behalf of Joseph Miller & Co, Statutory Auditor
Milburn House, Dean Street, Newcastle upon Tyne, NE1 1LE
4 December 2013

NEW WRITING NORTH
(COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 MARCH 2013

	Note	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	455,926	229,135	685,061	384,300
Activities for generating funds	3	32,710	-	32,710	25,033
Incoming resources from charitable activities	4	66,795	-	66,795	28,134
Total incoming resources		<u>555,431</u>	<u>229,135</u>	<u>784,566</u>	<u>437,467</u>
Resources expended					
Costs of generating funds					
Costs of generating voluntary income	5	104,874	-	104,874	42,299
Charitable activities	6	329,965	238,512	568,477	471,165
Governance costs	7	14,885	-	14,885	11,976
Total resources expended		<u>449,724</u>	<u>238,512</u>	<u>688,236</u>	<u>525,440</u>
Net income/(expenditure) for the year	8	105,707	(9,377)	96,330	(87,973)
Transfers					
Gross transfers between funds		(169)	169	-	-
Net movement in funds		105,538	(9,208)	96,330	(87,973)
Reconciliation of funds					
Total funds brought forward		77,585	27,142	104,727	192,700
Total funds carried forward		<u>183,123</u>	<u>17,934</u>	<u>201,057</u>	<u>104,727</u>

The statement of financial activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared

All of the above amounts relate to continuing activities

NEW WRITING NORTH
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BALANCE SHEET
AS AT 31 MARCH 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Tangible assets	11		12,313		12,893
Current assets					
Debtors	12	98,460		32,516	
Cash at bank		<u>129,968</u>		<u>75,866</u>	
		228,428		108,382	
Creditors: amounts falling due within one year	13	<u>(39,684)</u>		<u>(16,548)</u>	
Net current assets			188,744		91,834
Net assets			<u>201,057</u>		<u>104,727</u>
Funds					
Restricted income funds	14		17,934		27,142
Unrestricted income funds	15		183,123		77,585
Total funds			<u>201,057</u>		<u>104,727</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the board of trustees on 4/12/ 2013 and are signed on their behalf by



J Blackie
Chair

Company registration number 03166037

NEW WRITING NORTH
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards, the Companies Act 2006, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) as modified by the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005

Advantage has been taken of Section 396(5) of The Companies Act 2006 to allow the format of the financial statements to be adapted to reflect the special nature of the charity's operations and in order to comply with the requirements of the Statement of Recommended Practice

Incoming resources

All incoming resources are accounted when the charity is entitled to the income and the amounts can be quantified with reasonable accuracy

Deferred income

Grants received in advance and specified by the donor as relating to specific accounting periods or which are subject to conditions which are still to be met and which are outside the control of the charity, or where it is uncertain whether the conditions can or will be met, are deferred to the period to which they relate. Such deferrals are shown in the notes to the financial statements and are shown as creditors in the accounts

Fund accounting

The charity maintains a general unrestricted fund which represents funds which are expendable at the discretion of the trustees in furtherance of the objects of the charity

Restricted funds are those provided to the charity for particular purposes

Resources expended

Costs of generating funds

The cost of generating funds includes the relevant proportion of staff salaries appropriate to the amounts of time spent on these activities

Charitable activities

Charitable expenditure includes all costs in furtherance of the objects of the charity

Support costs

Support costs include the relevant proportion of staff salaries appropriate to the amounts of time spent on project development and management, and promotion and marketing costs

Governance costs

Governance costs include all expenditure directly related to the administration of the charity including costs incurred in the management of the charity's assets, organisational administration and compliance with charitable and statutory requirements. Governance costs include the relevant proportion of staff salaries appropriate to the amounts of time spent on these activities

Fixed assets

All fixed assets are recorded at cost less depreciation

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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

1. Accounting policies (continued)

Depreciation

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

Computer equipment	- 3 years on a straight line basis
Furniture and fittings	- 5 years on a straight line basis

A regular annual review of the likelihood of asset impairment is undertaken

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Pension costs

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the statement of financial activities

2. Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Grants and donations	<u>455,926</u>	<u>229,135</u>	<u>685,061</u>	<u>384,300</u>

3. Incoming resources from activities for generating funds

	Unrestricted funds £	Total 2013 £	Total 2012 £
Event support	30,000	30,000	15,000
Consultancy fees	<u>2,710</u>	<u>2,710</u>	<u>10,033</u>
	<u>32,710</u>	<u>32,710</u>	<u>25,033</u>

4. Incoming resources from charitable activities

	Unrestricted funds £	Total 2013 £	Total 2012 £
Trading activities in furtherance of the charity's objects	<u>66,795</u>	<u>66,795</u>	<u>28,134</u>

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5. Costs of generating voluntary income

	Unrestricted funds £	Total 2013 £	Total 2012 £
Support costs			
Management and support staff	58,135	58,135	42,299
Consultancy and professional fees	28,660	28,660	-
Marketing	12,427	12,427	-
General administrative expenses	5,652	5,652	-
	<u>104,874</u>	<u>104,874</u>	<u>42,299</u>

6. Costs of charitable activities

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Direct project costs	144,564	236,813	381,377	336,460
Support costs				
Marketing	22,819	-	22,819	26,332
Management and support staff	116,154	1,699	117,853	79,040
Premises	8,290	-	8,290	8,779
General administrative expenses	38,138	-	38,138	20,554
	<u>329,965</u>	<u>238,512</u>	<u>568,477</u>	<u>471,165</u>

7. Governance costs

	Unrestricted funds £	Total 2013 £	Total 2012 £
Support costs			
Management and support staff	8,857	8,857	7,032
Accountancy fees	2,370	2,370	1,800
Audit fees	2,370	2,370	1,800
Meeting and other costs	1,288	1,288	1,344
	<u>14,885</u>	<u>14,885</u>	<u>11,976</u>

8. Net incoming/(outgoing) resources for the year

	2013 £	2012 £
This is stated after charging		
Depreciation	7,815	6,792
Auditor's remuneration - audit fees	2,370	1,800
Auditor's remuneration - accounts preparation	2,370	1,800
Auditor's remuneration - other services	<u>4,231</u>	<u>-</u>

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9. Staff costs and numbers

	2013	2012
	£	£
Wages and salaries	183,014	138,940
Social security costs	10,033	14,601
Pension contributions	4,603	7,032
	<u>197,650</u>	<u>160,573</u>

The average number of employees during the year was as follows,

	2013	2012
	No	No
Engaged on charitable activities	5	4
Engaged on management and administration	<u>2</u>	<u>1</u>
	<u>7</u>	<u>5</u>

No employee received remuneration of more than £60,000 during the year (2012 - None)

10. Trustees' emoluments and expenses

During the year consultancy fees of £10,875 were payable to the charity's chairman, J Blackie, for professional services provided to the charity £5,351 remained outstanding at the balance sheet date and is included within Trade creditors (Note 13)

During the prior year two trustees, A Coburn and C Fernyhough, received professional fees of £526 and £150 respectively, in relation to services provided to the charity

All services provided have been charged at a standard commercial rate

None of the other trustees nor any persons connected with them have received any remuneration, either in the current year or the prior year

The aggregate amount of expenses paid to the trustees was £158 (2012 £191) These expenses were reimbursements of travelling costs The number of trustees to whom expenses were paid was 2 (2012 2)

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11. Tangible fixed assets

	Furniture and fittings £	Computer equipment £	Total £
Cost			
At 1 April 2012	5,352	22,536	27,888
Additions	2,770	4,465	7,235
At 31 March 2013	<u>8,122</u>	<u>27,001</u>	<u>35,123</u>
Depreciation			
At 1 April 2012	3,563	11,432	14,995
Charge for the year	1,044	6,771	7,815
At 31 March 2013	<u>4,607</u>	<u>18,203</u>	<u>22,810</u>
Net book value			
At 31 March 2013	<u>3,515</u>	<u>8,798</u>	<u>12,313</u>
At 31 March 2012	<u>1,789</u>	<u>11,104</u>	<u>12,893</u>

12. Debtors

	2013 £	2012 £
Trade debtors	244	-
Other debtors	5,063	13,607
Prepayments and accrued income	<u>93,153</u>	<u>18,909</u>
	<u>98,460</u>	<u>32,516</u>

13. Creditors: amounts falling due within one year

	2013 £	2012 £
Trade creditors	21,608	-
PAYE and social security	4,416	2,960
Other creditors (Note 20)	4,065	1,327
Accruals	<u>9,595</u>	<u>12,261</u>
	<u>39,684</u>	<u>16,548</u>

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14. Restricted income funds

	Funds as at 1 April 2012 £	Incoming resources £	Outgoing resources £	Transfers £	Funds as at 31 March 2013 £
Arts Award	-	879	(879)	-	-
Blue Boy	-	29,000	(41,000)	12,000	-
Cuckoo	(1,400)	6,750	(5,350)	6,788	6,788
Dementia Project	-	5,641	(5,641)	-	-
Durham and Hexham Clore Young Writers	1,500	-	-	(1,500)	-
Durham Book Festival 2012	(1,490)	95,900	(94,410)	-	-
Durham Book Festival 2013	-	500	(6,793)	-	(6,293)
Durham Young Writers	-	-	(750)	750	-
Hexham Young Writers	-	-	(750)	750	-
Make your Mark Write Up	-	23,000	(9,757)	-	13,243
Medical Foundation Project	80	-	(80)	-	-
Newcastle Fund Project	(56)	5,500	(4,769)	-	675
Newcastle Young Writers	(169)	-	-	169	-
Northumberland Olympic	3,000	7,000	(10,000)	-	-
Paul Hamlyn Focus Group	(847)	1,200	(353)	-	-
Read Regional	(296)	26,800	(26,504)	-	-
Reading Aloud	641	-	(641)	-	-
Script Development	8	-	(8)	-	-
South Shields Young Writers	2,339	-	(1,952)	(387)	-
Sweden (R&D)	-	867	(867)	-	-
Teacher Development	585	-	(535)	-	50
Tyne View	-	22,048	(22,048)	-	-
Tynemouth Station Book	1,500	3,000	(4,500)	-	-
Walking Backwards	12,000	-	-	(12,000)	-
Well Versed	2,876	-	(19)	(2,857)	-
Wonders of the North	-	1,050	(906)	(144)	-
Writers Enterprise Network	3,471	-	-	-	3,471
Young Writer Development	3,400	-	-	(3,400)	-
	<u>27,142</u>	<u>229,135</u>	<u>(238,512)</u>	<u>169</u>	<u>17,934</u>

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15. Unrestricted income funds

	Balance b/fwd	Incoming resources	Transfer to restricted	Balance c/fwd
General fund	<u>77,585</u>	<u>105,707</u>	<u>(169)</u>	<u>183,123</u>

16. Analysis of net assets between funds

	Tangible fixed assets £	Current assets £	Current liabilities £	Total £
Unrestricted income funds	12,313	208,871	(38,061)	183,123
Restricted income funds	-	19,557	(1,623)	17,934
Total funds	<u>12,313</u>	<u>228,428</u>	<u>(39,684)</u>	<u>201,057</u>

17. Related party transactions

The charity has a close relationship with Arts Council England. The organisation nominates an observer to the board meetings and provides funding to enable the charity to carry out its charitable objectives. The charity received core funding amounting to £300,137 from Arts Council England during the year (2012 £175,137). In addition, Catalyst funding of £149,998 (2012 £Nil) was receivable and included within unrestricted incoming resources for the year.

During the year, the company charged consultancy fees (including disbursements) of £2,710 (2012 £6,419) to Mslexia Publications Limited, a company registered in England. Claire Malcolm, the charity's Chief Executive, is a director of this company. The charity paid £1,038 (2012 £Nil) to Mslexia Publications Limited during the year for postage recharges, advertising and subscription costs.

During the year fees of £19,746 (2012 £22,807) were charged by Claire Malcolm's spouse, in relation to website development services and online marketing services provided to the charity.

18. Commitments under operating leases

At 31 March 2013 the company had aggregate annual commitments under non-cancellable operating leases as set out below:

	2013 £	2012 £
Operating leases which expire		
Within one year	<u>3,934</u>	<u>-</u>

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19. Company limited by guarantee

The charity is a company limited by guarantee, each member having undertaken to contribute such amount not exceeding one pound as may be required in the event of the company being wound up whilst he or she is still a member or within one year thereafter

At the balance sheet date there were 10 members of the company (2012 10 members)

20. Resources received and paid as intermediaries for third parties

	Opening funds £	Received in the year £	Released in the year £	Closing funds £
Andrea Badenoch Fiction Award	<u>1,327</u>	<u>1,660</u>	<u>1,364</u>	<u>1,623</u>
Prior year	<u>2,696</u>	<u>1,192</u>	<u>2,561</u>	<u>1,327</u>

The opening and closing funds above are represented by the assets and liabilities held by the charity as an intermediary and are included in the balance sheet within cash at bank and other creditors

