



Annual Report

2022/23

Start ▶

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Letter from the chair

Children and families sharing stories can be life-changing. A familiar part of childhood experience for so many, shared reading brings joy and strengthens relationships, embeds routine and helps children learn. And the positive benefits last throughout childhood and beyond.

The past year has been another challenging one for the children and families BookTrust supports. The cost of living crisis has seen many more families with young children finding themselves in poverty. Children who missed out on critical development opportunities during the pandemic have fallen behind in terms of language development and communication skills. Their social and emotional well-being has been affected. In this challenging context our work is more vital than ever and the need for our support is growing.

2022–3 has been a critical year in BookTrust’s journey and evolution. Over the past 12 months, our programmes and support have reached 2.4 million children and their families and we are deliberately targeting more children in poverty. And building on our fantastic network of partnerships with all local authorities in England and Wales, and Trusts and the Education Authority in Northern Ireland, we delivered the first year of our new targeted early years programmes, Bookstart Toddler and Pre-Schooler, working with 6,000 new partners and reaching over 343,000 families. I am delighted that we have taken this critical step in the delivery of our new strategy – it lays strong foundations for the future so that alongside the thousands of practitioners and partners we support, and with the help of our friends and funders, we can continue to expand our impact for the families that have most to gain from reading regularly and by choice. I am also proud to say that early impact evidence shows our new Bookstart programmes are popular with practitioners and most importantly are creating new interest and engagement with reading by many families.

As well as new partnerships and programmes there has been much continuity for all children: books and resources for all new babies and their families; a second successful year of our Storytime programme in public libraries; more vulnerable children supported with our Letterbox Club programme; a quarter of a million 11–13 year olds taking part in Bookbuzz and choosing a book to keep; thousands of children enjoying author visits by diverse authors and

Letter from the Chair



illustrators; and last but not least our support for the Waterstones Children's Laureate, Joseph Coelho.

We have continued to deepen our research with children and families, building our understanding of families' lives and reading behaviours. This year we have been able to see the first early signs of real impact in behaviour change, and this new insight will be invaluable in the future design and improvement of our work. We have settled into our new home in Leeds, enjoying the benefits of this new proximity to our many partners in the North as we look to embed partnerships and ways of place-based working that will help us reach more families in ways that are right for them.

We are delighted that Arts Council England have recognised our work, and the important role of reading for children and families, by selecting BookTrust as a National Portfolio Organisation. We are grateful for their continued support, and for the support of our Patron, Her Majesty the Queen, who is such a tremendous champion of reading, and to all our other funders, partners, donors and friends, who make our mission possible.

As I reflect on the past year and how much we have achieved I am struck too by how much more we need to do. Many more children in the early years could benefit from our support. Reading holds huge potential for the most vulnerable children in the hardest of circumstances. They are children who otherwise are being denied a life-changing right. Looking forwards we will continue to innovate and test new approaches, build new partnerships and seek new funding: at a time of such critical need across the country this feels imperative.

Thank you for taking time to read this and for your support of Booktrust. We look forward to working with you in the year ahead on behalf of the nation's children.

John Coughlan

Chair of Trustees





Introduction

Each year we get millions of children reading, especially those from low-income families or vulnerable backgrounds.

Why? Because reading has the power to change lives. Children who choose to read and who read regularly are happier and healthier, they form stronger bonds and relationships, they do better at school and are more creative and enjoy more success in life.

We work with families across England, Northern Ireland and Wales, supporting them to start sharing stories and books together from the earliest possible age.

Thanks to our extensive network of enthusiastic and loyal partners, our programmes, resources and advice bring the magic of reading to children in every town, village, city and community where we work.

Introduction

This year has seen us take a significant step forward in the implementation of our five-year strategy, with the roll out of Bookstart Toddler and Bookstart Pre-Schooler programmes for low-income families. Here are some highlights from our year:

Helping low-income children and families to become readers

Reading in the early years helps children reach a wide range of early development goals and do well across the curriculum, closing the gap between low-income children and their more advantaged peers. This year we made great strides forward with our new Early Years programme – Bookstart Toddler and Bookstart Pre-Schooler – designed for low-income families and reaching an estimated 343,000 families by the end of March 2023, working with thousands of settings including nurseries, family hubs and community groups. Moving forwards this programme will reach over 400,000 families annually. 84% of low-income families say these packs prompted them to read and share stories more with their child.

We concluded the second year of delivery of our new Storytime programme. Through this exciting library-based experience we partnered with 2,512 libraries in England and Northern Ireland, supporting lower income families to engage with their local libraries. 72% of library workers responding to our survey said they really enjoyed working on this programme.

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“ We had a couple of books (at home), but I’ve actually learned from coming here how to enjoy reading books to her a lot more. It’s something I probably wouldn’t have done an awful lot of. Before that, it would be a once-a-week kind of thing. Now it’s every night. ”

Aine in Northern Ireland who is exploring Bookstart Toddler with her two-year-old daughter at a local Sure Start centre



**10%
increase
in children
registered**

for Letterbox Club

Supporting children from vulnerable family backgrounds to enjoy the benefits of reading

During 2022–23 we saw a 10% increase in children registered for Letterbox Club, with more than **13,000 children** receiving Letterbox Club parcels. Designed for children aged 3–13 who are looked-after, these parcels put high-quality books and associated materials in the hands and homes of children at most in need. 95% of children in care who receive a Letterbox Club parcel tell us they ‘like’ or ‘love’ it.

We are ambitious to reach more children from vulnerable family backgrounds and during the second half of the year we began exploring new partnerships to do this. Over the coming year we will be testing new prototypes and programmes to support children who are looked-after, previously looked after, vulnerable or on the edge of care.



“ The books that you choose are really high quality...What I love about BookTrust is that you haven’t assumed that everyone has a pencil at home...that’s BookTrust thinking outside the box and really understanding.”

Primary School teacher using Letterbox Club

Learning more about the families we work with

We completed our second extensive survey of 2,148 low-income families with children aged 0–7 years living in England, Wales and Northern Ireland. Findings reveal overwhelming support amongst families for reading and sharing stories in the early years – with 95% seeing reading as important for their child.

Introduction

However, we also discovered that more than 1 in 4 parents find reading with their child challenging and a lack of confidence was affecting 21% of families. We will be sharing these insights through a series of thematic briefings during 2023 and using the information gathered to develop our programmes going forward.

In addition, we conducted an extensive ethnographic discovery project to learn more about families with children aged 0–5 years to understand their experiences, needs, motivations and barriers to reading. This work with families has helped us to identify new opportunities to support children and families in the early years and will shape the development of programmes in future years.

We carry out our learning with a diverse range of families in our target group, helping us to ensure that we design and develop programmes and support that are supportive and inclusive of all needs, backgrounds and circumstances.



Helping all families start their reading journey

We know that sharing books, stories and rhymes with children from an early age can help them to become lifelong readers. For more than 30 years, Bookstart Baby has been guiding families as they start their child's reading journey. Thanks to the wonderful support of our partners, during 2022–23 we distributed more than **half a million Bookstart Baby packs**, reaching 93% of the target audience across England, Northern Ireland and Wales. Baby reaches families with children under 1 in every community across England, Northern Ireland and Wales, which is an extraordinary level of reach.

In Wales, the Big Welsh Rhyme Time returned to libraries, schools and nurseries for the fifth year. The week-long event was enjoyed by more than **24,000 children aged 0–5**, with **530 early years settings taking part**. While nearly 34,500 reception-aged children took part in our exciting bilingual literacy and numeracy programme, Pori Drwy Stori, funded by the Welsh Government.

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and numeracy
programme



Building new partnerships

During 2022/23 we have transformed how we work with our partners. Thanks to our new expanded and strengthened partnerships team we have worked with more partners than ever, including more than 6,300 organisations involved in the early years sector. Our partners include every local authority in England and Wales, trusts and Education Authority in Northern Ireland, health visitors, teachers, library workers, social workers, housing associations, children's centres, foodbanks, prisons and early years practitioners – all of whom are helping us to reach children and families wherever they are. 90% of our early years practitioner partners give BookTrust Storyteller resources a rating of 4 or 5 out of 5.

New partnerships established this year include the Neonatal Unit at Bradford Royal Infirmary who helped to get Bookstart Baby packs to the hospital's youngest patients. In Northern Ireland a partnership with Children's Books Ireland has seen libraries at eight primary schools on either side of the border stocked with a diverse range of inspiring new books.

We have worked with more than

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“ We often say that books act both as mirrors and windows, so that a child can see their own lived experiences reflected back to them as well as being able to step into another person's shoes and see things from their point of view. Not only are these books a joy to read, they can help to build up children's self-worth and their ability to empathise with others. ”

Kirsty Andrews, Principal at Tullygate Primary School, beneficiary of our partnership with Children's Books Ireland

We continued to promote children's authors and illustrators of colour, introducing nearly

49,000
children at
almost
1,700
primary
schools

to a creator of colour.

Ensuring books and stories represent children and the world they live in

Books play an important role in helping children to feel accepted and to build empathy and understanding. During the year we continued to use our book selection and curation to support and promote books by a diverse range of authors and illustrators.

In November we released three reports exploring representation in children's books. This new research highlighted the critical impact that representation has on a child's motivation and desire to read.

We continued to promote children's authors and illustrators of colour through our BookTrust Represents project, introducing nearly 49,000 children at almost 1,700 primary schools to a creator of colour.

We have also collaborated with an extensive range of children's authors, illustrators and publishers to ensure we are able to share the best resources with children and families, encouraging and inspiring them on their reading journey.

“ I like in this book that it makes me feel happy when I read it. It makes me feel better when I read it and I can see something like me, and I can understand that is not only me like that. ”

Primary school child following a BookTrust Represents author visit.



Encouraging children to keep reading

Enjoyment of reading declines as children hit teenage years. Through Bookbuzz we are encouraging 11 to 13 year olds to keep reading for pleasure. Bookbuzz gives young people the chance to choose from carefully selected books that are written specifically for young adults. This year we saw an 8% increase in young people taking the opportunity to choose a Bookbuzz book with more than **272,000 pupils** reached.

We distributed our School Library Pack and Special School Library pack **to over 3,000 secondary schools and special schools.**

Our Great Books Guide, developed to help teachers choose diverse and inclusive new books for children of all ages, was once again distributed to **17,000 schools** in England, Northern Ireland and Wales.

705,000 4 to 5-year-old children took part in our Time to Read programme, receiving a pack containing an exciting book and information for parents to encourage them to continue reading together when their child starts school.

8% increase

in young people taking the opportunity to choose a Bookbuzz book

705,000
4 to 5
-year-old
children

took part in our Time to Read programme

“ To get books into hands of students who may not have books at home was the best part about Bookbuzz. To see children hug a book after you have told them that it is theirs to keep was a special moment, it made the programme worthwhile. ”

Charlie Hield, English teacher at Sidestrand Hall School, Bookbuzz user



Building a community of champions to promote the benefits of reading

The support of independent advocates and influences is essential in amplifying our voice and making sure the benefits of reading are understood far and wide.

We said a grateful farewell to Cressida Cowell after an amazing three years with her as Waterstones Children's Laureate. During her tenure she established her Life-Changing Libraries project and launched the Laureate Reading Charter to ensure all children have access to books.

We gave a warm welcome to Joseph Coelho, award-winning performance poet, playwright and children's author, as Waterstones Children's Laureate 2022-24. In June 2022 Joseph set out his ambitions for his Laureate period – to celebrate the power of poetry, showcase new authors and illustrators and champion the role public libraries play in communities today.

During his first nine months, Joseph has recorded 26 Poetry Prompts videos and continued his 'library marathon', visiting and joining a library in every region of the UK.

In September 2022, we were thrilled to have Nick Sharratt, one of the nation's favourite children's author-illustrators, join us as our Writer-Illustrator in Residence.

Nick used his time as Writer-Illustrator in Residence to champion the extraordinary power of pictures and visual images in children's books and the crucial role they play in enriching a child's experience when it comes to reading.

“ I'm passionate about how pictures and images encourage and enrich children's reading experiences and how frequently they can take us on wonderful journeys independent of the words.

Pictures can be incredibly freeing and empowering, particularly for those children who aren't big readers. So many children enjoy sharing books by focusing on the imagery rather than the text. ”

Nick Sharratt, Writer – Illustrator in Residence



The future

Today, millions of children are facing disadvantage and inequalities that will persist throughout their lives. Reading is a way of breaking this cycle.

Over the coming year we will continue to work towards our ambition of bringing the benefits of reading to children in the greatest need.

We will continue to learn about and understand the lives of families as they respond and adapt to the pressures of the cost of living, technological changes, and advancements. This insight will inform how we innovate and adapt our programmes and resources, so we are giving children and families the best support possible.

Our central focus will continue to be on helping low-income families and children from vulnerable family backgrounds to read regularly and share stories together from the earliest possible moment.

The future

Through helping children and families read regularly and by choice our work will help to achieve:

- More children having stronger bonds and relationships with their families.
- More children having a stronger sense of wellbeing and achieving strong educational outcomes.
- More children from disadvantaged backgrounds having a stronger sense of the possibilities open to them in life.
- More people leading wide-ranging creative and cultural lives.





Our funders and supporters

We are very grateful to the individuals, companies, foundations, trusts and governments who have supported our efforts to inspire, encourage and support families and children on their reading journey over the past year.

We would particularly like to thank:

Her Majesty the Queen, for her ongoing Patronage and support for the cause of reading more widely.

Arts Council England for their ongoing and significant support and awarding us regular funding status through selecting BookTrust as a National Portfolio Organisation – as one of the top 10 funded organisations in their portfolio we reflect Arts Council England's commitment to the early years and children as readers.

In Wales, the Welsh Government and in Northern Ireland, the Department for Education and Education Authority, for recognising the power of reading to transform lives through their funding for Book Trust programmes.

The Mohn Westlake Foundation for their ongoing and generous support to our work with disadvantaged and vulnerable children.

Waterstones, as we mark ten years of working together: a special partnership supported by Waterstones staff and customers, which over the past decade has raised £2 million for BookTrust to support disadvantaged and vulnerable children, and has supported the Waterstones Children's Laureate.

Our funders and supporters

The Build a Bear Foundation for their generous support of our Christmas fundraising campaign and helping us to send festive book parcels to vulnerable children and children in care at Christmas.

Our 8,600 Friends and supporters who collectively raised over £750,000 for BookTrust last year.

The overwhelming generosity of the supporters of our Christmas Appeal. Against the back-drop of the cost-of-living crisis they donated £337,000 to send over 16,000 book parcels to children in need.

Children, families, teachers and staff from 1,600 schools and nurseries who spent a day in their pyjamas reading and sharing stories for our annual Pyjamarama fundraiser.

We also want to thank our partners in libraries, community organisations, local authorities, early years settings, health visiting and schools, without whom our work would simply not be possible. With their support more families are able to access our books and resources and more children have the chance to become lifelong readers.

Finally we are grateful for the support of publishers, authors and illustrators, whose work and support for us is at the heart of what we do.



“ It can plant a seed. It is a gift that can have a domino effect. For many of these kids, they don't own many or any books. By giving these books, it's often a starting point for them. It could instil a new enjoyment of reading, and they could go on to invest themselves in reading. ”

Active Communities Network, one of our gifting partners for our Christmas Appeal



Equality, Diversity and Inclusion

Promoting equality, diversity and inclusion remains a critical commitment for BookTrust across all our activity, as well as part of our strategic approach to the delivery of our mission.

Children from excluded groups are over-represented in our target audience groups of low-income families and children from vulnerable family backgrounds: for example 31% of children in poverty are from minority ethnic backgrounds.

Over the past year we selected, recommended and distributed thousands of inclusive books with stories and illustrations that are representative of a diverse range of different lives and cultures. We included diverse perspectives in our research and design activities, and explored new ways to ensure a wide range of voices contribute to our research, design and development. We successfully extended our early years partnership network to improve our access to families in diverse and excluded communities across the UK. We published research into representation of people of colour among children's book authors and illustrators. We supported new creators of colour and we arranged face to face and virtual events for creators of colour to visit primary and secondary schools to inspire children with their work. And we joined the University of Edinburgh's 'Neurodiversity and Narrative Fiction' project, working with a group of neurodivergent young people to understand their own perceptions on the representation of neurodivergence in narrative fiction.



Sustainability

Mindful of the impact that our activities can have, we regularly review how we work, our supply chain, procurement practices and logistics.

We have introduced changes to our book packs which have reduced weight and size, which going forward will decrease our impact on the environment with regard to production and transportation.

We continued to promote environmental understanding amongst children by identifying appropriate books and producing associated booklists to guide families and teachers. We also joined a partnership led by the University of Exeter and the National Trust, aimed at promoting biodiversity renewal across the UK. Over the next three years this will be an exciting platform to explore the role that books can play in supporting greater understanding of biodiversity, and how nature can inspire children to read.

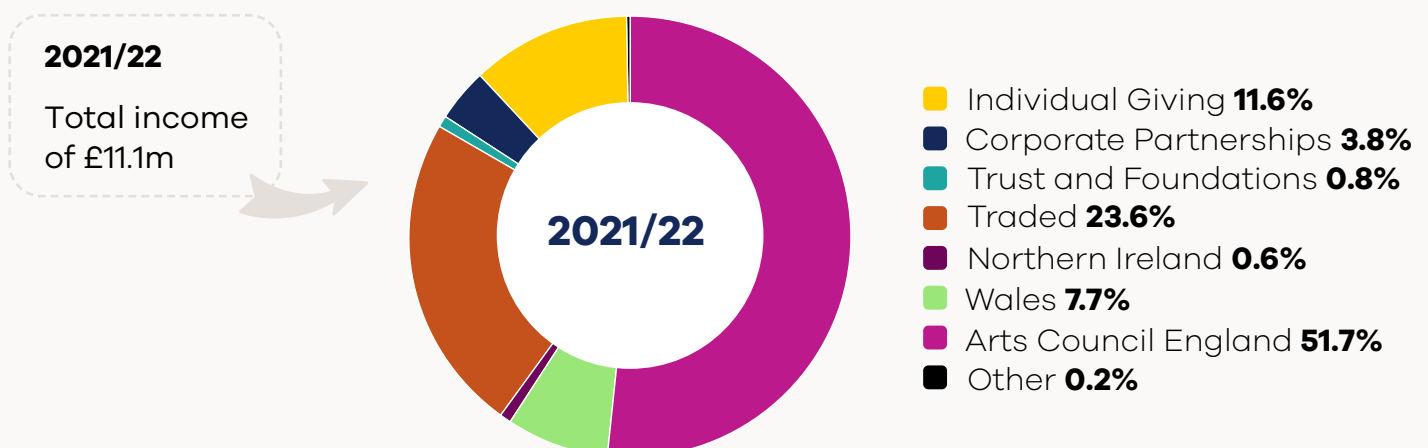
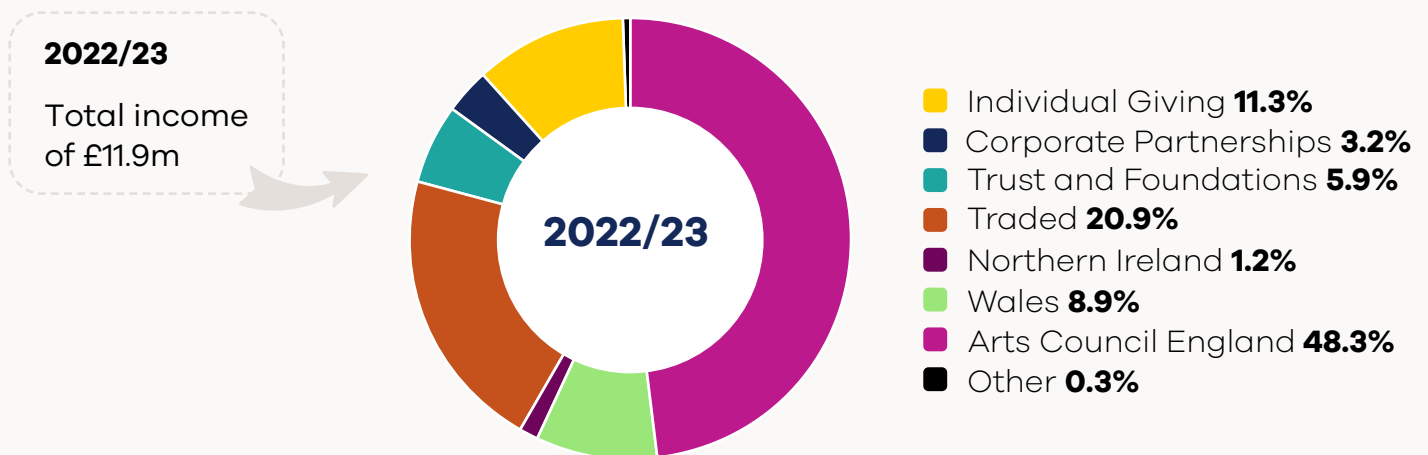
Financial review

2022/23 saw a planned utilisation of reserves resulting in an operating deficit (before loss on investments) of £1.9m (2022: deficit of £0.5m). We continued to receive £5.8m of funding as part of our contract with Arts Council England (now extended for a further three years) – we are very grateful for ACE’s continued support, whilst also continuing to diversify our income. We were also successful in securing £0.8m (2022: £1.1m) of funding from the Education Directorate of the Welsh Government to support our work in Wales, whilst being able to release £0.3m of deferred income from the prior year.

Our fundraising income from corporate sponsorship and individual giving remained consistent with prior year. Trusts and Foundations income increased eightfold, predominantly as a result of £0.4m of restricted funds from the Mohn Westlake Foundation being recognised under the terms of the grant.

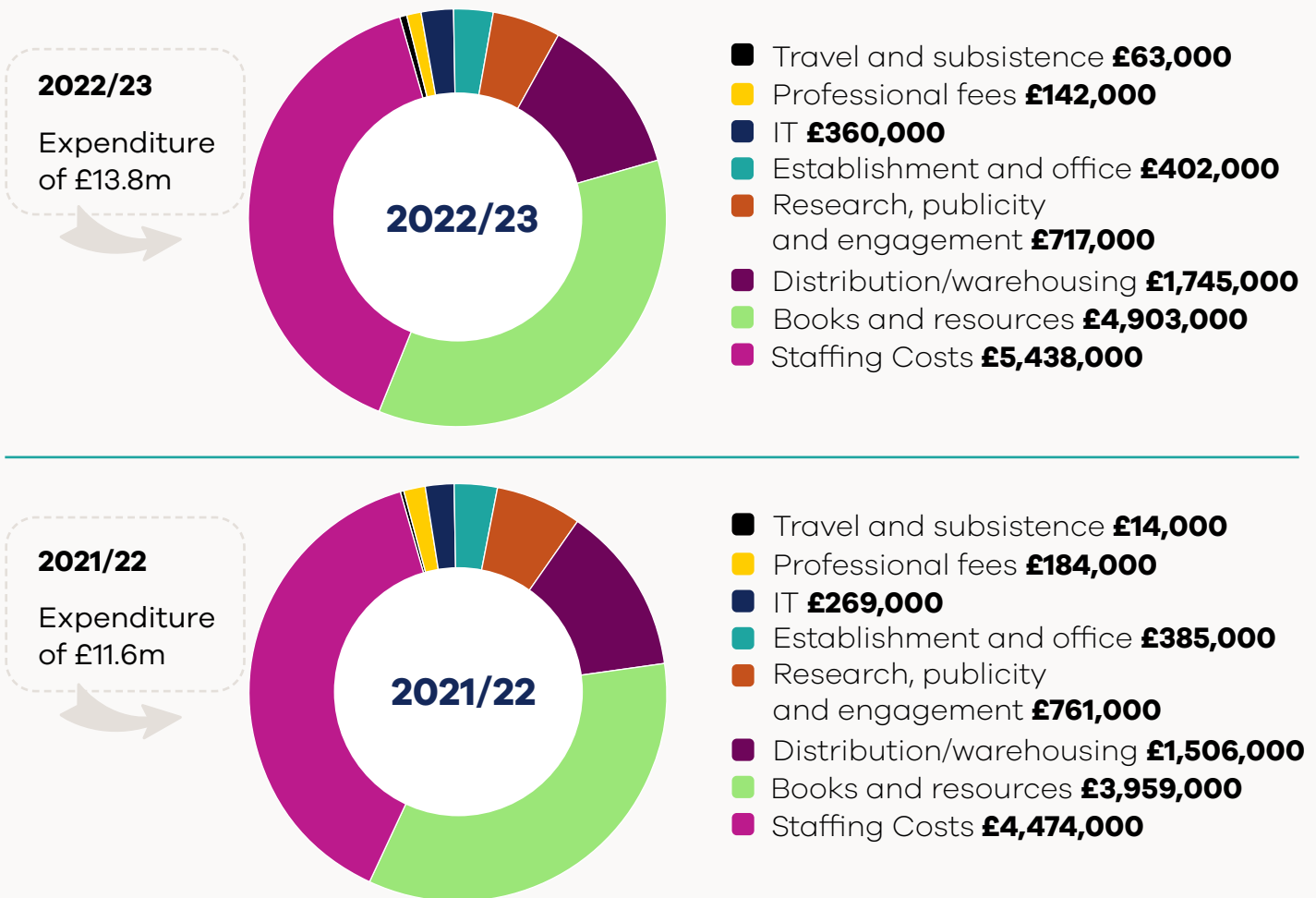
Our Traded programmes, Bookbuzz and Letter Box Club, continue to be a material source of income.

Overall, our total income increased by £0.8m to £11.9m (2022: £11.1) with a further total of £1.9m deferred to 2023/24 (2022: £2.0m).



Financial review

Overall expenditure increased by £2.2m to £13.8m (2022: £11.6m), supported by the higher use of reserves, as part of our planned strategy:



Our spend against strategic objectives (shown below) demonstrates our focus on low-income families in the early years as a key part of our strategy, with spend in this area increasing by 4.5%.

All activity that is delivered by school based partners is now included within SO3, which accounts for the rise in expenditure in this area.

Our work on SO4 is still in the development phase and investment in 22/23 has been mainly via staff time and inexpensive pilot work and prototyping. We expect this to increase in future years.

Other has declined as over the past year we have reviewed all activity that was not strategically aligned and redirected our focus in accordance with our strategy.

Strategic Objectives

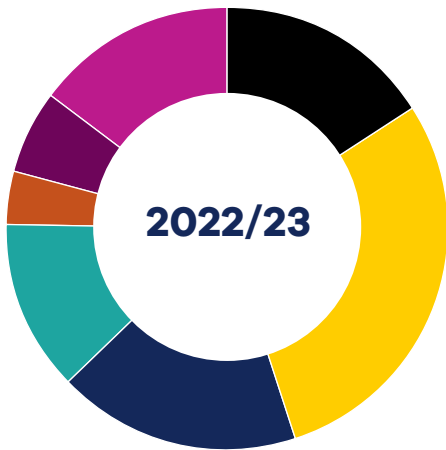
SO1 Initiate shared reading

SO2 Supporting disadvantaged families in their early years to get reading

SO3 Encouraging children and families to continue on their reading journeys

SO4 Supporting children from vulnerable backgrounds to enjoy the benefits of reading

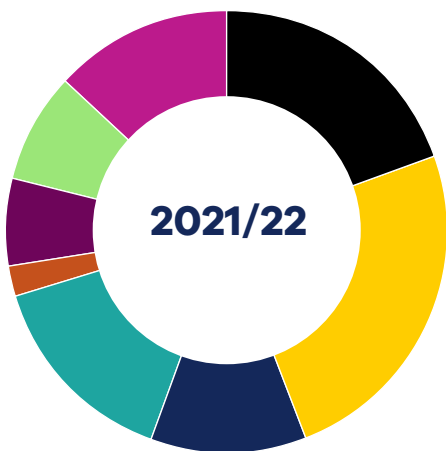
SO5 Building a community of advocates for reading



- Strategic Objective 1 **16.1%**
- Strategic Objective 2 **29.0%**
- Strategic Objective 3 **17.7%**
- Strategic Objective 4 **12.6%**
- Strategic Objective 5 **3.8%**
- Fundraising **6.1%**
- Other **0.0%**
- Overheads **14.7%**

2022/23

Expenditure of £13.8m



- Strategic Objective 1 **19.7%**
- Strategic Objective 2 **24.5%**
- Strategic Objective 3 **11.5%**
- Strategic Objective 4 **14.6%**
- Strategic Objective 5 **2.2%**
- Fundraising **6.5%**
- Other **8.0%**
- Overheads **13.0%**

2021/22

Expenditure of £11.6m

BookTrust’s funds are divided into two categories:

Restricted – Restricted funds are funds that can only be used for particular purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes, aligned to the development of our strategic objectives. The specific amounts and objectives of restricted funds are set out in the notes to these accounts.

Unrestricted – These funds have not been designated, and support working capital requirements, cover for risk management and are available for use at the discretion of the directors in furtherance of the general objectives of the charity.

Reserve Policy – this sets out a minimum level of unrestricted funds to enable the charity to address foreseeable scenarios. It further sets out limits for the liquid portion of these funds to ensure that all current financial obligations to partners, suppliers and staff can be met in a timely manner.

Unrestricted Reserves – the Trustees have considered a worst-case scenario of an orderly winding up of the charity, together with a scenario of the loss of up to half of our income and restructuring of the charity as a smaller more tightly focussed organisation. In reviewing these scenarios, the Trustees have agreed that a minimum level of £2.5m of unrestricted funds should be retained across the next four years. This recognises our commitments, for example

to leases, to staff and to committed traded activity, and also takes into account working capital requirements which are driven by advance purchasing (typically in the Far East) to support a six-to-nine-month production and distribution cycle that enables us to deliver large scale national interventions. Account has also been taken of possible mitigating actions to manage our funding requirements under these scenarios.

Free Reserves – The Trustees recognise the obligation of the charity to pay its staff, suppliers and others in full in a timely manner, against seasonal patterns of cash flow. In order to ensure that this is possible the Trustees have determined that minimum free reserves should be maintained such that all current liabilities can be met in the event of a short delay in receipt of income from grants, etc. Based on present projections of expenditure this level has been set to maintain average free reserves of £1.2m, drawing down from investments when required to maintain this level.

These policies will be reviewed annually by the Trustees to ensure an appropriate allocation of reserves to the achievement of the charity's strategic aims and purpose.

The total value of all funds at 31 March 2023 was £6.1m (2022: £8.3m) of which £4.3m (2022: £6.7m) was held as investments and the balance of £1.8m (2022: £1.6m) in working capital. Of the £6.1m, £0.2m (2022: £2.5m) was restricted for specific purposes. This leaves £5.9m (2022: £5.8m) in unrestricted funds which is £3.4m (2022: £3.3m) above our minimum

reserve requirements. Free reserves stand at £1.8m (2022: £1.6m), again well in excess of minimum free reserve requirements. The trustees are satisfied that the approved plans for the next three years ensure that funds above the minimum policy requirement will be deployed effectively against the charity's objectives.

Investment policy

BookTrust's investments portfolio can be broken down into two main categories: managed funds and cash on deposit. Our primary objective is to increase the real value of our investments while managing our risk. With respect to our managed funds, we want to invest in a way that provides a high level of diversification, flexibility and liquidity (with limited exposure to market movements). We work closely with our investment managers to monitor performance against agreed market benchmarks and our investment objectives.

Key risks and uncertainties

Our wider landscape – We recognise risks within our wider landscape with a cost of living crisis, significant inflation, increasing global financial pressures and an unstable geopolitical situation which has created more uncertainty, risk and instability across our funders, partners and supporters.

Partnership and delivery model – BookTrust receives support from a wide range of partners who are facing increasing demands for their services and limited resources, alongside the impact of rising costs to deliver. This strain has put pressure on our current and potentially new local delivery partners.

Income – BookTrust receives support from a wide range of donors, some of whom may be experiencing financial difficulties in a challenging economic environment of high inflation and significant cost of living pressures. We will need to seek to retain as many of our existing donors as possible, as well as attracting new supporters and income sources to ensure that we are able to grow and diversify our income over time.

Cost pressures – Cost pressures have increased through our supply chain across books, resources and through our logistics. We seek to manage this through focussed cost-optimisation and efficiency gains.

Managing risk – We continue to work closely with our partners to understand their challenges and how we can support them to deliver. We have invested heavily in our partnership and place-based approach, increasing resources and extending our relationships, and our more targeted approach makes us valuable to partners in the current circumstances. We are very focussed on developing new opportunities and generating increased income, and have detailed five year financial and income planning models to support the organisation. We do not foresee a significant risk to our financial sustainability or a loss or significant delay in our funding. We were successful in our application to be an Arts Council England National Portfolio Organisation and have a funding agreement in place until March 2026.

Our risk management is reviewed regularly and is supported by strong governance to ensure compliance with the regulatory framework within which we operate.

Legal and administrative information

Charity Name	BookTrust
Charity Registration Number	313343
Company Registration Number	00210012

Patron	Her Majesty the Queen
President	Sir Michael Morpurgo

Board of Trustees

The Trustees of BookTrust (the charity) are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

John Coughlan CBE	Chair
Radha Chakraborty	Vice Chair
Professor Matthew Cripps	
Gautam Dalal	Honorary Treasurer
Harpal Dhillon	
Michael Hudack	(Resigned 31 May 2023)
Professor Anthony Kessel	
Nigel Langstaff	
Hilary Murray Hill	(Appointed 3 May 2022)
June O'Sullivan MBE	
Victoria Sellick MBE	
Professor Stephen Scott CBE	(Resigned 1 October 2022)

Chief Executive	Diana Gerald MBE
Company Secretary	Jennifer Rachael Bailey

Registered Office

1 Aire Street, Leeds, England, LS1 4PR (from 14 April 2022)

Our Advisers

Auditors	Sayer Vincent LLP, Invicta House, 108–114 Golden Lane, London EC1Y 0TL
Bank	NatWest, 111–117 Putney High Street, London SW15 2LL
Solicitors	Russell-Cooke, 2 Putney Hill, London SW15 6AB
Investment Managers	Epoch Consulting, Queen Square House, Queen Square Place, Bath BA1 2LL



Structure, governance and management

BookTrust is a private company limited by guarantee without share capital and a charitable company limited by guarantee having no share capital incorporated on 28 November 1925 and registered as a charity on 1 July 1963. It was established under a Memorandum of Association which established its objects of the charitable company and is governed under its Articles of Association. BookTrust operates under the Articles of Association adopted by special resolution on 2 July 2019.

Governance and management

Under the terms of the Articles of Association as adopted in July 2019, management of BookTrust's affairs is vested in a Board of not less than four Trustees. Trustees are appointed for an initial period of three years. They may be reappointed for a further term of three years and, in exceptional circumstances, for a single further term of no more than one year. The Articles of Association are currently being reviewed and one planned amendment is for trustees to be able to serve a final third term of up to three years and a maximum term of nine years.

The Board of Trustees administers the charity and exercises its scrutiny role through Board meetings, held at least quarterly, and standing committees. We have three main committees: (i) Finance, Risk & Audit, (ii) Nominations and (iii) Equality, Diversity, Inclusion & Remuneration. The Board has also established a Donations, Acceptance & Refusal Committee which meets as required. Trustees take lead roles for key areas, notably safeguarding, governance,

equality and diversity, people and culture. This year, we have established a new lead role for environmental sustainability.

Trustee recruitment is informed by skills needs. Skills audits of Trustees are undertaken periodically to ensure that we have the right balance of skills and experience and to identify areas for focus in future Trustee recruitment. We also review the make-up of our Board to ensure that we have sufficient diversity. In 2022 we appointed one new Trustee to bring additional skills and expertise to the leadership of BookTrust.

All new Trustees are provided with a comprehensive induction programme with information provided on their role, the organisation and its operating context in addition to meeting with key staff. The Board holds at least one away day for Trustees each year as well as regular briefings. In addition, all Board members are provided with regular updates and are encouraged to attend events and training.

The Trustees have agreed a Charity Code of Governance action plan which is being implemented with progress reviewed on at least an annual basis by the Board.

There is an annual review of Board effectiveness. We commissioned an external review of governance in 2020 and since then have conducted annual internal reviews led by the Chair of the Board. Informed by these reviews, we continue to take steps to strengthen BookTrust's governance. We plan to commission a further external review of governance in 2023/24.

A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority for operational matters including finance, employment and other programme and delivery related activities.

The Executive Leadership Team (ELT)

comprises:

Diana Gerald MBE

Chief Executive Officer

Annie Crombie

Deputy CEO

Colin Atkins

Chief Operating Officer

Benedict Arora

Director of Communications
(appointed 1 November 2022)

Mike Bues

Finance Director
(appointed 3 January 2023)

Lizzie Catford

Director of Children's Books
(appointed 3 October 2022)

Jill Coleman

Director of Children's Books
(resigned 30 April 2022)

Claire Goodall

Director of Design, Development
& Strategic Planning

Julie Hayward

Associate Director of Partnerships
(appointed 1 May 2023)

Ruthann Hughes

Director of Research & Impact

Lee Green

Director of Income
(resigned 14 October 2022)

We have been developing our leadership team to ensure that our senior staff bring us sufficient diversity and also the breadth of expertise and skills that we need to manage BookTrust's activity, both the range of work and also our geographical reach working with an extensive range of partners. Our previous Senior Leadership Team structure has evolved and been developed into an Executive Leadership Team. Members of the Executive Leadership Team have leadership roles as well as delivery/operational responsibilities. We have previously only listed our Senior Leadership Team (who report to the CEO) but for this report we have listed all members of our Executive Leadership Team (including those who report to the Deputy CEO) and plan to continue this approach going forward.

All personnel aside from the CEO and members of the Executive Leadership Team are remunerated within a pay framework set using job evaluation and analysis and, where relevant, external benchmarking. We have moved to a new pay policy which increases the focus on staff performance against job-related targets and assessments. There is also an annual cost of living review. Changes to the pay policy as well as to the annual cost of living award are decided upon by the Board on the recommendation of the Equality, Diversity, Inclusion & Remuneration Committee. Remuneration of the CEO is agreed by Trustees based on a formal performance evaluation and periodic external benchmarking. In addition, trustees set annual salary ranges for members of the Executive Leadership Team.

In 2022/23, in light of the exceptional circumstances with regard to increases in the cost of living and energy, the Board decided to award a one-off payment for staff.

Statement of Trustees' responsibilities

The Trustees (who are also directors of BookTrust for the purposes of company law) are responsible for preparing the Trustees' Report 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 BookTrust and of the incoming resources and application of resources, including the income and expenditure, of BookTrust for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
 - Observe the methods and principles in the Charities SORP
 - Make judgements and estimates that are reasonable and prudent
 - State whether applicable 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 BookTrust will continue in business.
- The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of BookTrust and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of BookTrust and therefore taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on BookTrust's website.

Public Benefit

BookTrust has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing its aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Statement as to Disclosure of Information to the Auditor

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Trustees' annual report, incorporating the Strategic Report, approved by order of the Trustees.

Approved and authorised for issue by the Board of Directors and signed on their behalf by:

John Coughlan

Chair

Date: 09/10/23

Gautam Dalal

Director

Date: 09/10/23

Independent auditor's report to the members of BookTrust

Opinion

We have audited the financial statements of BookTrust (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 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
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company

in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on BookTrust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial

statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material

misstatements in the trustees' annual report including the strategic report. We have nothing to report in respect of the following matters in relation to which 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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, the finance, audit and risk committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
- Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments,

assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Orchard

(Senior statutory auditor)

Date: 09/10/23

for and on behalf of

Sayer Vincent LLP

Statutory Auditor

Invicta House, 108-114 Golden Lane,
LONDON, EC1Y 0TL

Statement of Financial Activities

(including income and expenditure account for the year ended 31 March 2023)

	Note	Unrestricted funds 2023 (£) £'000	Restricted funds 2023 (£) £'000	Total funds 2023 (£) £'000	Total funds 2022 (£) £'000
Income from:					
Statutory funding		-	6,971	6,971	6,644
Corporate partnerships		312	68	380	424
Individual giving		1,346	-	1,346	1,286
Trust and Foundations		261	443	704	86
Traded activity		2,494	-	2,494	2,617
Investment dividends and Interest		29	-	29	14
		4,442	7,482	11,924	11,071
Expenditure on:					
	2a				
Raising donations		984	-	984	863
Charitable activities:					
Initiating shared reading		212	2,390	2,602	2,611
Supporting disadvantaged families in their early years to get reading		310	4,368	4,678	3,258
Encouraging children and families to continue on their reading journeys		1,144	1,706	2,850	1,531
Supporting children from vulnerable backgrounds to enjoy the benefits of reading		1,472	565	2,037	1,935
Building a community of advocates for reading		44	575	619	286
Other activities supporting children's reading		-	-	-	1,068
		4,166	9,604	13,770	11,552
Net Income before gains / (losses) on investments	3	276	(2,122)	(1,846)	(481)
Net gain/ (loss) on investments	6	(311)	-	(311)	228
Net income/ (expenditure)		(35)	(2,122)	(2,157)	(253)
Transfer between funds	10a	135	(135)	-	-
Net movement in funds		100	(2,257)	(2,157)	(253)
Total funds brought forward		5,775	2,500	8,275	8,528
Total funds carried forward		5,875	243	6,118	8,275

Balance Sheet

As at 31 March 2023

	Note	2023		2022	
		£'000	£'000	£'000	£'000
Fixed Assets					
Investments	6		2,500		2,500
Current Assets					
Investments		1,819		4,152	
Stock		1,468		1,836	
Debtors	7	1,959		2,386	
Cash at bank and in hand		1,043		1,131	
		6,289		9,505	
Creditors: amounts falling due within one year	8	(2,671)		(3,730)	
			3,618		5,775
Net Current Assets			6,118		8,275
Net Assets			6,118		8,275
Funds					
Restricted Funds	10a		243		2,500
Unrestricted:					
General Funds	10a		5,875		4,603
Designated Funds	10a		-		1,172
			6,118		8,275

Approved and authorised for issue by the board of directors on 09/10/23 and signed on their behalf by:

John Coughlan
Director

Gautam Dalal
Treasurer

Cash Flow Statement

As at 31 March 2023

	2023	2022
	£'000	£'000
Cash flows from operating activities		
Net income before investment gains / (losses) for the reporting period (as per the statement of financial activities)	(1,846)	(481)
Interest	14	-
(Increase) / decrease in stock	368	(437)
(Increase) / decrease in debtors	427	(1,447)
Increase / (decrease) in creditors	(1,059)	1,466
Net cash provided by operating activities	(2,096)	(899)
Cash flows from investing activities		
Interest	(14)	-
Proceeds from sale of investments	2,572	3,872
Purchase of investments	(1,122)	(4,213)
Net cash movement in investments	572	391
Change in cash in reporting period	(88)	(849)
Analysis of cash and cash equivalents		
Cash in hand		
Balance brought forward	1,131	1,980
Increase / (decrease) in year	(88)	(849)
Balance carried forward	1,043	1,131
Cash in hand		
Bank balance	1,043	1,131

Notes to the accounts

31 March 2023

1 Principal accounting policies

(a) General Information

BookTrust is a UK registered charitable company limited by guarantee. Its registered offices are at 1 Aire Street, Leeds, LS1 4PR.

(b) Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP (FRS 102)), and the Companies Act 2006.

BookTrust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

(c) Preparation of accounts on a going concern basis

The Trustees consider there are no material uncertainties about the charity's ability to continue as a going concern. The review of our financial position, reserves levels and future plans gives Trustees confidence the charity remains a going concern for the foreseeable future.

(d) Fund Accounting

Unrestricted:

These funds supports working capital requirements, cover for risk management and are available for use at the discretion of the directors in furtherance of the general objectives of the charity and which has not been designated for other purposes.

Restricted:

Restricted funds are funds that can only be used for particular purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes, as detailed in note 10.



Notes to the accounts

31 March 2023

(e) Income

All income is included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific activities are applied to particular categories of income:

- Unrestricted donations – are recognised as income when they are quantifiable, probable and entitlement is transferred to BookTrust. This is typically on receipt and acceptance of the donation.
- Income from any appeal for donations for a specific reason is treated as restricted income; and is recognised when the conditions of the appeal have been met.
- Legacies are recognised when all three of the following criteria are met:
 - a. Probable – the charity is aware that probate has been granted.
 - b. Measurable – in practice this could come from final estate accounts, cash received or correspondence from executors/solicitors confirming an amount to be distributed.
 - c. Entitlement – taken as the earlier of the final estate accounts being approved or cash received. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.
- Grant income from Arts Council England is accounted for as income in the period to which it applies. Grant income from Arts Council England was accounted for as unrestricted income in 21/22, but as restricted in 22/23
- Income from charitable activities is accounted for as income only when the conditions under the terms of the grant have been fulfilled and includes contributions from organisations for the supply of packs, books, promotions and prizes.
- To the extent that they are not subject to performance-related conditions, income from grants, including government grants, for a specific purpose are accounted for as income as they are received and are accounted for as restricted funds.
- For relevant grants, income is accounted for as the charity earns the right to consideration by its performance. Where the grant is received in advance of performance, its recognition is deferred and included in creditors. Where entitlement occurs before the grant is received, it is accrued in debtors.
- Investment income is included when receivable.

Notes to the accounts

31 March 2023

(f) Expenditure

All expenditure is accounted for on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and this is reported as part of the expenditure to which it relates:

- Fundraising costs comprise the costs associated with attracting voluntary income and the costs of fundraising. Fundraising costs are those incurred in seeking grants and include the cost of disseminating information in support of the charitable activities.
- Charitable expenditure comprises those costs incurred by BookTrust in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and includes the audit fees and costs linked to the company secretary.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources. These are incorporated into the expenditure figures in the statement of financial activities.

(g) Stock

Stock is valued at cost price if it is to be used in the programme the following year. Obsolete stock is written down to zero and stock held under contract is valued at the net realisable value.

(h) Fixed assets

Single assets over £10,000 are capitalised.

(i) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

(j) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

(k) Cash at bank and in hand and cash equivalents

Cash at bank and in hand includes cash held in accounts.

Notes to the accounts

31 March 2023

(l) Financial instruments

With the exception of investment assets, the trust 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. Investment assets are measured at fair value.

(m) Pensions

Employees are eligible to join the stakeholder pension scheme operated by Scottish Widows. Employees join the stakeholder pension contract directly with Scottish Widows. BookTrust makes a contribution to the pension scheme of 7% of employee salary and also acts as agent in collecting and paying over employee pension contributions.

(n) Investments

Investments are valued at their market value ruling at the balance sheet date, which gives rise to unrealised gains and losses that are included in the statement of financial activities. The portion of the investments that are intended to be for the long term are shown as a fixed asset.

(o) Significant accounting judgements and sources of estimation uncertainty

There are no areas in the accounts where management has been required to make significant judgements or estimations due to uncertainty.

Notes to the accounts

31 March 2023

2a Analysis of expenditure (current year)

Charitable Activities

	Raising funds	Strategic objective 1	Strategic objective 2	Strategic objective 3	Strategic objective 4	Strategic objective 5	Other activities	Governance costs	Support costs	2023 Total	2022 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Books and resources	150	1,177	1,675	1,197	689	15	-	-	-	4,903	3,959
Research, publicity & engagement	178	31	74	187	72	151	-	-	24	717	761
Distribution / warehousing	5	443	530	392	372	3	-	-	-	1,745	1,506
Payroll costs (note 4)	431	509	1,494	585	556	333	-	32	957	4,897	4,046
Other staffing costs	43	39	169	47	32	17	-	-	194	541	428
Travel and subsistence	1	8	28	9	7	6	-	-	4	63	14
Professional fees and finance costs	26	4	6	5	3	1	-	20	77	142	184
Establishment and office costs	5	3	4	3	2	1	-	-	384	402	385
IT	-	6	9	5	4	1	-	-	335	360	269
	839	2,220	3,989	2,430	1,737	528	-	52	1,975	13,770	11,552
Support costs	141	373	671	409	292	89	-	-	(1,975)	-	-
Governance costs	4	9	18	11	8	2	-	(52)	-	-	-
Total expenditure 2023	984	2,602	4,678	2,850	2,037	619	-	-	-	13,770	-
Total expenditure 2022	863	2,611	3,258	1,531	1,935	286	1,068	-	-	-	11,552

Of the total expenditure, £4,166,000 was unrestricted (2022: £10,114,000) and £9,604,000 was restricted (2022: £1,438,000).

Notes to the accounts

31 March 2023

2b Analysis of expenditure (prior year)

Charitable Activities

	Raising funds	Strategic objective 1	Strategic objective 2	Strategic objective 3	Strategic objective 4	Strategic objective 5	Other activities	Governance costs	Support costs	2022 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Books and resources	140	970	1,125	403	783	37	501	-	-	3,959
Research, publicity & engagement	183	19	201	113	81	99	29	-	36	761
Distribution / warehousing	13	371	351	167	326	20	258	-	-	1,506
Payroll costs (note 4)	369	822	1,029	574	431	68	114	33	606	4,046
Other staffing costs	13	75	97	55	52	24	22	-	90	428
Travel and subsistence	-	2	9	2	1	-	-	-	-	14
Professional fees and finance costs	29	(3)	8	5	-	-	-	36	109	184
Establishment and office costs	4	3	4	7	1	-	1	-	365	385
IT	-	11	10	6	7	1	4	-	230	269
	751	2,270	2,834	1,332	1,682	249	929	69	1,436	11,552
Support costs	107	325	405	190	241	35	133	-	(1,436)	-
Governance costs	5	16	19	9	12	2	6	(69)	-	-
Total expenditure 2022	863	2,611	3,258	1,531	1,935	286	1,068	-	-	11,552

Notes to the accounts

31 March 2023

3 Net incoming/(outgoing) resources

	2023	2022
	£'000	£'000
This is stated after charging the following:		
Direct costs and other operating charges include:		
Operating leases		
• Hire of equipment	6	6
• Rents payable	276	237
Auditors remuneration		
• Audit services	16	14
• Non-audit services	1	-

Notes to the accounts

31 March 2023

4 Staff costs

	2023	2022
	£'000	£'000
Salaries	4,056	3,370
Social security costs	429	352
Pension costs	367	293
Redundancy and termination payments	45	31
	4,897	4,046

Number of employees receiving total gross remuneration in the year in the range:

	2023	2022
	Number	Number
£60,000 – £69,999	4	3
£70,000 – £79,999	3	-
£80,000 – £89,999	1	-
£90,000 – £99,999	2	2
£100,000 – £109,999	-	1
£110,000 – £119,999	1	-
	11	6

The key management personnel comprises the senior leadership team and the total cost of remuneration, benefits and pensions paid to them in the year was £536,000 (2022: £489,000)

Total employer pension contributions in the year for these staff members were £31,000 (2022: £25,000)

	2023	2022
	Number	Number
The average number of employees by function, was:		
Charitable activity	73	69
Fundraising	8	6
Administration and Support	17	15
	98	90

The trustees have not received any remuneration or benefits in kind during the year (2022: £Nil)

	2023	2022
	Number	Number
Number of trustees reimbursed expenses during the year	1	1

The Trustees received reimbursement of expenses during the year of less than £500 (2022: <£500)



Notes to the accounts

31 March 2023

5 Taxation

As a registered charity Booktrust is exempt from taxation on income arising from its charitable activities.

6 Investments

Quoted investments

	2023	2022
	£'000	£'000
Fair value at the start of the year	6,652	6,474
Additions	1,122	4,213
Disposal proceeds	(2,572)	(3,872)
Net gain/ (loss) on change in investments fair value	(311)	228
Movement in cash balance	(572)	(391)
Fair value at the end of the year	4,319	6,652
Historical cost	4,000	6,000

Investment management charges totalled £42,000 (2022: £64,000)

7 Debtors

	2023	2022
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	838	711
Other debtors	200	172
Prepayments and accrued income	921	1,503
	1,959	2,386

8 Creditors

	2023	2022
	£'000	£'000
Amounts falling due within one year:		
Trade creditors	343	1,356
Other taxes and social security	111	106
Accruals	277	266
Deferred income (note 11)	1,929	1,991
Other creditors	11	11
	2,671	3,730



Notes to the accounts

31 March 2023

9 Financial instruments

	2023	2022
	£'000	£'000
Financial Assets		
Financial assets measured at amortised cost	2,691	3,199
Financial assets measured at fair value through profit or loss	4,318	6,652
	<u>7,009</u>	<u>9,851</u>
	2023	2022
	£'000	£'000
Financial Liabilities		
Financial liabilities measured at amortised cost	455	1,514
	<u>455</u>	<u>1,514</u>

Financial assets measured at amortised cost include cash, trade receivables, other receivables excluding tax receivables, and accrued income.

Financial assets measured at fair value through profit or loss include investments in securities which are publicly traded.

Financial liabilities measured at amortised cost include trade payables and accruals.

Notes to the accounts

31 March 2023

10a Funds

	1 April 2022	Incoming resources	Resources used	Transfers between funds	Investment gains/ (losses)	31 March 2023
Unrestricted Funds:						
General funds	4,603	4,442	(4,166)	1,307	(311)	5,875
Designated Funds:						
Income Diversification	1,172	-	-	(1,172)	-	-
	5,775	4,442	(4,166)	135	(311)	5,875
Restricted Funds:						
Initiating shared reading	-	2,390	(2,390)	-	-	-
Supporting disadvantaged families in their early years to get reading	2,193	2,284	(4,368)	-	-	109
Encouraging children and families to continue on their reading journeys	307	1,668	(1,706)	(135)	-	134
Supporting children from vulnerable backgrounds to enjoy the benefits of reading	-	565	(565)	-	-	-
Building a community of advocates for reading	-	575	(575)	-	-	-
Other activities supporting children's reading	-	-	-	-	-	-
	2,500	7,482	(9,604)	(135)	-	243
	8,275	11,924	(13,770)	-	(311)	6,118

Income includes £5,763,000 from Arts Council England restricted in 2022/23 (2021/22 £5,673,000 unrestricted).

Unrestricted Funds

The general fund stood at £5,875,000 at 31st March 2023 (2022: £5,775,000). This fund supports working capital requirements, provides cover for risk management and is available for use at the discretion of the directors in furtherance of the general objectives of the charity and which has not been designated for other purposes.

Restricted Funds

Restricted funds have been classified by the purposes for which they were received, and include all grants and donations where the conditions for recognition have been satisfied at the balance sheet date. The Trustees have reviewed these funds and are satisfied that there are clear plans to deploy these funds for the purposes stipulated.

Notes to the accounts

31 March 2023

10b Prior year funds

	1 April 2022	Incoming resources	Resources used	Transfers between funds	Investment gains/ (losses)	31 March 2023
Unrestricted Funds:						
General funds	4,878	10,135	(9,668)	(970)	228	4,603
Designated Funds:						
Income Diversification	160	-	-	1,012	-	1,172
Research & Programme Development	488	-	(446)	(42)	-	-
	5,526	10,135	(10,114)	-	228	5,775
Restricted Funds:						
Initiating shared reading	-	232	(232)	-	-	-
Supporting disadvantaged families in their early years to get reading	2,658	352	(817)	-	-	2,193
Encouraging children and families to continue on their reading journeys	305	24	(22)	-	-	307
Supporting children from vulnerable backgrounds to enjoy the benefits of reading	11	119	(130)	-	-	-
Building a community of advocates for reading	-	27	(27)	-	-	-
Other activities supporting children's reading	28	182	(210)	-	-	-
	3,002	936	(1,438)	-	-	2,500
	8,528	11,071	(11,552)	-	228	8,275

Notes to the accounts

31 March 2023

11 Deferred income

	Letterbox	BookBuzz	Grant funding	Other sales invoices not yet delivered	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2022	934	238	796	23	1,991
Released to incoming resources	(791)	(238)	(742)	(23)	(1,794)
Amount deferred in year	735	302	707	-	1,744
Balance as at 31 March 2023	878	302	761	-	1,941

Prior year deferred income

	Letterbox	BookBuzz	Grant funding	Other sales invoices not yet delivered	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2021	992	218	-	37	1,247
Released to incoming resources	(992)	(218)	-	(37)	(1,247)
Amount deferred in year	934	238	796	23	1,991
Balance as at 31 March 2022	934	238	796	23	1,991

Deferred income for Letterbox and BookBuzz comprises pack sales in advance of delivery.

Notes to the accounts

31 March 2023

12 Analysis of net assets between funds

	2023			2022		
	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Investments	2,257	243	2,500	4,154	2,498	6,652
Net current assets	3,618	-	3,618	1,621	2	1,623
Net Assets	5,875	243	6,118	5,775	2,500	8,275

13 Financial commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due:

	2023		2022	
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
Leases expiring in:				
Less than one year	15	-	-	-
1 to 5 years	357	8	615	13
	372	8	615	13

Notes to the accounts

31 March 2023

14 Comparative statement of financial activity

	Unrestricted funds 2022 £'000	Restricted funds 2022 £'000	Total funds 2022 £'000
Income from:			
Statutory funding	5,726	918	6,644
Corporate partnerships	410	14	424
Individual giving	1,285	1	1,286
Trust and Foundations	83	3	86
Traded activity	2,617	-	2,617
Investment dividends and Interest	14	-	14
	10,135	936	11,071
Expenditure on:			
Raising donations	863	-	863
Charitable activities			
Initiating shared reading	2,379	232	2,611
Supporting disadvantaged families in their early years to get reading	2,440	818	3,258
Encouraging children and families to continue on their reading journeys	1,508	23	1,531
Supporting children from vulnerable backgrounds to enjoy the benefits of reading	1,807	128	1,935
Building a community of advocates for reading	259	27	286
Other activities supporting children's reading	858	210	1,068
	10,114	1,438	11,552
Net Income before gains / (losses) on investments	21	(502)	(481)
Net gain/ (loss) on investments	228	-	228
Net Income	249	(502)	(253)
Net movement in funds	249	(502)	(253)
Total funds brought forward	5,526	3,002	8,528
Total funds carried forward	5,775	2,500	8,275

Notes to the accounts

31 March 2023

15 Funds held as custodian trustee on behalf of others

BookTrust is the sole trustee of the Bessie Award Trust (established 1996) whose assets are held to support the Women's Prize for Fiction, one of the United Kingdom's most prestigious literary prizes, administered by the Women's Prize Trust, a registered charity (registered charity number 1181253). The objects for which the Women's Prize Trust exists relate to the advancement of the art of literature for the public benefit. This relates to BookTrust's promotion of reading and advocacy for national and local policies to recognise the social and economic importance of reading.

The assets held in this capacity were £250,000 plus accrued interest of £27,493. Since the maturity of the originally gifted long-term bond these funds were held in a separate deposit account with NatWest Bank, pending final details of transfer of the assets to the Women's Prize Trust. This has now all been paid over and the account closed. Given that BookTrust has no beneficial interest in these funds, they are not included in our financial statements.

16 Mohn Westlake Foundation

Diana Gerald, CEO of BookTrust, is also a Trustee for the Mohn Westlake Foundation. In 2021/22 BookTrust was awarded a restricted grant with performance conditions from the Mohn Westlake Foundation for the periods 2022 to 2025 with a value of £1.7m over the three years and an advance payment of £0.67m included in creditors. BookTrust also received an unrestricted grant of £62,000 in 2023 (2022: £nil).

Diana is also Co-chair/ Trustee of EURead, a non-profit association in Belgium. BookTrust pays an annual subscription of 2,500 euros.



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