



Annual Report

2021/22



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Letter from the Chair

Reading changes lives

We know that supporting children to read regularly and by choice has a far-ranging and lifelong positive impact.

In challenging times, the small act of sharing a story has the potential to bring families together, provide comfort and inspiration, and create much needed moments of joy.

In a year that has seen families continuing to be affected by Covid-19, growing pressures on public services and an emerging cost of living crisis, never has the work of BookTrust in getting every child reading been more important.

We are only just beginning to fully understand the impact the challenges presented by the last two years have had on children and families. There is a growing body of evidence which shows a whole generation of children's development has been significantly affected and the ever-widening disadvantage gap demonstrates a clear and urgent need to find innovative and effective routes to target support to those who need it most.

Recognising our potential to make a difference to children's outcomes, in May 2021 we launched a bold new strategy to drive forward programmes that reach children who face the greatest barriers to success and ensure they are not left behind.

Developing and delivering a new strategy in volatile circumstances is never easy. I could not be prouder of the progress we have made. From delivering books to babies in their first year of life to piloting small-scale interventions to support children entering care, and piloting at large scale in 90% of libraries in England and Northern Ireland to inspire low-income families with young children to share stories, we have grown our reach while placing new emphasis on reaching those who could most benefit from our programmes.

The significant difference we've been able to make in the lives of thousands of children is testament to the skill, ambition and drive of the BookTrust team to encourage a new generation of children on their reading journeys.

piloting at large scale in

90%

of libraries in England and Northern Ireland to inspire low-income families with young children to share stories

Letter from the Chair

United behind our new strategy, we have worked tirelessly, challenging ourselves and others to find the most effective ways to make a real difference.

Through our partnerships we have delivered in every local authority in England and Wales and all Health Trusts and the Education Authority in Northern Ireland. The support and flexibility of our partners has been key to our success. Collectively we have reached some of the country's most vulnerable children and generated large-scale pilot schemes so that we have solid foundations from which to continue to grow our impact.

We have worked with and learnt from more families than ever before, bringing them to the heart of our design and innovation processes. Together we have developed new programmes and defined new partnerships with organisations working with disadvantaged children and their families that will be effective at both communicating the benefits of reading in the early years and inspiring and supporting more families to regularly share stories together.

As part of prioritising the development of new partnerships and establishing closer, more meaningful connections with families, we have begun to move towards a more place-based way of working. For us this means connecting our expert teams more closely with partners and communities across the UK and ensuring that we have the capacity to create and respond to new opportunities at a regional level. To help us achieve this we began the process of moving our registered office to Leeds. These are just the initial steps that will underpin a more flexible way of working to deliver our mission.

We are hugely grateful to our partners, funders, donors and friends who have so dynamically supported our work this year. Without them we would not have been able to make such widespread impact while shifting our strategic focus. What we do matters. In uncertain times, I am certain that together we can harness the power of reading to transform children's lives and that we are better placed than ever before to make that happen.

Thank you

John Coughlan

Chair of Trustees



Purpose

We're the UK's largest children's reading charity

We want to get every child reading regularly and by choice.

Reading can bring children life-changing benefits. Reading and sharing stories with babies and children from an early age gives them a great start in life and has a lifelong positive impact on their health, wellbeing, creativity and education.

Each year we reach millions of children and families, inspiring them with our books, resources and support to get them started on their reading journeys. We have decades of experience in selecting high quality, diverse and inclusive books and designing evidence-based programmes that inspire children and families to read.

With the long-term impact of Covid-19, the cost-of-living crisis and the growing attainment gap, there's never been a more important time to bring the benefits of reading to a new generation of children. Our strategy, the Next Chapter, was published in May 2021 and sets out our ambitious new focus on reaching children from economically disadvantaged and vulnerable family backgrounds, while maintaining our commitment to all children.



Approach/methodology

We work in partnership

Partnerships have been at the heart of BookTrust's work for the past three decades. Thanks to our partners, we are able to develop and deliver high-quality programmes, building on their expertise of working with children and families.

This year, we worked with every local authority in England and Wales and all Health Trusts and the Education Authority in Northern Ireland. We reached 90% of libraries and 100% of state primary schools. In England we reached all secondary schools with high numbers of disadvantaged families and over a quarter of all secondary schools through our Bookbuzz programme.

We also worked with a range of partners including prisons, refuges and community centres to ensure the most vulnerable families were able to access books and resources to support children on their reading journey.

This year we have created new partnerships with organisations like the Salvation Army and the Homestart-Cymru and adapted the support we offer to partners to bring us closer to the children we want to reach. We have laid the groundwork for increasing our regional presence, with a new office established in Leeds and plans for another office in the Midlands in 2022/23.

We reached
90%
of libraries and
100%
of state primary schools

We put families and children at the heart of our design process

We involved families in London, Leeds and across Wales in online communities and face-to-face workshops to help design and test our programmes. Together we learnt more about the ways that we can connect with and support disadvantaged children and their families to enjoy the benefits of reading.



We base our decisions on evidence and robust evaluation

Throughout the year we continued to strengthen our approach to measuring the impact of our work to get children reading. Our Family Survey gathered feedback and insight from over 7,000 children and families, enabling us to better understand our impact and families' needs, attitudes and experiences.

We continued to learn both at scale and in depth with more than a thousand families, practitioners and partners in England, Wales and Northern Ireland. We are using the learnings to strengthen the reach and impact of our existing activities and develop new, evidence-based interventions for children from low-income and vulnerable families and the practitioners who work with these groups.

Alongside our strategy we have a new, evidence-based Theory of Change that is helping us to articulate, refine and develop our approach to creating lasting impact for families. Based on the COM-B model of behaviour change, our Theory of Change stresses the importance of developing and maintaining strong relationships with a wide range of partners that connect us to the children that we are targeting. Inspired and empowered by our resources and content, these partners engage families and children in enjoyable reading experiences at multiple points throughout childhood. As a result, families and children are motivated, inspired and enabled to read more regularly and by choice, leading to a multitude of longer-term benefits. Our Theory of Change demonstrates our commitment to developing our programmes alongside families and partners using effective learning activities and co-creation.

Our Family Survey gathered feedback and insight from over **7,000** children and families



Our achievements

1

Starting together so all families are supported to initiate shared reading at the earliest opportunity

We distributed
over half a million
Bookstart Baby packs

Our **Bookstart Baby** programme is designed for babies under 12 months to encourage families to start reading together as early as possible. Bookstart Baby reached more than half a million families by working through every local authority in England and Wales and all Health Trusts in Northern Ireland. New partnerships were established, including with registrars and libraries, to reach families cut off from traditional delivery routes as a result of the pandemic. In Wales, nearly 25,000 children also received a Bookstart Early Years pack to help them take the next step on their reading journey.

Over 25,000 children aged 0-6 took part in the **Big Welsh Rhyme Time**, a week-long celebration of rhymes, poems and stories, supported by Jeremy Miles, the Welsh Government Minister for Education and Welsh Language, and Connor Allen, the Children's Laureate for Wales, and delivered through more than 400 organisations including nurseries, schools, libraries and playgroups.



“ I was nervous about coming; I didn't know what to expect ... but I felt at ease once it started ... I would 100% come to another session, we loved it, I'm looking forward to next week. I'm going to phone my friend later to tell her about it. Her daughters would love it! ”

Parent



2

Supporting disadvantaged children and families in their early years who need more help to get started on their reading journeys and make reading a regular part of their lives

We worked extensively with families and partners to design our Bookstart Early Years programme, a large-scale pilot which will reach 425,000 children in 2022/23. Through this pilot we will be able to **increase our reach from around 4% of low-income families with children aged 1-4, to over 50%** – delivering on one of the key objectives of our new strategy.

Our **Storytime pilot**, designed to inspire low-income families with children aged 0-5 to share stories together and make visiting their local public library a part of everyday life, reached **90% of libraries across England and Northern Ireland**. Storytime created magical story-sharing moments for thousands of children and helped generate evidence and insight to inform our future work with libraries. 83% of libraries surveyed reported that Storytime supported their work with under-fives, and 66% of librarians reported that the pilot helped them to attract new families to their library.

As part of this pilot, families were for the first time involved in voting for the **Storytime Prize**, which celebrates and promotes the best books for sharing with young children. The winner was *The Whales on the Bus* by Katrina Charman and illustrator Nick Sharratt, selected from a shortlist of six fun and engaging titles.

Our achievements

Our dual language books and resources reached children in **37,000 families**, ensuring that families with English as an additional language benefited from our support. We worked proactively with local authority partners to provide dual language books and resources to meet the needs of refugee children from Afghanistan.

My Story Pack is a pilot designed to provide support to low-income families to encourage them to read with their children once they start primary school. In 2021/22 it reached 10,000 children working through 194 schools and five nurseries. **93% of families** surveyed reported that their children enjoyed using the resources, and 50% of parents told us their confidence in reading with their child increased as a result.

Our **Time to Read** programme reached **470,000 reception-aged children in England and primary one students in Northern Ireland**, with every child receiving a copy of *I am a Tiger* by Karl Newson. In Wales, through the Pori Drwy Stori programme, all reception-aged children received two books, including *I am a Tiger*, as part of a suite of six resources delivered throughout the year. More than **20,000 nursery-aged children** also received a book to keep as part of the programme.



3

Encouraging children and families to continue on their reading journeys

BookTrust Represents is a programme created to promote and improve the representation of people of colour in children's books so that all children read a range of books that reflect them and their wider communities. **We reached over 50,000 children from years 5 to 8 in schools across the UK** with our BookTrust Represents school visits and virtual events, supporting diverse authors and illustrators to bring inclusive stories and role models into the classroom.

We reviewed a book every day from baby books to young teen fiction, inclusive and fun-to-read books that can get all families reading for pleasure. We have also created and maintained many high-quality and diverse booklists, published inspiring videos and activities from authors and illustrators on our HomeTime hub, and promoted our Bookfinder to help families and practitioners discover the very best children's books.

Our **Great Books Guide 2021 highlighted 100 brilliant books and was delivered to every maintained/state primary school in England** helping to get children excited about books, stories and rhymes.

We supported Cressida Cowell, as **Waterstones Children's Laureate**, in her Life-Changing Libraries campaign for funding for primary school libraries. As part of this we supported six primary schools across England to develop their libraries and create a reading for pleasure culture.

In Northern Ireland our author tour showcased the best of children's literature, taking well-known authors, illustrators and their books out to communities that would not typically engage with the arts. **The tour reached 12 schools with 1,900 children receiving a personally signed book** to take home, treasure and share with their families.

Bookbuzz, our reading programme that aims to help schools inspire 11 to 13-year-olds to become independent readers, reached over 250,000 students. They each had the opportunity to choose a book to keep from a list of 17 carefully curated titles selected by a panel of experts to suit a variety of reading levels and interests.

Our School Library Pack and Special School Library Pack provided free books to over 4,000 mainstream and special schools in England, helping to boost school libraries, broaden students' reading choices and encourage them to try different genres and authors.

250,366

secondary school students received a Bookbuzz book

4

Overcoming barriers so children from vulnerable family backgrounds can enjoy the benefits of reading despite the challenges they face

Letterbox Club, our programme for children in care and other vulnerable groups, reached over 12,000 children from 75% of local authorities in England, every local authority in Wales and all areas of Northern Ireland through The Education Authority and the Department of Education. We worked flexibly with partners to develop new delivery methods to ensure that we could reach children in spite of the challenges created by pandemic-related restrictions.

395 children responded to our Letterbox Club survey. They told us that the arrival of a new parcel creates joy and excitement and makes them feel special. **95%** of children said they either love or like Letterbox Club. **66%** of children say they read more on their own since receiving Letterbox Club parcels.

“ Letterbox Club has made a big difference to me. It gave me the opportunity to explore new books. ”

8 year old

“ It (Letterbox Club) makes you spend time together. It gives you that space where you can just sit and be with a book – and not have anything else going on. ”

Foster carer



Our pilot with Rotherham council tested a new pack, designed to encourage reading among children entering care, reached 165 children in Rotherham and Tameside. This programme provided 2 to 11-year-olds with packs of books and resources, supporting children from some of the most vulnerable family backgrounds to enjoy the benefits of reading.

5

Building a community of champions who understand, advocate for and promote the benefits of reading

Across all our work, we promoted the benefits of reading to thousands of practitioners and professionals to support them to make the case for reading with children and families.

Our two Writers in Residence each gave their own perspective on the world of children's books and reading. Onjali Q. Raúf used the role to highlight several issues, from human rights and the environment to poverty and racism, and how these issues can be explored through books and writing. Dapo Adeola focused on supporting emerging illustrators and under-represented voices in children's books. His competition for children to design a book character **attracted over 750 entries**, and the winning character will appear in a children's book.



We awarded a **Lifetime Achievement Award** to the playwright, poet and children's writer John Agard. The award celebrates the body of work of an author and/or illustrator who has made an outstanding contribution to children's literature. The first poet to receive this prestigious award, Agard was selected for his role in challenging the language norms that too often dominate literature and the curriculum as well as his ability to connect with children today and inspire them to reach for their goals and aspirations.

Income and supporters

In order to achieve our ambitions, we need to continue to diversify our income streams and, with a huge amount of new work in development, increasing our income is a high priority for us.

we now have

7,919

Friends who
donated more than

£623,000

Significant funding from Arts Council England, the Welsh Government and the Department of Education Northern Ireland has enabled us to help children and their families on their reading journeys.

This year we were able to secure critical strategic support from the Mohn Westlake Foundation, from whom **we received a grant of £1,686,000 to help us develop our reading support** for more disadvantaged children over the next three years.

We are also very grateful to Waterstones and Renaissance Learning for their continued long-term support.

Publishers are central to helping us to get children reading; without them our work would not be possible. We work in close partnership with all publishers to enable us to purchase the best quality books for our programmes. They help us to get more children reading by promoting our campaigns and activity, and BookTrust is committed to helping publishers bring great books and authors to all children.

We are so grateful to the authors and illustrators who support our work, allowing their books to be delivered through our programmes, spreading our messages via social media, providing inspiring content for our website, and making time to visit schools, speak to the media and judge prizes.

Individual supporters remain vitally important in helping us getting children reading and **we now have nearly 8,000 Friends who donated more than £623,000 in the past year.** Our Christmas Appeal **raised over £425,000 from nearly 12,000 donors**, enabling us to send out **over 15,000 festive book parcels** through community foodbanks and to children in care.

Foundations that underpinned our approach

We are committed to diversity and inclusion

Through our programmes and the books we review, we give children access to high-quality, diverse and relatable stories and resources to get them excited about reading

We provided every state primary school in England with a free copy of *Happy Here*, a new anthology from 20 of our best Black British writers and illustrators, commissioned from Knights Of, a well-known inclusive publisher, as part of BookTrust Represents.

Alongside the Centre for Literacy in Primary Education (CLPE), we supported schools with a range of resources and events designed to help teachers give students a rich and diverse learning experience by bringing inclusive and representative stories into the classroom. Schools across the country also joined our free online event with celebrated children's author **Joseph Coelho** as part of Black History Month.

In Wales, a free conference was held for early years professionals focused on themes of equality, diversity and reading for pleasure in the early years. 4,500 books were delivered to organisations across Wales with a bilingual handbook and booklist to support them to diversify the books they make available to children in the early years.

We partnered with World Book Day and the Waterstones Children's Laureate, **Cressida Cowell**, on a special edition of our Pass the Pen campaign, through which well-known writers shared their social media platforms with emerging writers and illustrators of colour to champion new voices and promote diverse and inclusive books that reflect children and the world around them.



Foundations that underpinned our approach

Our international reach

We continue to be internationally acknowledged as a leader in early years reading, with Bookstart programmes replicated in a host of countries worldwide. We convene a range of networks, both within Europe – as Co-Chair of EURead (a leading voice on Children’s Reading within the EU) and founder of its new Researchers’ Network – and as founder of the Global Network for Early Years Bookgifting with a growing membership on four continents.

We prioritise sustainability

We continued to be environmentally responsible and mindful of the impact of our activity across our office, supply chain, procurement and logistics. We actively curated and procured books that support children to understand their environmental impact and climate change, such as *The Big Green Activity Book* by Damara Strong which was distributed through our Letterbox Club programme.

We moved to using recycled plastic materials to produce our Bookstart Baby Bag, reusing approximately 2 million plastic bottles a year and reducing carbon impact in the production process.



We value and support our people

Recognising the challenges presented by Covid-19, we prioritised our people’s wellbeing by taking a person-centred, flexible approach to how, when and where our people worked. We created fortnightly online opportunities for all staff to come together and supported individual teams to create opportunities to stay connected.

In line with government guidelines, we re-opened our offices in a staged way and consulted staff on a more permanent commitment to hybrid working. We refreshed our office space in Battersea and put in place plans to ensure our offices across the country will support new ways of hybrid working in 2022.

Our approach to fundraising

BookTrust takes its donor-friendly approach to fundraising very seriously and abides by all rules and regulations related to fundraising and use of data. Occasionally, supporters or businesses wish to undertake fundraising through methods which fall under the term of commercial participator.

In this financial year BookTrust benefited from the sale of Waterstones' Christmas cards. We expect all third parties who work with us to meet the same high standards as our own fundraisers and have contracts in place to ensure this. We have not worked with any professional fundraisers.

BookTrust is registered with the Fundraising Regulator and we fully comply with the Code of Fundraising Regulations. We take complaints about our fundraising very seriously and have established a process to handle, quantify and respond to complaints. We review all complaints received to determine any changes we need to make, and we update our database whenever a donor requests this. This year we did not receive any complaints.

The Fundraising Preference Service provides people with the means to stop direct marketing from specific charities without having to contact them directly. In this financial year, BookTrust did not receive any such requests.

Our Compliments, Comments and Complaints Policy can be easily found on our website. All of our staff follow best-practice guidelines for dealing with vulnerable people as outlined in Treating Donors Fairly from the Chartered Institute of Fundraising.

We use a mixture of consent and legitimate interest as our legal basis for processing supporters' personal data for marketing purposes. We ask all supporters how they would prefer us to communicate with them. We give them the option to let us know if they no longer wish to hear from us, and we always respect their wishes. We do not sell or exchange lists of data with any other charities or companies. For further details please see our privacy policy at <https://www.booktrust.org.uk/privacy-policy/>.

Financial review

2021/22 saw a planned utilisation of reserves resulting in an operating deficit (before gain on investments) of £0.5m (2021: surplus of £0.2m). We continued to receive £5.8m funding as part of our current contract with Arts Council England, and we were successful in securing £1.1m (2021: £0.8m) funding from the Education Directorate of the Welsh Government to support our work in Wales. £0.3m of this income has been deferred to 2022/23 when conditions under the terms of the grant have been fulfilled.

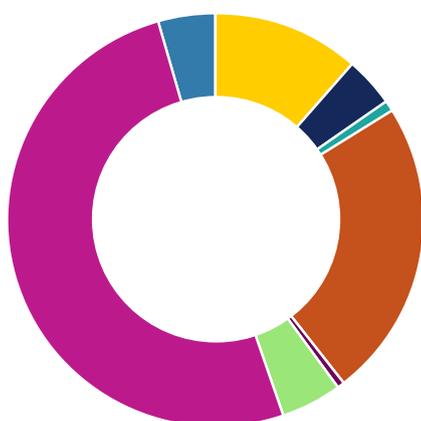
We continued to make progress in our strategy to diversify our income with our underlying fundraising income from corporate sponsorship and individual giving increasing by about 13%. In addition, we were able to include £0.1m additional income from our long-standing relationship

with Waterstones, as the grant from carrier bag income was received earlier than anticipated.

From Trusts and Foundations, we have been awarded £1.7m from the Mohn Westlake Foundation as a restricted grant which will be recognised as income over the next three years when conditions under the terms of the grant have been fulfilled. An initial receipt of £0.5m is recorded as deferred income on our balance sheet.

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

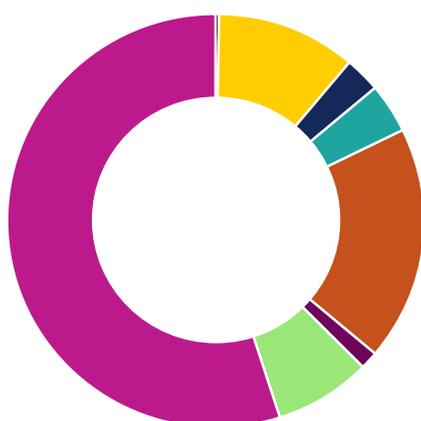
Overall, our **total income increased by £0.7m to £11.1m** (2021: £10.4m) with a further total of £2.0m deferred to 2022/23 (2021:£1.2m).



- Individual Giving **11.1%**
- Corporate Partnerships **3.7%**
- Trust and Foundations **0.8%**
- Traded **22.6%**
- Northern Ireland **0.6%**
- Wales **7.4%**
- Arts Council England **49.5%**
- Other **0.1%**
- Reserves **4.2%**

2021/22

Total income of £11.1m plus deficit from reserves (excluding £0.2m gain on investments)



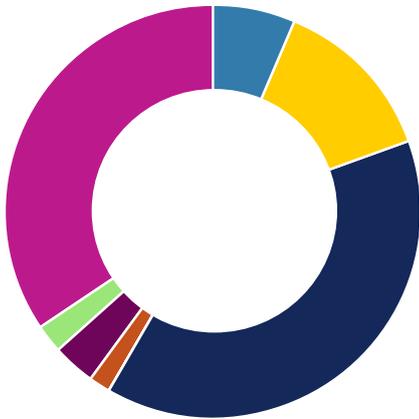
- Individual Giving **10.9%**
- Corporate Partnerships **2.5%**
- Trust and Foundations **3.9%**
- Traded **18.3%**
- Northern Ireland **1.4%**
- Wales **7.7%**
- Arts Council England **55%**
- Other **0.2%**

2020/21

Total income of £10.4m (excluding £1.1m gain on investments)

Financial review

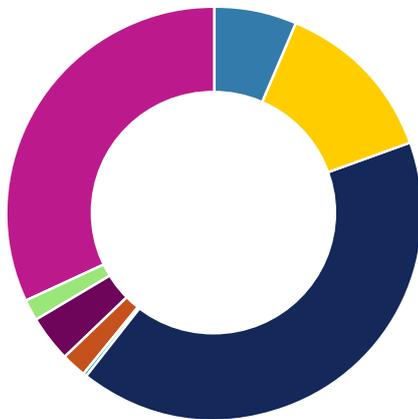
Overall expenditure **increased by £1.4m to £11.6m** (2021: £10.2m)



- Research, publicity and engagement **£761**
- Distribution/warehousing **£1,506**
- Staffing costs **£4,474**
- Travel and subsistence **£14**
- Professional fees **£184**
- Establishment and office **£385**
- IT **£269**
- Books and resources **£3,959**

2021/22

Expenditure of **£11.6m**



- Research, publicity and engagement **£662**
- Distribution/warehousing **£1,332**
- Staffing costs **£4,214**
- Travel and subsistence **£11**
- Professional fees **£216**
- Establishment and office **£354**
- IT **£168**
- Books and resources **£3,258**

2020/21

Expenditure of **£10.2m**

All values in £,000



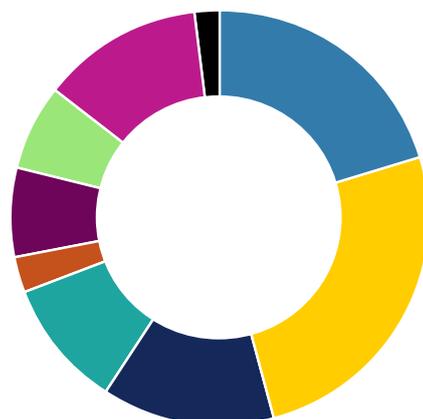
Financial review

Our spend against our strategic objectives continues to mature, although SO4 – Helping the most vulnerable access the greatest benefits of reading – was significantly higher this year than last due to significant catch-up in deliveries of our Letterbox Club, held over from the previous year due to Covid-19 restrictions.



2021/22

Expenditure of £11.6m



2020/21

Expenditure of £10.2m
plus £0.2m surplus
added to reserves
(excluding £1.1m gain
on investments)

The strategic objectives
are set out on pages 8 to 13

Funds and reserve policies

BookTrust's funds are divided into three categories:

- **Restricted** – Restricted funds 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.
- **Designated** – The Board of Trustees has designated certain amounts from unrestricted funds for the development of specific programmes. During this year the Trustees have designated funds for the development of our income generating capacity to be invested over the next four years, building fundraising campaigns, increasing income through traded activity and developing our systems and infrastructure.
- **Unrestricted** – Unrestricted funds support working capital requirements, provide cover for risk management and are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Reserves 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 this fund 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 narrowly focused organisation. In reviewing these scenarios, the Trustees have agreed 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 a minimum free reserve 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 an average free reserve 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 2022 was £8.3m (2021: £8.5m) of which £6.7m (2021: £6.5m) was held as investments and the balance of £1.6m (2021: £2.0m) in cash on deposit. Of the £8.3m, £2.5m (2021: £3.0m) was restricted for specific purposes and £1.2m had been designated for investment in the development of our income generating capacity (2021: £0.6m for investment in programme development and income generation). This leaves £4.6m (2021: £4.9m) in unrestricted funds which is £2.1m (2021: £2.4m) above our minimum reserve requirements. Free reserves stand at £1.6m (2021: £1.9m), again well in excess of minimum free reserve requirements. The trustees are satisfied that the approved plans for the next four 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). Our managed funds are managed by Epoch Consulting (part of Brewin Dolphin Ltd) through two sub-strategies: a low volatility portfolio and a balanced risk growth portfolio. We work closely with Epoch to monitor performance against agreed market benchmarks and our investment objectives.

Key risks and uncertainties

Key risks

Our wider landscape – We recognise risks within our wider landscape from the lasting impact of the Covid-19 pandemic, 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 have all experienced significant challenges over the past year. This strain has put pressure on our current and potentially new local delivery partners and their capacity.

Income – BookTrust receives support from a wide range of donors, some of whom may be experiencing financial difficulties in the present economic climate. We will need to seek to retain as many of our existing donors as well as attracting new supporters to ensure that we are able to grow and diversify our income over time.

Managing risk – We continue to work closely with our partners to understand their challenges and how we can support them to deliver. We are investing heavily in our partnership and place-based approach, increasing resources and extending our relationships.

We have also invested in our income generation team and infrastructure to focus on developing new opportunities and generating increased income. We do not foresee a significant risk to our financial sustainability or a loss or significant delay in our funding. Our current contract with Arts Council England has been extended to March 2023, and as planned, we are applying to be an Arts Council England National Portfolio Organisation for the next funding period for the same level of funding we receive currently through the Arts Council strategic funds.

This would provide funding at the current levels for a further three years to March 2026.

The Arts Council has indicated that they will contact applicants and let them know if they are making them an offer of funding in November 2022. This will be conditional and subject to the negotiation of a satisfactory funding agreement.

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 Consort
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	(appointed 1 October 2021)
Gautam Dalal	(appointed 25 June 2021) Honorary Treasurer from 1 November 2021
Paul Davies	(end of office 18 December 2021)
Harpal Dhillon	
Fiona Johnson	(end of office 2 September 2021)
Michael Hudack	(appointed 1 October 2021)
Professor Anthony Kessel	
Nigel Langstaff	(appointed 25 June 2021)
Hsin Loke	(end of office 23 February 2022)
Claire Malcolm MBE	(end of office 2 September 2021)
Hilary Murray Hill	(appointed 3 May 2022)
June O'Sullivan MBE	
Peter Roche	(end of office 31 October 2021) Honorary Treasurer to 31 October 2021
Victoria Sellick MBE	(appointed 25 June 2021)
Professor Stephen Scott CBE	(appointed 1 October 2021)

Chief Executive	Diana Gerald
Company Secretary	Jennifer Rachael Bailey

Registered Office

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

Operational address

G8 Battersea Studios, 80 Silverthorne Road, Battersea, London SW8 3HE

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 Board of Trustees administers the charity and exercises its scrutiny role through Board meetings, held at least quarterly, and standing committees. We have three committees: (i) Finance, Risk and Audit, (ii) Nominations and (iii) Equality, Diversity, Inclusion and Remuneration (the remit of this Committee has been developed over the year and was previously the Remuneration Committee). Trustees also take lead roles for key areas, notably safeguarding, governance, equality, diversity, people and culture.

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. In 2021 and 2022 we appointed seven new Trustees to ensure

that we have a diverse Board which brings sufficient skills and expertise to lead 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. Following our external review of governance in 2020, in 2021 an internal review was led by the Chair of the Board. Informed by these reviews, we continue to take steps to strengthen BookTrust's governance.

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.

Structure, governance and management

The Senior Leadership Team (SLT)

comprises:

Diana Gerald

Chief Executive Officer

Colin Atkins

Chief Operating Officer

Jill Coleman

Director of Children's Books

Annie Crombie

Director of Programmes and Partnerships

Lee Green

Director of Income

(appointed 19 July 2021)

All personnel aside from the CEO and Senior Leadership Team are remunerated within a pay framework set using job evaluation and analysis and, where relevant, external benchmarking. We have been moving 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 and Remuneration Committee. Remuneration of the CEO and SLT is agreed by Trustees based on a formal performance evaluation and periodic external benchmarking.

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 of Trustees' responsibilities

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: 03/10/2022

Gautam Dalal

Director

Date: 03/10/2022

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 2022 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 2022 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.

Independent auditor's report to the members of BookTrust

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.

Independent auditor's report to the members of BookTrust

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.

Independent auditor's report to the members of BookTrust

- 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: 03/10/2022

for and on behalf of

Sayer Vincent LLP

Statutory Auditor

Date: 03/10/2022

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

Statement of financial activities

(Including Income and Expenditure Account for the year ended 31 March 2022)

	Note	Unrestricted funds 2022 (£) £,000	Restricted funds 2022 (£) £,000	Total funds 2022 (£) £,000	Total funds 2021 (£) £,000
Income from:					
Statutory funding		5,726	918	6,644	6,663
Corporate partnerships		410	14	424	259
Individual giving		1,285	1	1,286	1,134
Trust and Foundations		83	3	86	407
Traded activity		2,617	-	2,617	1,904
Investment dividends and Interest		14	-	14	24
		10,135	936	11,071	10,391
Expenditure on:					
Raising donations	2	863	-	863	821
Charitable activities					
Starting together so all families are supported to initiate shared reading at the earliest opportunity		2,379	232	2,611	2,429
Supporting disadvantaged children and families in their early years who need more help to get started on their reading journeys and make reading a regular part of their lives		2,440	818	3,258	2,942
Encouraging children and families to continue on their reading journeys		1,508	23	1,531	1,725
Overcoming barriers so children from vulnerable family backgrounds can enjoy the benefits of reading despite the challenges they face		1,807	128	1,935	1,180
Building a community of champions who understand, advocate for and promote the benefits of reading		259	27	286	317
Other activities supporting children's reading		858	210	1,068	800
		10,114	1,438	11,552	10,215
Net Income before gains / (losses) on investments	3	21	(508)	(481)	176
Net gain/ (loss) on investments	6	228	-	228	1,132
Net income/ (expenditure)		249	(502)	(253)	1,309
Transfer between funds	10	-	-	-	-
Net movement in funds		249	(502)	(253)	1,309
Total funds brought forward		5,526	3,002	8,528	7,220
Total funds carried forward		5,775	2,500	8,275	8,528

Balance sheet

As at 31 March 2022

	Note	2022		2021	
		£,000	£,000	£,000	£,000
Fixed Assets					
Investments	6		2,500		2,500
Current Assets					
Investments	6	4,152		3,974	
Stock		1,836		1,399	
Debtors	7	2,386		939	
Cash at bank and in hand		1,131		1,980	
		<u>5,353</u>		<u>4,318</u>	
Creditors: amounts falling due within one year	8	(3,730)		(2,264)	
			<u>1,623</u>		<u>2,054</u>
Net Current Assets			1,623		2,054
Net Assets			8,275		8,528
Funds					
Restricted Funds	10		2,500		3,002
Unrestricted:					
General Fund	10		4,603		4,878
Designated Funds	10		1,172		648
			<u>8,275</u>		<u>8,528</u>

Approved and authorised for issue by the board of directors on 3 October 2022 and signed on their behalf by:

John Coughlan
Director

Gautam Dalal
Director

Cash flow statement

As at 31 March 2022

	2022	2021
	£,000	£,000
Cash flows from operating activities		
Net income before investment gains / (losses) for the reporting period (as per the statement of financial activities)	(481)	176
Interest	-	(1)
(Increase) / decrease in stock	(437)	(57)
(Increase) / decrease in debtors	(1,447)	(190)
Increase / (decrease) in creditors	1,466	479
Net cash provided by operating activities	(899)	407
Cash flows from investing activities		
Interest	-	1
Proceeds from sale of investments	3,872	5,769
Purchase of investments	(4,213)	(4,604)
Net cash movement in investments	391	(1,152)
Change in cash in reporting period	(849)	421
Analysis of cash and cash equivalents		
Cash in hand		
Balance brought forward	1,980	1,559
Increase / (decrease) in year	(849)	421
Balance carried forward	1,131	1,980
Cash in hand		
Bank balance	1,131	1,980
Cash	-	-
	1,131	1,980

Notes to the accounts

31 March 2022

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:

This fund supports working capital requirements, 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.

Designated:

The Board has designated certain amounts for the development of new programmes which are detailed in note 10.

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 2022

(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 unrestricted income in the period to which it applies.
- 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 2022

(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.

(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.

Notes to the accounts

31 March 2022

(m) Operating leases

There is one lease for a photocopier, which is for a minimum term of three years up to September 2024, and a five-year lease for the telephone system ending in August 2024. There is a three-year rental contract on the Wales office up to May 2023 and on the Northern Ireland office up to September 2023. The lease on the London office expires in September 2024.

(n) 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.

(o) 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 investments are intended to be for the long term and so are shown as a fixed asset.

(p) 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 2022

2a Analysis of expenditure (current year)

Charitable Activities

	Raising funds	Starting together so all families are supported to initiate shared reading	Supporting disadvantaged children and families in their early years who need more help to get started on their reading journeys	Encouraging children and families to continue on their reading journeys	Overcoming barriers so children from vulnerable family backgrounds can enjoy the benefits of reading despite the challenges they face	Building a community of champions who understand, advocate for and promote the benefits of reading	Other activities supporting children's reading	Governance costs	Support costs	2022 Total	2021 Total
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Books and resources	140	970	1,125	403	783	37	501	-	-	3,959	3,258
Research, publicity & engagement	183	19	201	113	81	99	29	-	36	761	662
Distribution / warehousing	13	371	351	167	326	20	258	-	-	1,506	1,332
Payroll costs (note 4)	369	822	1,029	574	431	68	114	33	606	4,046	3,877
Other staffing costs	13	75	97	55	52	24	22	-	90	428	337
Travel and subsistence	-	2	9	2	1	-	-	-	-	14	11
Professional fees and finance costs	29	(3)	8	5	-	-	-	36	109	184	216
Establishment and office costs	4	3	4	7	1	-	1	-	365	385	354
IT	-	11	10	6	7	1	4	230	230	269	168
	751	2,270	2,834	1,332	1,682	249	929	69	1,436	11,552	10,215
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	
Total expenditure 2021	821	2,429	2,290	2,379	1,180	317	799	-	-		10,215

Of the total expenditure, £10,114 was unrestricted (2021: £9,218) and £1,438 was restricted (2021: £997).

Notes to the accounts

31 March 2022

2b Analysis of expenditure (Prior year)

	Charitable Activities									2021 Total
	Raising funds	Starting together so all families are supported to initiate shared reading	Supporting disadvantaged children and families in their early years who need more help to get started on their reading journeys	Encouraging children and families to continue on their reading journeys	Overcoming barriers so children from vulnerable family backgrounds can enjoy the benefits of reading despite the challenges they face	Building a community of champions who understand, advocate for and promote the benefits of reading	Other activities supporting children's reading	Governance costs	Support costs	
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Books and resources	150	736	1,075	400	470	47	379	-	-	3,257
Research, publicity & engagement	216	48	82	128	62	66	47	-	14	663
Distribution / warehousing	8	274	419	166	267	13	182	-	3	1,332
Payroll costs (note 4)	262	859	987	644	224	134	100	29	638	3,877
Other staffing costs	14	137	85	37	10	8	4	-	40	336
Travel and subsistence	-	2	1	2	1	-	-	-	5	11
Professional fees and finance costs	49	48	5	5	5	-	-	51	53	216
Establishment and office costs	6	6	7	8	1	8	1	-	317	354
IT	-	4	4	5	2	1	1	-	152	169
	705	2,114	2,665	1,395	1,042	277	714	80	1,222	10,215
Support costs	109	296	260	310	129	37	81	-	(1,222)	-
Governance costs	7	19	17	20	9	3	5	(80)	-	-
Total expenditure 2021	821	2,429	2,942	1,725	1,180	317	800	-	-	10,215

Notes to the accounts

31 March 2022

3 Net incoming/(outgoing) resources

	2022	2021
	£,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	237	233
Auditors remuneration		
• Audit services	14	14
• Non-audit services	-	1

Notes to the accounts

31 March 2022

4 Staff Costs

	2022	2021
	£,000	£,000
Salaries	3,370	3,304
Social security costs	352	318
Pension costs	293	234
Redundancy and termination payments	31	21
	4,046	3,877

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

	2022	2021
	Number	Number
£60,000 - £69,999	3	3
£70,000 - £79,999	-	1
£80,000 - £89,999	-	-
£90,000 - £99,999	2	2
£100,000 - £109,999	1	1
	6	7

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 £489 (2021: £507).

Total employer pension contributions in the year for these staff members were £25 (2021: £27)

	2022	2021
	Number	Number
The average number of employees by function, was:		
Charitable activity	69	63
Fundraising	6	5
Administration and Support	15	15
	90	83

The Trustees have not received any remuneration or benefits in kind during the year (2021: £Nil)

	2022	2021
	Number	Number
Number of Trustees reimbursed expenses during the year	1	2

The Trustees received reimbursement of expenses during the year of less than £500 (2021: <£500) (both amounts in £)

Notes to the accounts

31 March 2022

5 Taxation

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

6 Investments

Quoted Investments	2022	2021
	£,000	£,000
Fair value at the start of the year	6,474	5,354
Additions	4,213	4,604
Disposal proceeds	(3,872)	(5,769)
Net gain/ (loss) on change in investments fair value	228	1,132
Movement in cash balance	(391)	1,153
Fair value at the end of the year	6,652	6,474
Historical cost	6,000	6,000

Investment management charges totalled £64 (2021: £35).

7 Debtors

	2022	2021
	£,000	£,000
Amounts falling due within one year:		
Trade debtors	711	514
Other debtors	172	153
Prepayments and accrued income	1,503	271
	2,386	938

8 Creditors

	2022	2021
	£,000	£,000
Amounts falling due within one year:		
Trade creditors	1,356	710
Other taxes and social security	106	94
Accruals	266	201
Deferred income (note 11)	1,991	1,248
Other creditors	11	11
	3,730	2,264

Notes to the accounts

31 March 2022

9 Financial instruments

	2022	2021
	£,000	£,000
Financial Assets		
Financial assets measured at amortised cost	3,199	2,622
Financial assets measured at fair value through profit or loss	6,652	6,474
	<u>9,851</u>	<u>9,096</u>
	2022	2021
	£,000	£,000
Financial Liabilities		
Financial liabilities measured at amortised cost	1,514	779
	<u>1,514</u>	<u>779</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 2022

10a Funds

	1 April 2021	Incoming Resources	Resources Used	Transfers Between Funds	Investment Gains / (Losses)	31 March 2022
Unrestricted Funds:						
General fund	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:						
Starting together so all families are supported to initiate shared reading at the earliest opportunity	-	232	(232)	-	-	-
Supporting disadvantaged children and families in their early years who need more help to get started on their reading journeys and make reading a regular part of their lives	2,658	352	(817)	-	-	2,193
Encouraging children and families to continue on their reading journeys	305	24	(22)	-	-	307
Overcoming barriers so children from vulnerable family backgrounds can enjoy the benefits of reading despite the challenges they face	11	119	(130)	-	-	-
Building a community of champions who understand, advocate for and promote the benefits of 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 2022

10b Prior year funds

	1st April 2020	Incoming Resources	Resources Used	Transfers Between Funds	Investment Gains / (Losses)	31st March 2021
Unrestricted Funds:						
General fund	3,326	9,370	(8,707)	(244)	1,132	4,878
Designated Funds:						
IT and Infrastructure Development	180	-	-	(180)	-	-
Income Diversification	320	-	(53)	(107)	-	160
Research & Programme Development	415	-	(458)	531	-	488
	4,241	9,370	(9,218)	-	1,132	5,526
Restricted Funds:						
Starting together so all families are supported to initiate shared reading at the earliest opportunity	-	198	(198)	-	-	-
Supporting disadvantaged children and families in their early years who need more help to get started on their reading journeys and make reading a regular part of their lives	2,589	394	(325)	-	-	2,658
Encouraging children and families to continue on their reading journeys	305	41	(41)	-	-	305
Overcoming barriers so children from vulnerable family backgrounds can enjoy the benefits of reading despite the challenges they face	84	131	(204)	-	-	11
Building a community of champions who understand, advocate for and promote the benefits of reading	-	34	(34)	-	-	-
Other activities supporting children's reading	-	223	(195)	-	-	28
	2,978	1,021	(997)	-	-	3,002
	7,220	10,391	(10,215)	-	1,132	8,528

Income includes £5,763k from Arts Council England in 2021/22 (2020/21: £5,763k) which is unrestricted funding as of 2021/22.

Notes to the accounts

31 March 2022

Unrestricted Funds

The general fund stood at £4,603 at 31 March 2022 (2021: £4,878). 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.

Designated Funds

Following the appointment of a new Director of Income in 2021 the Trustees have approved a four-year plan for investment of £1,172 in income generating capacity to support BookTrust's strategic objectives. This plan will be reviewed on an annual basis and the allocation may be adjusted as appropriate (2021: a provisional £160 had been designated).

Research and Development activities have been firmly embedded in the forward strategic plans and unused funds, previously designated for development work across our programmes to support the delivery of our strategy, no longer require specific designation (2021: £488 designated, of which £446 was utilised).

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 2022

11 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

Prior year deferred income

	Letterbox	Bookbuzz	Grant funding	Other sales invoices not yet delivered	Total
	£,000	£,000	£,000	£,000	£,000
Balance at 1 April 2020	735	109	-	41	885
Released to incoming resources	(735)	(109)	-	(41)	(885)
Amount deferred in year	992	218	-	37	1,247
Balance as at 31 March 2021	992	218	-	37	1,247

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

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31 March 2022

12 Analysis of net assets between funds

	2022			2021		
	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	£,000	£,000	£,000	£,000	£,000	£,000
Investments	4,154	2,498	6,652	3,585	2,889	6,474
Net current assets	1,621	2	1,623	1,941	113	2,054
Net Assets	5,775	2,500	8,275	5,526	3,002	8,528

13 Financial commitments

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

	2022		2021	
	Land and buildings	Other	Land and buildings	Other
	£,000	£,000	£,000	£,000
Leases expiring in:				
Less than one year	-	-	-	-
1 to 5 years	615	13	870	17
	615	13	870	17

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14 Comparative statement of financial activity

	Unrestricted funds 2021 £,000	Restricted funds 2021 £,000	Total funds 2021 £,000
Income from:			
Statutory funding	5,729	934	6,663
Corporate partnerships	232	27	259
Individual giving	1,134	-	1,134
Trust and Foundations	347	60	407
Traded activity	1,904	-	1,904
Investment dividends and interest	24	-	24
	9,370	1,021	10,391
Expenditure on:			
Raising funds	821	-	821
Charitable activities			
Initiating shared reading for all	2,231	198	2,429
Supporting shared reading for disadvantaged families in the early years	1,965	325	2,290
Keeping reading going throughout the school years	2,338	41	2,379
Helping the most vulnerable access the greatest benefits of reading	976	204	1,180
Explaining the benefits of reading to partners and professionals	283	34	317
Other activities supporting children's reading	604	195	799
Other trading activities	-	-	-
	9,218	997	10,215
Net Income before gains / (losses) on investments	152	24	176
Net (loss) on investments	1,132	-	1,132
Net Income	1,285	24	1,308
Net movement in funds	1,285	24	1,308
Total funds brought forward	4,241	2,978	7,220
Total funds carried forward	5,526	3,002	8,528

Note: Expenditure is shown after allocation of governance costs; governance costs have been allocated across activities on the basis of proportion of income.

Notes to the accounts

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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 are £250,000 plus accrued interest of £27,493 (amounts in £). Since the maturity of the originally gifted long-term bond these funds are held in a separate deposit account with NatWest Bank, pending final details of transfer of the assets to the Women's Prize Trust. 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 with an advance payment of £0.5m included in creditors (2021: we received an unrestricted grant of £0.25m).

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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