



**Transforming lives
by getting children
and families reading**

**Annual report
and financial
statements
2018/19**




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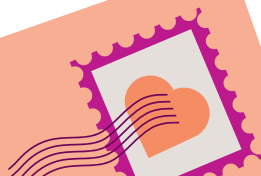
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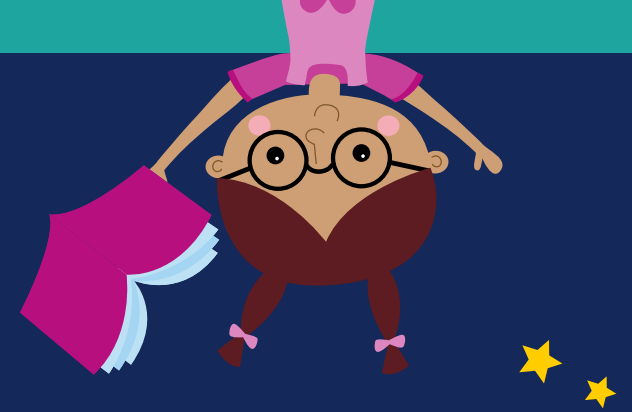
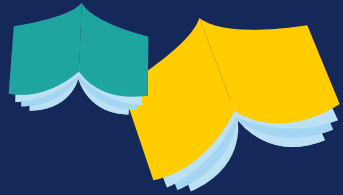
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Our vision:

**Every child
reading for
pleasure**



Chair's welcome



here are two different stories to children's reading in the UK.

The first story is, as so many children's stories are, one of brightness and happy endings. According to Nielsen, which collects consumer sales data for the publishing industry, the children's book market continues to thrive as demand increases for

wonderful children's books. More and more authors and illustrators are creating and publishing fantastic books full of wondrous tales and stunning illustrations, and children's literature is beginning to gain the status and attention it deserves.

But the second story is rather sadder. It is a story of increasing numbers of children who barely read, let alone read for enjoyment. It is a story of squeezed family incomes, limited access to books, competition from screen time and the decline of the bedtime story.

BookTrust plays a critical part in the first story. We promote all the brilliance of children's literature and its fantastic authors and illustrators. We review children's books every single day to ensure that families can always find the right 'next book' for their children. We champion picture books, we run initiatives such as the **Blue Peter Book Awards** and the **Waterstones Children's Laureate**, and we tirelessly promote the importance of reading and stories in every child's life, directly to families as well as through the press and digital media.

But it is in the second story that we seek not just to play a starring role, but to change the narrative completely. Children who miss out on stories and reading miss out on language development, on the building of communication skills, empathy, confidence and identity. And too often it is children who are already in challenging circumstances who miss out the most. These are the children who start school already behind their peers, and this gap only widens as they grow older. These are the children that we need to reach.

This year we published a hugely informative and exciting research study, **Family Reading Segments**, which identified the families who are least engaged with reading, looking into their motivations, their habits and the various barriers to reading. Worryingly, 45% of families with children aged 0-6 were either **not yet engaged** or only **somewhat engaged** with reading.



We need to reduce that percentage – and dramatically. We need to create an environment where reading is normalised for all; where the value of reading is understood; where families feel supported and confident in reading with their children; where children see books as ‘for them’, and also see their own lives reflected in stories and illustrations.

There are many ways in which we are working to achieve these aims – among them, refocusing on reaching families where English is an additional language (around 139,000 children are born into families who speak English and an additional language each year – a number that has doubled in the past ten years); widening access to our targeted **Bookstart Corner** programme, aimed at families experiencing socio-economic disadvantage; scaling up our focus on reading as a way in to language development through our pioneering **Pori Drwy Stori** Nursery programme in Wales; and publishing ground-breaking research, representation of people of colour among children’s book authors and illustrators, which resulted in our pioneering **BookTrust Represents** initiative. We also continue to reach those who need us most through our universal programmes, whether that’s through food banks, refuge centres or prisons.

Getting children reading is so important. It affects life chances, social mobility, mental wellbeing and so much more. BookTrust is determined to start every child – no matter their background, no matter their circumstances – on their reading journey.

We are so grateful for the incredible support of local authorities, health visitors, publishers, authors, librarians, teachers and more in helping us change the story for so many children. I would also like to thank the Arts Council, the Welsh Government, Waterstones, the Mohn Westlake Foundation and all our many Friends and supporters, along with our staff and Trustees.



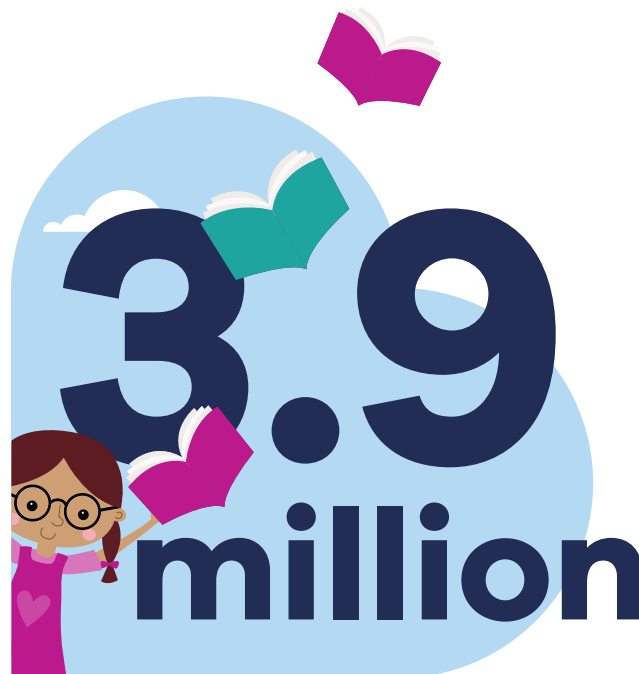
John Coughlan CBE
Chair of Trustees

Our year

At a glance



Our award-winning **Letterbox Club** reached over 11,600 children in care aged between 3 and 13 across the UK.



We reach 3.9 million families across the UK with books, resources and support to help develop a love of reading.

158,000

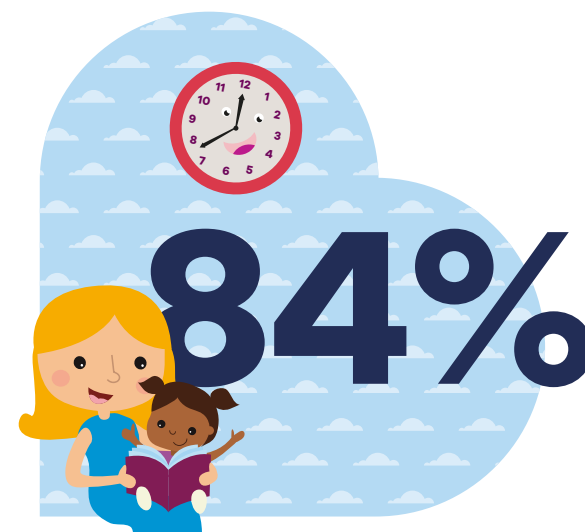
Our **Bookbuzz** programme reached over 158,000 secondary school students across the country.

79,500

We now have 79,500 Twitter followers and 26,000 Facebook likes, 12,000 Instagram followers and 1,500 YouTube subscribers.

1.4 million

We are proud of the reach of **Bookstart 0-5** that gave 1.4 million packs to families to support them with sharing books, stories and rhymes.



Over 720,000 **Time to Read** packs were sent to schools for Reception-aged children: 84% of parents surveyed after their child received the pack reported that their child was keen to read the book at home.

Our ambition

Our mission is 'getting children reading', an ambition that is both simple and complicated at the same time. At a fundamental level, reading is central to human existence and critical to our engagement with the world – if we can't read, we can't apply for jobs, read signs, fill out forms or understand our rights – and yet the act of reading for enjoyment is too often seen as a 'nice-to-have', activity or, worse, one enjoyed by a particular group of people. Simply put, reading is too often seen as being for 'booky' types.

But it is the stereotyping of reading, the feeling of it being 'for others', that risks the most damage to children's development and life chances. From the earliest point in a child's life, they are figuring out who they are and how they best fit in to the world around them. They watch their parents/carers for cues and clues, as they learn to touch, listen, vocalise and move. These early days are so crucial – not just in making brain connections, but in telling children what their world looks like.

A world full of stories, words, rhymes, engagement and fun is one that will aid language, confidence, communication, empathy, visual literacy, imagination and so much more, giving children a solid platform from which to build. The child who has grown up around storytelling, books and rhyme will not just be school-ready; they will also be prepped to understand nuance, to look for visual clues and to expect the unexpected. Their vocabulary will be wide ranging, they will be better able to see the world from

another's point of view, and they will have a greater sense of place, of belonging, of identity. From engaging in learning to navigating playground battles, from understanding the difference between 'good' and 'bad' decisions to understanding non-verbal communication, this child will have the tools with which to flourish.

And yet, too many families lack confidence or enthusiasm around reading, whether that's because they are struggling to find the time, because of their own educational challenges, because English is not their first language, or simply because of lack of confidence in choosing books and reading aloud. BookTrust's own research, **Family Reading Segments**, found that 45% of families with children aged 0–6 were either **not yet engaged** or only **somewhat engaged** with reading.

Our challenge, then, is to democratise reading: to create a world where reading is part of its fabric; where there is no right way or wrong way, no good books or bad books, just enjoyment – of stories, of pictures, but also of bonding. Stories have always brought people together, and we need to focus on this innate human need for sharing, so that reading is no longer 'for other people' and is instead 'for all', building towards our vision of every child a reader.



BookTrust's objects are set out in its Articles of Association.

'To promote, encourage, foster or strengthen by all and every suitable or convenient means the habit of reading and the wider and more general distribution of books by and among people'.



How we have delivered on our strategic priorities in 2018/19

The primary way that we democratise reading is to get books and supporting resources into the hands of every new family.

Our flagship **Bookstart** programme has been running for over 25 years, and reaches families in the first year of their baby's life. Given out by health visitors, registrars, librarians and more, Bookstart is now part of the fabric of early parenthood, and its universal reach means that early reading is truly democratised. But while we are proud of the reach of Bookstart, which gave 1.4 million packs to families, we want 'universal' to mean that everyone feels part of the programme, which means continuing our mission to reach those who need more support.

Achieving true universality means giving more support where it is needed. So in 2018/19, we created five significant new initiatives.





Dual language

In primary schools, 21% of children speak English as an additional language (EAL), and around 139,000 children are born into families who speak EAL each year – a number that has doubled over the last decade. Through our **Bookstart Dual Language** programme, we currently distribute 32,500 books across England. Feedback from our partners in local authorities and councils shows that provision for children with EAL is a real priority for them. Research evidence suggests there are a range of benefits to reading and sharing stories in the child's first language. But simply speaking EAL doesn't mean a family needs support. That is why we've started **Multi-Story**, a project to inform and improve what we offer for children and

families with EAL. The pilot has seen eight local authorities (Islington, Barnsley, Manchester, Liverpool, Coventry, Sheffield, Devon and Leicester) delivering sessions with EAL families. Partners are testing a range of approaches: some library-led, some collaborations between libraries and children's centres; some focusing on single languages, others on multiple languages. Most projects are delivering supported group sessions to parents and children. We have commissioned a review of relevant research to support partners and to help us make decisions about future work in this area.

21%

of children in primary schools speak English as an additional language



Bookstart Corner

Since we launched **Bookstart Corner**, our targeted programme for families experiencing socio-economic disadvantage, many of our local partners have been through a period of significant change. In order to ensure the sustainability of our support for children and families, we need to be innovative and flexible in what we do to reflect the changing delivery networks of our partners, particularly local authority children's centres. To this end, this year we have responded by enabling our partners to deliver Bookstart Corner through a wider range of settings – for example through nurseries, libraries, childminders and women's refuges – and in ways that reinforce local initiatives already underway. We will continue supporting these new models of delivery next year.





Wales

In Wales, meanwhile, our ground-breaking **Pori Drwy Stori** programme was scaled up from 600 children last year to 10,000 children this year, supported by the Welsh Government Education Directorate. The programme focuses on supporting rhyme-sharing behaviour and reading for pleasure, in particular encouraging 'talk' and interaction related to book-sharing activities. Nurseries in every local authority in Wales have taken part, with training and information sessions available for all participants. An external evaluation is underway.

Also in Wales, this year saw us launch a new national week of activity with 0–5 partners called the **Big Welsh Rhyme Time**. We ran an online engagement campaign and provided certificates and stickers to schools and early years partners across Wales to get children rhyming, with 140 partners receiving resources for over 13,000 children to take part. This work supports our oracy focus, aims to join up our cross-programme 0–5 initiatives, supports our focus on family engagement and is part of our profile-raising and partnership-building activity.

Diversity

Inclusivity and diversity is at the core of our organisation; we know that children need to see themselves reflected in the books they read, and all children need and deserve a range of voices. We have found it difficult to meet the demand for books by authors and illustrators of colour, so in 2018 we commissioned a ground-breaking piece of research that looked at the number of children's book authors and illustrators of colour published in Britain between 2007 and 2017. This research forms the basis of **BookTrust Represents**, an important resource for BookTrust to promote children's book writers and illustrators of colour. The research and the project launched in 2019 and will continue over the next three years.

[Click the article to read in full](#)



Programme reach

While **Bookstart** is our flagship programme – getting families engaged in reading and storytelling from the earliest age – it is just the beginning of a child’s reading journey, and BookTrust is committed to supporting children as they grow. Our **Bookstart Treasure** pack reaches 660,000 children across the country when they are aged 3–4.

We also continue to deliver and develop our interventions in early years that support children with physical challenges (3,028 **Bookshine** packs and 3,028 **Booktouch** packs).

All our interventions have been developed to get, or keep, children reading as barriers come up. As well as providing 7,500 books to 750 special schools, our large-scale nationwide secondary school programmes target the specific age-related barriers as children transition into secondary school: our **Bookbuzz** programme, which reached over 158,000 students at 921 schools across the country this year, is aimed at 11 year olds, to keep their reading enjoyment alive as they navigate the challenges of senior school; and our **School Library Packs** deliver 144,000 handpicked fantastic fiction and non-fiction books to 3,500 schools so that children wandering into the library will immediately find a book that they can’t wait to read, as well as 7,500 books to 750 special schools.



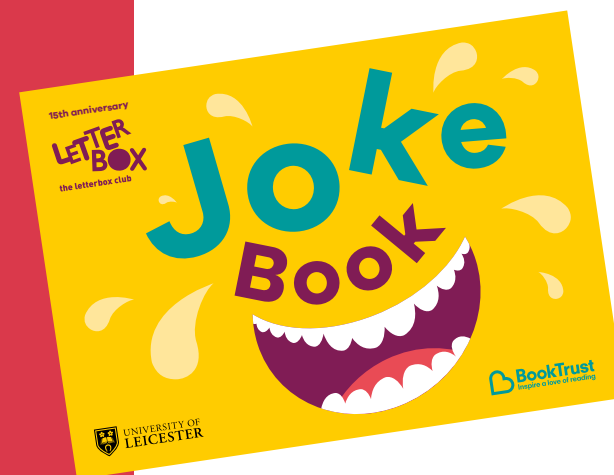
Our **Bookbuzz** programme reached over 158,000 students at 921 schools



Supporting children in care

Our award-winning **Letterbox Club** reaches over 11,600 children in care aged between 3 and 13 across the UK. Each month children receive a personalised parcel of fiction and non-fiction books, stationery, activities and number games, sent to the child themselves wherever they are living. Over six months each child builds up their personal library to enjoy and return to – and take with them if they move home.

This year also saw us celebrating 15 years of the Letterbox Club with a new video featuring children and carers, and a specially created joke book including jokes from children who take part in the programme. The joke book was delivered to children taking part in the Letterbox club who are looked after and vulnerable, in their festive parcel at Christmas (supported by our increasingly popular Christmas fundraising campaign).



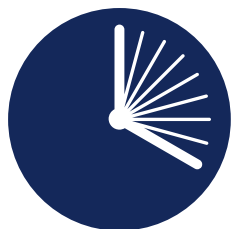
Campaigning and getting out the message on reading

But as important as it is to get actual books into the hands of children, it is equally important to make reading seem accessible, aspirational and fun to families and children. It's why our campaigns are so important in supporting and amplifying our programmes' activity.




This year, we gave out *Little Monkey* by Marta Altés to 722,255 Reception-aged children across the country

Our **Time to Read** campaign for 4–5 year olds sees fun, engaging books reaching every child in their Reception year – a common age for cosy shared reading to be replaced by phonics homework and a subsequent dip in reading enjoyment/engagement. Learning to read is so important, but also very challenging, for children and for parents. Time to Read encourages families to keep the shared story alive – whether that's the bedtime story, or a book shared on the sofa or bus after school – to remind children that books and stories are not just homework; they are also a refuge, a conversation-starter, and often a lot of fun. The campaign is a high-profile moment for BookTrust, getting the reading message across social media, press and broadcast media. Across communications and campaigns, Time to Read 2018 was a great success. This year, we gave out *Little Monkey* by Marta Altés to 722,255 Reception-aged children across the country, with tips and guidance for families to encourage reading for enjoyment at home; 98% of parents surveyed said that their child enjoyed reading the book and that they had fun reading the story together.



**Time
to read**
BookTrust



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Over 95% of parents also reported that their child was proud to own the book and to talk about it with them or other adults. In the media, we focused on the importance of 'visual literacy', which is hugely boosted by reading picture books. With help from Emma Kenny, celebrity child psychologist, we secured 44 pieces of media coverage in titles including The Sun, Mail Online, Daily Mail, ITV and Primary Times.

We also secured 12 blog posts as a result of our blogger outreach, with a combined monthly readership of 171,000; and had 1,648 blogger social media posts (including a one-hour Twitter Party which saw us trending on Twitter), and lots of fantastic support from high-profile children's illustrators and authors. Our own social media posts during the campaign generated over 480,000 impressions.

**480,000
impressions**





Our **Bath, Book, Bed** campaign, aimed at getting families to prioritise the bedtime story (with the incentive of a better night's sleep for all), continued, with lots of blogger engagement all over the country as well as strong trade coverage. With support from micro-influencers we received blog posts on 26 sites with a combined total

of 500,000 monthly unique users, 30,000 competition entries and 1.1 million social media impressions. Our campaign partner, eOne (the team behind *Peppa Pig*), also helped boost our reach and engagement by featuring our campaign content on its channels, including promotion on its website and magazine and a YouTube video that received 88,000 views. Following on from the success of 2017, a further 600,000 campaign advice booklets were also delivered to families through our various outreach partners.



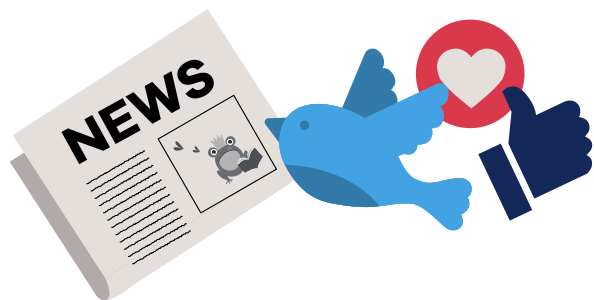
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In order to extend our reach and appeal, we have been developing relationships with influencers and celebrities. In addition to Jo Frost, childcare expert, and Daddy Pig, who supported our **Bath, Book, Bed** campaign, we have developed a relationship with Ore Oduba (BBC presenter and winner of *Strictly Come Dancing*), who was filmed reading our chosen National Bookstart Week book, *A Busy Day for Birds*, by Lucy Cousins. We have also previously engaged with other TV personalities such as presenters Dermot O'Leary, Fearne Cotton, Alex Jones (*The One Show*) and Nadiya Hussain (celebrity chef and author) for our festive iteration of our **Time to Read** campaign, and radio DJ Greg James, who was a judge for the **Blue Peter Book Awards**.

Critical to the success of the democratisation of reading is our ability to reach far and wide with our messaging, tips and advice. Digital media is very important to us as a tool to reach families everywhere. This year we undertook a user experience (UX) deep dive project, which looked at how users navigated our website and how they felt about it, enabling us to improve usability. We are also doing a big piece of work on search engine optimisation to improve our Google search ranking, which involves complex work on Google tag manager and adwords.

We are delighted to report that our social engagement continues to be very strong. We now have 79,500 Twitter followers and 26,000 Facebook likes, 11,797 Instagram followers, and 1,500 YouTube subscribers. Our website, meanwhile, is now averaging 245,000 visits a month, which is the highest number since the relaunch of the site in August 2017.

This year has also seen us proactively recruiting e-newsletter sign ups to increase our engagement. Our main channels of communication to seek these sign ups has been social media, other existing BookTrust e-newsletters, as well as events, and we have been delighted to achieve around 1,000 new subscribers each month to our Families newsletter. In March we launched our first ever early years e-newsletter aimed at early years practitioners, and we will continue to review key audiences, channels and, of course, the right content.



[Click here to see our Twitter feed](#)



Press and media are also key to raising the profile of reading, and this year we saw our stories and messages promoted throughout national and broadcast media, and the regional press, including: The Guardian, celebrating Helen Oxenbury and the late John Burningham being awarded the first ever double Lifetime Achievement Award; The Sunday Times, discussing the BookTrust **Annual Lecture**; Mail Online, celebrating the winners of the **Blue Peter Book Awards**; ITV news and The Sun for our annual **Time to Read** campaign; and The Huffington Post for our **festive appeal**. During 2018/19 we've achieved over 1,800 pieces of coverage for BookTrust across the board, which includes prizes, awards, campaigns, core programmes and ad hoc PR.

Finding the books to enjoy

We want to connect great books with readers, including those families and children who aren't yet regular readers, and we showcase and promote books by a range of authors who represent our ethnically and culturally diverse society. We offer expert book recommendations on our website and via social media for children and families at different ages and stages. All of the books in our packs are chosen by expert selection panels of parents and professionals who work with children. Our yearly **Great Books Guide** recommends 100 books for children from 0–12 years old and is sent to every primary school in England. We work with partners such as Blue Peter and Sainsburys to run children's book prizes, which reach families who may not go to bookshops or libraries, and we run the prestigious **Waterstones Children's Laureate**, this year held by Lauren Child, to champion children's reading across the country.

And Arts Council of Northern Ireland funded our author tour, which began with Laureate events in September 2018 and included authors and illustrators from diverse backgrounds. To date over 200 children in the Derry area attended Joe Coelho's poetry workshops, and Nadia Shireen met over 400 Belfast children at her lively events. All children taking part in the project received a book to share with their families at home.



Working in partnership

While we continue to innovate around our programmes and campaigns, backed up by real depth and knowledge of children's books, we couldn't get to children across the country without the incredible support of our local authority partners and the professionals – health visitors, librarians, teachers and others – who get our resources into the hands of families and parents. And in order to reach families who need us most with programmes developed to help them overcome the various barriers to reading, it is critical for us to support local authorities to embed our work alongside their own local initiatives.

To this end, we have offered partners the option of a new three-year agreement which gives greater planning certainty and stability and encourages them to work with BookTrust at a more strategic level. The development of supporting documentation for our new **Partnership Agreement 2019–22** has been a significant piece of work – and should give greater visibility about our programmes for



each local authority and the key individuals responsible for delivery. All local authorities have signed a partnership agreement with BookTrust and 68 – nearly half of all our partners – have signed for three years.

In Northern Ireland, meanwhile, BookTrust NI held the first national **Reading for Pleasure Conference**. The conference highlighted the cross-departmental relevance of early book sharing and the impact it can have on health, education and the arts. Opened by the NI Commissioner for Children & Young People, the event engaged professionals across the health, education, early years and arts sectors.

We work closely with Arts Council England (ACE), our key funder in England, to demonstrate the value and impact of our work; to make links across the wider cultural environment, locally and nationally; and to co-curate with local partners and local people on the ground. Our **Early Years Access to Literature** grant reflects ACE's deep commitment to supporting children and young people,

which crucially includes early years as part of a 0–25 talent pipeline. Our reach to every child, in every region and locality of England, celebrates ACE and the National Lottery’s key principle of benefit and access for all.

Our artform of shared reading within families is a wonderful example of everyday arts, creatively involving millions of people, and through great children’s literature we aim to help lay the foundation of every child’s intellectual, emotional and creative lives, the bedrock of their future educational development and wellbeing. As Sir Nick Serota (Chair of Arts Council England) said in Durham in February 2019: ‘What humans do well is to tell stories...if you can tell a story you can join the dots and exercise some degree of control over your world...you can describe the past, you can begin to imagine a future...narrative and poetry have always been the great teachers of mankind...’

The ACE agendas we are supporting are: Quality, Everyone, Children (and Early Years), Social impacts, Talent pipeline, Co-curation, Local partnerships, Lottery, Everyday arts, Literature (narrative) supporting the arts pyramid.

What humans do well is to tell stories...if you can tell a story you can join the dots and exercise some degree of control over your world...

Sir Nick Serota



We are also excited by the focus on the areas of early years, children and creativity for everyone, which are emerging in the Arts Council’s next ten-year strategy flow, for which we are involved in the consultation process.

We also need to engage senior stakeholders in our work and in the importance of childhood reading – whether those stakeholders are in publishing, education, government, local government or children’s services. Our **Annual Lecture** has become a key event, providing a platform for a high-profile influencer to stimulate debate and engage leaders in our ambitions. This year we were delighted to have Dame Floella Benjamin as our guest speaker, who spoke passionately and eloquently about childhood lasting a lifetime, and books being central to everything that childhood entails.

Inclusivity and diversity

Inclusivity and diversity is at the core of our organisation. BookTrust is strongly committed to inclusivity and diversity as a key driver of our organisational activity and a key element of our strategy. We are also deeply supportive of our core funder Arts Council England's commitment to diversity and inclusivity. BookTrust is unique in the arts: 'Reaching everyone' is more than a vision for us – it is what we do. **Bookstart** aims to reach every family with children aged 0–5 at key points in the early years; BookTrust reaches every corner of the country. Both our universal and targeted programmes are righting regional imbalance in the broader cultural sector. And more than that: we are strong where disadvantage is high, providing focused support through targeted programmes.

[Click the article to read in full](#) 



We reach 3.9 million families and have undertaken a range of approaches to hear from our beneficiaries, including surveys, focus groups and research into consumer segmentation. We have improved the diversity of our workforce on a number of measures and our HR policies reflect our desire for an inclusive working environment. To ensure that we both deliver and monitor our activity in this area we have developed a full **Equality Action Plan**. Diversity is included in formal agenda items for our Board and committees as well as being referenced in wider discussions, and if there has been oversight by our equality and diversity lead Trustee.

We know that children need to see themselves reflected in the books they read, and all children need and deserve a range of voices. Diversity of authorship and representation are key criteria in the books we select and promote for children, and our **BookTrust Represents** initiative (see page 11) is key to meeting this challenge.

Supporting our work

Finally, in order to achieve all our ambitions, we need to continue to diversify our income. Our Arts Council England and Welsh Government funding enable us to reach families through our flagship programmes, but we have big ambitious plans, and we need to know that we have secure funding for all these streams of activity. We are proud of our careful financial management over the years, enabling us to build substantive reserves, which means we can continue to deliver our flagship national programmes for a reasonable period of time, and meet our commitments to partners, in the event of a change to the funding environment. But we want to be able to commit even more support to groups who need targeted help, and to know that we have diverse income streams that will enable long-term planning. To this end, fundraising and income generation continues to be a priority for us. We have secured strategic funding from

the Mohn Westlake Foundation for another three years to help us develop our programmes for more disadvantaged families, and we continue to develop new relationships with supporters.

Our Christmas campaign raised

£144k

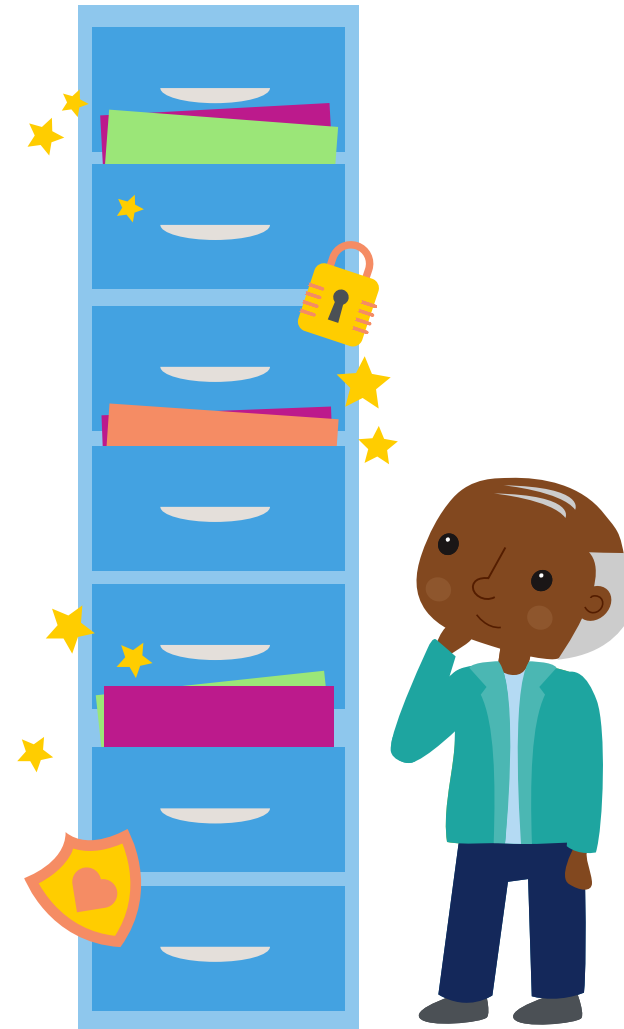
allowing us to send out festive book parcels to children around the UK

Pyjamarama



We are so grateful to all our supporters – our BookTrust Friends who support us each month and our funders and donors who support our campaigns and appeals – the trusts and foundations, Waterstones, Renaissance Learning, DK, First Book, Browns Books for Students and Powell Gilbert. We are continually innovating to help raise the funds to reach children who need us most – this year’s Christmas appeal to help us send festive book parcels to vulnerable children raised £144,000. And June 2019 saw us launch our first ever mass-participation fundraising day, **Pyjamarama**, where we are encouraging nurseries, primary schools, parents/carers and workplaces to spend a day in pyjamas and make a donation to BookTrust, to help us give every child a bedtime story.

Of course, fundraising requires careful treatment of data. We are regulated by the Fundraising Regulator and have put systems and processes in place to ensure that we are GDPR-compliant. We recognise that this is an ongoing requirement which needs to become integral to what we do as an organisation. To support ongoing data management, we have established the Data Integrity Team to oversee our work and provide guidance to the organisation. We will also be looking at wider training across BookTrust and will continue to consult with external providers such as Protecture, whom we have used to review our work to date, and HR Services to provide support for the GDPR from an HR perspective as required.



Investing in our people

We recognise the value of our people to BookTrust, and we have built a three-year **people strategy** that enables us to meet our strategic objectives through the recruitment, development and retention of an engaged, valued and diverse workforce.

Our people strategy is focused on achieving and sustaining excellence throughout the organisation and embedding diversity and inclusion in everything we do.

Over the past 12 months we have delivered an ambitious training plan across BookTrust, to enhance the skills our people need to perform their roles as effectively as possible, and to build the management and leadership capabilities across the organisation. We have also seen the ethnic diversity of our staff increase by over 35% in the past two years as we deliver our recruitment strategy.

The next 12 months will be focused on the ongoing delivery of year two of our people strategy.



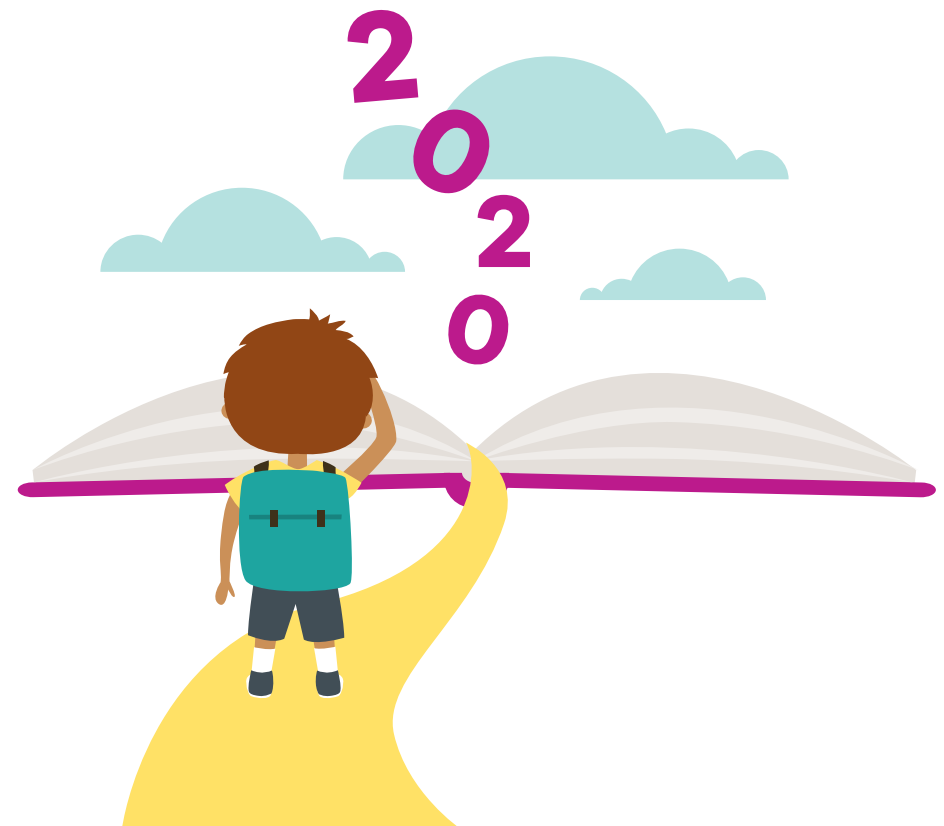
Looking forward to 2019/20

At BookTrust we're known for our flagship work in the early years and it is in supporting the joy of shared reading with this age group that we want to begin a new phase of strategy development, as we look forward to 2019/20. We are acutely aware of the challenges some children and families face on their reading journey and we want to do more to help those facing the highest barriers. Childhood poverty is highest among families with children in the early years, and over 2 million children under 5 are living in households with an average annual income of around £16,000 or less after housing costs. We know that there are families in all walks of life who enjoy reading, but we want to lend the greatest support we can to those who have the least.

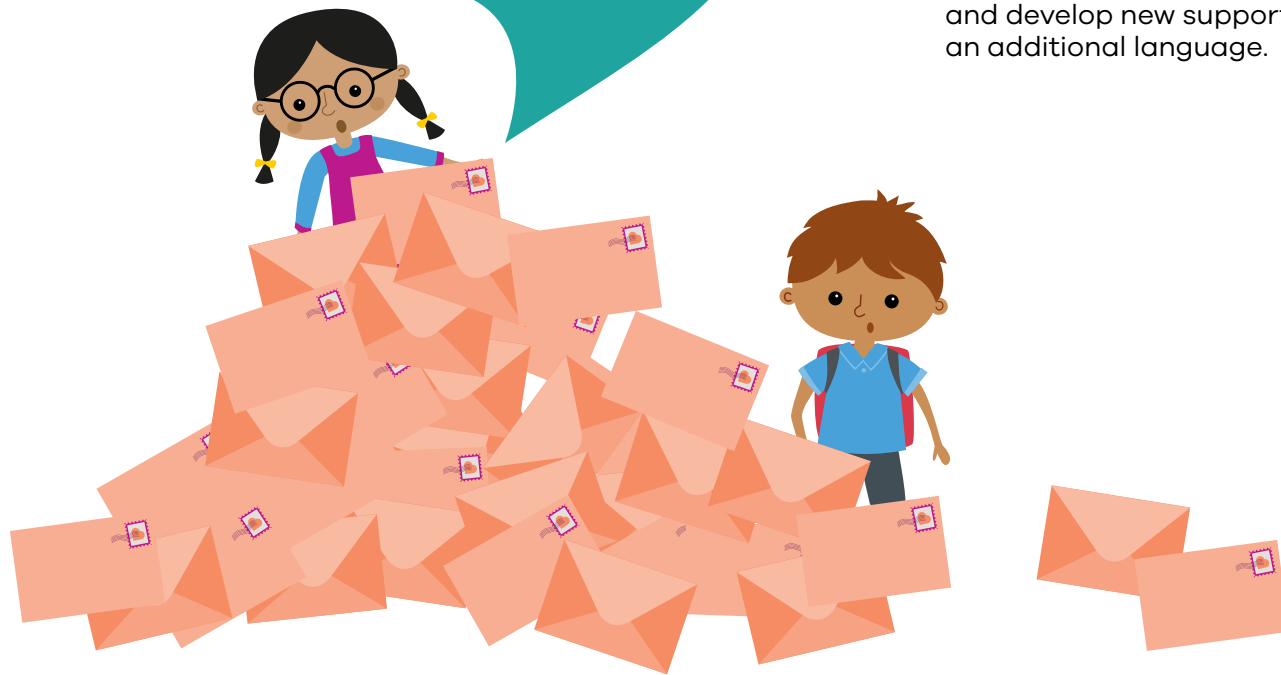
We remain committed to working with all families and children in the early years, but this approach to supporting families in greater need will inform our development work throughout 2019/20. We will explore how we can develop our universal work to better reach families less engaged with reading and how we can work with our partners to target and connect with more families, drawing on local expertise and building on local work.

Knowing which families we want to support is one thing; truly capturing the hearts and minds of hundreds of thousands of families across the country and achieving the behaviour change of regular reading at home is complex. Needs, attitudes, circumstances and belief systems vary

widely, and we need to engage families with very different approaches to reading. This is why we have invested a huge amount of time, thought and development to our 0-1 programme this year. We want to reinvent **Bookstart** to meet the needs of families everywhere, creating a programme that is both universal and personal, that we hope will break down barriers to reading and make more and more families see it as 'for them'. A lot of work has been started this year; towards the end of next year we will be launching the beginnings of a re-envisioned **Bookstart**, fit for the next 25 years.



**The Letterbox Club
reaches over 11,000
children a year**



The **Letterbox Club** has grown from small beginnings in Leicester to reach over 11,000 children a year across the UK. But as part of our focus on children in greater need we want to explore how we can develop this much-loved programme to reach more vulnerable children across the country. In 2019/20 we plan to review The **Letterbox Club**, working closely with our partners and informed by experts in supporting vulnerable children so that we can develop and extend our work in this field.

While we review what we do for children in greatest need and develop proposals for change, we will keep making immediate improvements too: extending the reach of our **Special School Library Pack** to all special schools in the country with a year 7 cohort; building on new flexibility in our **Bookstart Corner** programme to continue to support a range of promising pilots; learning from our **Multi-Story** pilot to make changes to our dual language programme and develop new support for families that speak English as an additional language.

Financial review

Arts Council England (ACE) has continued to support our work across Early Years (£5.76 million), with 2019 being the first year of our four-year contract with ACE. We were also successful in securing funding (£0.8 million) from the Education Directorate of the Welsh Government to support existing and new development work in Wales.

We continue to deliver our strategy of diversifying income streams. Our traded activities delivered income of £1.9 million (an increase of 7% year on year), and our fundraising income has seen an increase year on year of over 20% to £977,538, of which over 90% is in unrestricted funding.

Overall income from partnerships has remained constant and we have maintained our long-standing partnership with Waterstones.

We also hold the Bessie Trust Deed in trust for the Women's Prize for Fiction. We pass on the income each year and are looking to pass on the ownership of the Bessie Trust Deed.

We continue to maintain a close control of costs in the organisation. We recognise the need to invest where we need to develop our work to help our beneficiaries, but we have been successfully managing our cost base and working with suppliers to secure the most cost-effective books, resources and supply chain costs possible.



Risks and uncertainties

The key risks to BookTrust are driven by pressures on public expenditure and the wider economy, and the degree of political uncertainty in the UK.

Primarily we view these risks as:

- The level of support BookTrust receives through its network of delivery partners, especially local authorities
- BookTrust's Arts Council funding (given that the Arts Council itself is funded through public expenditure)
- Delivering income from traded programmes and in fundraising through corporate partners and individuals
- Managing pressure on supply chain costs
- Managing a complex and changing external environment, including a changing partner and regulatory context.

The Trustees manage these risks through regular review and implementation of risk management planning to minimise the impact on the charity should any of the identified risks materialise. This is also supported by strong governance to ensure compliance with the regulatory framework within which we operate.

Key elements of the risk management strategy are:

- Continuing to implement our ongoing income diversification plan
- Continuing to work closely with our partners and support the delivery of our activity at a local authority and national level
- Maximising supply chain efficiency, and mitigating potential impacts such as Brexit
- Managing the financial risk and setting aside an appropriate reserves policy that is regularly reviewed by the Trustees.

Investment policy

The primary objective of BookTrust's **investment strategy policy** is to increase the real value of our investments, while managing risk. We want to invest in a way that provides a high level of diversification, flexibility and liquidity (with limited exposure to market movements) and to encourage our assets to be used for projects that will help our beneficiaries.

In 2017 BookTrust undertook a comprehensive review of our investment policy, and in 2018 we implemented the outputs of this review, appointing Epoch Wealth Management to manage funds of £6 million through two sub strategies:

- Reserves overflow (£2.7 million) – low volatility portfolio
- Long-term reserves (£3.3 million) – balanced risk growth portfolio.

Reserves policy

Trustees review the reserves policy annually to ensure that it reflects the needs of the organisation, and have agreed a policy which covers:

- Working capital to reflect the nature of BookTrust's activities. This need is magnified by the significant level of advanced book buying and management of a complex supply chain extending from the Far East that is required to cover large-scale distribution programmes across the country

- A reasonable level of additional reserves to support unexpected issues and, in the worst case, an orderly wind-up of the organisation
- Sufficient resources to cover our key book gifting programmes and projects, in the event of any changes or transition in our funding. This reflects the high level of investment required to maintain a nationwide distribution model of these programmes
- Strategic investment for future developments, with the focus on our beneficiaries
- Reserves are held under unrestricted and restricted funds. Unrestricted funds are held in a general fund covering working capital that reflects the significant level of advance purchase of books and supporting programme and campaign resources, and provides a reasonable level of reserves to support unexpected issues.

Also, within the unrestricted funds we hold designated funds that are set aside to provide for strategic investments for future developments across BookTrust activities. This fund would cover areas such as development of current and new programmes, building fundraising initiatives, increasing income through traded activities or in the development of our infrastructure.

Within our restricted funds we reserve specific funds to support our key programme, **Bookstart Baby**, if there was a period of transition in the source of funding. Maintaining the Bookstart Baby programme would be critical in the event of a major shift in funding.

Trustees have also agreed that throughout the current contracts of statutory funding there will be a planned and limited spend down of reserves into projects of impact.

Thank you



We are very grateful to all of our funders and donors who support our work, without which we would be unable to carry out our mission.

For the year 2018/19 we would particularly like to thank the following for their generous support:

All our publishing partners

Local authorities

Arts & Business NI

Arts Council England

Arts Council Northern Ireland

Belfast Harbour

Belfast International Airport Ltd

Hachette Children's Group

Bloomsbury Publishing Ltd

Browns Books for Students

C P F Trust

Charles Russell Speechlys LLP

DCMS

DK

Eastside Learning

Edward Elgar Publishing Ltd

Gro-Group International Ltd

Halifax Foundation

Cockayne Grants for the Arts and London Community Foundation

Macmillan Publishers International Ltd

Mohn Westlake Foundation

Oxford University Press

Powell Gilbert LLP

Public Health Agency

Random House Group – DK Donation

Rathbone Investment Management Ltd

Renaissance Learning UK Ltd

SONI

Unwin Charitable Trust

Waterstones

Welsh Government

WIPRO – First Book

Womble Bond Dickinson

Legal and administrative information

Charity name BookTrust
Charity registration number 0313343
Company registration 00210012

Patron
HRH The Duchess of Cornwall

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 (appointed 1 April 2018)
Nicola Briggs (resigned 24 September 2018)
Radha Chakraborty (appointed 19 December 2018)
Paul Davies (appointed 19 December 2018)
Harpal Dhillon
Fiona Johnson
Professor Anthony Kessel (appointed 19 December 2018)
Hsin Loke
Claire Malcolm
Meredith Niles (resigned 24 September 2018)

June O’Sullivan MBE (appointed 19 December 2018)
Peter Roche Honorary Treasurer
Hugh Shanks Vice Chair (resigned 30 September 2019)
Eleanor Shawcross Wolfson
Derek Wyatt (resigned 19 June 2018)

Chief Executive

Diana Gerald

Company Secretary

Jennifer Rachael Bailey

Registered office and 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 Branch, 153 Putney High Street, London SW15 1RX
Solicitors	Russell-Cooke, 2 Putney Hill, London SW15 6AB
Investment managers	Epoch Wealth Management, Queen Square House, Queen Square Place, Bath BA1 2LL

Structure, governance and management

Governing document

BookTrust is 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. It has been operating under its Articles of Association adopted by special resolution in 2011. In 2018/19, the Articles of Association were reviewed to ensure that they continue to reflect legislative requirements and meet BookTrust's needs. BookTrust is now operating under the Articles of Association adopted by special resolution on 2 July 2019.

Governance and management

The Board of Trustees administers the charity and exercises its scrutiny role through Board meetings, held at least quarterly, and standing committees. There are currently two standing committees, Business & Finance and HR & Nominations. In 2019, we are undertaking a review of committees to consider any further changes required. Trustees also take lead roles for key areas including safeguarding, governance and equality & diversity.

There is an annual review of Board effectiveness. In 2018, this involved Trustees, associates and members of the Senior Leadership Team feeding into an evaluation to consider the operation and effectiveness of the Board and committees. An external review of Board effectiveness was last conducted in 2016; the Board has considered future reviews and in 2019 will conduct an internal review followed by an external review in 2020. This external review of Board

effectiveness is planned to ensure that it captures the informed views of all Trustees, including those appointed in December 2018.

Skills audits of Trustees are undertaken periodically to ensure the right balance of skills and experience on the Board, and Trustee recruitment is informed by skills needs.

The Trustees agreed a Charity Code of Governance Action Plan which is being implemented with progress reviewed by the Board. The last review of the Action Plan identified that key actions had been completed, including the agreement of a new Trustee Code of Conduct, a new Comments, Compliments and Complaints Policy, the development of plans to monitor and achieve the Board's diversity objective, and consideration of ways in which the Board can hear and respond to the views of both stakeholders and beneficiaries. Further actions have been agreed, for example to develop our use of external benchmarking. We continue to work towards our Board diversity objective and to increase Board diversity, including through Trustee recruitment processes. The Board has set out commitments, including with regard to governance, in our Equality Action Plan and regularly monitors our progress against agreed actions.

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 Senior Leadership Team comprises:

Diana Gerald: Chief Executive Officer

Colin Atkins: Chief Operating Officer

Jill Coleman: Director of Children's Books

Annie Crombie: Director of Programmes & Partnerships
(joined 1 October 2018)

Gemma Malley: Director of Communications & Development

Natasha Armstrong: Director of Evidence & Innovation;
Director of Wales & Northern Ireland (to 3 May 2019)

All personnel aside from the CEO and Senior Leadership Team are remunerated within a formal banded pay framework which is set for all staff using job analysis and, where relevant, external benchmarking. There is also an annual cost of living review. Changes to this framework (e.g. for cost of living) are decided upon by the Board on the recommendation of the HR & Nominations Committee. Remuneration of the CEO and SLT is agreed by the Board 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 UK Accounting Standards (UK 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 Statement of Recommended Practice
- 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 hence for 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. Legislation in the UK governing the preparation and dissemination of financial statements may be different from legislation in other jurisdictions.

Appointment of Trustees

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.

Training of Trustees

All new Trustees are given a comprehensive induction programme with information provided on their role, the organisation and its operating context, together with meetings organised with key staff. The Board holds an annual away day for Trustees. In addition, all Board members are provided with regular updates relevant to the organisation and are encouraged to attend events and training.



Fundraising

BookTrust takes its user-friendly approach to fundraising very seriously and abides by all rules and regulations related to fundraising and use of data. BookTrust is registered with the Fundraising Regulator. The charity has not received any complaints related to its fundraising activity in 2018/19, nor related to any person acting on its behalf. As part of our new campaign, Pyjamarama, we sent information to staff at nurseries and primary schools on the initiative. We have not conducted any telephone or direct approach-based fundraising activity in 2018/19, ensuring that no supporter or potential supporter has been under any pressure to give money or other property.

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.

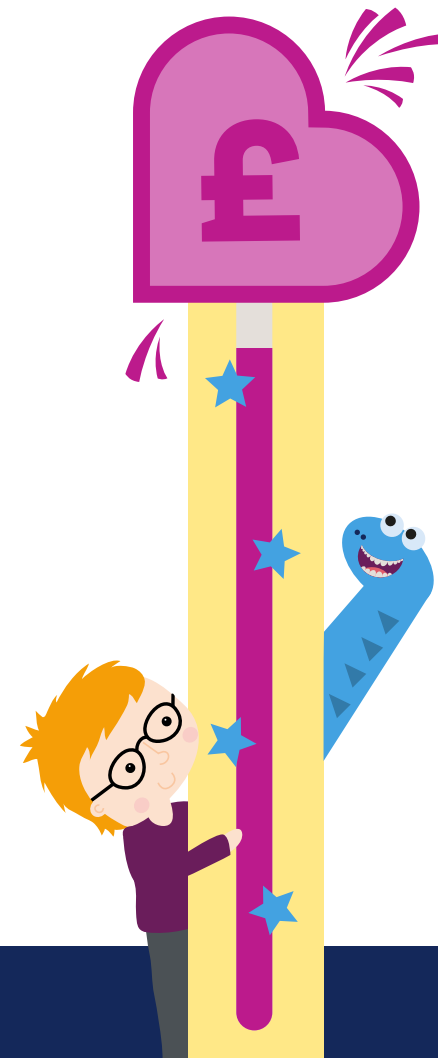
Statement as to disclosure of information to the auditor

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

John Coughlan (Chair)

17 October 2019



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 2019 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 2019 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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. 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. In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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
- 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; or

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.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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 17 December 2019

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 2019

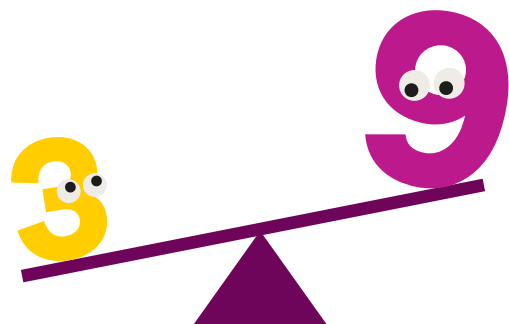
	Note	Unrestricted funds 2019 (£)	Restricted funds 2019 (£)	Total funds 2019 (£)	Total funds 2018 (£)
Income from:					
Donations and legacies		944,753	32,785	977,538	793,160
Charitable activities					
Early Years		4,185,198	405,472	4,590,670	4,618,940
Primary		836,601	324,231	1,160,832	947,655
Secondary		802,686	–	802,686	1,053,322
Looked-After Children		1,398,407	121,297	1,519,705	1,402,440
Campaigns and promotions		475,615	–	475,615	486,154
Other trading activities		2,597	–	2,597	2,066
Investment dividends and interest		30,353	–	30,353	34,878
Other		–	–	–	4,261
		<u>8,676,211</u>	<u>883,785</u>	<u>9,559,996</u>	<u>9,342,876</u>
Expenditure on:					
	2				
Raising donations		733,755	–	733,755	452,407
Investment management costs		27,042	–	27,042	–
Charitable activities					
Early Years		4,391,240	408,849	4,800,089	4,672,150
Primary		828,091	324,231	1,152,322	1,356,586
Secondary		851,647	–	851,647	1,144,530
Looked-After Children		1,063,004	179,536	1,242,540	1,333,968
Campaigns and promotions		512,393	15,300	527,693	503,583
		<u>8,407,172</u>	<u>927,915</u>	<u>9,335,087</u>	<u>9,463,224</u>
Net income before gains/(losses) on investments	3	269,039	(44,130)	224,909	(120,348)
Net loss on investments	6	(53,363)	–	(53,363)	–
Net (expenditure)/income		215,676	(44,130)	171,546	(120,348)
Transfer between funds	10	–	–	–	–
Net movement in funds		215,676	(44,130)	171,546	(120,348)
Total funds brought forward		<u>4,862,267</u>	<u>3,087,060</u>	<u>7,949,327</u>	<u>8,069,675</u>
Total funds carried forward		<u><u>5,077,943</u></u>	<u><u>3,042,930</u></u>	<u><u>8,120,873</u></u>	<u><u>7,949,327</u></u>



Balance sheet

As at 31 March 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Investments	6	5,917,994		–	
Current assets					
Investments	6	–		1,344,596	
Stock		1,451,668		1,010,944	
Debtors	7	770,259		1,642,241	
Cash at bank and in hand		1,965,584		5,998,923	
		10,105,506		9,996,704	
Creditors: amounts falling due within one year					
	8	(1,984,632)		(2,047,377)	
Net current assets			8,120,873		7,949,327
Net assets			<u>8,120,873</u>		<u>7,949,327</u>
Funds					
Restricted funds	10		3,042,930		3,087,060
Unrestricted					
General fund	10		3,951,943		4,486,918
Designated funds	10		1,126,000		375,349
			<u>8,120,873</u>		<u>7,949,327</u>



Approved and authorised for issue by the Board of directors in 2019 and signed on their behalf by:

John Coughlan
Director
17 October 2019

Peter Roche
Director
17 October 2019

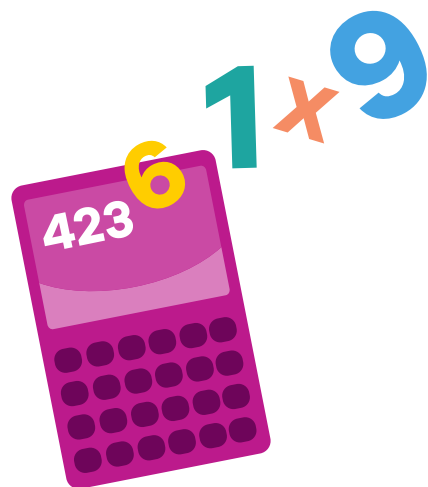
Statement of cash flows

for the year ended 31 March 2019

	2019 £	2018 £
Cash flows from operating activities		
Net income before investment gains/(losses) for the reporting period (as per the statement of financial activities)	224,909	(120,348)
(Gains)/losses on investments	53,363	–
Interest received	(15,833)	(34,878)
(Increase)/decrease in stock	(440,724)	–
(Increase)/decrease in debtors	871,982	–
Increase/(decrease) in creditors	(62,745)	(17,569)
Net cash provided by operating activities	630,951	(172,795)
Cash flows from investing activities		
Interest received	15,833	34,878
Proceeds from sale of investments	3,044,546	–
Purchase of investments	(7,633,412)	–
Loss on investments	(53,363)	–
Net cash movement in investments	(37,894)	–
Change in cash in reporting period	<u>(4,033,339)</u>	<u>(137,917)</u>
Analysis of cash and cash equivalents		
Cash in hand		
Balance brought forward	5,998,923	6,524,459
Increase/(decrease) in year	(4,033,339)	(525,536)
Balance carried forward	<u>1,965,584</u>	<u>5,998,923</u>
Cash in hand		
Bank balance	1,965,584	5,998,203
Cash	–	750
	<u>1,965,584</u>	<u>5,998,923</u>

Notes to the accounts

As at 31 March 2019



1 Principal accounting policies

(a) General information

BookTrust is a UK registered charitable company limited by guarantee. Its registered offices are at G8 Battersea Studios, 80 Silverthorne Road, Battersea, London SW8 3HE.

(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) (effective 1 January 2015) – (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

As at 31 March 2019

(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:

- Donations and legacy income consists of donations, gifts and subscriptions which are reflected in the statement of financial activities when they are quantifiable, probable and entitlement is transferred to BookTrust. Amounts received in advance of the period to which they relate are deferred and reflected in the statement of financial activities for the period to which they relate once the recognition criteria are met.
- Activities for raising funds include funds raised by the fundraising department from organising fundraising events and appeals and are included when received.
- Investment income is included when receivable.
- 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 Bookstart packs, books, promotions, prizes.
- Incomes from grants, including government grants, for a specific purpose are accounted for as income only when the conditions under the terms of the grant have been fulfilled.

(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:

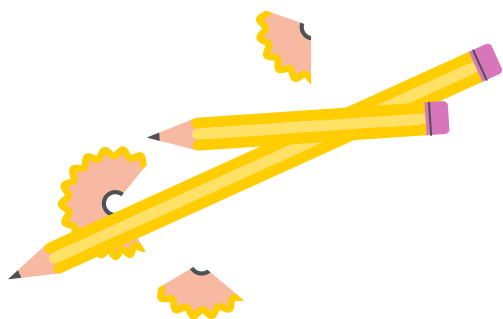
- Fundraising costs comprise the costs associated with attracting voluntary income and the costs of fundraising. Fundraising costs are those incurred in seeking grants and include the cost of disseminating information in support of the charitable activities.
- Charitable expenditure comprises those costs 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.

Notes to the accounts

As at 31 March 2019

- (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. The reclassification of stock from prepayments is believed to more accurately reflect the nature of the asset.
- (h) **Fixed assets**
Only significant assets are capitalised.
- (i) **Debtors**
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.
- (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 after allowing for any trade discounts due.
- (k) **Cash at bank and in hand and cash equivalents**
Cash at bank and in hand.
- (l) **Financial instruments**
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.
- (m) **Operating leases**
There are two leases for photocopiers which are for a minimum term of three years from February 2018 and three years from September 2017. There is a three-year rental contract on the Wales office up to May 2020 and a ten-year lease on the head office up to September 2024.

Rentals under operating leases are charged to the statement of financial activities on a straight line basis over the term of the lease.



Notes to the accounts

As at 31 March 2019

- (n) Pensions**
Employees are eligible to join the stakeholder pension scheme operated by Scottish Widows. Employees joining the stakeholder pension contract directly with Scottish Widows. BookTrust makes a contribution to the pension scheme of 7% of employee basic 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 which are included in the statement of financial activities. In 2018 the investment was classified as a current asset as there was the intention to convert it into cash but the investment with Epoch is intended to be longer term and so is 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

As at 31 March 2019

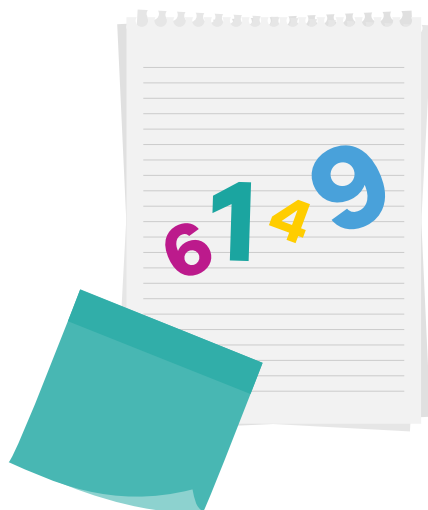
2 Allocation of support costs

BookTrust allocates its support costs as shown in the table below and then further apportions those costs between the charitable activities undertaken. Support costs are allocated on a basis consistent with the use of resources.

	2019			2018
	Charitable activities	Fundraising	Total	Total
	£	£	£	£
Support staff	81,918	–	81,918	67,293
Professional	24,480	–	24,480	32,888
Establishment	274,951	–	274,951	256,065
Office costs	142,276	–	142,276	205,401
CRM & Web Development costs	28,021	–	28,021	193,705
Marketing, Comms & Fundraising	35,950	284,112	320,062	245,410
Finance	6,465	6,052	12,517	10,916
Reallocation of governance costs	69,281	–	69,281	38,140
Total	663,342	290,164	953,506	1,049,818

Support costs

	2018		
	Charitable activities	Fundraising	Total
	£	£	£
Support staff	67,293	–	67,293
Professional	32,888	–	32,888
Establishment	256,065	–	256,065
Office costs	205,401	–	205,401
CRM & Web Development costs	193,705	–	193,705
Marketing, Comms & Fundraising	57,206	188,204	245,410
Finance	4,726	6,190	10,916
Reallocation of governance costs	38,140	–	38,140
Total	855,424	194,394	1,049,818



Notes to the accounts

As at 31 March 2019

3 Net incoming/(outgoing) resources

This is stated after crediting the following:

	2019 £	2018 £
Direct costs and other operating charges include:		
Operating leases		
• Hire of equipment	1,684	1,360
• Rents payable	199,737	196,824
Auditor's remuneration		
• Audit services	13,000	12,700
• Non-audit services	-	-
	<u>-</u>	<u>-</u>

Notes to the accounts

As at 31 March 2019

4 Staff costs	2019 £	2018 £
Salaries	2,646,281	2,800,261
Social security costs	265,763	297,645
Pension costs	183,160	192,897
Redundancy and termination payments	14,369	29,495
	<u>3,109,573</u>	<u>3,320,298</u>

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

	2019 number	2018 number
£60,000–69,999	0	0
£70,000–79,999	2	2
£80,000–89,999	0	1
£90,000–99,999	2	1
	<u>4</u>	<u>4</u>

The key management personnel comprises the Senior Management Team and the total cost of remuneration, benefits and pensions paid to them in the year was £515,802 (2018: £508,949).

Total employer pension contributions in the year for these staff members were £26,693 (2018: £25,061).

	2019 number	2018 number
Average number of employees by function:		
Charitable activity	51	57
Development and Fundraising	5	5
Administration & Support	15	15
	<u>71</u>	<u>77</u>

The Trustees have not received any remuneration or benefits in kind during the year (2018: £Nil).

Notes to the accounts

As at 31 March 2019

	2019 number	2018 number
Number of Trustees reimbursed expenses during the year	2	2

Trustees received the following reimbursement of expenses during the year:

	2019 number	2018 number
Travel	987	1,961
Accommodation	370	1,134
Subsistence	14	–
	<u>1,372</u>	<u>3,095</u>

The total of donations received from Trustees in the year was £1,014 (2018: £1,484).

5 Taxation

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

6 Investments

	2019 £	2018 £
Quoted investments		
Fair value at the start of the year	1,344,596	1,192,669
Additions	7,633,412	–
Disposal proceeds	3,044,546	–
Net loss on change in investments fair value	(53,363)	151,927
Movement in cash balance	37,894	–
Fair value at the end of the year	<u>5,917,994</u>	<u>1,344,596</u>
Historic cost	6,000,000	1,000,000

7 Debtors

Amounts falling due within one year:

	2019 £	2018 £
Trade debtors	356,768	376,486
Other debtors	229,704	1,122,103
Prepayments and accrued income	183,788	143,652
	<u>770,259</u>	<u>1,642,241</u>



Notes to the accounts

As at 31 March 2019

8 Creditors	2019 £	2018 £
Amounts falling due within one year:		
Trade creditors	711,300	797,100
Other taxes and social security	80,522	81,279
Accruals	143,425	189,500
Deferred income (note 11)	1,040,000	953,159
Other creditors	9,385	444
	<u>1,984,632</u>	<u>2,021,482</u>
	<u>1,984,632</u>	<u>2,021,482</u>
 9 Financial instruments	 2019 £	 2018 £
Financial assets		
Financial assets measured at amortised cost	2,413,620	7,381,978
Financial assets measured at fair value through profit or loss	5,917,995	1,344,596
	<u>8,331,615</u>	<u>8,726,574</u>
	<u>8,331,615</u>	<u>8,726,574</u>
 Financial liabilities	 <u>773,425</u>	 <u>909,528</u>
Financial liabilities measured at amortised cost	<u>773,425</u>	<u>909,528</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

As at 31 March 2019

10 Funds

	1 April 2018	Incoming resources	Resources used	Transfers between funds	Investment gains	31 March 2019
	£	£	£	£	£	£
Unrestricted funds						
General fund	4,486,918	8,676,211	(7,986,652)	(1,171,172)	(53,363)	3,951,943
Designated funds						
IT & Infrastructure Development	0	-	-	-	-	0
CRM Development	30,000	-	(28,021)	(1,979)	-	(0)
Income Diversification	125,349	-	(164,798)	430,449	-	391,000
Research & Programme Development	220,000	-	(227,702)	742,702	-	735,000
	<u>4,862,267</u>	<u>8,676,211</u>	<u>(8,407,173)</u>	<u>0</u>	<u>(53,363)</u>	<u>5,077,943</u>
Restricted funds						
Promotions	13,881	15,300	(15,300)	-	-	13,881
Children's Reading Fund	161,323	-	-	(6,965)	-	154,358
Education	8,157	-	-	-	-	8,157
Early Years	2,473,219	408,850	(408,850)	-	-	2,473,219
Secondary	305,164	-	-	-	-	305,164
Primary	88,152	324,231	(324,231)	-	-	88,152
Letterbox Club	37,164	135,404	(179,533)	6,965	-	0
	<u>3,087,060</u>	<u>883,785</u>	<u>(927,915)</u>	<u>(0)</u>	<u>0</u>	<u>3,042,930</u>
	<u>7,949,327</u>	<u>9,559,996</u>	<u>(9,335,088)</u>	<u>(0)</u>	<u>(53,363)</u>	<u>8,120,873</u>

Notes to the accounts

As at 31 March 2019

Income includes £5,763,096 from Arts Council England in 2018/19 (2017/18: £5,780,600) which is unrestricted funding as of 2018/19.

Unrestricted funds

The general fund stood at £3,951,943 at 31 March 2019 (2018: £4,486,918). 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.

A total of £1,126,000 has been allocated as designated funds: £391,000 to the Income Diversification fund and £735,000 to Research & Programme Development (see notes on individual designated funds below) (2018: Designated funds were £375,349 including CRM Development £30,000, Income Diversification £125,349, Research & Programme Development £220,000).

Designated funds

The Income Diversification fund remains in place to cover expected costs of BookTrust's fundraising activities, including the development of our Pyjamarama campaign. The Research & Programme development fund has earmarked funds for development work across our programmes, in particular our activities for children under 5, supported by our research activities. The transfers from the general fund increases these amounts in line with planned developments in fundraising and programme development over a number of years.

Restricted funds

Promotion funds represent unspent income from contributions from organisations for specific projects at the year end.

The Children's Reading Fund (CRF) was set up from corporate sponsorship and substantial donations from individuals to support projects for children in care.

Education funds represent unspent income from contributions from organisations for specific projects at the year end.

The Early Years funds represent stock held for future production of book packs, provide adequate working capital and cover the cost of an exit strategy in the event the Bookstart scheme is terminated.

Secondary funds are restricted to the development of secondary age activities.

Primary funds are restricted to the development of primary age activities.

The transfer of restricted funds related to the Letterbox festive book is permitted under the restrictions on the fund.



Notes to the accounts

As at 31 March 2019

11 Deferred income	Letterbox	Bookbuzz	Sale of vouchers not redeemed	Sponsorships	Total
	£	£	£	£	£
Balance at 1 April 2018	831,468	118,191	3,500	–	953,159
Released to incoming resources	(831,468)	(118,191)	(3,500)	–	(953,159)
Amount deferred in year	884,934	143,940	–	11,126	1,040,000
Balance as at 31 March 2019	884,934	143,940	–	11,126	1,040,000

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

12 Analysis of net assets between funds

	2019			2018		
	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	£	£	£	£	£	£
Investments	5,077,943	840,051	5,917,994	1,344,596	–	1,344,596
Net current assets	–	2,202,879	2,202,879	3,517,671	3,087,060	6,604,731
Net assets	5,077,943	3,042,930	8,120,873	4,862,267	3,087,060	7,949,327

13 Financial commitments

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

	2019		2018	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Leases ending in:				
Less than one year	120,861	3,905	145,290	2,016
1–5 years	828,448	8,786	39,735	3,141
	949,309	12,692	185,025	5,157

Notes to the accounts

As at 31 March 2019



14 Comparative statement of financial activity

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Income from:			
Donations and legacies	645,603	147,557	793,160
Charitable activities			
Early Years	44,701	4,574,239	4,618,940
Primary	32,807	914,848	947,655
Secondary	443,424	609,898	1,053,322
Looked-After Children	1,266,684	135,756	1,402,440
Campaigns and promotions	382,659	103,495	486,154
Other trading activities	2,066	–	2,066
Interest	34,878	–	34,878
Other	4,261	–	4,261
	<u>2,857,083</u>	<u>6,485,793</u>	<u>9,342,876</u>
Expenditure on:			
Raising funds	411,137	41,270	452,407
Charitable activities			
Early Years	114,849	4,557,301	4,672,150
Primary	441,738	914,848	1,356,586
Secondary	534,632	609,898	1,144,530
Looked-After Children	1,129,089	204,879	1,333,968
Campaigns and promotions	400,088	103,495	503,583
	<u>3,031,533</u>	<u>6,431,691</u>	<u>9,463,224</u>
Net income before gains/ (losses) on:			
Net income	(174,450)	54,102	(120,348)
Net movement in funds	(174,450)	54,102	(120,348)
Total funds brought forward	5,006,525	3,063,150	8,069,675
Transfer between funds	30,192	(30,192)	–
Total funds carried forward	<u>4,832,075</u>	<u>3,117,252</u>	<u>7,949,327</u>

Notes to the accounts

As at 31 March 2019

15 Mohn Westlake Foundation

Diana Gerald, CEO of BookTrust, is also a Trustee for the Mohn Westlake Foundation. In 2018/19 BookTrust received an unrestricted donation from the Mohn Westlake Foundation with a value of £250,000 (2018: £200,000).

Diana is also co-chair of EU Read, a non-profit association in Belgium. BookTrust pays an annual subscription of 2,500 euros.

**And we all
look forward to
the year ahead...**

