BOOKTRUST

England & Wales · Charity number 313343

Details

Other names	BOOK TRUST, BOOKTRUST, NATIONAL BOOK LEAGUE
Status	Registered
Legal form	Charitable company
Company number	00210012
Registered	1963-07-01
Register	View on the Charity Commission register

Contact

Address	1 Aire Street Leeds LS1 4PR
Phone	0113 457 0026
Email	Accounts@booktrust.org.uk
Website	www.booktrust.org.uk

Activities

Objects: TO PROMOTE ENCOURAGE FOSTER OR STRENGTHEN THE HABIT OF READING AND THE WIDER AND MORE GENERAL DISTRIBUTION OF BOOKS OF BY AND AMONG ALL PEOPLE.

Activities: Reading changes lives. Booktrust ensures all children and families have the opportunity to enjoy and be confident in their reading. We provide expertise for parents and professionals to make quality choices of reading for children. We engage with communities in the promotion of reading. And we advocate for national and local policies to recognise the social and economic importance of reading.

Classification

- **How:** Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** Children/young People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, The General Public/mankind

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Geography

- Northern Ireland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£12,431,928	£12,530,475	£6,159,000	102
2024-03-31	£12,022,881	£12,097,942	£6,192,177	97
2023-03-31	£11,924,597	£13,769,928	£6,118,161	98
2022-03-31	£11,071,181	£11,552,655	£8,274,498	90
2021-03-31	£10,390,941	£10,215,057	£8,527,991	83

Trustees

Name	Role	Appointed
Radha Rupa Chakraborty	Chair	2026-03-01
Edward David Poultney		2024-09-01
Ellen Kristina Broome		2024-09-01
Gautam Shashichandra Dalal		2021-06-25
Hilary Anne Murray Hill		2022-05-03
June O'Sullivan MBE		2018-12-19
Nigel Jeremy Langstaff		2021-06-25
Professor Matthew Ellis Rowland Cripps		2021-10-01
Professor Tim Michael Hobbs		2024-09-01
Steven James Crocker OBE		2026-03-01
Victoria Kate Sellick		2021-06-25

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BOOKTRUST

England & Wales - Charity number 313343

Accounts

BookTrust
Getting children reading



Annual Report

2024/25

Start

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Letter from the chair

The past year has seen BookTrust further strengthen its work to ensure children and families across England, Wales and Northern Ireland experience and enjoy the transformative benefits of reading.

We continued to deliver our long-standing, scaled, evidence-informed reading programmes as well as developing new models of support in order to increase our impact and reach new groups of children and families, with our brilliant partners.



Our work continues against a backdrop of economic and social challenge for the families we seek to support, and for organisations and individuals working with these families. The ongoing cost-of-living crisis, widening disadvantage and gaps in outcomes between children from lower and higher income households, and growing incidence of mental health challenges all make clear the urgency of our work to get children and families reading together. Reading is not the answer to all of these problems, but it does have the power to change children's lives. It supports cognitive development, bonding, attachment, wellbeing, school readiness and community connection. Reading can help children overcome challenges and serve as a protective factor against adversity.

In 2024/25 we continued our work to give children the best start in life through support to help families embed reading in everyday life. We reached 1.3 million families, working with over 35,000 delivery partners which included health visitors, family hubs, early years educators, library staff, and primary and secondary school teachers. In the early years, we engaged families in every community in England, Wales and Northern Ireland through over 7,000 delivery pathways, supporting over 30% of early years families on low incomes with impactful reading behaviour change programmes.

We also continued to build our work to support children from vulnerable family backgrounds. Nearly 11,000 children in long-term foster care engaged with our long-standing and much-loved Letterbox Club programme.

In partnership with Kinship and supported by the Department for Education in England we developed new support for kinship care families. We also launched Story Explorers, our new early years offer for kinship, foster and adoptive families, for over 700 families in its first year.

We remain committed to supporting schools and school-aged children. Over 47,000 children and their teachers engaged with the BookTrust Represents programme of virtual author visits. We supported primary school teachers through our digital programme of ideas, content and expertise to promote reading for enjoyment in the curriculum; continued to review hundreds of new books; and sent every primary school in England and Northern Ireland a copy of our Great Books Guide. In Wales, 49,564 nursery and reception-aged children experienced Pori Drwy Stori. Our secondary schools programme Bookbuzz reached nearly a quarter of a million children in Years 7 and 8 , and we launched Bookspark, a new programme to drive reading enjoyment and engagement at Key Stage 3.

These are significant achievements – but we are ambitious for the next stage of our work. Our new five-year strategy, which we launched this September, sets out plans to deepen our impact across the early years, children's social care and the school system, and to reach more children and families, particularly those on low incomes and from vulnerable family backgrounds.

The new strategy reaffirms our commitment to partnerships across our work. We will continue to support, design and evaluate programmes with our valued network of delivery partners. We will continue to inspire, support and learn with our network of international partners, as we remain lead members of the Global Network for Early Years Bookgifting and EU Read. We will continue to work with experts to build understanding and raise the profile of the critical role reading plays, particularly in the early years. This influencing work builds on successes in the last year with organisations including Kinship, Place to Be and sector experts from the University of East London, Open University and University of Edinburgh. The next phase of our Reading Rights campaign, in partnership with Waterstones Children's Laureate, Frank Cottrell-Boyce, will be an important focus in the year ahead.

These are ambitious goals which we will not meet without the continued generosity of our many supporters. We thank Her Majesty the Queen, who is such an important champion of reading, for her ongoing support. As a national portfolio organisation, we are grateful for the continuing support of Arts Council England. We are also deeply grateful to all our other funders, donors and friends who make our mission possible, and to our network of delivery partners in communities across the country who work with us to give children the best start in life. Finally, my thanks to my fellow trustees who give their time, expertise and passion for children's reading so generously.

I end with a memorable comment from Frank Cottrell-Boyce on the Reading Rights campaign:

"When you share a story, you're giving a child a hug that will last the rest of their lives."

Your continued support on the next chapter of BookTrust's journey will help make early shared reading a reality for this and future generations of children.

Chair of trustees

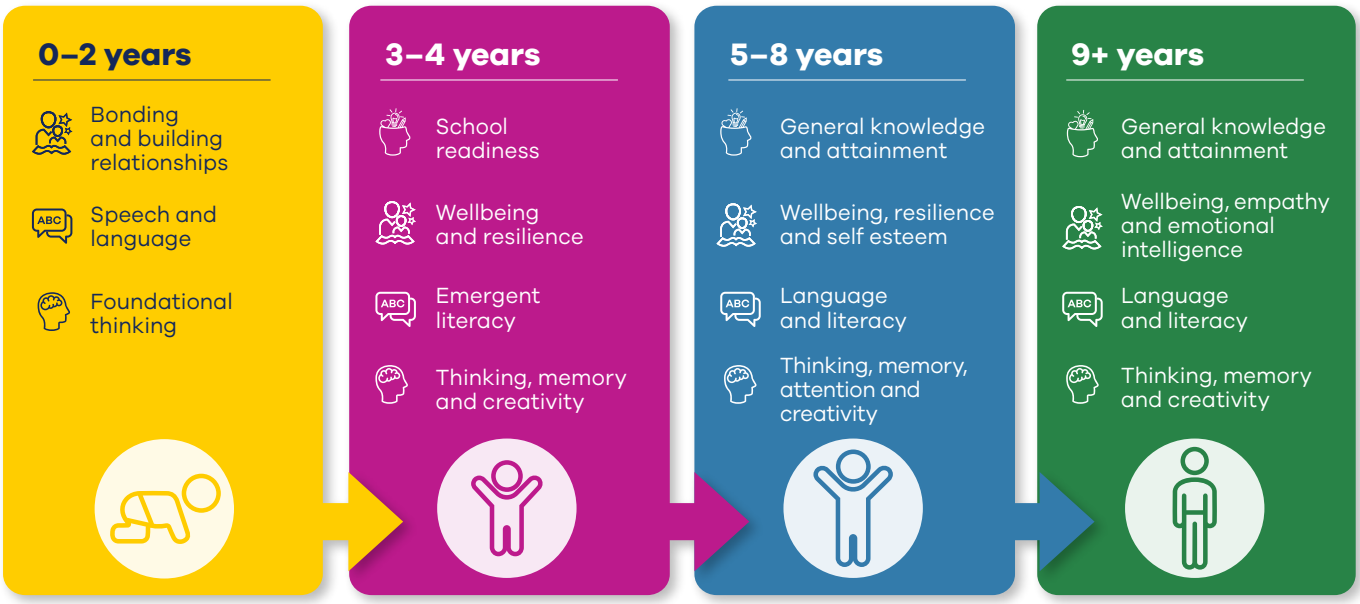


Introduction

BookTrust is the UK's largest children's reading charity, reaching **1.3 million** children and families each year in every community in England, Wales and Northern Ireland.

Reading brings **profound and wide-ranging benefits** that can have a lifelong positive impact on children's lives. At a time when many families face challenges, and the gap in outcomes is widening between children growing up in families with low incomes and their more affluent peers, reading is a way to make an immediate and long-term positive difference.

Figure: Benefits of reading by age



The core of our support is in the early years. We provide impactful behaviour-change programmes, comprising resources and support for families and partners to help families embed reading habits into their daily life. Our early years programmes are co-designed with families on low incomes, informed by evidence of what engages families, meets children's developmental needs and enhances existing local support. As children get older, we continue to support their engagement with reading as they grow into independent readers.

In 2024/25 we set out to:

1. **Embed reading into the early years of children in families on low incomes**

2. **Bring enjoyment and stability to children in adoption, foster and kinship care, through reading and sharing stories**

3. **Support schools to foster a love of reading**



Our work in 2024/25

BookTrust in 24/25: **1.3 million families** supported, with **2 million books**, through **35,000 delivery partners** and over **7,000 early years pathways**



1.

Embed reading into the early years of children in families on low incomes

Over half a million families (90% of all 0–1 year olds) were introduced to the importance of reading through Bookstart Baby, which provides the tools and support that families need to share books at home. 65% of parents and carers responding to our evaluation survey say the books included in their Bookstart Baby pack were among the first they owned for their child.[1] Our research shows families who start sharing books and stories together early are more likely to develop a long-lasting shared reading habit.[2]

417,000 1–4 year olds, including 313,000 of families on low incomes, engaged with the Bookstart Toddler and/or Pre-schooler programmes. Through this programme, families experience high quality, interactive, development stage-appropriate books and reading activities and information, with inspiring and confidence building messaging, modelling from practitioners and access to digital tools.

Responses to our survey tell us:

75% of families

learned something new about different ways they can read and share stories with their child

72% of families

believe more strongly in the benefits of reading for their child

77% of families

agree the pack prompted them to read or share stories more with their child[3]

1 BookTrust Bookstart Baby Evaluation 2024/25

2 BookTrust (2024) "Reading in the Early Years: Why starting shared reading early matters and the role of Bookstart Baby". London: BookTrust

3 BookTrust Bookstart Toddler and Pre-schooler Evaluation 2023/24: interim data

2,449 libraries (around 90% of all libraries) and more than 60,000 children in England, Wales and Northern Ireland took part in BookTrust Storytime, our national library programme designed to support families with children aged 0–5 to build positive reading habits, through enjoyable story sharing in libraries and at home.

In Wales, 49,564 nursery and reception-aged children received Pori Drwy Stori, our bilingual programme aimed at developing literacy, numeracy, speaking and listening skills. Over 780 partners signed up for Big Welsh Rhyme Time and, as part of our Welsh Bookstart Early Years programme, 30,130 packs were distributed. Held in Cardiff, BookTrust's Early Years Reading Conference gave professionals from education, academic, health and creative sectors a day dedicated to best practice around sharing books and stories during children's early years.



We increased the number of pathways that Bookstart Toddler and Pre-schooler reach families, which is now over 7,000. This diversity of routes to reach families is key to getting our programmes to those who need them most, as is our work with well-established partners to identify new ways to support families.

Responses to our survey tell us:



90% of early years partners

agree BookTrust resources help them engage children and families on low incomes with reading[4]

Across England, Wales and Northern Ireland, our network of diverse, committed partners in local authorities, health, early years education, and the third sector have helped create an ecosystem of reading – focusing support and resources for the families who need them. We've continued to strengthen and support this network. We provided 1,357 Storyteller backpacks, with over 10,850 books, as well as props and activities for early years practitioners to lead children and families in story sharing experiences. We completed a website transformation project, making our digital support for partners easier to find and use. Beyond this, we expanded our webinar series, hosting four webinars for our early years delivery partners.



I love this offer. The targeted nature means we are able to concentrate our work where it's needed the most, and really focus our attention there."

BookTrust Delivery Partner, talking about Bookstart Toddler and Pre-schooler

4 BookTrust Early Years Partner Survey 2024/25

2.

Bring enjoyment and stability to children in adoption, foster and kinship care, through reading and sharing stories

10,683 children in long-term foster care, or from other vulnerable and disadvantaged backgrounds, received books and resources to inspire a love of reading through our long-standing Letterbox Club programme.

Responses to our survey tell us:

96% of children

like or love Letterbox Club

72% of children

are reading more on their own after receiving Letterbox Club[5]

Over 1,000 kinship carers were able to access books, alongside information, advice and support through our work with Kinship, the leading kinship carer charity, as part of their programme of training and support funded by the Department for Education. The learning and partnerships this created, provide a strong basis for the future role BookTrust can play in supporting kinship carers to unlock the relational benefits of reading to support the children in their care.

5 Letterbox Club Evaluation 2024

> **Many of our children have had such a difficult start in life. They've experienced the trauma of being separated from their parents and what books can do is create that really magic moment where you sit with someone who loves you, who talks to you and tells you a story and it can make you feel like you belong."**
>
> BookTrust Delivery Partner

We launched Story Explorers, our new early years offer for kinship, foster and adoptive families, providing monthly kits with books and resources to support joyful story sharing experiences at home. 287 children received subscriptions through a range of partners including local authority and independent fostering agencies, regional and voluntary adoption agencies and virtual schools. Our evaluation shows that the shared rituals families build around the kits help create a safe space for children, leading to multiple benefits around settling, emotional regulation and bonding.







We have always read to her and used the hard books with music buttons and flaps. There was always a slight element of enjoyment, but it has only been in recent weeks we have seen her show her own interest in books.

The first book she received from you was Julia Donaldson's book Postman Bear, and there were tears in of joy in our house a few weeks ago when she took the book herself and started turning the pages by herself and spending some time looking at each page. Thank you for these books – they are very much appreciated and have had a big impact on a foster child's life."

Foster carer, talking about Story Explorers

3.

Support schools to foster a love of reading

Across primary and secondary schools, 47,820 children from 1,594 schools were inspired by our BookTrust Represents programme, which comprises virtual author visits from authors and creators of colour and teacher support. Each half term, 60 of these schools with the most disadvantaged students were given free books for children to keep, providing 18,000 books in total across the year. The BookTrust Northern Ireland author tour allowed more than 1,800 students to meet and be inspired by celebrated authors and illustrators, and take home a book to keep.

We continued to provide the information schools need to support their pupils' engagement with reading, sharing our knowledge of books that excite and engage through book reviews and recommendations (sharing 365 new reviews across the year). Our Great Books Guide went out to every primary school in England and Northern Ireland, with a carefully chosen selection of recommendations to help teachers find every child a book that excites them.

98% of teachers and librarians

agree Bookbuzz supports them to encourage reading for pleasure in their schools[6]

We also released new research on the **vital role teachers play in supporting children's love of reading** and **the role of reading in supporting children's wellbeing.**

We expanded our webinar programme, hosting five webinars for schools across the year.

In secondary schools, nearly a quarter of a million children in Years 7 and 8 chose a book of their own to keep from a selection of expertly curated books through the Bookbuzz programme. We also launched Bookspark, a new programme of 40 curated books and supporting resources to inspire children in Key Stage 3 to read regularly and build their reading enjoyment.



"It's helping us engage... the students who need the most literacy support in a really effective manner, and it's stimulating them to read and it's stimulating their desire to read. So we've been really pleased with it."

Secondary school Head of English, talking about Bookspark

6 Bookbuzz Teacher and Librarian Survey 2025

Other highlights from 2024/25

A major focus for the year **was raising cross-sector awareness** and advocacy for the importance of sharing books and stories from the earlier moments in childhood.



With our support Children's Laureate 2022/24, Joseph Coelho, completed his marathon Laureate Library Tour – visiting over 70 libraries across England, Wales, and Northern Ireland. In an evolution of our Reading Together vision, new Children's Laureate Frank Cottrell-Boyce launched the Reading Rights campaign. Together with BookTrust, he hosted the Reading Rights Summit which brought together expert voices and policy makers in local authorities, health, education, early years, literacy and arts sectors. This summit generated a vision for making the life-changing benefits of reading accessible to every child, and highlighted key asks for the next stages of the campaign.

A key strand of our Reading Rights campaign was to shine a light on the critical role sharing stories plays in supporting children from vulnerable family backgrounds. We hosted a parliamentary reception, where sector leaders, parliamentarians, policy makers and practitioners came together to discuss how to ensure sharing stories is a tool that practitioners will reach for in supporting these children's social and emotional wellbeing.

BookTrust worked with the University of Exeter and National Trust through RENEW, a partnership programme focused on biodiversity renewal, to explore representation of biodiversity in children's books and find opportunities to build engagement with nature through books and stories. We hosted the second Biodiversity Storytelling Summit, attended by publishers, authors, teachers, librarians, illustrators and scientists, which focused on creating new biodiversity narratives and visual storytelling in children's literature.

Internationally, we continued to convene the BookTrust-founded Global Network of Early Years Bookgifting, sharing best practice and research across an international community of organisations engaged in early years reading.



Evidence informed, design led

Throughout 2024/25 we maintained our focus on research and evaluation to ensure everything we do drives impact for children and families, in line with our refreshed **Theory of Change.**

We continued our work with our learning zones (in Blackpool, Brent, Leeds, Leicester, Hartlepool, Sandwell and Somerset), completed our first longitudinal study with early years families on low incomes, and ran our annual surveys with families and delivery partners. We launched the BookTrust Learning Oversight group who provide expert input on our research and evaluation approach.

Equality, diversity and inclusion

Children from diverse and excluded communities are over-represented in our target audience groups of families on low incomes and children from vulnerable family backgrounds.

This year we continued to select, recommend and distribute thousands of inclusive books with stories and illustrations that are representative of a diverse range of different lives, experiences and cultures. We included diverse perspectives in our research and design activities, and explored new ways to ensure a wide range of voices contribute to our research, design and development. We supported new creators of colour and arranged face-to-face and virtual events for creators of colour to visit primary and secondary schools to inspire children with their work. We further extended our early years partnership network to improve our access to families in diverse and excluded communities across the UK.

To do our best work as an organisation, we want to involve a wide range of perspectives, backgrounds and lived experiences; we will do this through continuously improving and challenging our co-design approaches and also by working with a wide range of partners and by attracting and retaining a diverse staff body.



Sustainability

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

This year we continued to promote environmental understanding among children by identifying appropriate books and producing associated booklists to guide families and teachers.

Through our collaboration with the University of Exeter and the National Trust, as part of the three-year RENEW partnership, we are working to create measurable biodiversity renewal and increased access to biodiversity through children's books. Through this work, we are exploring the role that books can play in supporting greater understanding of biodiversity, and how nature can inspire children to read.



The future

In 2025/26 we will continue to work with all communities across England, Wales and Northern Ireland, with an **ongoing drive to reach and support children and families in greatest need**.

We are launching our new strategy which sets our priorities for the next five years. These represent a continuation of our long-standing focus areas, and a commitment to continue to learn with families and our partners.

Our priorities for 2025/26 include:

1.

Children from vulnerable family backgrounds build strong foundations for life through reading

We will increase our engagement and strategic partnership activities to raise the profile of the benefits of reading for children from vulnerable family backgrounds. Working with experts and advocates – including authors and illustrators – we will create wider recognition of the role that reading plays in supporting children in adoption, fostering and kinship care.

We will continue to deliver our Letterbox Club and Story Explorers programmes, designing new ways to engage practitioners and grow our reach. We will also continue to develop our model of support for children in kinship care. We are committed to working with families, practitioners and partners to evolve these programmes, to help unlock the unique power of reading and sharing stories, not just for the educational benefits, but for wellbeing, stability, and a sense belonging.



2.

Reading together is embedded in the life of early years families with low incomes

We will continue to support babies, toddlers and pre-schoolers in England, Wales and Northern Ireland, with programmes grounded in our family and child-centred ethos and our knowledge of what works to create behaviour change. We'll reach more children from families on low incomes with our targeted Bookstart programmes including Storytime, alongside maintaining the delivery of Bookstart Baby, and our early years offer in Wales.

We will build on the success of our approach to creating multiple interactions with families, joining up and embedding support deeply within communities. We'll continue to strengthen the vital role partners play in building families' reading habits, including improving our digital support offer for early years partners. We will refresh our support to libraries, building on new insights of what engages families into BookTrust Storytime. We will also begin to develop a flexible group storytelling offer that can be used in community settings, to inspire families to read together.

We will pilot and develop place-based approaches to help bring to life our vision for models of a sustainable reading ecosystem, that can be scaled and adapted in line with the specific needs of local communities.

Figure: BookTrust's Early Years Programmes



3.

Reading is a habitual part of the everyday life of all children, with focus on those who need support the most

In primary schools, we will continue to distribute our Great Books Guide, deliver Pori Drwy Stori in Wales, and develop new ideas for support to children in Key Stage 2.

In secondary schools, we will continue to help children see themselves as readers, supporting choice and ownership of what they read through Bookbuzz. We'll reach even more children and facilitate social reading experiences through our new Bookspark programme.

Through our ongoing book reviews, webinars and online content, we will continue to support teachers to engage children in reading, and support children and families to keep reading at home.

By continuing to provide support (informed by evidence and behavioural insights) at key moments as children start school and transition into independent readers, we will help build and maintain their enjoyment and connection to reading.



Our funders and supporters

We extend a huge **thank you** to the many thousands of BookTrust partners who work with us, and specifically to:

- **Our Patron, Her Majesty the Queen**, for her ongoing patronage and support for the cause of reading, and our President, Sir Michael Morpurgo, for his long-standing support and inspiration.
- **Our national network of Bookstart coordinators, local authorities, practitioners and community partners**, operating in every community in England, Wales and Northern Ireland. To those supporting families in libraries, community organisations and early years settings; to health visitors and to local authority and schools partners: thank you for being a crucial part of what we do.
- **Our partners in publishing, authors and illustrators**, who are at the heart of our work to inspire children and families on their reading journeys.

We are grateful for the generous support we receive from those who share our mission to get children and families reading for pleasure:

- Arts Council England
- Arts Council of Northern Ireland
- Welsh Government/Llywodraeth Cymru
- Department for Education (Northern Ireland)



There are many individuals, companies, trusts and foundations who generously supported our work in the past year.

For their long-standing and generous support, particular thanks is due to the Mohn Westlake Foundation and to Waterstones.

We would like to take this opportunity to recognise and thank:

- Bhim Ruia Foundation
- Bloomsbury Publishing
- Bookshop.org
- Browns Books
- Build-A-Bear Foundation
- Emerald Publishing Limited
- Enterprise Mobility
- Eric Hieltes Stiftelse
- Gapper Charitable Trust
- Garfield Weston Foundation
- George Cadbury Trust
- Gigglemug Charitable Trust
- Harris Poll
- J&H Orlander Trust
- Lincoln Business Improvement Group Elmer Trail
- Marigold Trust
- MarketingTwentyOne
- Mercury Engineering
- Mintaka Trust
- MM Wealth
- Mohn Westlake Foundation
- Mrs M A Lascelles Charitable Trust
- Mushens Entertainment
- Pan Macmillan
- PDT Partners
- Pension Insurance Corporation
- Peters Ltd
- Princeton University Press
- Promote Your School
- RSM UK Foundation
- Sevenoaks Literary Festival
- Simon And Philip Cohen Charitable Trust
- Slightly Foxed
- Sweet Cherry Publishing
- The Elizabeth Frankland Moore and Star Foundation
- The Eranda Rothschild Foundation
- The Folio Society
- The Haramead Trust
- The Sir Ralph Pendlebury 1880 Charity for Stockport's Neediest Residents
- The Tanlaw Foundation
- Vision Architectural Glazing Installations Ltd
- Waterstones
- Westminster Abbey
- Wilmington Trust

Fundraising policy

We use **multiple channels to fundraise from various audiences**. When developing campaigns, we assess the impact our fundraising could have on an individual and take actions to mitigate any negative impact.



When running fundraising campaigns, we welcome feedback and use this to help shape future fundraising campaigns. We always treat donor data responsibly and are compliant with all UK data protection laws. Our privacy policy is published on our website and gives details of the information we hold and how and why we process it. We respect the privacy and contact preferences of our donors and will respond promptly to any requests to cease contact.

We are committed to generating income in a manner that protects all individuals, especially any vulnerable donors. In this respect, we will not place any undue pressure on individuals to donate, nor will we solicit or accept donations from anyone who we know or suspect may not be capable of making their own decisions.

We are registered with the Fundraising Regulator. Our registration demonstrates our commitment to fundraising in a way that is legal, open, honest and respectful and complies with the Code of Fundraising Practice and the Fundraising Promise.

We record and investigate all fundraising complaints received and use this information to inform our fundraising strategy. We aim to deal with any complaints about our fundraising activities in a timely manner. During the 2024/25 financial year, we received 8 complaints (2023/24: 7); all complaints were amicably resolved in a timely manner.



Financial review

We continued to **strengthen our network** of funders this year, increasing our total income from £12.0m to £12.4m, enabling us to invest further in our strategy. We finished the year with a planned operating deficit (before gain on investments) of £0.1m (2024: deficit of £0.1m), reflecting our investment in the new strategy.

We received £5.8m of funding as part of our contract with Arts Council England, which has now been extended to 2026/27. We were also successful in securing £0.8m (2024: £0.8m) of funding from the Education Directorate of the Welsh Government to support our work in Wales – this was the second year of a two-year commitment. We also received £0.06m from the Department for Education in Northern Ireland, and £0.07m for our delivery in partnership with Kinship as part of Kinship's contract with the Department for Education England.

Our fundraising income from corporate sponsorship and individual giving grew by 16% from the previous year. Trusts and Foundations income increased by 20%.

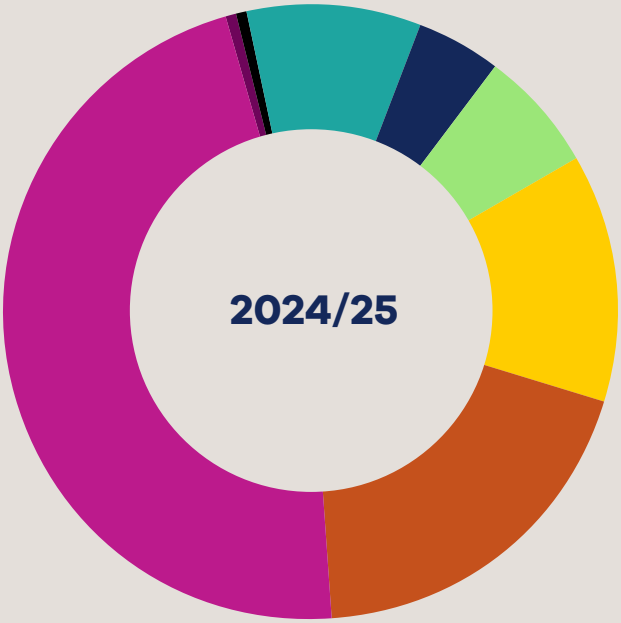
Our traded programmes, Bookbuzz and Letterbox Club, continue to be a material source of income. Letterbox Club accounted for £1.4m (2024: £1.5m) of the total income for the year and Bookbuzz £0.9m (2024: £0.9m).



Overall, our total income **increased by £0.4m to £12.4m** (2024: £12.0m).

2024/25

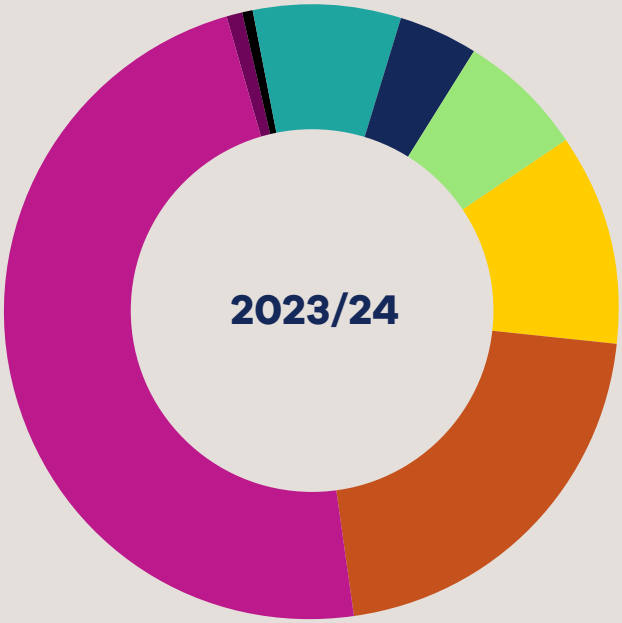
Total income of £12.4m



- Individual Giving **12.8%**
- Corporate Partnerships **4.5%**
- Trusts and Foundations **9.0%**
- Traded Programmes **19.1%**
- Northern Ireland **0.6%**
- Wales **6.4%**
- Arts Council England **46.6%**
- Kinship **0.5%**
- Other **0.5%**

2023/24

Total income of £12.0m

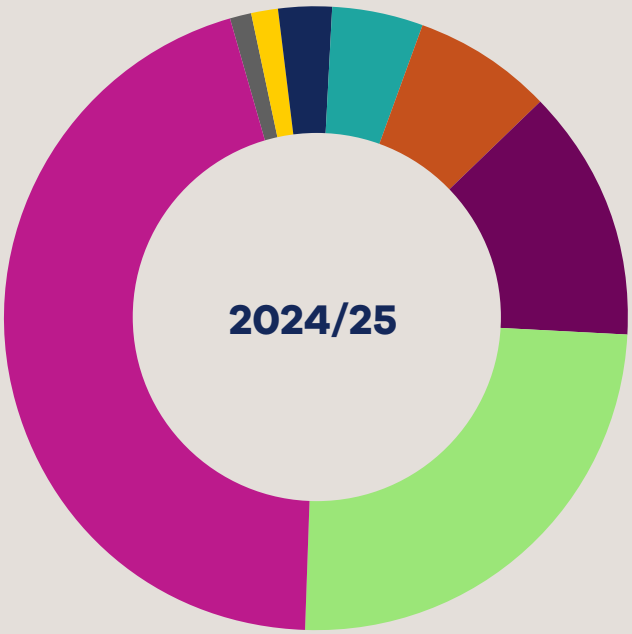


- Individual Giving **11.3%**
- Corporate Partnerships **4.1%**
- Trusts and Foundations **7.7%**
- Traded Programmes **21.0%**
- Northern Ireland **0.6%**
- Wales **6.7%**
- Arts Council England **47.9%**
- Other **0.7%**

In 2022/23 we agreed with the board our strategic shift to children in households with low incomes and from vulnerable family backgrounds. This continued during 2024/25 and is embedded in our new five-year strategy, starting 2025/26. Further investment in our programmes led to **expenditure increasing by £0.4m to £12.5m** (2023/24: £12.1m).

2024/25

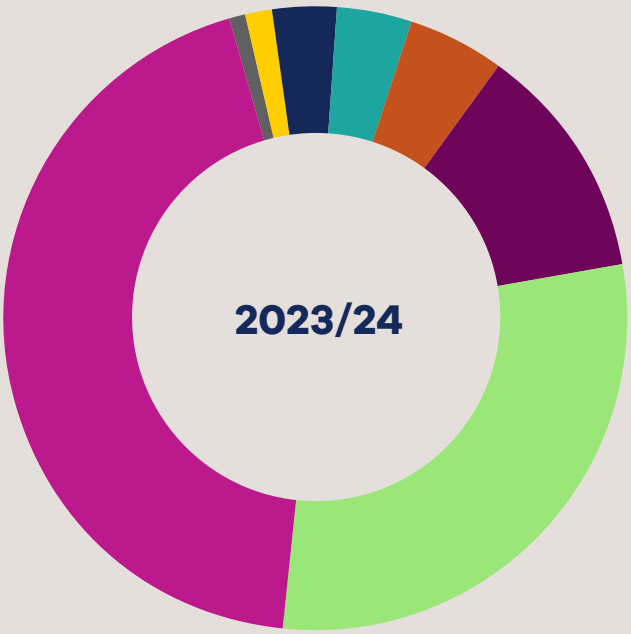
Total expenditure of £12.5m



- Staffing costs **£5,652,000**
- Books and resources **£3,117,000**
- Distribution/warehousing **£1,635,000**
- Research, publicity and engagement **£902,000**
- Establishment and office **£572,000**
- IT **£363,000**
- Professional fees **£182,000**
- Travel and subsistence **£109,000**

2023/24

Total expenditure of £12.1m



- Staffing costs **£5,327,000**
- Books and resources **£3,571,000**
- Distribution/warehousing **£1,471,000**
- Research, publicity and engagement **£587,000**
- Establishment and office **£478,000**
- IT **£405,000**
- Professional fees **£160,000**
- Travel and subsistence **£98,000**

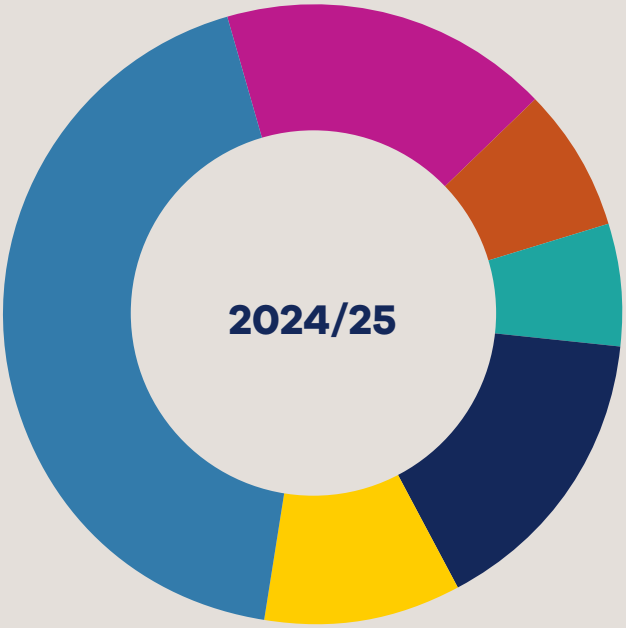
Our spend against strategic objectives (analysed below) demonstrates our continued investment in our capacity to broaden support for children from vulnerable backgrounds, as a key part of our strategy. We have also invested in our fundraising capacity with the aim of growing our income and therefore increase investment in our strategic objectives.

Strategic Objectives (SO)

SO1 and 2	Initiate shared reading and supporting disadvantaged families in their early years to get reading
SO3	Encouraging children and families to continue on their reading journeys
SO4	Supporting children from vulnerable family backgrounds to enjoy the benefits of reading
SO5	Building a community of advocates for reading

2024/25

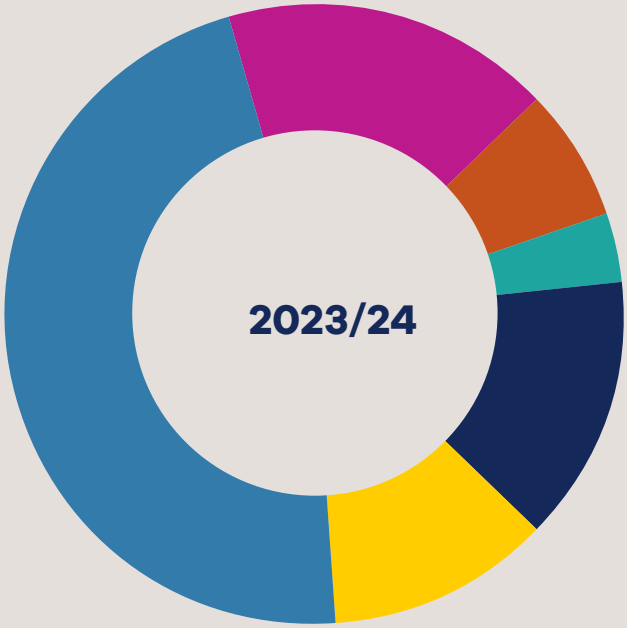
Total expenditure of £12.5m



- Strategic Objectives 1 and 2 **44.3%**
- Strategic Objective 3 **10.7%**
- Strategic Objective 4 **15.8%**
- Strategic Objective 5 **4.7%**
- Fundraising **7.5%**
- Overheads **17.0%**

2023/24

Total expenditure of £12.1m



- Strategic Objectives 1 and 2 **46.8%**
- Strategic Objective 3 **11.6%**
- Strategic Objective 4 **14.0%**
- Strategic Objective 5 **3.6%**
- Fundraising **6.9%**
- Overheads **17.1%**

BookTrust's funds are divided into two categories:

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

Unrestricted – These funds are available for the use at the discretion of the directors 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 reviewed our reserves policy and, considering a worst-case scenario of an orderly winding up of the charity, have agreed a minimum level of reserves of £4.5m should be retained. This balance comprises £2.2m to meet any outstanding financial liabilities in such a scenario, and is supplemented with additional transitional reserves, where the aim would be to maintain a further £2.3m. This would account for approximately three months of expenditure to allow for a managed reconfiguration of the organisation to a smaller, more tightly focused organisation. This recognises our commitments on 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.

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. To ensure that this is possible, the trustees have determined that a minimum level of 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 reserves position of £1.5m, drawing down from investments when required to maintain this level.

These policies are 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 2025 was £6.2m (2024: £6.2m) of which £3.5m (2024: £3.5m) was held as investments, £1.5m in cash (2024: £2.1m), and the balance of £1.2m (2024: £0.6m) in working capital. Of the £6.2m, £nil (2024: £0.2m) was restricted for specific purposes. This leaves £6.2m (2024: £6m) in unrestricted funds which is £1.7m (2024: £1.5m) above our minimum reserve requirements. Free reserves stand at £2.6m (2024: £2.7m), again well in excess of minimum free reserve requirements. The trustees are satisfied that the approved plans for the next three years ensure that funds above the minimum policy requirement will be deployed effectively against the charity's objectives.

Investment policy

BookTrust's investment 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 Lothbury Wealth Management Limited through two sub-strategies: a low volatility portfolio and a balanced risk growth portfolio. We work closely with Lothbury Wealth Management Limited to monitor performance against agreed market benchmarks and our investment objectives.

Risk and governance

Key risks and uncertainties

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

We have identified the following as our key risks:

Impact
There is a risk that it takes us longer to deepen our impact than we had hoped because some of our assumptions and hypotheses are wrong. To mitigate this risk, we have a robust learning approach, which includes learning objectives over a five-year period, a learning oversight group, a learning review process, and an annual learning plan. We assess our impact and adapt based on what we've learned.

Profile and political environment
There is a risk that in a turbulent and fast-changing political environment we may struggle to make our voice heard and maintain our profile. To mitigate this risk, we have developed the capacity and capability of our communications team, and our executive leadership team is increasing its external engagement. In addition, in relation to our work in the early years, the launch of 'Reading Together' has enabled us to extend our external engagement and is an important tool to highlight our significant contribution. We are thoughtfully selecting and building external relationships with those we want to influence and who we want to be seen standing alongside.

Pressure on our external delivery partners
BookTrust receives support from a wide range of organisations. Financial and delivery pressures are being felt by key partners in local government as well as by other current and potential new local delivery partners. There is a risk that these pressures may impact on our plans for delivery or may hamper our learning and development work. We are mitigating this through increased capacity within our partnerships team as well as taking a more targeted approach with partners.

Income generation
BookTrust receives support from a wide range of donors and there is a risk that, in the context of challenging economic conditions with high levels of inflation and cost-of-living pressures, we struggle to hit income generation targets. To mitigate this, we have built and monitor a five-year financial plan, drawing on work by our income generation team as they seek to diversify our income streams. We are developing approaches for traded programmes, and these are being informed by a range of initiatives, for example the development of prototype interventions or research to understand potential customer priorities. We also keep our traded programmes fresh and fit for purpose through continuous improvements and we learn from our users to understand the opportunities and challenges that they are facing, so we can stay relevant to them.

Organisational change
We have put in place a stretching programme of work in order to deliver our ambitions and there is a risk that we are unable to deliver this. To mitigate this, we have a change plan managed by the Co-CEOs, and our evolved internal governance structure helps with the prioritisation of activity. We continue to grow our presence in Leeds and to embed our flexible and distributed working model, both of which help with recruitment and retention.

Fast-changing external environment
There is so much external change on many fronts, we might not identify things that are going to affect us early enough to respond and react. To mitigate this, we regularly scan and make sense of the external environment, and feed in our insights to teams and projects so they can adapt as needed. In our Learning Reviews, we conduct landscape analysis and assess the implications for our work and how we will respond to external pressures.



Legal and administrative information

Charity Name	BookTrust
Charity Registration Number	313343
Company Registration Number	00210012

Patron	Her Majesty the Queen
President	Sir Michael Morpurgo

Board of Trustees

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

Ellen Broomé	(Appointed 1 September 2024)
John Coughlan CBE	Chair
Radha Chakraborty	Vice Chair (Resigned 18 December 2024)
Professor Matthew Cripps	
Gautam Dalal	Honorary Treasurer
Professor Tim Hobbs	(Appointed 1 September 2024)
Professor Anthony Kessel	(Resigned 18 December 2024)
Nigel Langstaff	
Hilary Murray Hill	
June O'Sullivan MBE	
Edward Poultney	(Appointed 1 September 2024)
Victoria Sellick MBE	Vice Chair (From 19 December 2024)

Co-Chief Executives	Annie Crombie and Diana Gerald MBE (Appointed as Co-Chief Executives on 9 June 2025. Until 8 June 2025, Diana Gerald was Chief Executive)
Company Secretary	Jennifer Rachael Bailey

Registered Office	1 Aire Street, Leeds, England, LS1 4PR

Our Advisers

Auditors	Sayer Vincent LLP, 110 Golden Lane, London EC1Y 0TG
Bank	NatWest, 111–117 Putney High Street, London SW15 2LL Russell-Cooke, 2 Putney Hill, London SW15 6AB
Solicitors	To June 2024: Epoch Consulting, Queen Square House, Queen Square Place, Bath, BA1 2L
Investment Managers	From June 2024: Lothbury Wealth Management Limited, 65 London Wall, London, EC2M 5TU

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.
The board of trustees last reviewed our Articles of Association in 2023 and we are now operating under Articles adopted by special resolution on 9 October 2023.

Governance and management

Under the terms of the current Articles of Association, management of BookTrust's affairs is vested in a board of not less than four trustees. Trustees are appointed for an initial period of up to three years and may be reappointed for up to two further terms, each of three years. The board have agreed that, while on occasion trustees may be asked to serve for three terms, it will continue to be usual practice for members of the BookTrust board to serve a maximum of two terms of office.

The board of trustees administers the charity and exercises its scrutiny role through board meetings, held at least quarterly, and standing committees. We have three main committees:

(i) Finance, Risk & Audit,

(ii) Nominations and

(iii) Equality, Diversity, Inclusion & Remuneration.

The board has also established a Donations, Acceptance & Refusal committee which meets as required.

The board has established trustee lead roles for key areas, notably safeguarding, governance, equality and diversity, environmental sustainability and, people and culture. The board reviews its delegations, including to committees, at least annually.

Trustee recruitment is informed by skills need. Skills audits of trustees are undertaken periodically to ensure that we have the right balance of skills and experience and to identify areas for focus in future trustee recruitment. We also review the make-up of our board to ensure that we have sufficient diversity and monitor this through regular audits of board composition. Over this year, we reviewed board composition to inform trustee recruitment. Following a thorough recruitment search, we appointed three trustees in September 2024, bringing new skills and expertise as well as seeking to ensure that board membership reflects BookTrust as a nationally distributed organisation.

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 online briefings over the year. In addition, all board members are provided with regular updates and are encouraged to attend events and training.

There is an annual review of board effectiveness. Approximately every three years we commission an external review of governance and did this most recently in 2023/24.

The next review of board effectiveness will be conducted internally and be led by the chair of the board. Informed by the reviews and their findings, we continue to take steps to strengthen BookTrust's governance and to develop and deliver agreed priorities. The trustees have agreed a Charity Code of Governance action plan which incorporates recommendations from the board effectiveness reviews.

For the financial year 2024/25, Diana Gerald was in role as Chief Executive, having been appointed by the trustees to manage the day-to-day operations of the charity. In June 2025, the board appointed Annie Crombie and Diana Gerald as Co-Chief Executives. To facilitate effective operations, the Chief Executive/Co-Chief Executives have delegated authority for operational matters including finance, employment and other programme and delivery related activities.

The Executive Leadership Team (ELT) comprises:

Diana Gerald MBE
Co-Chief Executive Officer
(effective June 2025)

Annie Crombie
Co-Chief Executive Officer
(effective June 2025)

Colin Atkins
Chief Operating Officer

Benedict Arora
Director of Communications
(resigned 31 December 2024)

Katie Florence
Director of Communications
(appointed 29 July 2025)

Mike Bues
Director of Finance

Lizzie Catford
Director of Children's Books

Claire Goodall
Director of Design, Development & Strategic Planning (resigned 30 April 2024)

Julie Hayward
Director of Partnerships

Ruthann Hughes
Director of Research & Impact

We have continued to develop our executive leadership team to ensure that our senior staff bring us sufficient diversity and the breadth of expertise and skills we need to manage BookTrust's activity, both in the range of work and our geographical reach through working with an extensive range of partners. Members of the executive leadership team have leadership roles as well as delivery/operational responsibilities.

All personnel aside from the Co-CEOs and members of the executive leadership team who report to the Co-CEOs are remunerated within a pay framework set using job evaluation and analysis and, where relevant, external benchmarking. There is also an annual cost-of-living review. Changes to the pay policy as well as to the annual cost of living award are decided upon by the board on the recommendation of the Equality, Diversity, Inclusion & Remuneration Committee. Remuneration of the Co-CEOs is agreed by trustees based on a formal performance evaluation and periodic external benchmarking. In addition, trustees set annual salary ranges for members of the executive leadership team.

Statement of trustees' responsibilities

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

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that BookTrust will continue in business
- The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of BookTrust and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of BookTrust and therefore taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are responsible for the maintenance and integrity of the corporate and financial information included on BookTrust's website

Public benefit

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

Statement as to disclosure of information to the auditor

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

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

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

John Coughlan
Chair

Date: 29/09/2025

Gautam Dalal
Director

Date: 29/09/2025

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 2025 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 2025 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other Information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report including the strategic report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Capability of the audit in detecting irregularities

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

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: **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)

8 October 2025

for and on behalf of

Sayer Vincent LLP
Statutory Auditor

110 Golden Lane, London, EC1Y 0TG

Statement of financial activities

(including income and expenditure account for the year ended 31 March 2025)

	Note	Unrestricted funds 2025 (£)	Restricted funds 2025 (£)	Total funds 2025 (£)	Total funds 2024 (£)
		£'000	£'000	£'000	£'000
Income from:					
Statutory funding		5,788	945	6,733	6,661
Corporate partnerships		491	67	558	493
Individual giving		1,574	13	1,587	1,357
Trust and foundations		38	1,075	1,113	928
Traded activity		2,369	-	2,369	2,520
Investment dividends and Interest		72	-	72	64
		10,332	2,100	12,432	12,023
Expenditure on:	2a				
Raising donations		1,050	62	1,112	1,021
Charitable activities					
Strategic objectives 1 and 2		5,772	907	6,679	6,828
Strategic objective 3		1,331	268	1,599	1,694
Strategic objective 4		2,026	378	2,404	2,030
Strategic objective 5		251	485	736	524
		10,430	2,100	12,530	12,097
Net expenditure before gains on investments	3	**(98)**	**-**	**(98)**	**(74)**
Net gain on investments	7	65	-	65	148
Net (expenditure)/income		**(33)**	-	**(33)**	**74**
Transfer between funds	11a	187	(187)	-	-
Net movement in funds		**154**	**(187)**	**(33)**	**74**
Total funds brought forward		6,005	187	6,192	6,118
Total funds carried forward		**6,159**	-	**6,159**	**6,192**

Balance sheet

As at 31 March 2025

Company Registration Number 00210012

	Note	2025		2024	
		£'000	£'000	£'000	£'000
Intangible assets	6		240		-
Asset under development					
Current assets					
Investments	7	3,513		3,451	
Stock		1,331		1,380	
Debtors	8	1,411		1,447	
Cash at bank and in hand		1,509		2,075	
		7,764		8,353	
Creditors: amounts falling due within one year	9	(1,845)		(2,161)	
Net current assets			5,919		6,192
Net assets			**6,159**		**6,192**
Funds					
Restricted funds	11a		-		187
Unrestricted					
General funds	11a		6,159		6,005
			6,159		**6,192**

Approved and authorised for issue by the board of directors on 29 September 2025 and signed on their behalf by:

John Coughlan
Director

Gautam Dalal
Treasurer

Cashflow statement

As at 31 March 2025

	2025	2024
	£'000	£'000
Cash flows from operating activities		
Net income before investment gains for the reporting period (as per the statement of financial activities)	(98)	(74)
Interest	59	53
Decrease in stock	53	88
Decrease in debtors	37	512
Decrease in creditors	(315)	(509)
Net cash provided by operating activities	**(264)**	**70**
Cash flows from investing activities		
Interest	(59)	(53)
Purchase of intangible assets	(240)	-
Proceeds from sale of investments	-	1,827
Purchase of investments	-	(617)
Net cash movement in investments	(3)	(195)
Change in cash in reporting period	**(566)**	**1,032**
Analysis of cash and cash equivalents		
Cash in hand		
Balance brought forward	2,075	1,043
(Decrease)/increase in year	(566)	1,032
Balance carried forward	**1,509**	**2,075**
Cash in hand		
Bank balance	1,509	2,075
	1,509	**2,075**

Notes to the accounts

31 March 2025

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:

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

Restricted:

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

Notes to the accounts

31 March 2025

(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 2025

(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

Assets over £10,000 are capitalised.

(i) Debtors

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

(j) Creditors and provisions

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

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

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

Notes to the accounts

31 March 2025

(l) Financial instruments

With the exception of investment assets, the trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Investment assets are measured at fair value.

(m) Pensions

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

(n) Investments

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

(o) Significant accounting judgements and sources of estimation uncertainty

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

Notes to the accounts

31 March 2025

2a Analysis of expenditure (current year)

		Charitable Activities							
	Raising funds	Strategic objective 1 and 2	Strategic objective 3	Strategic objective 4	Strategic objective 5	Governance costs	Support costs	2025 Total	2024 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Books and resources	192	1,973	383	568	1	-	-	3,117	3,571
Research, publicity & engagement	172	148	216	222	114	-	30	902	587
Distribution/warehousing	2	1,015	184	421	13	-	-	1,635	1,471
Payroll costs (note 4)	526	2,256	498	705	451	37	882	5,355	5,074
Other staffing costs	-	31	21	23	5	-	216	296	253
Travel and subsistence	1	47	8	25	15	-	13	109	98
Professional fees and finance costs	26	-	1	6	-	41	108	182	160
Establishment and office costs	5	14	3	5	2	-	543	572	478
IT	-	56	13	19	9	-	265	362	405
	924	5,540	1,327	1,994	610	78	2,057	12,530	12,097
Support costs	182	1,096	263	395	121	-	(2,057)	-	-
Governance costs	6	43	9	15	5	(78)	-	-	-
Total expenditure 2025	**1,112**	**6,679**	**1,599**	**2,404**	**736**	**-**	**-**	**12,530**	**-**
Total expenditure 2024	**1,021**	**6,828**	**1,694**	**2,030**	**524**	**-**	**-**	**-**	**12,097**

Of the total expenditure, £10,430,000 was unrestricted (2024: £10,333,000) and £2,100,000 was restricted (2024: £1,764,000).

An explanation of each strategic objective can be found on page 25.

Notes to the accounts

31 March 2025

2b Analysis of expenditure (prior year)

	Charitable Activities							
	Raising funds	Strategic objective 1 and 2	Strategic objective 3	Strategic objective 4	Strategic objective 5	Governance costs	Support costs	2024 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Books and resources	179	2,384	429	579	-	-	-	3,571
Research, publicity & engagement	137	106	156	90	67	-	31	587
Distribution/warehousing	3	920	190	356	2	-	-	1,471
Payroll costs (note 4)	458	2,103	568	615	348	30	952	5,074
Other staffing costs	22	43	28	19	3	-	138	253
Travel and subsistence	-	49	11	16	8	-	14	98
Professional fees and finance costs	25	8	4	2	1	37	83	160
Establishment and office costs	2	7	3	4	1	-	461	478
IT	6	39	15	12	4	-	329	405
	832	5,659	1,404	1,693	434	67	2,008	12,097
Support costs	183	1,132	281	325	87	-	(2,008)	-
Governance costs	6	37	9	12	3	(67)	-	-
Total expenditure 2024	**1,021**	**6,828**	**1,694**	**2,030**	**524**	**-**	**-**	**12,097**

An explanation of each strategic objective can be found on page 25.

Notes to the accounts

31 March 2025

3 Net outgoing resources

	2025	2024
	£'000	£'000
This is stated after charging the following:		
Direct costs and other operating charges include:		
Operating leases		
• Hire of equipment	-	5
• Rents payable	374	322
Auditors' remuneration		
• Audit services	17	17
• Non-audit services	5	-

Notes to the accounts

31 March 2025

4 Staff costs

	2025	2024
	£'000	£'000
Salaries	4,380	4,150
Social security costs	464	427
Pension costs	478	445
Redundancy and termination payments	33	52
	5,355	5,074

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

	2025 Number	2024 Number
£60,000 – £69,999	5	4
£70,000 – £79,999	4	4
£80,000 – £89,999	1	2
£90,000 – £99,999	1	-
£100,000 – £109,999	2	2
£110,000 – £119,999	-	1
£120,000 – £129,999	1	-
	14	13

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 £897,000 (2024: £945,000).

Total employer pension contributions in the year for these staff members were £53,000 (2024: £55,000).

	2025 Number	2024 Number
The average number of employees by function, was:		
Charitable activity	80	74
Fundraising	8	8
Administration and Support	14	15
	102	97

The trustees have not received any remuneration or benefits in kind during the year (2024: £Nil).

	2025 Number	2024 Number
Number of trustees reimbursed expenses during the year	8	8

The trustees received reimbursement of expenses during the year of less than £2,000 (2024: <£500).

Notes to the accounts

31 March 2025

5 Taxation

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

6 Intangible assets

At the 31 March 2025, BookTrust had incurred costs totalling £240,000 (2024: £nil) in the construction of a new website, which was still under development at the year end, therefore no amortisation has been charged. The new website went live on 14 April 2025.

7 Investments

	2025	2024
	£'000	£'000
Fair value at the start of the year	3,451	4,319
Additions	-	1,006
Disposal proceeds	-	(1,827)
Net gain on change in investments fair value	65	148
Movement in cash balance	(3)	(195)
Fair value at the end of the year	3,513	3,451
Historical cost	3,000	3,000

Investment management charges totalled £18,000 (2024: £35,000)

8 Debtors

	2025	2024
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	405	714
Other debtors	251	196
Prepayments and accrued income	755	537
	1,411	1,447

Notes to the accounts

31 March 2025

9 Creditors

	2025	2024
	£'000	£'000
Amounts falling due within one year:		
Trade creditors	445	350
Other taxes and social security	124	121
Accruals	375	180
Deferred income (note 12)	901	1,510
	1,845	2,161

10 Financial instruments

	2025	2024
	£'000	£'000
Financial assets		
Financial assets measured at amortised cost	2,493	3,161
Financial assets measured at fair value through profit or loss	3,512	3,451
	6,005	6,612

	2025	2024
	£'000	£'000
Financial liabilities		
Financial liabilities measured at amortised cost	821	530
	821	530

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 2025

11a Funds

	1 April 2024	Incoming resources	Resources used	Transfers between funds	Investment gains	31 March 2025
Unrestricted funds:						
General funds	6,005	10,332	(10,430)	187	65	6,159
Restricted funds:						
Raising donations	-	62	(62)	-	-	-
Strategic objective 1 and 2	75	907	(907)	(75)	-	-
Strategic objective 3	112	268	(268)	(112)	-	-
Strategic objective 4	-	378	(378)	-	-	-
Strategic objective 5	-	485	(485)	-	-	-
	187	2,100	(2,100)	(187)	-	-
	6,192	12,432	(12,530)	-	65	6,159

Income includes unrestricted income of £5,788,000 from Arts Council England in 2024/25 (2024: £5,763,000).

Unrestricted funds

Unrestricted funds stood at £6,159,000 at 31 March 2025 (2024: £6,005,000). These funds support working capital requirements, provide cover for risk management and are available for use at the discretion of the directors in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds

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

Notes to the accounts

31 March 2025

11b Prior year funds

	1 April 2023	Incoming resources	Resources used	Transfers between funds	Investment gains	31 March 2024
Unrestricted funds:						
General funds	5,875	10,259	(10,333)	56	148	6,005
Restricted funds:						
Raising donations	-	-	-	-	-	-
Strategic objective 1 and 2	109	796	(796)	(34)	-	75
Strategic objective 3	134	285	(285)	(22)	-	112
Strategic objective 4	-	463	(463)	-	-	-
Strategic objective 5	-	220	(220)	-	-	-
	243	1,764	(1,764)	(56)	-	187
	6,118	12,023	(12,097)	-	148	6,192

12 Deferred income

	Letterbox Club	Bookbuzz	Grant funding	Other sales invoices not yet delivered	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2024	708	215	587	-	1,510
Released to incoming resources	(1,340)	(835)	(933)	(36)	(3,144)
Amount deferred in year	1,284	831	353	67	2,535
Balance as at 31 March 2025	652	211	7	31	901

Prior year deferred income

	Letterbox Club	Bookbuzz	Grant funding	Other sales invoices not yet delivered	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2023	878	302	761	-	1,941
Released to incoming resources	(925)	(302)	(756)	-	(1,983)
Amount deferred in year	755	215	582	-	1,552
Balance as at 31 March 2024	708	215	587	-	1,510

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

Notes to the accounts

31 March 2025

13 Analysis of net assets between funds

	2025			2024		
	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Net current assets	6,159	-	6,159	6,005	187	6,192
Net assets	6,159	-	6,159	6,005	187	6,192

14 Financial commitments

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

	2025		2024	
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
Leases expiring in:				
Less than one year	380	-	596	2
One to five years	315	-	645	-
	695	-	1,241	2

Notes to the accounts

31 March 2025

15 Comparative statement of financial activity

	Unrestricted funds 2024 £'000	Restricted funds 2024 £'000	Total funds 2024 £'000
Income from:			
Statutory funding	5,763	898	6,661
Corporate partnerships	448	45	493
Individual giving	1,357	-	1,357
Trust and foundations	107	821	928
Traded activity	2,520	-	2,520
Investment dividends and Interest	64	-	64
	10,259	1,764	12,023
Expenditure on:			
Raising donations	1,021	-	1,021
Charitable activities			
Strategic objectives 1 and 2	6,032	796	6,828
Strategic objective 3	1,409	285	1,694
Strategic objective 4	1,567	463	2,030
Strategic objective 5	304	220	524
	10,333	1,764	12,097
Net expenditure before gains on investments	(74)	-	(74)
Net gain on investments	148	-	148
Net income	**74**	**-**	**74**
Transfer between funds	**56**	**(56)**	**-**
Net movement in funds	**130**	**(56)**	**74**
Total funds brought forward	5,875	243	6,118
Total funds carried forward	**6,005**	**187**	**6,192**

Notes to the accounts

31 March 2025

16 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 (registered charity number 1181253). The objects for which the Women's Prize Trust exists relate to the advancement of the art of literature for the public benefit. This relates to BookTrust's promotion of reading and advocacy for national and local policies to recognise the social and economic importance of reading.

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

17 Mohn Westlake Foundation

Diana Gerald, co-CEO of BookTrust, is also a trustee for the Mohn Westlake Foundation. In 2021/22 BookTrust was awarded a restricted grant with performance conditions from the Mohn Westlake Foundation for the periods 2022 to 2025 with a value of £1.7m over the three years and an advance payment of £nil (2024: £0.58m) included in creditors.

Diana is also co-chair/ trustee of EURead, a non-profit association in Belgium. BookTrust pays an annual subsciption of €2,500.

18 Subsequent events

In March 2025, the charity signed a lease for a new office in Leeds, ahead of the current lease coming to the end of its term in June 2025. The new lease is for an initial 12 months, at an annual cost of £82,800.

BookTrust
Getting children reading

Contact us
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Follow us on social: @BookTrust

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BOOKTRUST

England & Wales - Charity number 313343

Accounts

BookTrust
Getting children reading



Annual Report

2023/24

Start

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Letter from the Chair

We are committed to providing more targeted support to the children who stand to benefit the most from reading regularly and by choice.



The past year has seen BookTrust continue to deliver on its mission to help children, especially those from low-income and vulnerable family backgrounds, develop a love of reading from the earliest moments in childhood. Our work has taken place in the challenging context of the ongoing cost-of-living crisis and the post-pandemic environment, which are affecting many of the families we serve and the valued delivery partners we work with to get children reading. The attainment gaps between disadvantaged pupils and their non-disadvantaged peers remains a major problem for this generation of children. These challenges mean our work to give children the best start in life is more important than ever.

2023/24 marked the third year of our new strategy which focuses our work on delivering at scale behaviour-change reading programmes for children across England, Wales and Northern Ireland. We are committed to providing more targeted support to the children who stand to benefit the most from reading regularly and by choice. Evaluation of our reach and impact tells us that this overarching strategy is the right one and that it is delivering important changes for families, while we continue to refine our approach as we learn more.

Through supporting children from low-income and vulnerable family backgrounds to embed the joy of reading in everyday life, we are helping children to experience the immediate and lifelong benefits of reading. We know that reading in early childhood helps children to meet speech, language and development milestones, and develop strong relationships and social skills. It supports mental wellbeing, creativity and imagination, helps children do better in school and, in the longer term, overcome disadvantage.

We also know the act of shared reading – between parent or carer and child – has a profound impact on the child's pleasure of reading and empowers adults in their relationships with the child. We want this simple but profound experience of reading together to be commonplace in the families we support.

Support for children from vulnerable family backgrounds has remained a key focus of our work over the past year. We know that when children experience disruption or difficulties at home, shared reading can be especially transformative. Over 11,000 children, most of them in long term foster care placements, were involved with our long-standing Letterbox Club programme.

Over the past 12 months more than 1.4 million families across England, Wales and Northern Ireland have benefitted from BookTrust programmes. These programmes comprise high-quality, interactive, development-stage-appropriate books; activities and information; as well as messaging and modelling from practitioners and support and digital tools for practitioners to inspire family enjoyment in sharing books. This includes our support to 90% of families with newborn babies through the Bookstart Baby programme, and to 408,000 early years families (with children aged 1–4) who engaged with our Bookstart Toddler and Bookstart Pre-schooler programmes. Now in their second year, these evidence-based, behaviour-change programmes support low-income families to maintain shared reading in the early years, driving early years development and school readiness. They are delivered through our network of over 6,000 early years and community-based partners. Support for children from vulnerable family backgrounds has remained a key focus of our work over the past year. We know that when children experience disruption or difficulties at home, shared reading can be especially transformative. Over 11,000 children, most of them in foster care placements, were involved with our long-standing Letterbox Club programme. We also made progress in our development work to strengthening our reach and impact in this area, and were delighted to start a new partnership with the charity Kinship to help develop a new model of kinship carer support.

BookTrust Storytime, our early years work in libraries, continued to achieve high engagement: for example, 90% of all libraries in England participated in the programme. We were delighted to be able to continue our Pori Drwy Stori programme in Wales for nursery and reception-aged children, and over 32,000 families engaged with the Welsh Bookstart Early Years programmes. Our support for schools and older children remains strong and at scale – we provided all state primary schools with resources to encourage early engagement with reading for enjoyment. Over a quarter of a million Year 7 and 8 pupils engaged with the established Bookbuzz programme designed to help children develop their identity as independent readers.

Last year was also a busy year in our partnerships and influencing work. In January we launched our action plan 'Reading Together, Changing Children's Lives', supported by every Waterstones Children's Laureate from the past 25 years, including our President Sir Michael Morpurgo.

‘Reading Together’ is the distillation of BookTrust’s knowledge and understanding about what needs to be done to create systemic transformation in children’s reading. This work generated extensive media coverage, sparking discussions with key partners and stakeholders on the importance of childhood reading. It also has created an important platform for our future influencing work.

BookTrust’s support for the Waterstones Children’s Laureate continued with Joseph Coelho completing his 80 Poetry Prompt videos, with luminaries of the children’s books world including Michael Rosen and MC Grammar. We were also there to cheer Joseph on as his library registration marathon came to a close at the British Library, marked by a day of family activities celebrating reading before handing over the Children’s Laureate baton to Frank Cottrell-Boyce.

We thank Her Majesty the Queen, who is such a tremendous champion of reading, for her ongoing support. As a national portfolio organisation we are grateful for the continuing support of Arts Council England. We are also deeply grateful to all our other funders, partners, donors and friends who make our mission possible. I am especially grateful to my fellow trustees who give their time, expertise and passion for children’s reading so generously.

As I reflect on the positive outcomes for children and families from our work over the past year, I know there is more we can do – especially within that context of the challenges faced by poorer and vulnerable children today. We have a strong programme of development ahead, testing new routes to new families and new models of support for children and early years practitioners. In the coming year we will continue to learn and innovate, build new partnerships, seek new funding and conduct a refresh of our strategy, setting out how we will continue to deliver and evolve our ambitions for the next five years.



At the start of BookTrust’s next chapter, and with the advent of a new government, we will be working to maximise the role BookTrust plays in ensuring children receive the best start in life.

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

Chair of trustees



Introduction

BookTrust is the UK's largest children's reading charity with a history that stretches back over 100 years.

Each year we get millions of children reading, especially those from low-income families or vulnerable backgrounds. Our long-term partnership agreements with every local authority in England and Wales, and our thousands of partners in England, Wales and Northern Ireland, enable us to reach children and families in every community with high-quality resources and support.

BookTrust brings something positive to children and families: the joy of reading high-quality beautiful books and welcome relief from day-to-day challenges. These help children learn through enjoyment and help parents and caregivers to bond with their children. BookTrust also brings something positive to partners who work with children and families: proven, evidence-based interventions that are welcomed by families, and delivered at national scale.

We know from decades of experience of working with tens of millions of children and thousands of local partners that reading plays a crucial role in helping to achieve good outcomes for children. It has a widely evidenced impact on both immediate and long-term outcomes. In the short-term, reading contributes to bonding and attachment, as well as child and parental wellbeing. It supports cognitive, speech and language development, contributes to school readiness and is part of the pattern of family life. As children grow, those who read regularly and by choice have better literacy, perform better across the curriculum and demonstrate stronger empathy and creativity. In the longer term, reading can mitigate long-term socio-economic inequalities. Investing in children's reading early in childhood means more children and families experience these immediate and long-term benefits.

Our core work is in the early years where our priority is to support children and families from low-income and vulnerable backgrounds. We work through evidence-based, behaviour-change programmes that combine books and resources, digital tools and inspiration, support for practitioners and families, and experiences to get families reading. We also work with school children until the age of 13, supporting them on their reading journeys and showcasing the very best in children's literature. We prioritise meeting the needs of children who face the greatest barriers and for whom the benefits of reading can be most transformative.



We are one of Arts Council England's National Portfolio Organisations. Our headquarters are in Leeds and we have offices in London, Cardiff and Belfast, and staff across the country.

In 2023/24 we reached almost 1.3 million children in communities across England, Wales and Northern Ireland with a focus on four key areas:

1. Early years: Embedding reading in the life of every low-income family
2. Children from vulnerable family backgrounds: Using shared reading to bring enjoyment and stability to vulnerable children
3. Practitioner support: Supporting early years practitioners to promote shared family reading
4. Schools: Supporting schools to foster a love of reading

We provide more detail on our 2023/24 achievements in each of these areas over the following pages.

Our work in 2023/24



72% of families

surveyed said Bookstart Baby made them feel more confident about reading with their child.[1]

97% of families

participating in evaluation activities reported that they enjoyed using the books and activities.[2]

1. Early years: Embedding reading in the life of every low-income family

2023/24 was our second full year of delivering our refreshed, targeted Bookstart programmes based on robust evidence about the shared reading experiences that will bring the greatest benefits to low-income families.

We reached over half a million families (90% of all families with new babies) with Bookstart Baby. This long-standing national programme is designed to initiate shared family reading in all babies' first year of life through supporting families to experience interactive, enjoyable reading moments. 72% of families surveyed said Bookstart Baby made them feel more confident about reading with their child.[1]

Through Bookstart Toddler and Pre-schooler, 408,000 children aged 1–4, of which 310,000 were from low-income families, received reading support and high-quality books and resources – a 16% increase from 2022/23. 97% of families participating in evaluation activities reported that they enjoyed using the books and activities, with 76% saying the programmes prompted them to read more with their young children.[2]

"It is always an exciting time for the children and parents when they are given the BookTrust pack. We keep one of the books in nursery so that the children can make the connection between home and nursery and are able to retell the story themselves and share with their parents."

BookTrust Delivery Partner, North England

[1] Bookstart Baby Evaluation 2023/24
[2] Bookstart Toddler and Pre-schooler Evaluation 2023/24

90% of libraries (2,568 in total) participated in BookTrust Storytime. This national early years libraries programme brings families into libraries, often for the first time, and supports them to become regular visitors through engaging group storytelling sessions based on books that are specially selected for reading aloud. In April we celebrated the magic and importance of story sharing for young children at the BookTrust Storytime Prize event, which brings together libraries, authors and illustrators, and strategic stakeholders. This year the prize was awarded to Gemma Cooper and Carrie Hennon for *Can you Tickle a Tiger?*, one of the six excellent BookTrust Storytime Books that every participating library shared with families in their communities.

In Wales we continued to deliver Pori Drwy Stori, our bilingual programme for nursery and reception-aged children. Aimed at developing literacy, numeracy, speaking and listening skills, using physical and digital resources to support Foundation Learning, we reached over 103,000 children in the year – and distributed just over 32,000 Welsh Bookstart Early Years packs.

Alongside our national scaled offers we continued to learn and innovate, for example, exploring how to engage families antenatally to embed reading in routines as early as possible. We also experimented with new partnerships and delivery routes to help us reach more families in need – for example though prison family services and third-sector community organisations. In February, BookTrust and CBeebies Bedtime Stories launched an exciting new partnership to create CBeebies legacy reading corners and BookTrust Storytime engagement at libraries across the UK to test and develop new ways to engage parents and children to inspire a love of reading together, with a focus on under-served areas.

90% of libraries

participated in BookTrust Storytime.



103,000

children reached using physical and digital resources to support Foundation Learning.

"My son was really excited to get his reading pack, and we got started as soon as we got home. He really enjoyed talking about the beasts and sitting down to do the colouring pages."

Parent, South England

"You open up the pack and there's writing on all the bits telling me... you can read this, do funny voices... I was just reading normally before. Now I make it fun. I do the different characters."

Parent, East England

96% of children

taking part in the Letterbox Club Evaluation reported that they like or love Letterbox Club, and 68% reported reading more on their own after receiving Letterbox Club parcels.



2. Children from vulnerable family backgrounds: Using shared reading to bring enjoyment and stability to vulnerable children

During 2023/24, we continued to build on our long history of supporting children from vulnerable family backgrounds through Letterbox Club, our intensive reading programme for children in long -term foster care. Through partnerships with primary and secondary schools, virtual schools and the Fostering Network in Northern Ireland, 11,439 children received multiple Letterbox Club parcels this year. 96% of children taking part in the Letterbox Club Evaluation reported that they like or love Letterbox Club, and 68% reported reading more on their own after receiving Letterbox Club parcels.[3]

Early shared reading matters for all children. When babies and children experience disruption or difficulties at home, shared reading can be especially transformative, supporting bonding and attachment, giving a sense of stability and providing a way to explore difficult experiences and emotions. 2023/24 saw BookTrust test new approaches to working with children in fostering, kinship and adoptive families, piloting a new shared reading offer for children from vulnerable family backgrounds. We worked with over 400 children and carers to develop new pilot approaches to inform future scaled work. And we developed a new partnership with the organisation Kinship as part of their Department for Education funded kinship carer support contract. We are exploring how BookTrust can support kinship families to read with children in their care.

“Letterbox has made my reading confidence grow... it has also made me use my imagination.”

Child aged 11 who receives Letterbox Club parcels

“We have really enjoyed all the contents... it has sparked an interest in his reading, and he now regularly asks to read before bedtime.”

Carer whose child receives Letterbox Club parcels

[3] Letterbox Club Evaluation 2023/24

3. Practitioner support: Supporting early years practitioners to promote shared family reading

BookTrust's work to deliver reading behaviour change in low-income families relies on the skill and commitment of partners and practitioners working on the ground. We provide extensive support to help partners and practitioners, from health visitors to children's librarians and early years educators, in this vital work.

During 2023/24, we further strengthened our support to our amazing network of early years partners who provide over 6,000 routes to low-income families in all types of communities across the country. We provided almost 1,500 Storyteller backpacks – a set of books, resources, activities and props used by early years practitioners to lead children and families on storytelling adventures. We also continued to evolve our digital resources for practitioners. We developed a new online portal to streamline ordering and monitoring, making it easier for partners to work with BookTrust and improving the data we have to support our work.

In November we ran our first national Story Sharer Celebration Week, involving over 870 early years partners, and over 500 settings signed up for Big Welsh Rhyme Time. We delivered three partner webinars and launched three **new research briefings on reading in the early years** to engage and support delivery partners, and to inform and inspire strategic stakeholders. We continued to improve our understanding about how we can support our partners, and this has informed the early development of new training for practitioners to improve their skill and confidence in the best ways to help families share stories in the early years.

95% of delivery partners

feel our early years programmes support them to engage with parents and carers.



80% of delivery partners

rate family resources highly on their suitability for the families who use them.[4]

> **"Bookstart resources are such good quality and the children and families really enjoy getting the packs. They are easy to use and support us with promoting reading books to children and to ensure every child has a book to look at."**
>
> BookTrust Delivery Partner, North England

[4] Bookstart Toddler and Pre-schooler Evaluation 2023/24

In our work for children starting secondary school, more than a quarter of a million children

(259,771) in Years 7 and 8

received and engaged with Bookbuzz, choosing their own book to keep.

4. Schools: Supporting schools to foster a love of reading

In 2023/24 our focus with schools and school-aged children was to support teachers to encourage early engagement with reading and to support older children to develop their identity as independent readers.

We launched our new platform for primary school teachers providing support and guidance on how to encourage families to continue sharing stories at home as children start school. We continued to share extensive book reviews and recommendations, providing every primary school in England and Northern Ireland with a copy of our 2023 Great Books Guide, as well as research to help teachers in their work to engage children in reading.

In Northern Ireland, we distributed the P1 Project, funded by the Education Authority and developed with the aim of encouraging children to spend a little time each day with their families reading for fun.

The BookTrust Northern Ireland author tour (supported by Lottery Project Funding through Arts Council Northern Ireland) took five celebrated authors/illustrators to schools in communities that don't typically engage with the arts, resulting in 2,086 pupils meeting and being inspired by some of the best creators in children's literature.

We also scaled up our BookTrust Represents programme. We introduced 54,000 children in 1,800 schools to exciting reading experiences with creators of colour and their work through national online school visits, providing tools to support teachers to bring these experiences to life in their classrooms.

"[Bookbuzz] has motivated me to read more often and choose books that I wouldn't usually choose to read."

Bookbuzz Pupil

"The children love it! They pester their teachers for when the books will arrive for weeks after they've completed their selections."

BookTrust Delivery Partner, East of England

Other highlights from 2023/24

A year of impactful initiatives and championing early years reading

A major focus this year has been to raise the profile of early years reading and BookTrust's evidence-based activities. In January we launched our 'Reading Together, Changing Children's Lives' campaign calling for long-term focus on and investment in reading for children under seven. This work included a national event, media engagement, new research and production of new videos and communications tools. Supported by our President Sir Michael Morpurgo, all 12 current and previous Children's Laureates, and our wider network of delivery and creative partners, 'Reading Together, Changing Children's Lives' generated strong media attention and engagement from policy makers and other key stakeholders. This work continues in the year ahead.

We supported Joseph Coelho through his exciting term as the Children's Laureate, including Poetry Prompts, where he celebrated the power of poetry in all its forms with weekly videos; 'Bookmaker Like You', so that every child could see themselves as a bookmaker; and the 'Library Marathon', Joseph's personal mission to join a library in every local authority in the UK.

Internationally, we continued to convene the BookTrust founded, global bookgifting network, sharing best practice and research across an international community of organisations engaged in early years reading – and are developing content and a partnership promotional plan to help encourage organisations worldwide to start such work.

Plans are also in motion to develop a new Europe-wide declaration calling for early years bookgifting as every child's right.

Supported by our President Sir Michael Morpurgo, all 12 current and previous Children's Laureates, and our wider network of delivery and creative partners, 'Reading Together, Changing Children's Lives' generated strong media attention and engagement.



Evidence-led design and planning

This year we maintained our focus on research and evaluation to ensure everything we do drives impact for children and families.

We launched seven new learning zones (in Blackpool, Brent, Leeds, Leicester, Hartlepool, Sandwell and Somerset), began a longitudinal study with low-income early years families, and developed a new annual survey to ensure we understand and can respond to our delivery partners' needs. In December we won the Market Research Society's Activation of Insights award recognising our commitment to evidence-led design.

Sustainability

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

This year we continued to promote environmental understanding amongst children by identifying appropriate books and producing associated booklists to guide families and teachers.

In October, BookTrust partnered with University of Exeter, the Poetry Society and the National Trust on the UK's first Biodiversity Storytelling Summit. This is part of the three-year RENEW partnership to create measurable biodiversity renewal and increased access to biodiversity through children's literature and poetry. Through this work we continue to explore the role that books can play in supporting greater understanding of biodiversity, and how nature can inspire children to read.

Equality, diversity and inclusion

Children from diverse and excluded communities are over-represented in our target audience groups of low-income families and children from vulnerable family backgrounds.

Over the past year we selected, recommended and distributed thousands of inclusive books with stories and illustrations that are representative of a diverse range of different lives, experiences and cultures. We included diverse perspectives in our research and design activities, and explored new ways to ensure a wide range of voices contribute to our research, design and development.

We supported new creators of colour and arranged face-to-face and virtual events for creators of colour to visit primary and secondary schools to inspire children with their work. We further extended our early years partnership network to improve our access to families in diverse and excluded communities across the UK.



The future

We are pleased to share our achievements in 2023/24. While we're making substantial progress to get children reading, we know there is much more to do.

BookTrust 2024/25: What next?

In 2024/25, BookTrust will continue to deliver impact-led, behaviour-change programmes and activities to over 1.3 million children and families, prioritising our work for children from low-income and vulnerable family backgrounds, and embedding our learning in sustainable ways while we develop new sources of income for our work.

Our priorities for 2024/25 include:

1. Early years: Embedding reading in the life of every low-income family

We will continue to support babies, toddlers and pre-schoolers in England, Wales and Northern Ireland with programmes based on the strongest evidence on how to create positive shared reading experiences, maintaining our levels of reach while we try to deepen our impact further. We will continue to explore new delivery routes to best reach low-income families through Bookstart Toddler and Pre-schooler and BookTrust Storytime.



2. Children from vulnerable family backgrounds: Using shared reading to bring enjoyment and stability to vulnerable children

We will maintain the delivery and reach of our Letterbox Club programme, both for children in long-term foster care and disadvantaged children in schools who feel their pupils would benefit from this intensive support.

We will deliver reading support for children in kinship care, as part of our partnership with the charity Kinship, and deepen our learning about the best ways to support these carers to embed reading routines at home. Building on work in 2023/24, a priority for 2024/25 will be to launch a new shared reading programme for vulnerable children aged 0–7, including testing demand with potential customers and developing routes to reach children.



3. Practitioner support: Supporting early years' practitioners to promote shared family reading

We will continue to deliver thousands of BookTrust Storyteller resources to understand and better meet the needs of an increasingly varied range of delivery partners. We will further develop our digital support and resources for partners and practitioners. Building on learning and planning in 2023/24, we will progress the development of a new training model for early years practitioners.

Looking ahead to future development, we will identify the most impactful elements of partner delivery so that in the evolution of our work we can provide even better support for the things that make the most difference to families' reading behaviour.

4. Schools: Supporting schools to foster a love of reading

We will continue to support primary schools to engage with our book reviews and resources to get children reading. We will continue to run virtual visits and distribute high-quality representative books as part of our BookTrust Represents programme.

We will continue reaching children in Years 7 and 8 through Bookbuzz and pilot a new traded School Library Pack to provide secondary schools with a range of new high-quality books suitable for children in Key Stage 3.

We will continue to support the Waterstones Children's Laureate, Frank Cottrell-Boyce, to promote the importance of children's literature, reading, creativity and storytelling, and the right of every child to enjoy books and stories.





Our funders and supporters

We extend a huge thank you to the many thousands of BookTrust partners who work with us.

We would especially like to thank:

- Our Patron, Her Majesty the Queen, for her ongoing patronage and support for the cause of reading and our President, Sir Michael Morpurgo, for his long-standing support and inspiration.
- Our national network of Bookstart coordinators, local authorities, practitioners and community partners operating in every community in England, Wales and Northern Ireland. To those supporting families in libraries, community organisations, early years settings, health visitors and to local authority and schools partners: thank you for being a crucial part of what we do.
- Our partners in publishing and authors and illustrators, who are at the heart of our work to inspire children and families on their reading journeys.

We are grateful for the generous support we receive from those who share our mission to get children and families reading for pleasure:

- Arts Council England
- Arts Council Northern Ireland
- Welsh Government
- Northern Ireland Education Authority

We would like to thank our BookTrust Friends and supporters of our appeals, including the families, schools and nurseries who supported our Pyjamarama fundraiser, and everyone who takes part in challenge events on our behalf.

We would like to take this opportunity to recognise and thank some of the many individuals, companies, trusts and foundations who generously supported our work in the past year, including:

- Accelerated Intelligence Ltd
- Andersen Press
- Bloomsbury Publishing
- Bookshop.org
- BookSpace
- Build-A-Bear Foundation
- Clara E Burgess Trust
- Emerald Publishing Limited
- GMC Trust
- Good Humans
- Hyde Park Place Estate Charity
- Kajima
- MarketingTwentyOne
- Mercury
- Mike Gooley Trailfinders Charity
- Mintaka Trust
- Mohn Westlake Foundation
- Mushens Entertainment
- Oxford University Press
- Panduit
- Peters Ltd
- Princeton University Press
- Promote Your School
- Renaissance
- Rolex
- Sadie Coles HQ
- Simmons & Simmons LLP
- Solution Junkies Limited
- Strand Parishes Trust
- The Alec-Smith Family Trust
- The Alan Greenaway Foundation
- The Bhim Ruia Foundation
- The Catherine Cookson Trust
- The Elizabeth Frankland Moore and Star Foundation
- The Fishburn Family Trust
- The Folio Society
- The George Cadbury Fund
- The Goldsmiths' Company Charity
- The Harris Poll
- The Lawson Trust
- The Pitt-Rivers Charitable Trust
- The Tanlaw Foundation
- Usborne
- Vision Architectural Glazing Installations Ltd
- Waterstones
- Westminster Abbey



Fundraising policy

We set out to fundraise in an open, honest and respectful manner.

We use multiple channels to fundraise from various audiences. When developing our fundraising campaigns, we assess the impact our fundraising could have on an individual and take actions to mitigate any negative impact. When running fundraising campaigns, we welcome feedback and use this to help shape future fundraising campaigns. We always treat donor data responsibly and are compliant with all UK data protection laws. Our privacy policy is published on our website and gives details of the information we hold and how and why we process it. We respect the privacy and contact preferences of our donors and will respond promptly to any requests to cease contact.

We are committed to generating income in a manner that protects all individuals, especially any vulnerable donors. In this respect, we will not place any undue pressure on individuals to donate, nor will we solicit or accept donations from anyone who we know, or suspect, may not be capable of making their own decisions.

We are members of the Fundraising Regulator scheme. This means that we are committed to best practice in fundraising and follow the Fundraising Regulator's Fundraising Promise and the Institute of Fundraising's Code of Fundraising Practice.

We record and investigate all fundraising complaints received and use this information to inform our fundraising strategy. We aim to deal with any complaints about our fundraising activities in a timely manner. During the 2023/24 financial year, we received seven fundraising complaints (2022/23: one); all complaints were amicably resolved in a timely manner.

Financial review

We utilised lower levels of reserves than anticipated this year, largely due to cost-savings initiatives and out-performance on income generation, leading to an operating deficit (before gain on investments) of £0.1m, (2023: deficit of £1.85m). We received £5.8m of funding as part of our contract with Arts Council England, which has now been extended to 2026/27. We were also successful in securing £0.8m (2023: £1.1m) of funding from the Education Directorate of the Welsh Government to support our work in Wales – this was the first year of a two-year commitment.

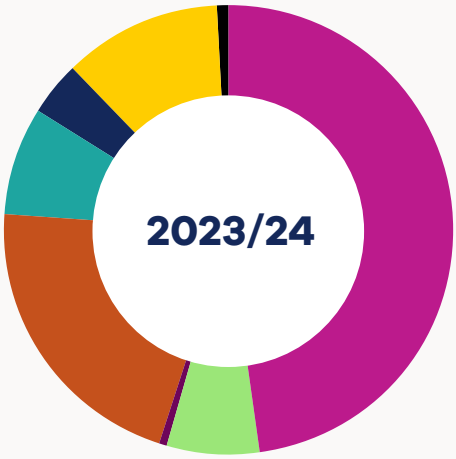
Our fundraising income from corporate sponsorship and individual giving grew by 7% from the previous year. Trusts and foundations income increased by 32%.

Our traded programmes, Bookbuzz and Letterbox Club, continue to be a material source of income. Letterbox Club accounted for £1.5m (2023: £1.6m) of the total income for the year and Bookbuzz £0.9m (2023: £0.8m).

Overall, our total income increased by £0.1m to £12.0m (2023: £11.9) with a further total of £1.5m deferred to 2024/25 (2023: £1.9m).

2023/24

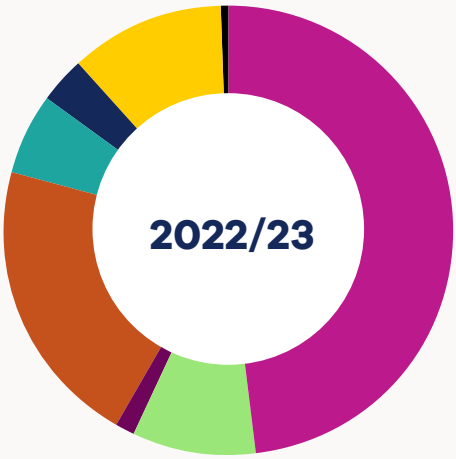
Total income of £12.0m



- Individual Giving **11.3%**
- Corporate Partnerships **4.1%**
- Trust and foundations **7.7%**
- Traded Programmes **21.0%**
- Northern Ireland **0.6%**
- Wales **6.7%**
- Arts Council England **47.9%**
- Other **0.7%**

2022/23

Total income of £11.9m

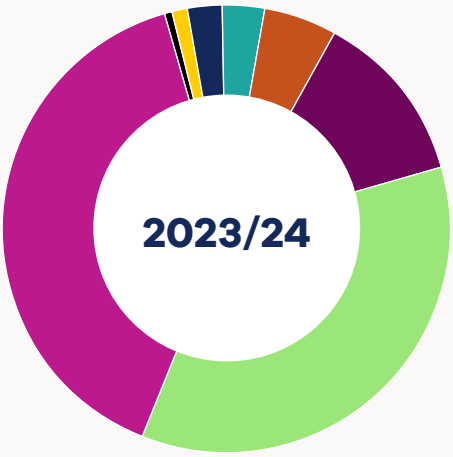


- Individual Giving **11.3%**
- Corporate Partnerships **3.2%**
- Trust and foundations **5.9%**
- Traded Programmes **20.9%**
- Northern Ireland **1.2%**
- Wales **8.9%**
- Arts Council England **48.3%**
- Other **0.3%**

In the prior year we agreed with the board a planned utilisation of reserves to support our strategic shift of focus to low-income and vulnerable children. In the current year, cost-savings initiatives have led to expenditure decreasing by £1.7m to £12.1m (2022: £13.8m).

2023/24

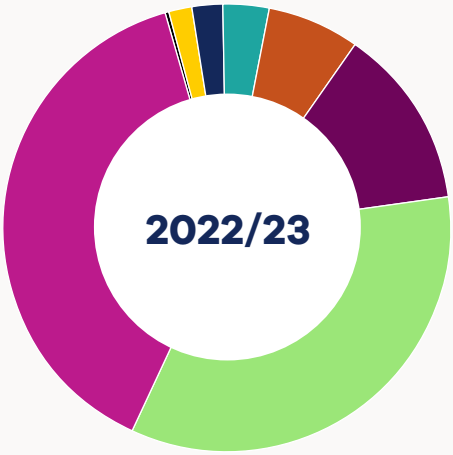
Expenditure of £12.1m



- Travel and subsistence **£98,000**
- Professional fees **£160,000**
- IT **£405,000**
- Establishment and office **£478,000**
- Research, publicity and engagement **£587,000**
- Distribution/warehousing **£1,471,000**
- Books and resources **£3,571,000**
- Staffing Costs **£5,327,000**

2022/23

Expenditure of £13.8m



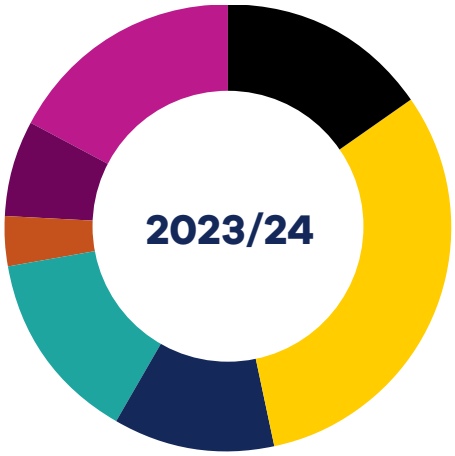
- Travel and subsistence **£63,000**
- Professional fees **£142,000**
- IT **£360,000**
- Establishment and office **£402,000**
- Research, publicity and engagement **£717,000**
- Distribution/warehousing **£1,745,000**
- Books and resources **£4,903,000**
- Staffing Costs **£5,438,000**

Our spend against strategic objectives (analysed below) demonstrates our continued focus on early years disadvantaged and vulnerable children, as a key part of our strategy. Spend in these areas has increased by 2.3% and 1.4% respectively.

In the context of increased investment in early years disadvantaged and vulnerable children, our spend against SO3 has declined by 6.3%, as a result of our discontinuation of Time to Read packs in the year.

Strategic Objectives

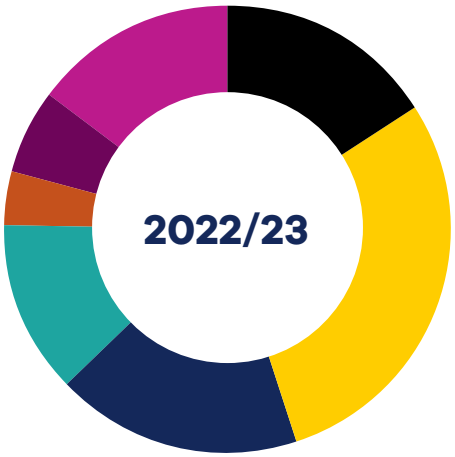
SO1	Initiate shared reading
SO2	Supporting disadvantaged families in their early years to get reading
SO3	Encouraging children and families to continue on their reading journeys
SO4	Supporting children from vulnerable backgrounds to enjoy the benefits of reading
SO5	Building a community of advocates for reading



- Strategic Objective 1 **15.5%**
- Strategic Objective 2 **31.3%**
- Strategic Objective 3 **11.6%**
- Strategic Objective 4 **14.0%**
- Strategic Objective 5 **3.6%**
- Fundraising **6.9%**
- Overheads **17.1%**

2023/24

Expenditure of £12.1m



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

2022/23

Expenditure of £13.8m

BookTrust's funds are divided into two categories:

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

Unrestricted – These funds are available for use at the discretion of the directors 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 revisited our reserves policy, and considering a worst-case scenario of an orderly winding up of the charity, have agreed a minimum level of reserves of £4.5m should be retained. This balance comprises £2.2m to meet any outstanding financial liabilities in such a scenario, and is supplemented with additional, transitional reserves, where the aim would be to maintain a further £2.3m. This would account for approximately three months of expenditure to allow for a managed reconfiguration of the organisation to a smaller, more tightly focused organisation. This recognises our commitments on 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.

It should be noted that all of our investments are now classified as current assets, as none of our assets are deemed to be long-term.

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. To ensure that this is possible, the trustees have determined that a minimum level of free reserves should be maintained such that all current liabilities can be met in the event of a short delay in receipt of income from grants, etc.

Based on present projections of expenditure, this level has been set to maintain an average free reserves position of £1.5m, 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 2024 was £6.2m (2023: £6.1m), of which £3.5m (2023: £4.3m) was held as investments, £2.1m in cash (2023: £1.0m), and the balance of £0.6m (£0.8m) in working capital. Of the £6.2m, £0.2m (2023: £0.2m) was restricted for specific purposes. This leaves £6.0m (2023: £5.9m) in unrestricted funds, which is £1.5m (2023: £3.4m) above our minimum reserve requirements. Free reserves stand at £2.7m (2023: £1.8m), again well in excess of minimum free reserve requirements. The trustees are satisfied that the approved plans for the next three years ensure that funds above the minimum policy requirement will be deployed effectively against the charity's objectives.

Investment policy

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

Risk and governance

Key risks and uncertainties

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

We have identified the following as our key risks:

Profile and political environment
There is a risk that in a turbulent and fast-changing political environment we may struggle to make our voice heard and maintain our profile. To mitigate this risk, we have developed the capacity and capability of our communications team, and our Executive Leadership Team is increasing its external engagement. In addition, in relation to our work in the early years, the launch of 'Reading Together' has enabled us to extend our external engagement and is an important tool to highlight our significant contribution.

Pressure on our external delivery partners
BookTrust receives support from a wide range of organisations. Financial and delivery pressures are being felt by key partners in local government as well as by other current and potential new local delivery partners. There is a risk that these pressures may impact on our plans for delivery or may hamper our learning and development work. We are mitigating this through increased capacity within our partnerships team as well as taking a more targeted approach with partners.

Income generation
BookTrust receives support from a wide range of donors and there is a risk that, in the context of challenging economic conditions with cost-of-living pressures, we struggle to hit income generation targets. To mitigate this, we have built and monitor a five-year financial plan, drawing on work by our income generation team as they seek to diversify our income streams. We are developing approaches for traded programmes, and these are being informed by a range of initiatives, for example the development of prototype interventions or research to understand potential customer priorities.

Ongoing cost pressures
Cost pressures continue through our supply chain across books, resources and our logistics. There is a risk that these pressures, and cost reductions that we take in response to them, may impact on the delivery of our strategy. With regard to mitigations, we are successfully delivering against budget, including a cost optimisation plan; we have refreshed our five-year financial plan and continue to consider cost optimisation options alongside strategy development plans.

Organisational change
We have put in place a stretching programme of work in order to deliver our ambitions and there is a risk that we struggle to deliver this. To mitigate this, we have a change plan managed by the CEO and our evolved internal governance structure helps with the prioritisation of activity. We continue to grow our presence in Leeds and to embed our flexible and distributed working model, both of which help with recruitment and retention.

Legal and administrative information

Charity Name	BookTrust
Charity Registration Number	313343
Company Registration Number	00210012

Patron	Her Majesty the Queen
President	Sir Michael Morpurgo

Board of Trustees

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

Ellen Broomé	(Appointed 1 September 2024)
John Coughlan CBE	Chair
Radha Chakraborty	Vice Chair
Professor Matthew Cripps	
Gautam Dalal	Honorary Treasurer
Harpal Dhillon	(Resigned 5 December 2023)
Professor Tim Hobbs	(Appointed 1 September 2024)
Michael Hudack	(Resigned 31 May 2023)
Professor Anthony Kessel	
Nigel Langstaff	
Hilary Murray Hill	
June O'Sullivan MBE	
Edward Poultney	(Appointed 1 September 2024)
Victoria Sellick MBE	

Chief Executive	Diana Gerald MBE
Company Secretary	Jennifer Rachael Bailey

Registered Office

1 Aire Street, Leeds, England, LS1 4PR

Our Advisers

Auditors	Sayer Vincent LLP, 110 Golden Lane, London EC1Y 0TG
	NatWest, 111–117 Putney High Street, London SW15 2LL
Bank	Russell-Cooke, 2 Putney Hill, London SW15 6AB
Solicitors	Epoch Consulting, Queen Square House, Queen Square
Investment Managers	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. Over 2023/24, the board of trustees reviewed our Articles of Association and we are now operating under Articles adopted by special resolution on 9 October 2023.

Governance and management

Under the terms of the Articles of Association as adopted in October 2023, management of BookTrust's affairs is vested in a board of not less than four trustees. Trustees are appointed for an initial period of up to three years. Following the adoption of our revised Articles in October 2023, trustees may be reappointed for up to two further terms each of three years. The board have agreed that, while on occasion trustees may be asked to serve for three terms, it will continue to be usual practice for members of the BookTrust board to serve a maximum of two terms of office.

The board of trustees administers the charity and exercises its scrutiny role through board meetings, held at least quarterly, and standing committees. We have three main committees: (i) Finance, Risk & Audit, (ii) Nominations, and (iii) Equality, Diversity, Inclusion & Remuneration. The board has also established a Donations, Acceptance & Refusal Committee which meets as required. The board has established trustee lead roles for key areas, notably safeguarding, governance, equality & diversity, environmental sustainability, and people & 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. We also review the make-up of our board to ensure that we have sufficient diversity. At the start of the year we reviewed our board composition to inform the trustee recruitment that took place in Spring 2024. We appointed three new trustees in September 2024.

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 with progress reviewed on at least an annual basis by the board. There is an annual review of board effectiveness. Over recent years we have conducted annual internal reviews led by the chair of the board, and in autumn 2023 we commissioned an external review of governance. Informed by these reviews, we continue to take steps to strengthen BookTrust's governance and to develop and deliver on agreed priorities in the Charity Code of Governance action plan.

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

The Executive Leadership Team

comprises:

Diana Gerald MBE
Chief Executive Officer

Annie Crombie
Deputy CEO

Colin Atkins
Chief Operating Officer

Benedict Arora
Director of Communications

Mike Bues
Director of Finance

Lizzie Catford
Director of Children's Books

Claire Goodall
Director of Design, Development & Strategic Planning
(resigned 30 April 2024)

Julie Hayward
Director of Partnerships

Ruthann Hughes
Director of Research & Impact

We have continued to develop our executive leadership team to ensure that our senior staff bring us sufficient diversity and the breadth of expertise and skills we need to manage BookTrust's activity, in both the range of work and our geographical reach working with an extensive range of partners. Members of the executive leadership team have leadership roles as well as delivery/ operational responsibilities.

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

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

Statement as to disclosure of information to the auditor

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

Trustees' annual report, incorporating the strategic report, approved by order of the trustees.

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

John Coughlan
Chair
Date: 30/09/24

Gautam Dalal
Director
Date: 30/09/24

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 2024, 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 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report including the strategic report.
We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Capability of the audit in detecting irregularities

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

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

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

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

Use of our report

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

Jonathan Orchard
(Senior statutory auditor)
Date: 17 October 24

for and on behalf of

Sayer Vincent LLP
Statutory Auditor

110 Golden Lane, London, EC1Y 0TG

Statement of financial activities

(including income and expenditure account for the year ended 31 March 2024)

	Note	Unrestricted funds 2024 (£)	Restricted funds 2024 (£)	Total funds 2024 (£)	Total funds 2023 (£)
		£'000	£'000	£'000	£'000
Income from:					
Statutory funding		5,763	898	6,661	6,971
Corporate partnerships		448	45	493	380
Individual giving		1,357	-	1,357	1,346
Trust and foundations		107	821	928	704
Traded activity		2,520	-	2,520	2,494
Investment dividends and Interest		64	-	64	29
		10,259	1,764	12,023	11,924
Expenditure on:	2a				
Raising donations		1,021	-	1,021	984
Charitable activities					
Initiating shared reading		2,089	174	2,263	2,602
Supporting disadvantaged families in their early years to get reading		3,943	622	4,565	4,678
Encouraging children and families to continue on their reading journeys		1,409	285	1,694	2,850
Supporting children from vulnerable backgrounds to enjoy the benefits of reading		1,567	463	2,030	2,037
Building a community of advocates for reading		304	220	524	619
		10,333	1,764	12,097	13,770
Net Income before gains/(losses) on investments	3	**(74)**	**-**	**(74)**	**(1,846)**
Net gain/(loss) on investments	6	148	-	148	(311)
Net income/(expenditure)		**74**	**-**	**74**	**(2,157)**
Transfer between funds	10a	56	(56)	-	-
Net movement in funds		**130**	**(56)**	**74**	**(2,157)**
Total funds brought forward		5,875	243	6,118	8,275
Total funds carried forward		**6,005**	**187**	**6,192**	**6,118**

Balance sheet

As at 31 March 2024

	Note	2024		2023	
		£'000	£'000	£'000	£'000
Fixed assets					
Investments	6		-		2,500
Current assets					
Investments	6	3,451		1,819	
Stock		1,380		1,468	
Debtors	7	1,447		1,959	
Cash at bank and in hand		2,075		1,043	
		8,353		6,289	
Creditors: amounts falling due within one year	8	(2,161)		(2,671)	
Net current assets			6,192		3,618
Net assets			**6,192**		**6,118**
Funds					
Restricted funds	10a		187		243
Unrestricted					
General funds	10a		6,005		5,875
			6,192		**6,118**

Approved and authorised for issue by the board of directors on 30 September 2024 and signed on their behalf by:

John Coughlan
Director

Gautam Dalal
Treasurer

Cash flow statement

for the year ended 31 March 2024

	2024	2023
	£'000	£'000
Cashflows from operating activities		
Net expenditure before investment gains/(losses) for the reporting period (as per the statement of financial activities)	(74)	(1,846)
Interest	53	14
Decrease in stock	88	368
Decrease in debtors	512	427
Decrease in creditors	(509)	(1,059)
Net cash provided by operating activities	**70**	**(2,096)**
Cashflows from investing activities		
Interest	(53)	(14)
Proceeds from sale of investments	1,827	2,572
Purchase of investments	(617)	(1,122)
Net cash movement in investments	(195)	572
Change in cash in reporting period	**1,032**	**(88)**
Analysis of cash and cash equivalents		
Cash in hand		
Balance brought forward	1,043	1,131
Increase/(decrease) in year	1,032	(88)
Balance carried forward	**2,075**	**1,043**
Cash in hand		
Bank balance	2,075	1,043
	2,075	**1,043**

Notes to the accounts

31 March 2024

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.

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.

(e) Income

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

- Unrestricted donations are recognised as income when they are quantifiable, probable and entitlement is transferred to BookTrust. This is typically on receipt and acceptance of the donation.
- Income from any appeal for donations for a specific reason is treated as restricted income and is recognised when the conditions of the appeal have been met.
- Legacies are recognised when all three of the following criteria are met:
    a. Probable – the charity is aware that probate has been granted;
    b. Measurable – in practice this could come from final estate accounts, cash received or correspondence from executors/solicitors confirming an amount to be distributed;
    c. Entitlement – taken as the earlier of the final estate accounts being approved or cash received. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.
- Grant income from Arts Council England is accounted for as income in the period to which it applies. Grant income from Arts Council England was accounted for as unrestricted income in 2023/24, but as restricted in 2022/23.
- Income from charitable activities is accounted for as income only when the conditions under the terms of the grant have been fulfilled and includes contributions from organisations for the supply of packs, books, promotions and prizes.
- To the extent that they are not subject to performance-related conditions, income from grants, including government grants, for a specific purpose are accounted for as income as they are received and are accounted for as restricted funds.
- For relevant grants, income is accounted for as the charity earns the right to consideration by its performance. Where the grant is received in advance of performance, its recognition is deferred and included in creditors. Where entitlement occurs before the grant is received, it is accrued in debtors.
- Investment income is included when receivable.

(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.

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

(n) Investments
Investments are valued at their market value ruling at the balance sheet date, which gives rise to unrealised gains and losses that are included in the statement of financial activities.

(o) Significant accounting judgements and sources of estimation uncertainty
There are no areas in the accounts where management has been required to make significant judgements or estimations due to uncertainty.

2a Analysis of expenditure (current year)

	Charitable Activities										
	Raising funds	Strategic objective 1	Strategic objective 2	Strategic objective 3	Strategic objective 4	Strategic objective 5	Other activities	Governance costs	Support costs	2024 Total	2023 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Books and resources	179	827	1,557	429	579	-	-	-	-	**3,571**	4,903
Research, publicity & engagement	137	23	83	156	90	67	-	-	31	**587**	717
Distribution/warehousing	3	404	516	190	356	2	-	-	-	**1,471**	1,745
Payroll costs (note 4)	458	572	1,531	568	615	348	-	30	952	**5,074**	4,897
Other staffing costs	22	14	29	28	19	3	-	-	138	**253**	541
Travel and subsistence	-	16	33	11	16	8	-	-	14	**98**	63
Professional fees and finance costs	25	3	5	4	2	1	-	37	83	**160**	142
Establishment and office costs	2	2	5	3	4	1	-	-	461	**478**	402
IT	6	14	25	15	12	4	-	-	329	**405**	360
	832	1,875	3,784	1,404	1,693	434	-	67	2,008	12,097	13,770
Support costs	183	376	756	281	325	87	-	-	(2,008)	-	-
Governance costs	6	12	25	9	12	3	-	(67)	-	-	-
Total expenditure 2024	**1,021**	**2,263**	**4,565**	**1,694**	**2,030**	**524**	**-**	**-**	**-**	**12,097**	**-**
Total expenditure 2023	**984**	**2,602**	**4,678**	**2,850**	**2,037**	**619**	**-**	**-**	**-**	**-**	**13,770**

An explanation of each Strategic objective can be found on p. 23

Of the total expenditure, £10,333,000 was unrestricted (2023: £4,166,000) and £1,764,000 was restricted (2023: £9,604,000).

2b Analysis of expenditure (prior year)

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

3 Net incoming resources

	2024	2023
	£'000	£'000
This is stated after charging the following:		
Direct costs and other operating charges include:		
Operating leases		
• Hire of equipment	5	6
• Rents payable	322	276
Auditors remuneration		
• Audit services	17	16
• Non-audit services	-	1

4 Staff costs

	2024	2023
	£'000	£'000
Salaries	4,150	4,056
Social security costs	427	429
Pension costs	445	367
Redundancy and termination payments	52	45
	5,074	4,897

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

	2024 Number	2023 Number
£60,000 – £69,999	6	4
£70,000 – £79,999	4	3
£80,000 – £89,999	2	1
£90,000 – £99,999	2	2
£100,000 – £109,999	2	-
£110,000 – £119,999	-	1
£120,000 +	3	-
	19	11

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 £945,000 (2023: £536,000).

Total employer pension contributions in the year for these staff members were £55,000 (2023: £31,000).

	2024 Number	2023 Number
The average number of employees by function, was:		
Charitable activity	74	73
Fundraising	8	8
Administration and Support	15	17
	97	98

The trustees have not received any remuneration or benefits in kind during the year (2023: £Nil).

	2024 Number	2023 Number
Number of trustees reimbursed expenses during the year	8	1

The trustees received reimbursement of expenses during the year of less than £500 (2023:<£500).

5 Taxation

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

6 Investments

Quoted investments	2024	2023
	£'000	£'000
Fair value at the start of the year	4,319	6,652
Additions	1,006	1,122
Disposal proceeds	(1,827)	(2,572)
Net gain/(loss) on change in investments fair value	148	(311)
Movement in cash balance	(195)	(572)
Fair value at the end of the year	3,451	4,319
Historical cost	3,000	4,000

Investment management charges totalled £35,000 (2023: £42,000). During the year, the charity's investments were all reclassified as current assets, as longer-term investments are no longer held. The investment policy can be found on page 24.

7 Debtors

	2024	2023
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	714	838
Other debtors	196	200
Prepayments and accrued income	537	921
	1,447	1,959

8 Creditors

	2024	2023
	£'000	£'000
Amounts falling due within one year:		
Trade creditors	350	343
Other taxes and social security	121	111
Accruals	180	265
Deferred income (note 11)	1,510	1,941
Other creditors	-	11
	2,161	2,671

9 Financial instruments

	2024	2023
	£'000	£'000
Financial assets		
Financial assets measured at amortised cost	3,161	2,691
Financial assets measured at fair value through profit or loss	3,451	4,319
	6,612	7,010

	2024	2023
	£'000	£'000
Financial liabilities		
Financial liabilities measured at amortised cost	530	455
	530	455

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 2024

10a Funds

	1 April 2023	Incoming resources	Resources used	Transfers between funds	Investment gains	31 March 2024
Unrestricted funds:	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
General funds	5,875	10,259	(10,333)	56	148	6,005
	5,875	10,259	(10,333)	56	148	6,005
Restricted funds:						
Strategic objective 1	-	174	(174)	-	-	-
Strategic objective 2	109	622	(622)	(34)	-	75
Strategic objective 3	134	285	(285)	(22)	-	112
Strategic objective 4	-	463	(463)	-	-	-
Strategic objective 5	-	220	(220)	-	-	-
	243	1,764	(1,764)	(56)	-	187
	6,118	12,023	(12,097)	-	148	6,192

10b Prior year funds

	1 April 2022	Incoming resources	Resources used	Transfers between funds	Investment losses	31 March 2023
Unrestricted funds:	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
General funds	4,603	4,442	(4,166)	1,307	(311)	5,875
Designated funds:						
Income diversification	1,172	-	-	(1,172)	-	-
	5,775	4,442	(4,166)	135	(311)	5,875
Restricted funds:						
Strategic objective 1	-	2,390	(2,390)	-	-	-
Strategic objective 2	2,193	2,284	(4,368)	-	-	109
Strategic objective 3	307	1,668	(1,706)	(135)	-	134
Strategic objective 4	-	565	(565)	-	-	-
Strategic objective 5	-	575	(575)	-	-	-
	2,500	7,482	(9,604)	(135)	-	243
	8,275	11,924	(13,770)	-	(311)	6,118

Income includes £5,763,000 from Arts Council England which is unrestricted in 2023/24. Funding of £5,763,000 received in 2022/23 was a one-year extension of a previous, multi-year grant, and was treated as restricted at the stipulation of Arts Council England.

Unrestricted Funds
The general fund stood at £6,005,000 at 31st March 2024 (2023: £5,875,000). This fund supports working capital requirements, provides cover for risk management and is available for use at the discretion of the directors in furtherance of the general objectives of the charity and which has not been designated for other purposes.

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

11 Deferred income

	Letterbox	Bookbuzz	Grant funding	Other sales invoices not yet delivered	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2023	878	302	761	-	1,941
Released to incoming resources	(925)	(302)	(756)	-	(1,983)
Amount deferred in year	755	215	582	-	1,552
Balance as at 31 March 2024	**708**	**215**	**587**	**-**	**1,510**

Prior year deferred income

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

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

12 Analysis of net assets between funds

	2024			2023		
	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Investments	-	-	-	2,257	243	2,500
Net current assets	6,005	187	6,192	3,618	-	3,618
Net assets	6,005	187	6,192	5,875	243	6,118

13 Financial commitments

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

	2024		2023	
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
Leases expiring in:				
Less than one year	596	2	15	-
One to five years	645	-	357	8
	1,241	2	372	8

14 Comparative statement of financial activity

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

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 (registered charity number 1181253). The objects for which the Women's Prize Trust exists relate to the advancement of the art of literature for the public benefit. This relates to BookTrust's promotion of reading and advocacy for national and local policies to recognise the social and economic importance of reading.

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

16 Mohn Westlake Foundation

Diana Gerald, CEO of BookTrust, is also a trustee for the Mohn Westlake Foundation. In 2021/22 BookTrust was awarded a restricted grant with performance conditions from the Mohn Westlake Foundation for the periods 2022 to 2025 with a value of £1.7m over the three years and an advance payment of £0.58m (2023: £0.67m) included in creditors. BookTrust also received an unrestricted grant of £nil in 2024 (2023: £62,000).

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

17 Subsequent events

In June 2024, the charity signed a lease for a new office in London, ahead of the Battersea lease coming to the end of its term in September 2024. The new lease is for an initial 29 months, at an annual cost of £455,040.

booktrust.org.uk

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ARTS COUNCIL ENGLAND

BOOKTRUST

England & Wales - Charity number 313343

Accounts

BookTrust
Getting children reading



Annual Report

2022/23

Start

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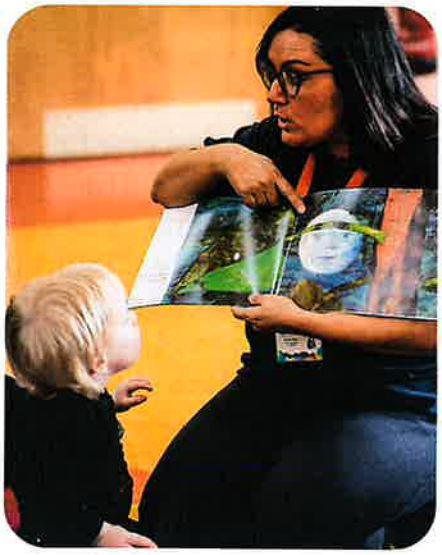
Letter from the chair

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

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

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

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



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

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

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

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



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

Chair of Trustees



Introduction

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

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

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

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

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

Helping low-income children and families to become readers

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

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

We partnered with

2,512 libraries

in England and Northern Ireland

72% of library workers

really enjoyed working on this programme



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

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

10% increase in children registered for Letterbox Club

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

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

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



> **"The books that you choose are really high quality...What I love about BookTrust is that you haven't assumed that everyone has a pencil at home...that's BookTrust thinking outside the box and really understanding."**
>
> Primary School teacher using Letterbox Club

Learning more about the families we work with

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

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



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

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

Helping all families start their reading journey

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

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

34,500 reception -aged children

took part in our exciting bilingual literacy and numeracy programme

Building new partnerships

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

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

We have worked with more than

6,300 organisations

involved in the early years sector



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

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

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

49,000 children at almost 1,700 primary schools

to a creator of colour.

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

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

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

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

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

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

Primary school child following a BookTrust Represents author visit.



Encouraging children to keep reading

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

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

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

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

8% increase

in young people taking the opportunity to choose a Bookbuzz book

705,000 4 to 5 -year-old children

took part in our Time to Read programme



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

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

Building a community of champions to promote the benefits of reading

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

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

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

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

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

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

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

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

Nick Sharratt, Writer – Illustrator in Residence



The future

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

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

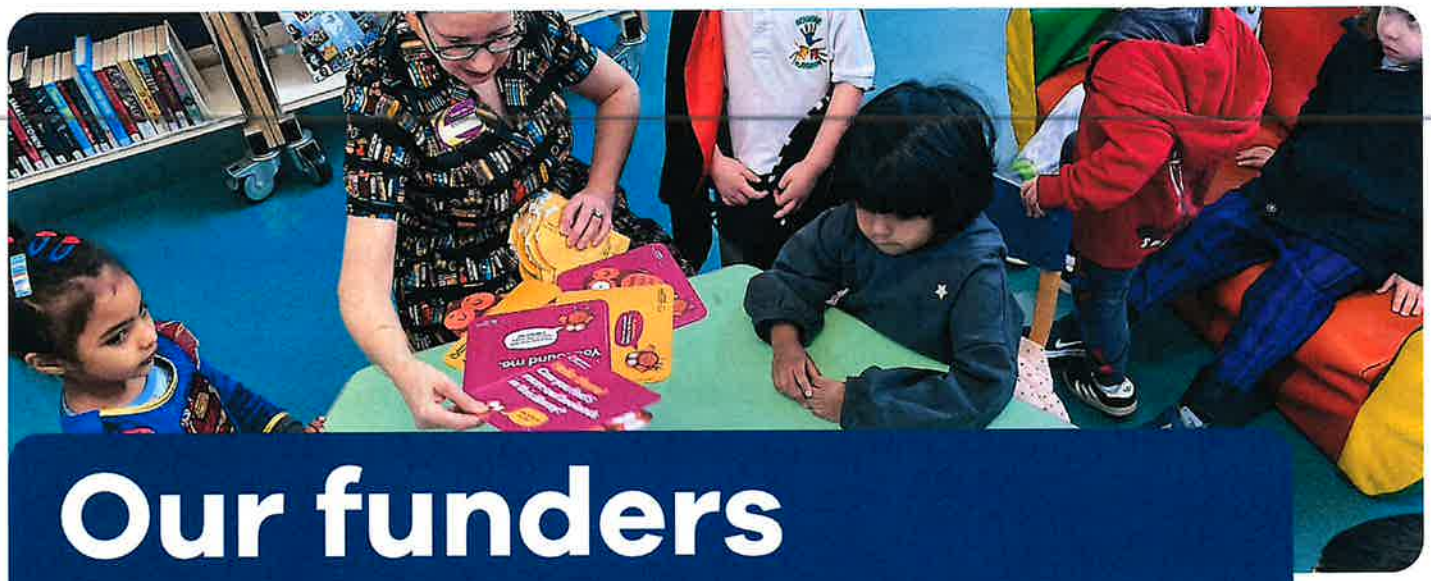
We will continue to learn about and understand the lives of families as they respond and adapt to the pressures of the cost of living, technological changes, and advancements. This insight will inform how we innovate and adapt our programmes and resources, so we are giving children and families the best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

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

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

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





Our funders and supporters

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

We would particularly like to thank:

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

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

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

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

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

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

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

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

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

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

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



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

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



Equality, Diversity and Inclusion

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

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

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



Sustainability

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

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

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

Financial review

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

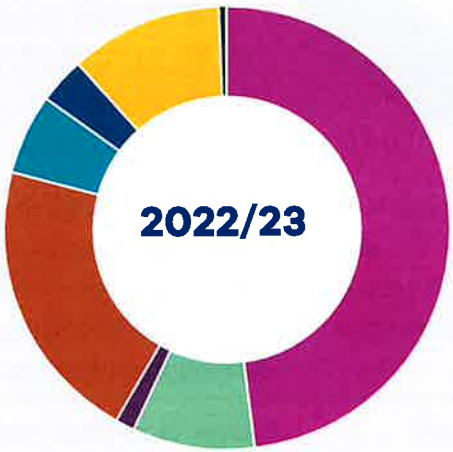
Our fundraising income from corporate sponsorship and individual giving remained consistent with prior year. Trusts and Foundations income increased eightfold, predominantly as a result of £0.4m of restricted funds from the Mohn Westlake Foundation being recognised under the terms of the grant.

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

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

2022/23

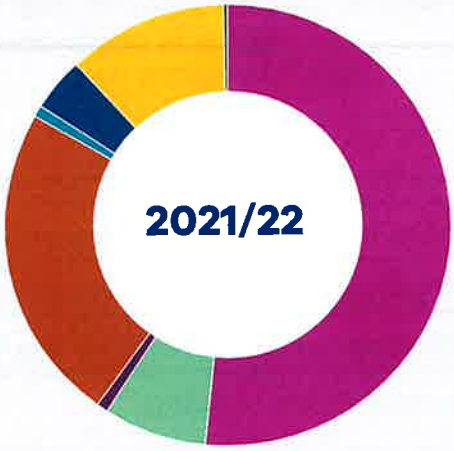
Total income of £11.9m



- Individual Giving **11.3%**
- Corporate Partnerships **3.2%**
- Trust and Foundations **5.9%**
- Traded **20.9%**
- Northern Ireland **1.2%**
- Wales **8.9%**
- Arts Council England **48.3%**
- Other **0.3%**

2021/22

Total income of £11.1m

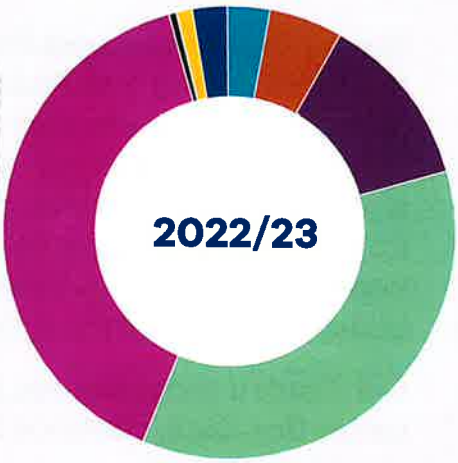


- Individual Giving **11.6%**
- Corporate Partnerships **3.8%**
- Trust and Foundations **0.8%**
- Traded **23.6%**
- Northern Ireland **0.6%**
- Wales **7.7%**
- Arts Council England **51.7%**
- Other **0.2%**

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

2022/23

Expenditure of £13.8m



- Travel and subsistence **£63,000**
- Professional fees **£142,000**
- IT **£360,000**
- Establishment and office **£402,000**
- Research, publicity and engagement **£717,000**
- Distribution/warehousing **£1,745,000**
- Books and resources **£4,903,000**
- Staffing Costs **£5,438,000**

2021/22

Expenditure of £11.6m



- Travel and subsistence **£14,000**
- Professional fees **£184,000**
- IT **£269,000**
- Establishment and office **£385,000**
- Research, publicity and engagement **£761,000**
- Distribution/warehousing **£1,506,000**
- Books and resources **£3,959,000**
- Staffing Costs **£4,474,000**

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

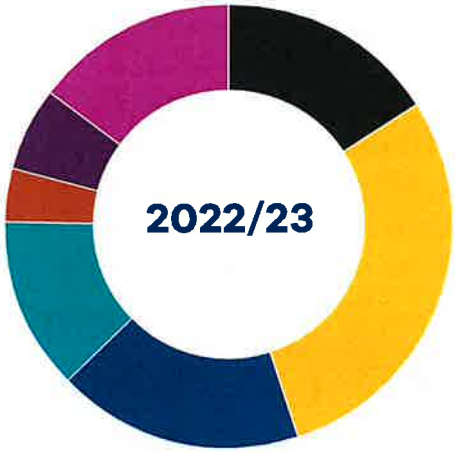
All activity that is delivered by school based partners is now included within SO3, which accounts for the rise in expenditure in this area.

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

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

Strategic Objectives

SO1	Initiate shared reading
SO2	Supporting disadvantaged families in their early years to get reading
SO3	Encouraging children and families to continue on their reading journeys
SO4	Supporting children from vulnerable backgrounds to enjoy the benefits of reading
SO5	Building a community of advocates for reading



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

2022/23

Expenditure of £13.8m



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

2021/22

Expenditure of £11.6m

BookTrust's funds are divided into two categories:

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

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

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

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

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

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

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

The total value of all funds at 31 March 2023 was £6.1m (2022: £8.3m) of which £4.3m (2022: £6.7m) was held as investments and the balance of £1.8m (2022: £1.6m) in working capital. Of the £6.1m, £0.2m (2022: £2.5m) was restricted for specific purposes. This leaves £5.9m (2022: £5.8m) in unrestricted funds which is £3.4m (2022: £3.3m) above our minimum reserve requirements. Free reserves stand at £1.8m (2022: £1.6m), again well in excess of minimum free reserve requirements. The trustees are satisfied that the approved plans for the next three years ensure that funds above the minimum policy requirement will be deployed effectively against the charity's objectives.

Investment policy

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

Key risks and uncertainties

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

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

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

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

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

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

Legal and administrative information

Charity Name	BookTrust
Charity Registration Number	313343
Company Registration Number	00210012

Patron	Her Majesty the Queen
President	Sir Michael Morpurgo

Board of Trustees

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

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

Chief Executive	Diana Gerald MBE
Company Secretary	Jennifer Rachael Bailey

Registered Office

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

Our Advisers

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

Structure, governance and management

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

Governance and management

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

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

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

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

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

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

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

The Executive Leadership Team (ELT)

comprises:

Diana Gerald MBE
Chief Executive Officer

Annie Crombie
Deputy CEO

Colin Atkins
Chief Operating Officer

Benedict Arora
Director of Communications
(appointed 1 November 2022)

Mike Bues
Finance Director
(appointed 3 January 2023)

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

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

Claire Goodall
Director of Design, Development & Strategic Planning

Julie Hayward
Associate Director of Partnerships
(appointed 1 May 2023)

Ruthann Hughes
Director of Research & Impact

Lee Green
Director of Income
(resigned 14 October 2022)

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

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

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

Statement of Trustees' responsibilities

The Trustees (who are also directors of BookTrust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that BookTrust will continue in business.
- The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of BookTrust and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of BookTrust and therefore taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Public Benefit

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

Statement as to Disclosure of Information to the Auditor

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

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

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

John Coughlan
Chair
Date: 09/10/23

Gautam Dalal
Director
Date: 09/10/23

Independent auditor's report to the members of BookTrust

Opinion

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

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other Information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report including the strategic report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Capability of the audit in detecting irregularities

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

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

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

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

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

Use of our report

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

Jonathan Orchard
(Senior statutory auditor)
Date: 08 November 2023

for and on behalf of

Sayer Vincent LLP
Statutory Auditor

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

Statement of Financial Activities

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

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

Balance Sheet

As at 31 March 2023

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

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

John Coughlan
Director

Gautam Dalal
Treasurer

Cash Flow Statement

As at 31 March 2023

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

Notes to the accounts

31 March 2023

1 Principal accounting policies

(a) General Information

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

(b) Basis of accounting

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

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

(c) Preparation of accounts on a going concern basis

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

(d) Fund Accounting

Unrestricted:

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

Restricted:

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

(e) Income

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

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

(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.

(m) Pensions

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

(n) Investments

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

(o) Significant accounting judgements and sources of estimation uncertainty

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

Notes to the accounts

31 March 2023

2a Analysis of expenditure (current year)

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

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

2b Analysis of expenditure (prior year)

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

3 Net incoming/(outgoing) resources

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

4 Staff costs

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

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

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

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

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

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

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

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

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

5 Taxation

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

6 Investments

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

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

7 Debtors

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

8 Creditors

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

9 Financial instruments

	2023	2022
	£'000	£'000
Financial Assets		
Financial assets measured at amortised cost	2,691	3,199
Financial assets measured at fair value through profit or loss	4,318	6,652
	7,009	9,851

	2023	2022
	£'000	£'000
Financial Liabilities		
Financial liabilities measured at amortised cost	455	1,514
	455	1,514

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

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

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

Notes to the accounts

31 March 2023

10a Funds

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

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

Unrestricted Funds

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

Restricted Funds

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

10b Prior year funds

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

11 Deferred income

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

Prior year deferred income

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

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

12 Analysis of net assets between funds

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

13 Financial commitments

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

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

14 Comparative statement of financial activity

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

15 Funds held as custodian trustee on behalf of others

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

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

16 Mohn Westlake Foundation

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

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



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ARTS COUNCIL ENGLAND

BookTrust
Getting children reading



Annual Report

2022/23

Start

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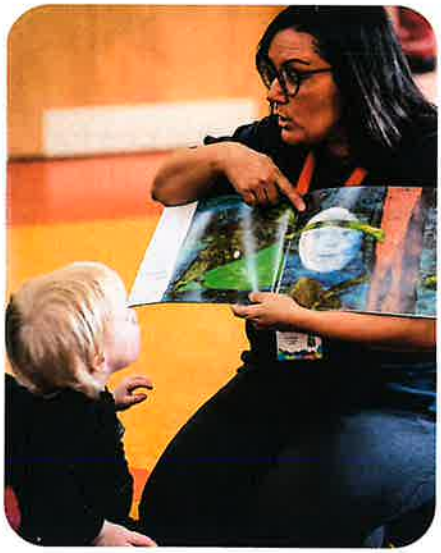
Letter from the chair

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

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

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

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



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

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

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

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



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

John Coughlan

Chair of Trustees



Introduction

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

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

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

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

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

Helping low-income children and families to become readers

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

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

We partnered with

2,512 libraries

in England and Northern Ireland

72% of library workers

really enjoyed working on this programme



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

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

10% increase in children registered

for Letterbox Club

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

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

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



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

Primary School teacher using Letterbox Club

Learning more about the families we work with

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



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

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

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

Helping all families start their reading journey

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

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

34,500 reception -aged children

took part in our exciting bilingual literacy and numeracy programme

Building new partnerships

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

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

We have worked with more than

6,300 organisations

involved in the early years sector



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

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

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

49,000 children at almost 1,700 primary schools

to a creator of colour.

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

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

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

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

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

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

Primary school child following a BookTrust Represents author visit.



Encouraging children to keep reading

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

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

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

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

8% increase

in young people taking the opportunity to choose a Bookbuzz book

705,000 4 to 5 -year-old children

took part in our Time to Read programme



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

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

Building a community of champions to promote the benefits of reading

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

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

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

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

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

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

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

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

Nick Sharratt, Writer – Illustrator in Residence



The future

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

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

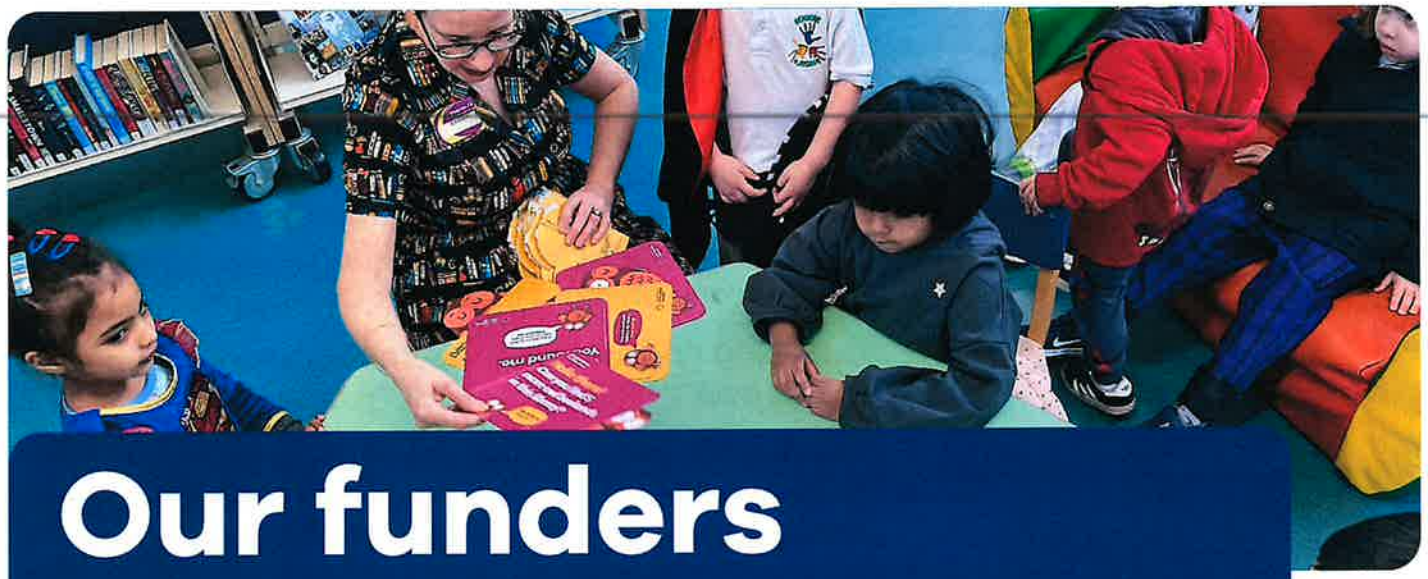
We will continue to learn about and understand the lives of families as they respond and adapt to the pressures of the cost of living, technological changes, and advancements. This insight will inform how we innovate and adapt our programmes and resources, so we are giving children and families the best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

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

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

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





Our funders and supporters

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

We would particularly like to thank:

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

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

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

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

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

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

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

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

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

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

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



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

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



Equality, Diversity and Inclusion

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

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

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



Sustainability

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

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

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

Financial review

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

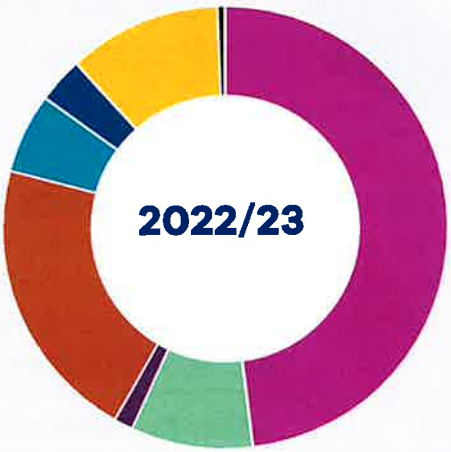
Our fundraising income from corporate sponsorship and individual giving remained consistent with prior year. Trusts and Foundations income increased eightfold, predominantly as a result of £0.4m of restricted funds from the Mohn Westlake Foundation being recognised under the terms of the grant.

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

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

2022/23

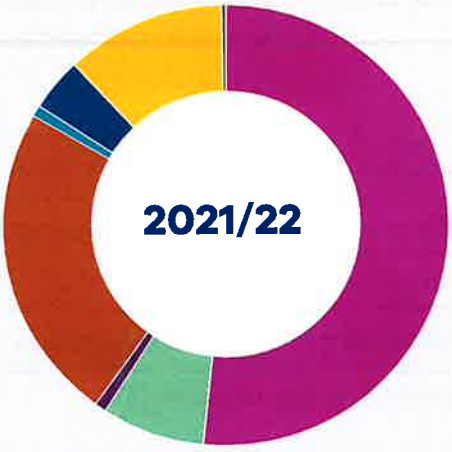
Total income of £11.9m



- Individual Giving **11.3%**
- Corporate Partnerships **3.2%**
- Trust and Foundations **5.9%**
- Traded **20.9%**
- Northern Ireland **1.2%**
- Wales **8.9%**
- Arts Council England **48.3%**
- Other **0.3%**

2021/22

Total income of £11.1m

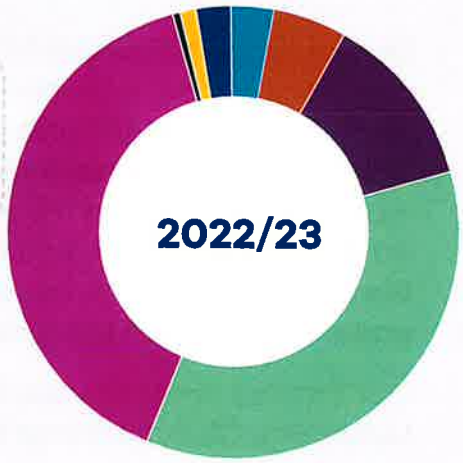


- Individual Giving **11.6%**
- Corporate Partnerships **3.8%**
- Trust and Foundations **0.8%**
- Traded **23.6%**
- Northern Ireland **0.6%**
- Wales **7.7%**
- Arts Council England **51.7%**
- Other **0.2%**

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

2022/23

Expenditure of £13.8m



- Travel and subsistence **£63,000**
- Professional fees **£142,000**
- IT **£360,000**
- Establishment and office **£402,000**
- Research, publicity and engagement **£717,000**
- Distribution/warehousing **£1,745,000**
- Books and resources **£4,903,000**
- Staffing Costs **£5,438,000**

2021/22

Expenditure of £11.6m



- Travel and subsistence **£14,000**
- Professional fees **£184,000**
- IT **£269,000**
- Establishment and office **£385,000**
- Research, publicity and engagement **£761,000**
- Distribution/warehousing **£1,506,000**
- Books and resources **£3,959,000**
- Staffing Costs **£4,474,000**

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

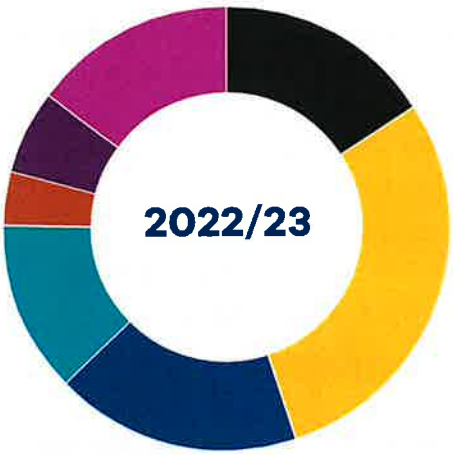
All activity that is delivered by school based partners is now included within SO3, which accounts for the rise in expenditure in this area.

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

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

Strategic Objectives

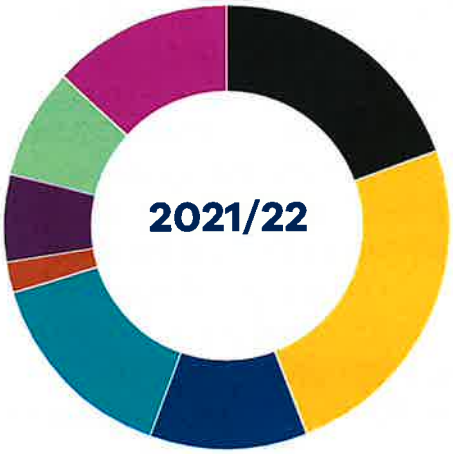
SO1	Initiate shared reading
SO2	Supporting disadvantaged families in their early years to get reading
SO3	Encouraging children and families to continue on their reading journeys
SO4	Supporting children from vulnerable backgrounds to enjoy the benefits of reading
SO5	Building a community of advocates for reading



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

2022/23

Expenditure of £13.8m



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

2021/22

Expenditure of £11.6m

BookTrust's funds are divided into two categories:

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

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

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

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

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

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

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

The total value of all funds at 31 March 2023 was £6.1m (2022: £8.3m) of which £4.3m (2022: £6.7m) was held as investments and the balance of £1.8m (2022: £1.6m) in working capital. Of the £6.1m, £0.2m (2022: £2.5m) was restricted for specific purposes. This leaves £5.9m (2022: £5.8m) in unrestricted funds which is £3.4m (2022: £3.3m) above our minimum reserve requirements. Free reserves stand at £1.8m (2022: £1.6m), again well in excess of minimum free reserve requirements. The trustees are satisfied that the approved plans for the next three years ensure that funds above the minimum policy requirement will be deployed effectively against the charity's objectives.

Investment policy

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

Key risks and uncertainties

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

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

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

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

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

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

Legal and administrative information

Charity Name	BookTrust
Charity Registration Number	313343
Company Registration Number	00210012

Patron	Her Majesty the Queen
President	Sir Michael Morpurgo

Board of Trustees

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

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

Chief Executive	Diana Gerald MBE
Company Secretary	Jennifer Rachael Bailey

Registered Office

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

Our Advisers

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

Structure, governance and management

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

Governance and management

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

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

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

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

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

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

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

The Executive Leadership Team (ELT)

comprises:

Diana Gerald MBE
Chief Executive Officer

Annie Crombie
Deputy CEO

Colin Atkins
Chief Operating Officer

Benedict Arora
Director of Communications
(appointed 1 November 2022)

Mike Bues
Finance Director
(appointed 3 January 2023)

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

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

Claire Goodall
Director of Design, Development & Strategic Planning

Julie Hayward
Associate Director of Partnerships
(appointed 1 May 2023)

Ruthann Hughes
Director of Research & Impact

Lee Green
Director of Income
(resigned 14 October 2022)

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

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

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

Statement of Trustees' responsibilities

The Trustees (who are also directors of BookTrust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that BookTrust will continue in business.
- The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of BookTrust and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of BookTrust and therefore taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Public Benefit

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

Statement as to Disclosure of Information to the Auditor

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

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

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



John Coughlan
Chair
Date: 09/10/23



Gautam Dalal
Director
Date: 09/10/23

Independent auditor's report to the members of BookTrust

Opinion

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

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other Information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report including the strategic report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Capability of the audit in detecting irregularities

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

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

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

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

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

Use of our report

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

Jonathan Orchard
(Senior statutory auditor)
Date: 09/10/23

for and on behalf of

Sayer Vincent LLP
Statutory Auditor

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

Statement of Financial Activities

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

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

Balance Sheet

As at 31 March 2023

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

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

John Coughlan
Director

Gautam Dalal
Treasurer

Cash Flow Statement

As at 31 March 2023

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

Notes to the accounts

31 March 2023

1 Principal accounting policies

(a) General Information

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

(b) Basis of accounting

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

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

(c) Preparation of accounts on a going concern basis

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

(d) Fund Accounting

Unrestricted:

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

Restricted:

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

(e) Income

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

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

(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.

(m) Pensions

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

(n) Investments

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

(o) Significant accounting judgements and sources of estimation uncertainty

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

Notes to the accounts

31 March 2023

2a Analysis of expenditure (current year)

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

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

2b Analysis of expenditure (prior year)

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

3 Net incoming/(outgoing) resources

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

4 Staff costs

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

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

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

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

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

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

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

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

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

5 Taxation

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

6 Investments

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

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

7 Debtors

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

8 Creditors

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

9 Financial instruments

	2023	2022
	£'000	£'000
Financial Assets		
Financial assets measured at amortised cost	2,691	3,199
Financial assets measured at fair value through profit or loss	4,318	6,652
	7,009	9,851

	2023	2022
	£'000	£'000
Financial Liabilities		
Financial liabilities measured at amortised cost	455	1,514
	455	1,514

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

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

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

Notes to the accounts

31 March 2023

10a Funds

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

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

Unrestricted Funds

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

Restricted Funds

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

10b Prior year funds

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

11 Deferred income

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

Prior year deferred income

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

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

12 Analysis of net assets between funds

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

13 Financial commitments

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

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

14 Comparative statement of financial activity

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

15 Funds held as custodian trustee on behalf of others

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

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

16 Mohn Westlake Foundation

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

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



booktrust.org.uk

@booktrust

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BOOKTRUST

England & Wales - Charity number 313343

Accounts

BookTrust
Getting children reading

Annual Report
2021/22



Start

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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

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 rom 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 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.

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.

we now have

7,919

Friends who donated more than

£623,000

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.



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

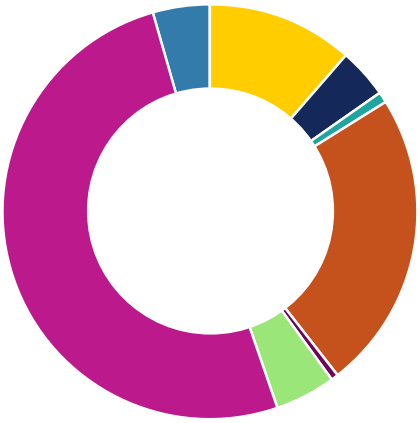
2021/22 saw a planned utilisation of reserves resulting in an operating deficit (before gain on investments) of £0.5m (2021: surplus of £0.2m). We continued to receive £5.8m funding as part of our current contract with Arts Council England, and we were successful in securing £1.1m (2021: £0.8m) funding 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.

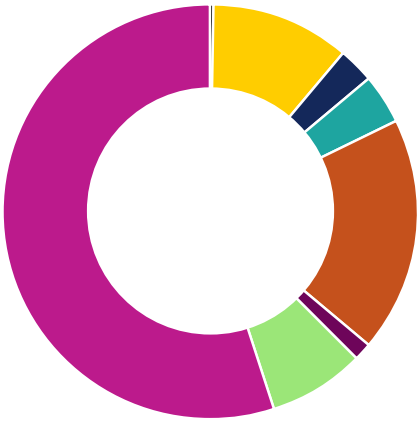
Overall, our **total income increased by £0.7m to £11.1m** (2021: £10.4m) with a further total of £2.0m deferred to 2022/23 (2021:£1.2m).



- 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)

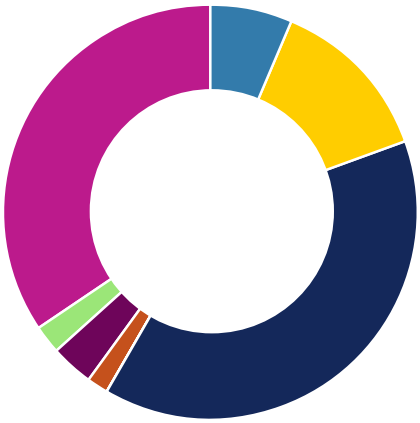


- Individual Giving **10.9%**
- Corporate Partnerships **2.5%**
- Trust and Foundations **3.9%**
- Traded **18.3%**
- Northern Ireland **1.4%**
- Wales **7.7%**
- Arts Council England **55%**
- Other **0.2%**

2020/21

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

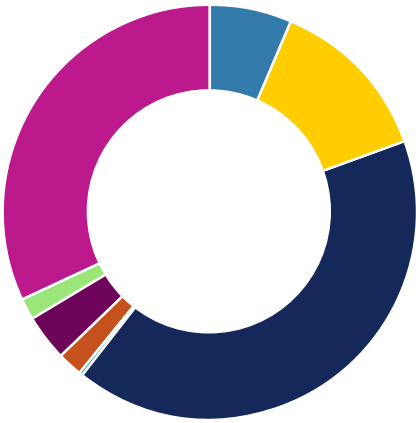
Overall expenditure **increased by £1.4m to £11.6m** (2021: £10.2m)



- 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.



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

2021/22

Expenditure of £11.6m



- Strategic Objective 1 **20.3%**
- Strategic Objective 2 **25.7%**
- Strategic Objective 3 **13.4%**
- Strategic Objective 4 **10.0%**
- Strategic Objective 5 **2.7%**
- Fundraising **6.8%**
- Other **6.9%**
- Overheads **12.5%**
- Reserves **1.7%**

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 (£)	Restricted funds 2022 (£)	Total funds 2022 (£)	Total funds 2021 (£)
		£,000	£,000	£,000	£,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:	2				
Raising donations		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	
		5,353		4,318	
Creditors: amounts falling due within one year	8	(3,730)		(2,264)	
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
			8,275		**8,528**

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.

(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 a 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.

(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									
	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	2021 Total
	£,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

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
	9,851	9,096

	2022	2021
	£,000	£,000
Financial Liabilities		
Financial liabilities measured at amortised cost	1,514	779
	1,514	779

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.

Notes to the accounts

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

Notes to the accounts

31 March 2022

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

31 March 2022

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 originaly 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 subsciption of 2,500 euros.



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BOOKTRUST

England & Wales - Charity number 313343

Accounts

BookTrust
Getting children reading

A brighter future

Annual report 2020/21



About us

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

We want all families to establish a routine of reading together with their babies as early as possible and to continue this throughout childhood as children learn to read independently.



Reading matters because it can have a lifelong positive impact on a child,

affecting their health and wellbeing, creativity and educational outcomes.

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Letter from the Chair

All good stories have twists and turns, ups and downs, and moments of light when everything seems dark. And what every hero possesses is a resilience and determination to get through the challenges the story brings them.

In the extraordinary and difficult times we have faced over the past 18 months, and continue to face, we have seen the heroism of healthcare workers, of teachers, nursery and early years staff, of local council workers and librarians, and of essential workers across the public and private sectors. We have also seen the courage of parents and carers and children who found themselves at home for long periods, facing many difficult challenges from isolation to cramped living conditions, juggling work and home schooling, and, for too many, illness and bereavement. From our work in early years the particular challenges facing parents of the under 5s without their usual networks of support were very visible.

To say I am proud of how BookTrust and our partners took on this challenge would be an understatement. Our staff never lost sight of the importance of their mission and found innovative ways to keep families and children reading. And our partners, to whom I am immensely grateful, were extraordinarily adaptable as we worked together to reach families across the country. From BookTrust HomeTime, our digital offer, which was up and running within a week of lockdown, to the 237,000 books we got to children in need in summer 2020 through our care packages – we responded fast when it mattered. I am also truly thankful to our supporters and funders who have stood by us and the work we do without hesitation through this year.

The extraordinary and difficult circumstances of the Covid-19 pandemic and its aftermath pose a new threat to the wellbeing and prospects of many children. The stark reality of the pandemic is that it massively interrupted schooling and early years support. The wider disruption to children's lives has affected every child's prospects and, the evidence shows, significantly widened the gap for disadvantaged children. This gives urgency to our new strategy with even more focus on supporting economically disadvantaged children and families, and those from vulnerable family backgrounds, to become readers. We are already starting this change successfully. Our refreshed Bookstart Baby offer will help even more disadvantaged families get reading to their babies from the earliest months. Our Storytime offer created jointly with our library partners is being piloted to support disadvantaged families to go into and get the most out of libraries; and we are innovating in our reading offer for the most vulnerable children, building on the success of Letterbox Club. Through all this work we continue to build on our deep commitment that children of all backgrounds can see themselves and be empowered and encouraged through the diversity of the contemporary UK in the books they read.

Whatever uncertainties the coming year brings for children (and I cannot imagine a year when we can be less sure of what the future holds) BookTrust is energised to ensure that children can experience the life-changing benefits of reading as early as possible, no matter their background and no matter what else life has in store. I hope you will join us on this journey because children who read have better lives – that's our true story.

Thank you all.

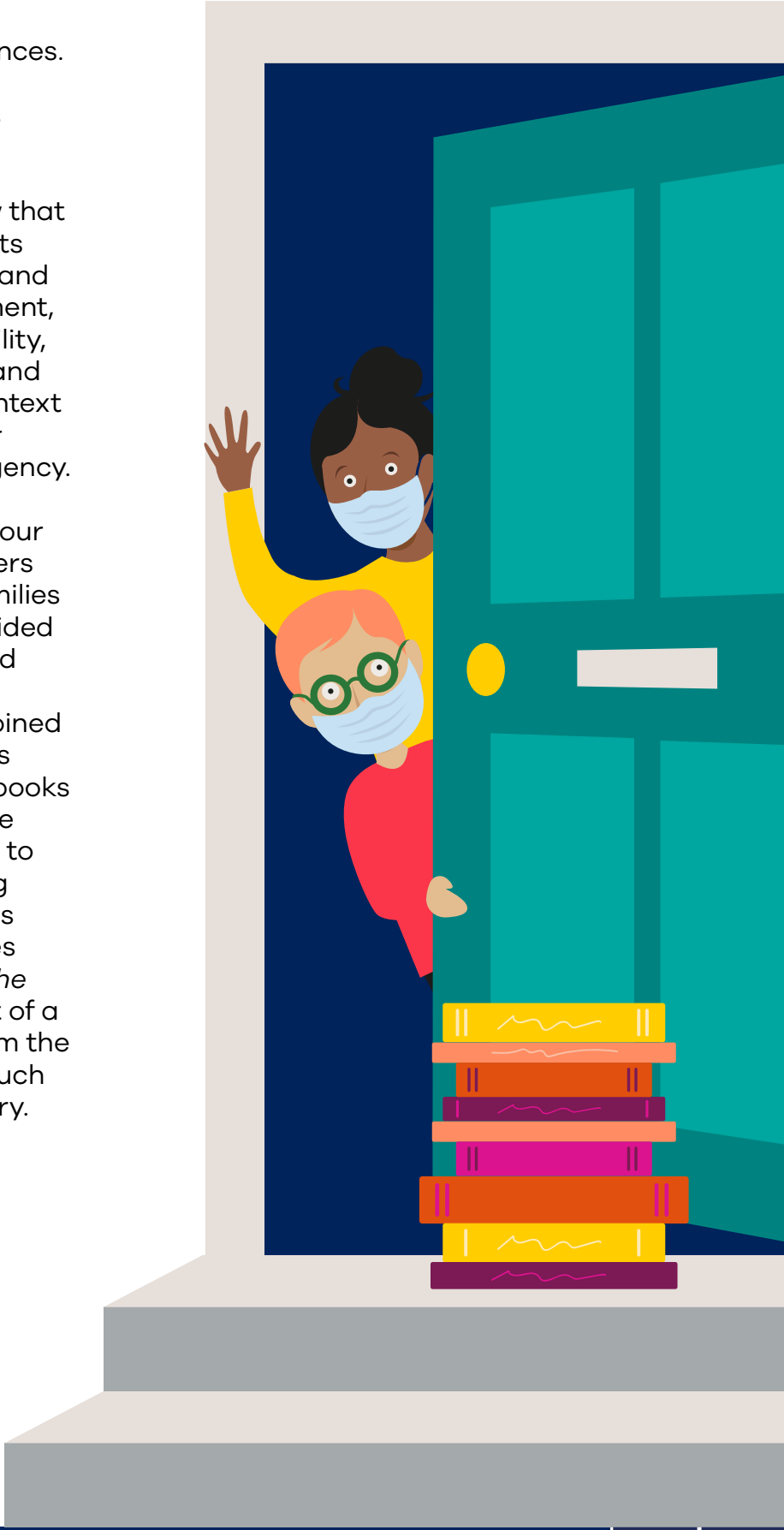
John Coughlan

Chair of Trustees

Our response to Covid-19

The past year has been defined by extraordinary and difficult circumstances. The Covid-19 pandemic poses a new threat to the wellbeing and prospects of many children and those from vulnerable backgrounds have been disproportionately affected. We know that reading brings a wide range of benefits from improvements to mental health and wellbeing, higher educational attainment, improved aspirations and social mobility, to increasing imagination, creativity and offering a means of escape. In the context of the past year our mission to deliver these benefits takes on particular urgency.

Over the past year we have changed our approach, offering flexibility to partners to continue reaching children and families in new ways. Our care packages provided over 237,000 books for families in need across England, Wales and Northern Ireland. In February 2021, BookTrust joined forces with *The Sun on Sunday* and its Books for Kids campaign to help get books to families who were hardest hit by the pandemic. We sent 10,000 new books to families in need via partners including schools, family support teams, refuges and food banks, and placed messages about the importance of reading in *The Sun on Sunday* for four weeks as part of a campaign that attracted support from the Prime Minister and celebrity figures such as David Walliams and Dermot O'Leary.



Our response to Covid-19

We also launched BookTrust HomeTime – an online hub filled with free books, videos, games, recipes, competitions and quizzes to support children and families through lockdown. Our HomeTime pages saw over 1 million visits between April 2020 and March 2021.

Throughout the year we have adapted our interventions, events, campaigns and fundraising to support families and partners in the best ways possible. We have supported our partners to try new ways of delivering Bookstart Baby to new parents; moved our author visits online for schools across the country; and found flexible ways to ensure our Letterbox Club packages reached children in care. With support from our fantastic partners in local authorities, we delivered over 80% of our planned distribution of books and resources to children and families.

We are hugely grateful for the ongoing support of our committed partners – schools, early years settings, libraries and local authorities; authors, illustrators and publishers; and funders, including Arts Council England and the Welsh and Northern Irish governments – throughout this challenging time.



Our aim and the journey we're on

Our aim at BookTrust is to get every child reading regularly and by choice. We want to see parents and children establishing a routine of reading together as early as possible, which continues throughout the early years and supports children as they learn to read independently. During the past year we have agreed a new strategy for achieving this aim and developed new approaches to deliver change for children and families.



Keeping children and families at the heart of our innovation, design and development

We now engage more with our target audiences, testing and developing new ways of working with families and groups who represent them, allowing us to build important relationships. Between May 2020 and June 2021, we connected with thousands of families across England, Wales and Northern Ireland, including through a new family survey that will help us understand current reading behaviours and track changes in years ahead. We have also co-designed new initiatives with children and families, testing them early to ensure effectiveness.

We've connected with thousands of families across England, Wales and Northern Ireland

Our aim and the journey we're on

Working in partnership

Partnerships are at the heart of BookTrust's work. In the past year we worked with a skilled network of delivery partners including 185 local authorities (every local authority in England, Wales and Northern Ireland), health visitors, schools, libraries, social workers, housing associations, foodbanks, prisons and early years practitioners. We have benefited from the collaboration and support from children's authors, illustrators and publishers; national agencies in England, Wales and Northern Ireland; and our committed and supportive funders, donors and friends.



We've worked with a network of delivery partners including

185 local authorities



Outside of the UK, we have played a leading role in a global network of organisations who share our objective of getting children reading in their own countries by sharing learnings, innovations and responses to the pandemic. We are internationally acknowledged as a leader in early years bookgifting, and our networking with organisations across the world who have followed our lead has grown in 2020/21 through the new Global Network for Early Years Bookgifting, which BookTrust founded, and the well-established EU Read, of which BookTrust is a founding member and vice-chair.

Working with authors and illustrators

We help families and schools find great books that children will love – whatever their tastes and interests – through prizes, initiatives and recommendations.

Our prizes

The **BookTrust Storytime Prize** for best books to share with babies and young children celebrated its second year. The 2020 prize went to Libby Walden and Jacqui Lee for their book *This is Owl*. The prize is run in association with CILIP's Youth Libraries Group, and was voted for by librarians and families across the country.

The **Blue Peter Book Awards** celebrates the best authors, illustrators and books for children, as chosen and voted for by children. The 2021 prizes went to *A Kind of Spark* by Elle McNicoll and *A Day in the Life of a Poo, a Gnu and You* by Mike Barfield and Jess Bradley.



Our **Lifetime Achievement Award** was given to David McKee, author and illustrator of over 50 beloved children's classics, including *Elmer*, *Mr Benn* and *Not Now, Bernard*.



Our initiatives

We support the **Waterstones Children's Laureate**, and in July 2020, Children's Laureate Cressida Cowell launched a Summer Camp to bridge the gap between home and school with a celebration of creativity, supported by an all-star line-up of authors and illustrators.





The Great Books Guide was delivered to every primary school in the country

Our Northern Ireland author tour engaged with 1,400 pupils from 20 schools



The **Great Books Guide** was published online and delivered to every primary school, providing teachers with advice on the best new books from the past year for ages 0–11.

Our **Northern Ireland author tour** moved online with authors and illustrators including Chitra Soundar, Smriti Halls and Rob Biddulph engaging with 1,400 pupils from 20 schools.

And our two **Writers in Residence,** Smriti Halls and Onjali Q Raúf, have shared their stories and provided creative inspiration to help get children reading during difficult times.

Our initiatives

Being accountable for decisions based on evidence and robust evaluation

We developed a new monitoring, evaluation and learning framework to support the delivery of our new strategy and better understand our impact. We also began to inform this framework through our new family survey. Our new initiatives are designed with learning plans and evaluation approaches. This will ensure future developments to our work are informed by an understanding of what works in getting children reading. In the last year, we have designed new evaluations for Letterbox Club and our My StoryPack Pilot, and we began work on a learning plan for our new library offer.





Underpinning our activity with safeguarding best practice

This year we have introduced new NSPCC online safeguarding training, which all staff complete, and new protocols for working practices in research and design. We are committed to continuing to develop our safeguarding culture, particularly in the context of our ambitious aim to do more for disadvantaged children and families, and for those from vulnerable family backgrounds.

Our initiatives

Embracing digital tools, platforms and technology

Our Twitter channel has increased by 12,600 followers this year to a total of over 103,200, and we've increased our Instagram following by over 15,000 to 34,000. Our website traffic has seen a rise to almost 5 million visits for the year. And our content and advice are used by brands with vast digital reach: we've worked with the **BBC** to include our booklists, activities and resources in its Bitesize reading lessons, and shared reading recommendations on **Amazon**.





Becoming more environmentally responsible and sustainable

We work with all of our suppliers on developing sustainability through our supply chain. For example, we ensure that all of our resources are printed on FSC© paper, use recycled materials in our products and packaging, and consolidate deliveries where possible to reduce our logistics impact. We also provided children and families access to high-quality content on the environment.

Our initiatives

Being committed to diversity and inclusion across our organisation and embedding that commitment throughout our work

This year we continued our use of book selection and book curation to bring a diverse range of authors and illustrators to families across the country. We also aim to ensure that all children see themselves, their families and contemporary society reflected in books that they read.

In November we published interim findings from our joint research project with University College London which showed that, while the number of authors and illustrators of colour published in the UK in the last three years has grown to over 8%, it is still not reflective of the UK population. But there are challenges to improving this representation, as there are deep and complex barriers for authors and illustrators of colour wanting to enter the industry.

In 2020, we launched a partnership with the Centre for Literacy in Primary Education (CLPE) to bring systemic change across the publishing and education sectors. Through our **BookTrust Represents** programme we held ten school visits online, including one with author Onjali Q Raúf that was attended by 87 schools.

We also continued to run events for over 300 creators to build their knowledge of the publishing industry and provided training, networking opportunities and peer-to-peer support. And in November, Children's Laureate Cressida Cowell launched the **#PassThePen** campaign to promote visibility, champion new voices and generate book sales for emerging authors and illustrators of colour.

We continued to run events for over

300 creators

to build their knowledge of the publishing industry and provided training, networking opportunities and peer-to-peer support



Our initiatives

To make our work more accessible to everyone we have improved our Bookbuzz ordering process for Braille and large print books. We've also made our digital content more accessible.

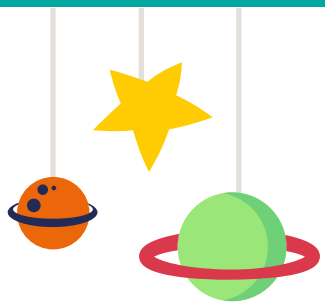
Our Equality Action Plan remains central to the way we work and our performance is reviewed closely by Trustees, supported by a Trustee lead for equality and diversity. We continue to embed diversity throughout our work and this year we have focused on our recruitment processes to make them more inclusive, and we continue to work towards the Disability Confident Scheme.

Representation from Black, Asian and Ethnically Diverse communities increased to 22% of our workforce by April 2021, compared to 13% in April 2017. Our gender balance remains at 20% male staff, but our ambition is to develop our diversity in both measures to 30%.



What we've delivered for children and families

Our new strategy identifies five areas where we know we can make a difference, and over the past year we have delivered support for families with these objectives in mind.



1.

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



BookTrust has been delivering **Bookstart** to children in the early years and their families for nearly 30 years. Over the past year, in spite of the challenges of the pandemic, we have continued to work through our network of health visitors, registrars and librarians to give 388,280 new babies and their families a **Bookstart Baby** pack. Following the refresh of Bookstart Baby last year, we have also developed a new section of our website where we host tips, videos and suggestions to help families continue sharing stories as their children grow.

We were delighted that in July last year, after a six-year gap, the Northern Ireland government agreed to fund Bookstart Baby in Northern Ireland for one year, giving the programme universal reach across England, Wales and Northern Ireland.

We have also concluded an ethnographic study with mums who were at the end of pregnancy or in the first few months after birth. This helped us gain insight into new parents' engagement with reading and motivation around shared reading that will shape our future development.



What we've delivered for children and families

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.



To support the children and families who need us most, we built on our experience and collaborated with partners to find new ways of reaching them. Nurseries, children's centres and other early years settings received our **Bookstart Treasure** pack containing a picture book and booklet with tips and ideas for sharing stories together. In March we once again supported World Book Day, delivering 90,000 World Book Day vouchers to 152 local authorities for distribution to families via early years settings.

We delivered 76,408 packs as part of our **Bookstart Corner** programme via a range of partnerships including libraries and children's centres; housing associations; prison library services and a prison family support charity; early years providers including nurseries and childminders; family support service; and Women's Aid. Through these partnerships we have tested new ways of delivering resources with greater flexibility for partners and families, which will lead to further changes next year.

We delivered *My Pet Star*, our **Pyjamarama** book, to 309,700 children in 851 settings. Our partners used the book for events and outreach activity that they were able to deliver during the pandemic.

We also began development of a new library offer, based on our existing Storytime prize, to support libraries as they create relationships with disadvantaged families. Our aim is for families to discover their local public libraries and develop a regular reading habit. Co-design sessions with libraries, local authorities and families have already involved 88 libraries from across the country.

We delivered *My Pet Star*, our Pyjamarama book title, to

309,700

children



What we've delivered for children and families

This year also saw the successful completion of a **Pori Drwy Stori extension** pilot in Wales. The bilingual (English and Welsh) programme for nursery and reception-aged children is delivered throughout the school year and funded by the Welsh Government. There are 1,300 primary schools that receive the established programme, reaching a total of 33,940 children. The pilot included two new modules that went to over 18,600 children in 500 settings before they started school, and its success has resulted in funding for delivery to 20,000 children in 2021/22.

In February 2021, over 20,000 children joined online and in person for the **Big Welsh Rhyme Time** celebration. We commissioned Welsh, English and bilingual rhymes and songs from Welsh children's musicians, poets, writers and illustrators for children to sing and share. The sessions were run by schools, libraries, nurseries and play groups, designed to develop children's language, social and communication skills as well as their wellbeing.



20,000

children joined online and in person for the Big Welsh Rhyme Time celebration

3.

Encouraging children and families to continue on their reading journeys even when change or new experiences can make this a challenge.

In 2020 we piloted **Reception Ready**, a bespoke pack of books and tools for children about to start primary school, and **Making Moves**, a similar pack for children starting secondary school. Both were designed to support disadvantaged children to keep reading at moments of transition. While evaluation showed that Making Moves did not have the impact we had hoped for, Reception Ready had promising results, which we are building on for further piloting next year.

In Wales, we developed **Journeys and Adventures** book packs for children preparing to enter secondary school. The project supports children in Year 6 who have not had access to high-quality books over the last 12 months due to lockdown and are likely to have missed out on the educational, social and creative benefits of reading.

In addition to these targeted offers, we delivered our annual **Time to Read** campaign, which reaches every child in their first year of school in England and Northern Ireland.

What we've delivered for children and families

We also recognise the importance school libraries play in supporting this work. In April 2021, Waterstones Children's Laureate Cressida Cowell launched her flagship campaign, **Life-changing Libraries**, with an open letter calling on the Prime Minister to ring-fence funding for school libraries. Grounded in research on the importance and impact of libraries in primary schools, the campaign highlights the transformative power of a school library by supporting six very different primary schools across England – all of which have at least 25% of pupils eligible for free school meals – to develop a reading for pleasure culture. Each of the six schools will receive a bespoke library space stocked with approximately 1,000 titles chosen by our expert team with guidance from the CLPE. Staff at the schools will also receive professional training and mentoring from specialists at the School Library Association and will have access to the CLPE's Power of Reading training and membership.

At secondary schools, **Bookbuzz** supports 11- to 13-year-olds to become independent readers by choosing their own books, and this year we saw the highest ever demand. Given the impact of the pandemic on access to books, we are pleased that this programme has provided a way for young people to continue reading for pleasure, especially for those who might not have books at home. We also streamlined our **School Library Pack** offer to focus on state-funded schools in England, ensuring full coverage of schools with high levels of free school meals and pupil referral units.

Number of pupils reached through each programme:



What we've delivered for children and families



4.

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

Letterbox Club is designed to help children aged 3–13 who are looked-after, previously looked-after, vulnerable or on the edge of care. Over the past year we have offered local authority customers greater flexibility in the way we deliver this programme, including direct delivery to foster carers' homes. We are now exploring some short-term improvements to the content of the programme, including new levels of expert, foster carer and children's engagement in selecting books and designing activities.

We have started work on a small pilot to provide additional support for children who are transitioning into care. With the help of Rotherham Council's Virtual School team, foster carers and looked-after children, we are co-designing and trialling a new reading intervention for children aged 2–11 that will encourage shared reading as a bonding activity and support the development of the relationship between a child and their foster carer at the start of a care placement. These became available from July 2021.

We reached

10,592

children with Letterbox Club

Building a community of



5.

champions who understand, advocate for and promote the benefits of reading.

We continue to provide tools, advice and resources to help raise awareness of the benefits of reading among partners, practitioners and professionals to help them promote reading with the children and families they support.

Income and supporters

We are very grateful the support of Arts Council England, the Welsh Government and the Department of Education Northern Ireland, whose funding enables us to help families on their reading journey.

We are also grateful to our funding partners who have contributed vital support for our work: the Mohn Westlake Foundation has continued to fund our development work with more disadvantaged families as well as providing core funding support, and the Paul Graham Foundation has supported; our new My Story Pack pilot designed for children entering reception class this year.

Our corporate partners are also important to us and we are grateful to the new and returning companies who have supported us in the past year, including Waterstones Booksellers and Renaissance Learning.

We also want to thank our partners in libraries, local authorities, early years settings and schools, and the publishers, authors and illustrators, without whom our work would not be possible.

In order to achieve all our ambitions, we need to continue to develop our income streams. Our fundraising activity has generated a record-breaking response this year and we are thankful to all those who have supported our work through various initiatives.

Our **BookTrust Friends** remain at the heart of our fundraising activities and we now have over 5,600 Friends who donated more than £375,000 in the past year.



Income and supporters

Our **Christmas Appeal** raised a record-breaking total of over £450,000 from nearly 14,000 donors. The appeal supports us in sending out over 14,000 festive book parcels to children who are vulnerable or in care, and, for the first time, some parcels were also given out through community foodbanks.



Our annual **Pyjamarama** fundraiser was able to return to schools and nurseries again in 2021, with children across the country wearing their pyjamas to school and spending the day sharing stories.



Income and supporters

As a key funder for BookTrust, we are excited by **Arts Council England's** new ten-year strategy, Let's Create, and the four new investment principles within it detailed here.



Inclusivity & Relevance

England's diversity is fully reflected in the organisations and individuals that we support and in the culture that they produce.



Environmental Responsibility

Cultural organisations lead the way in their approach to environmental responsibility.



Ambition & Quality

Cultural organisations are ambitious and committed to improving the quality of their work.



Dynamism

Cultural organisations are dynamic and able to respond to the challenges of the next decade.

We can already see how closely our new strategy maps to these four investment principles and will be working through the detail of how we take forward these principles during 2021/22.

Income and supporters

"For many children, books and stories are the first stepping stones on the road to a lifetime enriched by culture and creativity. Yet not all families have the same opportunities to experience the joys of reading and sharing books. Through its work, and its partnerships with libraries, schools and community groups, BookTrust is able to share the joy and benefits of reading with families in every corner of the country, and change the lives of countless children in the process. Its new strategy outlines a bold ambition to extend this reach still further, and deliver even deeper impacts for those communities that need greater support. Arts Council England is proud to support it in this essential work."

Sarah Crown, Director of Literature
Arts Council England



Investing in people

2020/21 was a very challenging year for our staff, with significant upheaval driven by the pandemic. As an organisation we responded very positively to new ways of working, quickly adapting to a home working model. But we also recognised that this resulted in a number of difficulties for staff. Throughout the year we supported staff with training to use technology to work together better and focused on the health and wellbeing of our staff, from finding flexible working solutions to providing equipment and access to BUPA healthcare support through managers and HR.

We continued to maintain our safeguarding training and awareness across staff throughout the year.

We have also remained focused on our organisational behaviours which were launched just as we entered lockdown. The new behaviours reflect how we want to work better as an organisation and the attributes we need to make our new strategy a success while firmly placing children at the centre of what we do.



Financial review

2020/21 has been an incredibly difficult and unprecedented year as the impact of Covid-19 was felt across the UK. The pandemic forced us to change our original plans and rapidly adapt to a new and restricted environment in lockdown. Like many organisations we also had to fundamentally change the way in which we work, shifting entirely to home working within 24 hours and continuing to work from home for the entire year.

Not only did the pandemic affect BookTrust, it had a huge impact on the partners we work with to deliver our programmes to parents and children. As we were finding new ways of working, our partners in local authorities, schools and libraries faced challenges in maintaining their services, all of which had significant impact on children and families.



The challenges of the past year meant that we were not able to achieve all that we planned to do, but despite the difficulties we worked incredibly hard with our partners to deliver over 80% of our planned distribution through the year. At the same time, we developed new initiatives such as our care packages to support families through the pandemic.

In 2020/21 we saw an operating surplus (before investments) of £175,885. We continued to receive £5.76m funding as part of our current contract with Arts Council England, and we were successful in securing £800,000 funding from the Education Directorate of the Welsh Government to support our work in Wales. We continued to make progress in our strategy to diversify our income with our fundraising income increasing by over £530,000 from the previous year, predominantly driven by our Friends and Christmas Campaign, and we have maintained our long-standing relationship with Waterstones. Overall, our total income for the year increased by £400,000, representing a 4% increase year on year.

Like many organisations we saw the value of our investments significantly impacted in 2020 by the extraordinary market disruption of the pandemic. However, we have seen the value of our investments recover from £5.35m in March 2020 increasing to £6.47m by March 2021. We continue to work with our investment partners and closely monitor progress in a market subject to volatility.

Financial review

We were successful in securing

£800,000

funding from the Education Directorate of the Welsh Government to support our work in Wales

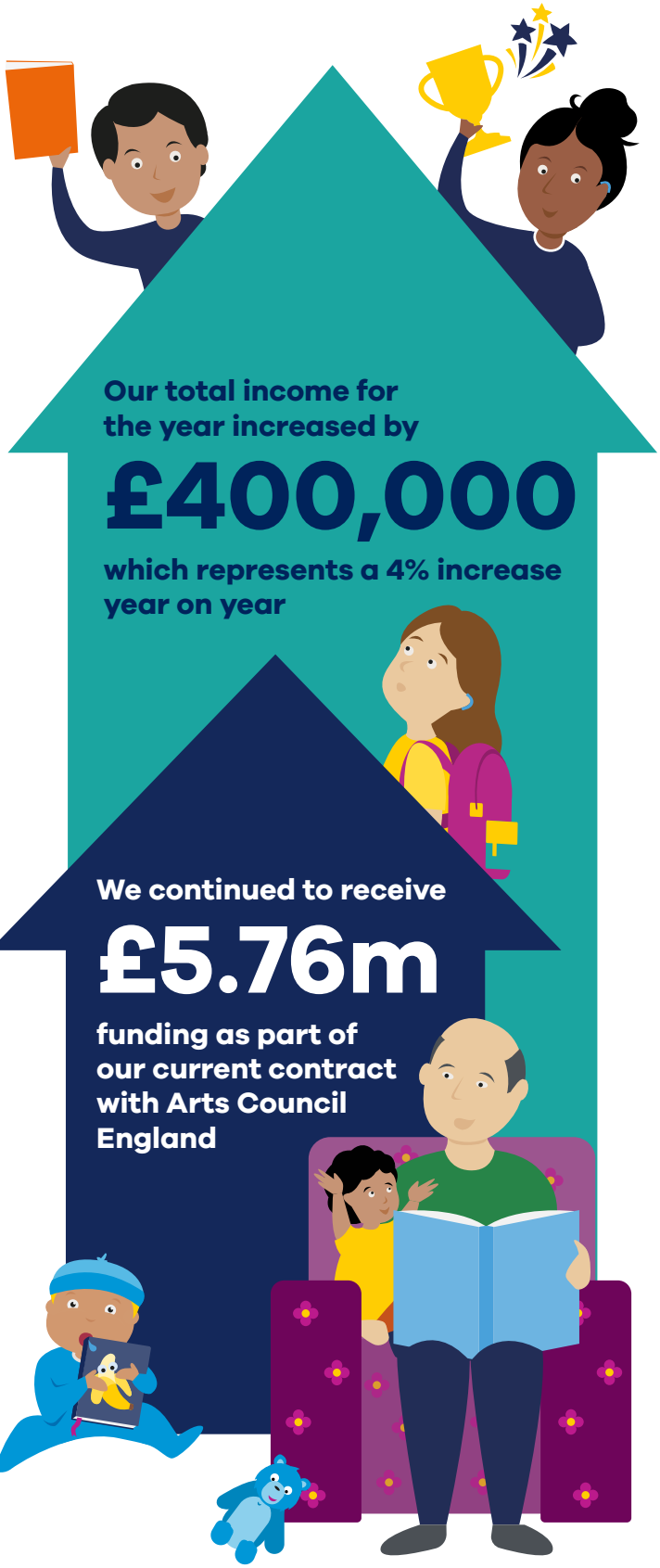


Our fundraising income increased by over

£530,000

from the previous year, predominantly driven by our Friends and Christmas Campaign





Our total income for the year increased by

£400,000

which represents a 4% increase year on year

We continued to receive

£5.76m

funding as part of our current contract with Arts Council England

Key risks and uncertainties

In reviewing our key risk areas, we do not believe that Covid-19 has changed the underlying strategic risks faced by the organisation. However, it has amplified them and driven more uncertainty, financial risk and instability across our funders, partners and supporters. This comes at a time when we are working to deliver our ambitious new strategy.

Key risks

Innovation – We are not able to deliver the significant innovation that we are aiming for within our strategy (we know that creating sustained, long-term behaviour change by parents and children is difficult), and we recognise that we are trying to innovate within a period of continuing uncertainty.

Partnerships – BookTrust receives support from a wide range of partners who have all experienced their own challenges. The strain on local delivery partners has been particularly exacerbated by recent developments.

Income – We fail to grow and diversify income streams over time.

Organisational change – To achieve our challenging aims and deliver our new strategy, we need to make changes in the way the organisation works. We also need to continue to be more diverse and inclusive to better reflect and serve our beneficiaries.

Key elements of the risk management strategy:

We continue to work closely with our partners to understand their challenges and how we can support them in delivery of our programmes. We are investing in our relationship activities and piloting new innovations to support our delivery and respond to local need.

We have clear plans to support our innovation work, underpinned by investment in monitoring, evaluation and learning so we can better understand our impact. We have a robust focus on income, maintaining current income streams while developing new opportunities and building positive and close relationships with our key funders.

Finally, we are evolving our organisational behaviours by embedding our Equality Action Plan and investing in training and development to support our teams as we move through a period of change in delivering our new strategy.

To support the management of risk and minimise any impact, we regularly review and implement risk management planning with the Trustees. This is supported by strong governance to ensure compliance with the regulatory framework we operate within. We also manage financial risk and set aside appropriate reserves in line with our reserves policy that is regularly reviewed by the Trustees.

Investment policy

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). These funds are managed by Epoch Consulting (part of Brewin Dolphin Ltd) and we work closely with Epoch to monitor performance against agreed market benchmarks and our investment objectives.

Epoch manages our investments through two sub strategies which, as of March 2021, stood at:

- Reserves Overflow (£2,773,872) – low volatility
- Long Term Reserves (£3,700,349) – balanced risk growth portfolio

Remaining funds are held in cash.



Reserves policy

BookTrust's reserves policy is designed to reflect the needs of the organisation and is reviewed annually by the Trustees. Reserves are held under two categories: unrestricted and restricted funds.

Unrestricted funds – £3.5m is retained to fulfil BookTrust obligations in a worst-case scenario orderly exit. This recognises our commitments, for example to leases and to committed traded activity, and also takes into account £1.5m in working capital. This level of working capital is driven by the requirement for advance purchasing (typically in the Far East) to support a 6–9 month production and distribution cycle that enables us to deliver large scale national interventions.

Remaining unrestricted – Our aim is to allocate the remaining £2m of unrestricted reserves in support of our new strategy. This covers areas such as the development of current and new initiatives, building fundraising campaigns, increasing income through traded activity or developing our systems and infrastructure. This will be reviewed annually.

Restricted funds – We have £3m in restricted funds, predominantly linked to early years programmes. Our aim is to allocate these funds across the relevant strategic objectives of our new strategy in the coming years programmes. This will be reviewed annually to ensure the appropriate allocation of reserves.

Thank you

We are very grateful to all of our funders and donors, without whom we would not be able to carry out our mission.

For 2020/21 we would particularly like to thank the following organisations for their generous support:

All our local authority partners
All our publishing partners

Arts & Business Northern Ireland
Arts Council England
Arts Council of Northern Ireland
Bloomsbury Publishing plc
Capita plc
Cockayne – Grants for the Arts
Conflux Digital Ltd
The Corton Hill Trust
Department of Education (Northern Ireland)
Domlal Foundation Ltd
The Folio Society
Gapper Charitable Trust
The George Cadbury Trust
Graham Foundation
The Halbard Charitable Trust
Jobtrain Ltd
Lloyd's Charities Trust
London Community Foundation
Macmillan Children's Books
The Mohn Westlake Foundation
Mushens Entertainment Ltd
The Nottingham Building Society
Pilot Pen UK Ltd
R3
Renaissance Learning UK Ltd
SONI
The Tanlaw Foundation
The Troutsdale Charitable Trust
TwentyOne Marketing
The Vernet Trump Charitable Trust
Unwin Charitable Trust
Usborne Publishing Ltd
Waterstones Booksellers Limited
Welsh Government
Winckworth Sherwood LLP
Wipro Limited



Legal and administrative information

Charity Name	BookTrust
Charity Registration Number	313343
Company Registration Number	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
Radha Chakraborty	Vice Chair
Professor Matthew Cripps	(appointed 1 October 2021)
Gautam Dalal	(appointed 25 June 2021)
Paul Davies	
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	
Claire Malcolm MBE	(end of office 2 September 2021)
June O'Sullivan MBE	
Peter Roche	Honorary Treasurer
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 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, 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

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. BookTrust operates 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. We have three committees: (i) Finance, Risk and Audit, (ii) Nominations and (iii) Remuneration. Trustees also take lead roles for key areas, notably safeguarding, governance, equality and diversity, people and culture and fundraising and income generation.

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. In 2021 we recruited six new Trustees to ensure that we have a diverse Board which brings sufficient skills and expertise to lead BookTrust.

We continue to work towards our Board diversity objective through Trustee recruitment processes. The Board has set out commitments and future actions, including with regard to governance, in an Equality Action Plan and regularly monitors our progress against agreed actions.

There is an annual review of Board effectiveness. In 2020, we commissioned an external review of governance. The review considered BookTrust's governance against both the spirit and requirements of the Charity Governance Code. It included meeting observations and a document review, as well as a survey and interviews with Trustees and members of the senior leadership team. The review concluded that BookTrust is well governed and that the Board fulfils its core governance accountabilities responsibly and in alignment with the expectations of the Charity Governance Code. The review highlighted ways in which BookTrust's governance can be further strengthened, and an action plan has been drafted to manage the implementation of these recommendations.

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. In line with our plan, we have developed and are implementing new organisational behaviours. We will continue to take action and identify further priorities to reflect relevant recommendations from the external review of governance within the context of the recent refresh of the Charity Governance Code.

Structure, governance and management

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 (SLT) comprises:

- Diana Gerald – Chief Executive Officer
- Colin Atkins – Chief Operating Officer
- Jill Coleman – Director of Children's Books
- Annie Crombie – Director of Programmes & Partnerships
- Gemma Malley – Director of Communications & Development (to 12 February 2021)
- 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 over 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 Remuneration Committee. Remuneration of the CEO and SLT is agreed by Trustees based on a formal performance evaluation and periodic external benchmarking.



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 2021 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 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other Information

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider

whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report including the strategic report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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.

Independent auditor's report to the members of BookTrust

- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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

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

Use of our report

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

Jonathan Orchard
(Senior statutory auditor)
3 December 2021
for and on behalf of Sayer Vincent LLP,
Statutory Auditor
Invicta House, 108-114 Golden Lane,
LONDON, EC1Y 0TL

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. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may be different from legislation in other jurisdictions.



Statement of Trustees' responsibilities

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 provided with 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 at least one away day for Trustees each year. 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 2020/21, nor related to any person acting on its behalf. We have not conducted any telephone or direct approach based fundraising activity in 2020/21, 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 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.

John Coughlan
(Chair)

5th October 2021

Statement of financial activities

(Including income and expenditure account)
for the year ended 31 March 2021

	Note	Unrestricted funds 2021 (£)	Restricted funds 2021 (£)	Total funds 2021 (£)	Total funds 2020 (£)
Income from:					
Donations and legacies		1,709,586	66,685	1,776,271	1,244,869
Charitable activities					
Initiating shared reading for all		1,981,435	191,457	2,172,892	2,349,664
Supporting shared reading for disadvantaged families in the early years		1,702,238	318,708	2,020,946	1,804,124
Keeping reading going throughout the school years		2,064,402	66,000	2,130,402	1,868,538
Helping the most vulnerable access the greatest benefits of reading		1,224,362	120,704	1,345,066	1,519,267
Explaining the benefits of reading to partners and professionals		96,619	34,104	130,723	249,590
Other activities supporting children's reading		567,325	223,284	790,609	910,461
Other trading activities		–	–	–	5,525
Investment dividends and interest		24,032		24,032	38,929
		9,369,999	1,020,942	10,390,941	9,990,967
Expenditure on:	2				
Raising donations		821,089	–	821,089	897,525
Charitable activities					
Initiating shared reading for all		2,230,552	198,023	2,428,575	2,660,628
Supporting shared reading for disadvantaged families in the early years		1,965,088	324,776	2,289,864	2,051,905
Keeping reading going throughout the school years		2,338,147	41,000	2,379,147	2,124,924
Helping the most vulnerable access the greatest benefits of reading		975,359	204,467	1,179,826	1,228,381
Explaining the benefits of reading to partners and professionals		282,991	34,104	317,095	375,954
Other activities supporting children's reading		604,373	195,088	799,461	993,885
Other trading activities		–	–	–	5,525
		9,217,599	997,458	10,215,057	10,338,726
Net income before gains/(losses) on investments	3	152,400	23,484	175,884	(347,759)
Net gain/(loss) on investments	6	1,132,426	–	1,132,426	(553,433)
Net income/(expenditure)		1,284,826	23,484	1,308,310	(901,192)
Net movement in funds		1,284,826	23,484	1,308,310	(901,192)
Total funds brought forward		4,241,200	2,978,481	7,219,681	8,120,873
Total funds carried forward		5,526,026	3,001,965	8,527,991	7,219,681

The statement of financial activities includes all gains and losses recognised in the year.
All transactions during the year are derived from continuing activities.
Full comparative figures for the year ended 31 March 2020 are shown in note 14.

Balance sheet

As at 31 March 2021

Company number: 00210012

	Note	2021 (£)		2020 (£)	
Fixed Assets					
Investments	6		6,474,221		5,354,189
Current Assets					
Stock		1,399,292		1,342,319	
Debtors	7	938,428		748,421	
Cash at bank and in hand		1,980,424		1,559,221	
		4,318,144		3,649,961	
Creditors: amounts falling due within one year	8	(2,264,374)		(1,784,468)	
Net Current Assets			2,053,770		1,865,493
Net Assets			**8,527,991**		**7,219,681**
Funds					
Restricted funds	10		3,001,965		2,978,481
Unrestricted					
General fund	10		4,878,026		3,326,200
Designated funds	10		648,000		915,000
			8,527,991		**7,219,681**

Approved and authorised for issue by the board of directors on 5 October 2021 and signed on their behalf by:

John Coughlan
Director

Peter Roche
Director

Cash flow statement

for the year ended 31 March 2021

	2021 (£)	2020 (£)
Cash flows from operating activities		
Net income before investment gains/(losses) for the reporting period (as per the statement of financial activities)	175,884	(347,759)
(Gains)/losses on investments	(1,132,426)	553,433
Interest	(1,484)	(7,220)
(Increase)/decrease in stock	(56,973)	109,350
(Increase)/decrease in debtors	(190,007)	21,838
Increase/(decrease) in creditors	479,906	(200,164)
Net cash provided by operating activities	(725,100)	129,477
Cash flows from investing activities		
Interest	1,484	7,220
Proceeds from sale of investments	5,769,385	1,923,049
Purchase of investments	(4,604,188)	(1,904,710)
(Gains)/losses on investments	1,132,426	(553,433)
Net cash movement in investments	(1,152,804)	(7,966)
Change in cash in reporting period	421,203	(406,363)
Analysis of cash and cash equivalents		
Cash in hand		
Balance brought forward	1,559,221	1,965,584
Increase/(decrease) in year	421,203	(406,363)
Balance carried forward	1,980,424	1,559,221
Cash in hand		
Bank balance	1,980,374	1,559,171
Cash	50	50
	1,980,424	1,559,221

Notes to the accounts

31 March 2021

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 2019) - (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. Despite the unprecedented challenges of the Covid-19 pandemic in 2020/21 and its ongoing impact, we do not foresee a significant risk to our financial sustainability or a loss or delay in our funding. Our current contract with Arts Council England expires in March 2022, but we are confident that we will receive an extension at the current levels for a further year ahead of our bid for a further four-year funding agreement from 2023.

(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.

(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. Invoiced 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 packs, books, promotions and prizes.

- Incomes from grants, including government grants, for a specific purpose are accounted for as income as they are received and are shown as restricted reserves until delivered.

(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 and in petty cash.

(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 is one lease for a photocopier, which is for a minimum term of three years up to August 2023, 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 head office expires in 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.

(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. Our investments have made a significant recovery from the impact of the Covid-19 pandemic in March 2020 and we have seen the value of our investments increase from £5.35m to £6.47m over the year. As recognised within our investment strategy we take a cautious approach to our investments and, while recognising that short-term events can have an impact, we take a long-term view on the value of our investments.

(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.



2 Analysis of expenditure (current year)

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.

	Charitable activities											
	Raising funds (£)	Initiating shared reading for all (£)	Supporting shared reading for disadvantaged families in the early years (£)	Keeping reading going throughout the school years (£)	Helping the most vulnerable access the greatest benefits of reading (£)	Explaining the benefits of reading to partners and professionals (£)	Other activities supporting children's reading (£)	Other trading activities (£)	Governance costs (£)	Support costs (£)	2021 Total (£)	2020 Total (£)
Books and resources	150,057	736,210	631,754	843,732	469,764	47,345	378,787	–	–	–	3,257,648	3,446,330
Research, publicity & engagement	216,071	47,868	55,257	154,940	62,410	66,038	46,321	–	–	13,518	662,423	990,250
Distribution/ warehousing	8,314	274,313	244,685	340,818	267,073	12,720	181,494	–	–	2,809	1,332,226	1,129,823
Payroll costs (note 4)	261,948	858,915	987,797	644,139	223,732	133,782	100,081	–	28,727	638,249	3,877,370	3,484,785
Other staffing costs	14,145	136,432	76,167	46,154	10,598	8,284	4,657	–	–	40,179	336,616	448,308
Travel and subsistence	–	1,801	1,566	1,710	687	197	437	–	–	4,544	10,942	82,284
Professional fees and finance costs	48,547	48,189	4,561	4,930	4,649	4	13	–	51,183	53,640	215,715	248,449
Establishment and office costs	6,021	5,357	6,592	7,867	1,226	8,199	1,082	–	–	317,229	353,573	362,996
IT	–	4,404	3,898	4,574	1,910	550	1,216	–	–	151,992	168,544	145,502
Total	**705,103**	**2,113,489**	**2,012,277**	**2,048,862**	**1,042,048**	**277,120**	**714,088**	**0**	**79,910**	**1,222,160**	**10,215,057**	**10,338,727**
Support costs	108,868	295,749	260,551	310,014	129,323	37,522	80,134	–	–	(1,222,160)	–	–
Governance costs	7,118	19,337	17,036	20,270	8,456	2,453	5,240	–	(79,910)	–	–	–
Total expenditure 2021	**821,089**	**2,428,575**	**2,289,864**	**2,379,147**	**1,179,826**	**317,095**	**799,461**	**0**	**0**	**0**	**10,215,057**	**0**
Total expenditure 2020	**897,525**	**2,660,628**	**2,051,905**	**2,124,924**	**1,228,381**	**375,954**	**993,885**	**5,525**	**0**	**0**	**0**	**10,338,727**

Of the total expenditure, £9,217,599 was unrestricted (2020: £9,329,377) and £997,458 was restricted (2020: £1,009,350).

2b Analysis of expenditure (2020)

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.

	Charitable activities										
	Raising funds (£)	Initiating shared reading for all (£)	Supporting shared reading for disadvantaged families in the early years (£)	Keeping reading going throughout the school years (£)	Helping the most vulnerable access the greatest benefits of reading (£)	Explaining the benefits of reading to partners and professionals £	Other activities supporting children's reading (£)	Other trading activities (£)	Governance costs (£)	Support costs (£)	2020 Total (£)
Books and resources	201,793	828,603	611,654	742,816	577,749	23,043	460,651	–	–	20	3,446,330
Research, publicity & engagement	275,037	177,222	100,445	199,029	58,749	126,306	37,538	–	–	15,924	990,250
Distribution/ warehousing	10,834	304,314	181,401	241,813	167,948	6,387	217,015	–	–	113	1,129,823
Payroll costs (note 4)	269,956	761,399	784,396	501,526	249,029	159,084	137,787	5,525	27,254	588,830	3,484,785
Other staffing costs	8,096	160,768	49,296	87,053	11,663	4,307	8,489	–	–	118,637	448,308
Travel and subsistence	93	27,488	30,017	7,663	1,616	1,947	5,965	–	–	7,496	82,284
Professional fees and finance costs	109,880	6,809	13,912	7,712	858	4,130	514	–	19,328	85,305	248,449
Establishment and office costs	21,836	7,321	7,050	8,428	1,169	5,639	738	–	–	310,814	362,996
IT	–	3,698	2,666	3,005	1,458	412	1,144	–	–	133,120	145,502
Total	**897,525**	**2,277,622**	**1,780,838**	**1,799,043**	**1,070,239**	**331,256**	**869,838**	**5,525**	**46,582**	**1,260,258**	**10,338,727**
Support costs	–	369,354	261,405	314,264	152,505	43,104	119,625	–	–	1,260,258	–
Governance costs	–	13,652	9,662	11,616	5,637	1,593	4,422	–	46,582	–	–
Total expenditure 2020	**897,525**	**2,660,628**	**2,051,905**	**2,124,924**	**1,228,381**	**375,954**	**993,885**	**5,525**	**0**	**0**	**10,338,727**

3 Net incoming/(outgoing) resources

This is stated after charging the following:	2021 (£)	2020 (£)
Direct costs and other operating charges include:		
Operating leases		
• Hire of equipment	6,193	6,846
• Rents payable	284,834	223,565
Auditors, remuneration		
• Audit services	13,500	13,250
• Non-audit services	1,300	–



4 Staff costs

	2021 (£)	2020 (£)
Salaries	3,303,578	2,938,360
Social security costs	317,972	304,341
Pension costs	234,447	203,290
Redundancy and termination payments	21,374	38,794
	3,877,370	3,484,785

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

	2021 number	2020 number
£60,000–69,999	3	1
£70,000–79,999	1	1
£80,000–89,999	0	1
£90,000–99,999	2	1
£100,000–£109,999	1	1
	7	5

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 £506,804 (2020: £540,067)

Total employer pension contributions in the year for these staff members were £27,498 (2020: £26,871)

	2021 number	2020 number
The average number of employees by function, was:		
Charitable activity	63	57
Development and Fundraising	5	6
Administration and Support	15	14
	83	77

The Trustees have not received any remuneration or benefits in kind during the year (2020: £Nil).

	2021 number	2020 number
Number of Trustees reimbursed expenses during the year	2	2

The Trustees received the following reimbursement of expenses during the year:

	2021 (£)	2020 (£)
Travel	213	840
Accommodation	117	347
Subsistence	0	30
	329	1,216

5 Taxation

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

6 Investments

Quoted investments	2021 (£)	2020 (£)
Fair value at the start of the year	5,354,189	5,917,994
Additions	4,604,188	1,904,710
Disposal proceeds	(5,769,385)	(1,923,049)
Net gain/(loss) on change in investments fair value	1,132,426	(553,433)
Movement in cash balance	1,152,804	7,966
Fair value at the end of the year	6,474,221	5,354,189
Historic cost	6,000,000	6,000,000

The investment management charges totalled £34,883 (2020: £42,082)

7 Debtors

	2021 (£)	2020 (£)
Amounts falling due within one year:		
Trade debtors	514,564	329,611
Other debtors	152,776	205,551
Prepayments and accrued income	271,088	213,260
	938,428	748,421

8 Creditors

	2021 (£)	2020 (£)
Amounts falling due within one year:		
Trade creditors	710,470	646,994
Other taxes and social security	93,689	82,850
Accruals	201,084	150,364
Deferred income (note 11)	1,247,818	885,229
Other creditors	11,312	19,031
	2,264,374	1,784,468

9 Financial instruments

	2021 (£)	2020 (£)
Financial assets		
Financial assets measured at amortised cost	2,622,036	1,947,757
Financial assets measured at fair value through profit or loss	6,474,221	5,354,189
	9,096,257	7,301,946
Financial liabilities		
Financial liabilities measured at amortised cost	778,787	689,749
	778,787	689,749

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.

10 Funds

	1 April 2020 (£)	Incoming resources (£)	Resources used (£)	Transfers between funds (£)	Investment gains/(losses) (£)	31 March 2021 (£)
Unrestricted funds:						
General fund	3,326,200	9,369,999	(8,706,696)	(243,903)	1,132,426	4,878,026
Designated funds:						0
IT and infrastructure development	180,000	–	–	(180,000)	–	0
Income diversification	320,000	–	(53,231)	(106,769)	–	160,000
Research & programme development	415,000	–	(457,672)	530,672	–	488,000
Total unrestricted funds	4,241,200	9,369,999	(9,217,599)	0	1,132,426	5,526,026
Restricted funds:						
Promotions	13,881	–	–	–	–	13,881
Children's Reading Fund	83,839	–	(83,839)	–	–	0
Education	8,157	–	–	–	–	8,157
Early Years	2,479,288	–	(6,068)	–	–	2,473,220
Secondary	305,164	–	–	–	–	305,164
Primary	88,152	–	–	–	–	88,152
Letterbox Club	–	–	–	–	–	0
Initiating shared reading for all	–	198,023	(198,023)	–	–	0
Supporting shared reading for disadvantaged families in the early years	–	318,708	(318,708)	–	–	0
Keeping reading going throughout the school years	–	116,000	(41,000)	–	–	75,000
Helping the most vulnerable access the greatest benefits of reading	–	130,824	(120,629)	–	–	10,195
Explaining the benefits of reading to partners and professionals	–	34,104	(34,104)	–	–	0
Other activities supporting children's reading	–	223,284	(195,088)	–	–	28,196
Total restricted funds	2,978,481	1,020,942	(997,458)	0	0	3,001,965
Total funds	7,219,681	10,390,941	(10,215,057)	0	1,132,426	8,527,991

Notes to the accounts

31 March 2021

	1 April 2019 (£)	Incoming resources (£)	Resources used (£)	Transfers between funds (£)	Investment gains/ (losses) (£)	31 March 2020 (£)
Unrestricted funds:						
General fund	3,951,943	9,046,066	(8,867,709)	(250,666)	(553,433)	3,326,200
Designated funds:						
IT and infrastructure development	–	–	–	180,000	–	180,000
Income diversification	391,000	–	(169,434)	98,434	–	320,000
Research & programme development	735,000	–	(292,233)	(27,768)	–	415,000
Total unrestricted funds	5,077,943	9,046,066	(9,329,376)	0	(553,433)	4,241,200
Restricted funds:						
Promotions	13,881	69,800	(69,800)	–	–	13,881
Children's Reading Fund	154,358	–	(70,518)	–	–	83,840
Education	8,157	–	–	–	–	8,157
Early Years	2,473,219	406,451	(400,383)	–	–	2,479,287
Secondary	305,164	–	–	–	–	305,164
Primary	88,152	325,607	(325,607)	–	–	88,152
Letterbox Club	0	137,517	(137,517)	–	–	(0)
Other	–	5,525	(5,525)	–	–	0
Total restricted funds	3,042,930	944,900	(1,009,350)	0	0	2,978,480
Total funds	8,120,873	9,990,966	(10,338,726)	(0)	(553,433)	7,219,681

Income includes £5,763,096 from Arts Council England in 2020/21 (2019/20: £5,763,096) which is unrestricted funding as of 2020/21.

Unrestricted funds
The general fund stood at £5,038,026 at 31 March 2021 (2020: £3,326,200). 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 £488,000 has been allocated as designated funds to fund research and programme development (see notes on individual designated funds below) (2020: Designated funds IT and infrastructure £180,000, income diversification £320,000, research and programme development £415,000).

Designated funds
The research and programme development fund has earmarked funds for development work across our programmes to support the delivery of our new strategy. We have a general development allocation fund and we have also built development investment into specific activities related to the strategy, including our new library offer, development of the Transition Packs that were successfully trialled in 2020/21, the development of our early years targeted offer and for developing diversity through BookTrust Represents. We have appointed a new Director of Income in 2021 and will be reviewing investment in income generation activities in 2021.

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 represents stock held for future production of book packs, to 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.

11 Deferred income

	Letterbox	BookBuzz	Other sales invoices not yet delivered	Total
	(£)	(£)	(£)	(£)
Balance at 1 April 2020	735,479	108,711	41,039	885,229
Released to incoming resources	(735,479)	(108,711)	(41,039)	(885,229)
Amount deferred in year	992,448	218,487	36,883	1,247,818
Balance as at 31 March 2021	992,448	218,487	36,883	1,247,818

Prior year deferred income

	Letterbox	BookBuzz	Other sales invoices not yet delivered	Total
	(£)	(£)	(£)	(£)
Balance at 1 April 2019	884,934	143,940	11,126	1,040,000
Released to incoming resources	(884,934)	(143,940)	(11,126)	(1,040,000)
Amount deferred in year	735,479	108,711	41,039	885,229
Balance as at 31 March 2020	735,479	108,711	41,039	885,229

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

12 Analysis of net assets between funds

	2021			2020		
	Unrestricted funds (£)	Restricted funds (£)	Total (£)	Unrestricted funds (£)	Restricted funds (£)	Total (£)
Investments	5,526,026	948,195	6,474,221	4,241,200	1,112,989	5,354,189
Net current assets	–	2,053,770	2,053,770	–	1,865,492	1,865,492
Net assets	5,526,026	3,001,965	8,527,991	4,241,200	2,978,481	7,219,681

13 Financial commitments

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

	2021		2020	
	Land and buildings (£)	Other (£)	Land and buildings (£)	Other (£)
Leases ending in:				
Less than one year	–	–	190,503	5,326
1–5 years	870,438	16,511	643,304	12,176
	870,438	16,511	833,807	17,502

14 Comparative statement of financial activity

	Unrestricted funds 2020 (£)	Restricted funds 2020 (£)	Total funds 2020 (£)
Income from:			
Donations and legacies	1,205,322	39,547	1,244,869
Charitable activities			
Initiating shared reading for all	2,150,659	199,005	2,349,664
Supporting shared reading for disadvantaged families in the early years	1,492,445	311,679	1,804,124
Keeping reading going throughout the school years	1,868,538	–	1,868,538
Helping the most vulnerable access the greatest benefits of reading	1,395,907	123,360	1,519,267
Explaining the benefits of reading to partners and professionals	177,330	72,260	249,590
Other activities supporting children's reading	716,936	193,525	910,461
Other trading activities	–	5,525	5,525
Investment dividends and interest	38,929	–	38,929
	9,046,066	944,901	9,990,967
Expenditure on:			
Raising funds	897,525	–	897,525
Charitable activities			
Initiating shared reading for all	2,471,191	189,437	2,660,628
Supporting shared reading for disadvantaged families in the early years	1,748,952	302,953	2,051,905
Keeping reading going throughout the school years	2,102,609	22,315	2,124,924
Helping the most vulnerable access the greatest benefits of reading	1,020,346	208,035	1,228,381
Explaining the benefits of reading to partners and professionals	288,393	87,560	375,954
Other activities supporting children's reading	800,360	193,525	993,885
Other trading activities	–	5,525	5,525
	9,329,376	1,009,350	10,338,726
Net income before gains/ (losses) on investments	(283,310)	(64,449)	(347,759)
Net (loss) on investments	(553,433)	–	(553,433)
Net income	**(836,743)**	**(64,449)**	**(901,192)**
Net movement in funds	**(836,743)**	**(64,449)**	**(901,192)**
Total funds brought forward	5,077,943	3,042,930	8,120,873
Total funds carried forward	**4,241,200**	**2,978,481**	**7,219,681**

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

15 Mohn Westlake Foundation

Diana Gerald, CEO of BookTrust, is also a Trustee for the Mohn Westlake Foundation. In 2020/21 BookTrust received an unrestricted donation from the Mohn Westlake Foundation with a value of £250,000 (2020: £250,000).

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





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