

# **BOOKTRUST**

(Limited by guarantee)

## **Annual Report and Financial Statements YEAR ENDED 31 MARCH 2009**

**Charity Number: 0313343  
Company Number: 0210012**

**SATURDAY**



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## **BOOKTRUST**

### **Financial Statements**

**Year ended 31 March 2009**

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## **BOOKTRUST**

### **REPORT OF THE DIRECTORS' FOR THE YEAR ENDED 31 MARCH 2009**

The Directors are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2009.

#### **Chair's Report**

Booktrust is thriving, with many different ways to encourage our children and adults to share our love of reading and books. In 2008-9 we have looked at our priorities, to consider how our different activities serve our aims and strengthen our mission. New members of the Board provided fresh perspectives and our Strategic Aims are a good guide to why and how we do things.

The Bookgifting programmes, Bookstart, Booktime and Booked Up, have continued to reach into the vast majority of families and our local support for these gifts is helping to make them valued and effective. Our continuing work on prizes gives a profile to books and reading of all kinds – funny, serious, short, long, for children, young people and adults – and has received good publicity this year.

New developments are taking us further – The Letterbox Club for children in public care, Everybody Writes promoting worthwhile writing in schools, a new Children's Laureate taking over Michael Rosen's very successful two years.

All of this is made possible by generous support both in time and finances, by a wide range of people. We are particularly grateful to the Department for Children, Schools and Families, Pearson Education and Publishing Company, other children's publishers and Arts Council, England for their support.

Reading is the key to so many things – personal satisfaction, pleasure, success and belonging. We will continue to play our part in spreading these benefits as widely as possible.

Dr. Sue Horner

Chair of the Board

## **BOOKTRUST**

### **REPORT OF THE DIRECTORS' FOR THE YEAR ENDED 31 MARCH 2009**

#### **Mission**

Booktrust is an independent UK-wide charity dedicated to encouraging people of all ages and cultures to enjoy books. The written word permeates all our activity and helps us to fulfil our vision of inspiring a lifelong love of books for all.

#### **Strategic Aims 2009 - 2012**

1. **ACCESS:** Bring the experience and enjoyment of books to children, adults and families and a love of reading. Make sure everyone has access to books and the opportunity to enjoy reading.
2. **PROMOTION:** Inspire the creative enjoyment of reading, writing, writers, illustration and stories to reach people from all communities, of all ages and in every format.
3. **PARTNERSHIP WORKING:** Develop and support partnerships to maximise benefits to the public, ensure cost-effectiveness and support individuals and communities to benefit from and enjoy books and creative writing.
4. **POLICY and INFLUENCE:** Advocate for national and local policies to recognise the importance of books, reading and the written word for people of all ages.
5. **ORGANISATIONAL DEVELOPMENT:** Build Booktrust as an organisation that has the reputation, skills, resources, and partnerships to enable it to deliver its mission, inspiring a love of books for all.

#### **Principal activities of the charity during the year ended 31 March 2009**

- Bookgifting programmes that aim to give free books to every pre-school child and every five-year-old, and a choice of a free book to every 11-year-old;
- Promotion of family reading;
- Campaigns, awards and prizes that inspire new writers and readers and ensure the quality and diversity of books;
- Education projects to build national confidence among teachers, librarians, health visitors and other professionals around reading and writing for pleasure;
- Expanding access via web technology to bring books and readers together.

#### **Achievements and Performances**

##### ***Organisational development***

Booktrust is reaping the benefits of organisational change with a renewed focus on diversity, and targeted work and promotions through the support of new specialist managers in health and family learning/social inclusion. These have paved the way to new partnerships, and strategic buy-in to Booktrust programmes.

This year Booktrust has strengthened its governance, holding a Board away day in June 2008 to clarify its mission and aims. The Chair and Chief Executive conducted a Board Skills audit and three new members with expertise in higher education, publishing/bookselling, and adult/community education were appointed in December 2008. The Board now better reflects the breadth of Booktrust's work and provides the strategic direction and accountability functions. Two standing Board subgroups were created, Business and Finance (meeting quarterly) and HR (three meetings a year). A Board marketing subgroup gave valuable input into the marketing and communications strategy development in early 2009.

## **BOOKTRUST**

### **REPORT OF THE DIRECTORS' FOR THE YEAR ENDED 31 MARCH 2009**

Other organisational developments:

- New senior management team created to support the broader organisational infrastructure;
- All managers participated in a 2-day external training course: Managing to High Performance;
- UNITE received official union recognition in July 2008;
- A wider management group set up to work with SMT to take forward a competency-based approach to staff management;
- Booktrust committed to support, as a founding member, the new Free Word Centre in Farringdon, bringing together the literature, literacy and free expression sectors.

#### ***Bookgifting programmes***

Booktrust promotes access to books through bookgifting, and our expertise in the field is widely recognised. As a result of the expansion of Booktrust programmes in 2008, our bookgifting schemes now reach over 3.72 million children each year in England, Wales, Northern Ireland and, working with Scottish Booktrust, in Scotland, supporting local libraries and encouraging community engagement in the pleasure and rewards of stories and book sharing. Bookstart gifts free books and parental guidance materials directly into the homes of all babies, toddlers and young children up to the age of three, Booktime gives a picture book and a poetry anthology to all five-year-olds starting in reception class, and the Booked Up programme offers a choice of a free book from a list of 12 to all eleven-year-olds in their first term of secondary school.

We were delighted to find out in December 2008 that we had secured, through a competitive tendering process, a two-year grant for 2009-11 from the Department for Children, Schools and Families (DCSF) to continue to run Bookstart, Booktime and Booked Up.

These universal programmes aim to show children and families that books in the home and shared reading can be enjoyed by all, with long-term benefits to parental bonding, family cohesion, and positive attitudes to school, and that those principles have impact across all sectors of society.

All bookgifting programmes run by Booktrust include targeted support for children who are less likely to have access to the free book offers, for example, due to language or literacy skills, culture or disability. We were pleased to distribute 32,357 dual language books plus also about 30,000 parental guidance information in community languages to our local authority partners to encourage book sharing among local families with English language needs.

Booktrust also runs the Letterbox Club, a targeted bookgifting programme for looked-after children aged 7-11. This has been a major success. Working with the University of Leicester, Booktrust developed the programme with a development grant from the Department of Children, Schools and Families, originally working in 16 pilot authorities. The children receive a personalised parcel of books, maths activities and stationery every month for six months. Evaluation demonstrated positive benefits to children's literacy and maths levels and, as a result, over 100 local authorities in England, Wales and Northern Ireland signed up on a subscription basis to the programme for 2009-10, reaching over 5,000 children in public care.

#### ***Public events and campaigns***

This year, Booktrust delivered major national promotions, developed two new campaigns and three new prizes.

National Bookstart Day 2008 generated 4,000 events in local libraries, children's centres and nurseries. A new Christmas campaign supporting bookshops, 'A Book in Every Stocking' was launched.

## **BOOKTRUST**

### **REPORT OF THE DIRECTORS' FOR THE YEAR ENDED 31 MARCH 2009**

Booktrust was pleased to play an active role as a consortium member of the National Year of Reading managed by the National Literacy Trust. Building on earlier successes, DCSF asked Booktrust to run - at short notice - a Bookstart Dads' engagement television campaign, which ran in summer 2008 aimed at resident and absent fathers. The campaign integrated National Year of Reading messages 'reading anywhere, any place' and generated 40,000 text message responses. The evaluation showed high effectiveness: 82% agreed that they were 'really good ads' and 77% said the ads 'made me want to read more with my child'.

#### ***The Big Picture Campaign***

We are strengthening our links with the creative economy through successful campaigns such as the Big Picture Campaign, with the following outcomes:

- 23,000 Best Book Guide to Picture Books were distributed in the Children's Book Week packs to all primary schools, public libraries, school library services and teacher training institutions, plus 1,000 copies to independent bookshops;
- 20,000 copies of the Rough Guide to Picture Books were distributed to Waterstone's, and 70,000 copies to families with young children across the country, via Bookstart local coordinators;
- The Big Picture Campaign was promoted at festivals including Edinburgh, Bath and Cheltenham;
- The campaign raised the profile of illustrators, while promoting the artistic qualities and appeal of picture books to less confident parents.

The new Children's Laureate, the internationally known author and illustrator Anthony Browne, will provide new opportunities to promote picture books through the Big Picture Campaign.

Other new activities and partnerships include:

- Sponsorship of a Booktrust Power of Reading Award as part of the 2009 Adult Learning Awards, attracting over 80 entries and powerful media coverage;
- Partnership with Bookaboo, the CITV early years series to make family book sharing fun whereby Booktrust distributed 12,000 books donated by publishers to children in public care;
- A disability seminar at London Book Fair to highlight Booktrust's disability work was very well attended by around 80 publishers, authors and other interested parties;
- Improved web accessibility including the introduction of Browsealoud to improve access to people with poor sight and motor conditions, and more interactive features such as social networking.

#### ***DIPNET***

Thanks to 3-year funding from Arts Council, England (ACE), Booktrust was able to revive and develop the Diversity in Publishing Network (DIPNET) during 2008/09, with the support of founder Elise Dillsworth. This enabled us to promote the Positive Action Traineeships, support networking with former trainees and launch a new website. As a result, membership increased by 300% in 3 months.

#### ***Booktrust Prizes***

Booktrust increased its prizes portfolio this year. The launch of the Roald Dahl Funny Prize to celebrate humour in children's literature attracted enthusiasm from publishers and the media, helped by prominent judges Sophie Dahl, Michael Rosen and comedian Dara O'Briain.

We consolidated our partnership with the BBC by taking on the administration of the Blue Peter Children's Book Awards, and were also asked to select monthly books for the online Blue Peter Book Club.

## **BOOKTRUST**

### **REPORT OF THE DIRECTORS' FOR THE YEAR ENDED 31 MARCH 2009**

The 2000 BBC Short Story Award judging panel was chaired by Martha Kearney, achieving a 4 million radio audience. The 2009 award was launched in March with a prestigious list of judges including broadcaster Tom Sutcliffe and the singer Will Young.

The 2008 John Llewellyn Rhys Prize, won by Henry Hitchings for the *Secret Life of Words*, received unprecedented media coverage, and an increase in book sales of 1007% immediately after the prize announcement.

Opportunities for children and young people to enjoy creative reading and writing have increased. The writing competition to become a judge for the Booktrust Teenage Prize was promoted via the Booked Up programme, resulting in a fourfold increase to 4,348 entries.

#### ***Education***

- We were pleased to receive continued DCSF funding for Everybody Writes, a partnership with the National Literacy Trust, and this year developed printed resources for primary and secondary schools with 8,000 brochures distributed. The website attracts on average 8,000 web hits per month.
- Children's Laureate Michael Rosen has been an excellent champion for children's literature and the pleasures of reading. A 10<sup>th</sup> Anniversary event at the Festival Hall, attended by Michael and former laureates Quentin Blake, Michael Morpurgo, Anne Fine and Jacqueline Wilson, attracted several hundred children with their families.
- Children's Book Week 2008, launched by Michael Rosen and 200 children on the London Eye, followed by a writing event producing a giant poem "I spy with my little eye" was mentioned on BBC Newsround.
- The 2008 Children's Book Week resource pack, themed this year Rhythm and Rhyme, was sent to 23,000 primary schools, public and school libraries, and teacher training institutions.
- The Booktrust school libraries leaflet continues to attract interest with 500 requests for extra copies.

#### ***Booktrust Website Statistics April 2008 - March 2009***

Visits – 1,201,682

Visitors – 938,884

Page views – 611,254

Average page views per visit – 4.5

In March 2009 Booktrust launched a new programme of online writers in residence. The winner of the 2008 Booktrust Teenage Prize Patrick Ness is the first to seize the opportunity and has attracted much interest describing the process of writing a story, with his writers' tips.

#### ***Sponsors and Partners***

Booktrust recognises the important support it receives from its many partners which enables it to achieve its mission to promote a lifelong love of books and engagement in the written word among children, adults and families. In particular, the support of children's publishers enables us to deliver cost effective public programmes, adding £4 to every £1 funded by the government, while managing the risks in delivering substantial UK-wide orders and deliveries that enable us to reach 3.72 million children and families this year.

Booktrust's specialist staff work in partnership with local communities, and nationally with the health, family learning and social inclusion, education and libraries sectors to provide advocacy, support and

## **BOOKTRUST**

### **REPORT OF THE DIRECTORS' FOR THE YEAR ENDED 31 MARCH 2009**

collaborative working. Listening to local people from all communities, we are able to share knowledge, resources and materials and contribute to national confidence in reading and writing for pleasure.

Our activities have led to new partnerships with NIACE through the Power of Reading Award encouraging less confident adults to see reading and writing for pleasure as an achievable lifestyle choice.

Booktrust bookgifting programmes are increasingly referenced in health documents, for example, Birth to Five and the Pregnancy Book were revised in 2009 to include reference to Bookstart and will be given to all mums antenatally.

We were pleased to launch our new mission and strategic aims at the first ever Booktrust conference in March 2009 at the QE2 Conference Centre in London. Over 300 local authority contacts in libraries, children's centres, as well as literature and literacy organisations and partners in health attended with vigorous debate and a key address by the Minister for Children, Beverley Hughes. The conference was a great success with 98% saying the day was either excellent or good, with typical comments, 'A really inspiring and informative day'; 'Excellent work being done by Booktrust'. One publisher said: 'The day was incredibly invigorating and inspirational. It reminds us why we do what we do and how we can improve on our partnerships to reach a wider audience.'

#### **Financial Review**

At the last Board meeting, the Honorary Treasurer praised the way the organisation has continued with the excellent work on Bookstart, Booktime and Booked Up projects, and handled not just the complexities of our finances but the broader shift in organisational culture that's been needed to cope with this scale of operation. Booktrust has managed and secured an excellent outcome for the year with an increase in funds of £459,861 of which the increase in unrestricted funds was £109,345 and an increase in restricted funds was £350,516.

#### ***Investment Policy***

The Board having regard to the liquidity requirements of the activities of the charity, and to the reserves policy, have operated a policy of keeping available funds in an interest bearing deposit account.

#### ***Reserves Policy***

The Board considers reserves are needed to bridge any funding gaps required to cover unexpected expenditure and to overcome the main risks to the organisation.

Booktrust's reserves have been divided into restricted and unrestricted funds. Income which is received for specific purposes, is treated as restricted income and accounted for as restricted funds. Expenditure for these specific purposes is deducted from the relevant income and the balance of unspent income is carried forward. Unrestricted funds represent income net of expenditure in respect of income given to the charity with no specific purpose attached.

Restricted funds represent unspent income received from which Booktrust funds its specified future projects. The largest restricted fund is for Bookstart where the Board has made a judgment that, given the nature of our long term commitments a reserve should be provided for a minimum 6 months of the expected future resources expended across the whole of the UK, which amounts to £5,053,000 for Bookstart. The reserve comprises stock held for future production of packs plus a level of working capital which will enable Booktrust cover for temporary timing differences for grant claims and will provide a buffer against the risks



of an exit transition in case of future funding uncertainties. A significant portion of the working capital reserve arises from the discounts earned from the publishers who sponsor and support our bookgifting programmes.

The Bookstart reserve amounts to £4,078,501 and the Board is considering ways in which additional funds will be raised.

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

### **Public Benefit**

The charitable company 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 Directors consider how planned activities will contribute to the aims and objectives they have set.

### **Future plans**

A new clarity of mission and key strategic aims, an effective Board, with a talented and committed SMT, managers and staff, puts Booktrust in a strong position to respond to new opportunities and challenges over the next period.

Booktrust's success in securing continued DCSF funding for bookgifting and Everybody Writes, and ACE funding until 2011, provides stability in the short to medium term. Strengthening the evidence base for our work is a key priority. We continue to foster strong partnerships with publishers, the Orange contract has been renewed for a further 3 years, and Crayola continues to sponsor Bookstart and Children's Book Week. Waterstone's has committed support for 2009-11 as main sponsor of the Children's Laureate. We are delighted that ACE has asked Booktrust to manage the new Poetry and Young People Project working with the former Poet Laureate, Sir Andrew Motion. We will press forward on our diversity plans, helped by our involvement in DIPNET and the support of our disability and other specialists. We look forward to working with Free Word colleagues to raise awareness of the key issues and shared concerns that impact on the take up of reading and writing for pleasure.

We will also look for new partnerships and funding to develop new areas of work including working with different age groups and the health sector.

### **Legal and Administrative Information**

Charity Name	Booktrust
Charity Registration Number	0313343
Company Registration	0210012

#### ***Patron***

HRH The Prince Philip, Duke of Edinburgh, KG, KT, OM, GBE, AC, QSO

#### ***President***

Doris Lessing

**BOOKTRUST**  
**REPORT OF THE DIRECTORS' FOR THE YEAR ENDED 31 MARCH 2009**

***Board of Directors***

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

Sue Horner	Chairman
Nigel Williams	Honorary Treasurer
Alistair Burtenshaw	
Emmanuella Dekonor	(resigned 25 March 2009)
Paula Gay	
Jessica Powell	
Alastair Giles	
Harriet Hall	
David Roche	(appointed 10 December 2008)
Teresa Cremin	(appointed 10 December 2008)
Carol Taylor	(appointed 10 December 2008)

***Chief Executive***  
Viv Bird

***Company Secretary***  
Eamonn Flynn

***Registered Office and Operational Address***  
Book House, 45 East Hill, London SW18 2QZ

***Our Advisers***

Auditors	Baker Tilly UK Audit LLP, 1st Floor, 46 Clarendon Road, Watford, WD17 1JJ
Bank	Natwest Wandsworth Branch, 98 Wandsworth High Street, London, SW18 4ZD
Solicitors	Osborne Clarke Hillgate House, 26 Old Bailey, London, EC4M 7HS

**Structure, Governance and Management:**

***Governing Document***

The organisation 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. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

***Appointment of Trustees***

Under the terms of the company's Memorandum and Articles of Association, management of the company's affairs is vested in a board of trustees of not less than eight and no more than twelve members to be elected in General Meeting. The board of trustees has the right to appoint members to the Management Committee either as additional members or to fill any casual vacancies. Under the articles, the Board of Trustees are elected at the AGM to serve a period of six years, subject to ratification at each AGM.

***Trustees' Induction and training***

## **BOOKTRUST**

### **REPORT OF THE DIRECTORS' FOR THE YEAR ENDED 31 MARCH 2009**

Potential new trustees meet the Executive Director before being considered by the Board and where appropriate are invited to join the Board. They would then be sent an induction pack with detail about Booktrust and the Board, including The Booktrust Report, the Memorandum and Articles of Association, biographies of other Directors, staff structure and recent audited accounts. Potential new Trustees then observe Board meetings before being considered by the Board and where appropriate are invited to join the board.

They are offered training as appropriate and necessary.

#### ***Organisation***

The Board of Trustees of up to 12 members administers the charity. The Board meets quarterly and there are sub-committees covering business, finance and human resources. 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 project performance related activities.

#### ***Related Parties***

The charity has a subsidiary Get London Reading, which was established to launch reading campaigns in London.

#### ***Risk management***

The trustees have a risk management strategy which comprises:

- > Period review of the risks the charity may face;
- > The establishment of systems and procedures to mitigate those risks identified by the plan;
- > The implementation of procedures designed to minimise any potential impact on the charity should those risks materialise;
- > Particular attention has focused on non financial risks arising from fire, health and safety of staff, volunteers;
- > A key element in the management of financial risk is the setting of a reserves policy and its regular review by trustees.

#### **Statement of Trustees' Responsibilities**

The Trustees (who are also Directors for the purposes of Company Law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the Trustees are required to:

- a) select suitable accounting policies and then applies them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

## **BOOKTRUST**

### **REPORT OF THE DIRECTORS' FOR THE YEAR ENDED 31 MARCH 2009**

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with the company law, as the company's Directors we certify that:

- > So far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- > As the Trustees of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

#### **Auditors**

A resolution will be proposed at the Annual General Meeting that Baker Tilly UK Audit LLP be re-appointed as auditors of the charity for ensuing year.

By order of the Trustees

Sue Horner (Chairman)

*S.M. Horner*

*9 December 2009*

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOOKTRUST**

We have audited the financial statements on pages 15 to 25.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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.

### **Respective responsibilities of trustees and auditors**

The responsibilities of the trustees (who are also the directors of Booktrust for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion

- > the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 March 2009

and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

> the information given in the Report of the Directors is consistent with the financial statements.

*Baker Tilly UK Audit LLP*  
BAKER TILLY UK AUDIT LLP

Registered Auditor  
Chartered Accountants  
46 Clarendon Road  
Watford  
Herts.  
WD17 1JJ

*4 January 2010*

**BOOKTRUST**

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)**

for the year ended 31 March 2009

	Note	Unrestricted funds 2009 £	Restricted funds 2009 £	Total funds 2009 £	Total funds 2008 £
<b>Incoming resources</b>					
<b>Incoming resources from generated funds:</b>					
<i>Voluntary income</i>					
Donations		4,652	-	4,652	1,984
<i>Activities for generating funds</i>					
Investment income	2	49,380	-	49,380	83,425
<b>Incoming resources from charitable activities:</b>					
Grants		255,596	273,089	528,685	254,798
Bookstart		414,070	10,891,156	11,305,226	10,573,988
Booktime		-	1,338,432	1,338,432	1,497,416
Booked Up		-	2,685,000	2,685,000	2,765,200
Education		38,798	215,143	253,941	263,411
Promotions		-	214,713	214,713	253,345
Prizes		148,844	20,710	169,554	243,231
Other		4,443	-	4,443	8,574
<b>Total incoming resources</b>		<b>915,783</b>	<b>15,638,243</b>	<b>16,554,026</b>	<b>15,945,372</b>
<b>Resources expended</b>					
<b>Costs of generating funds</b>					
Voluntary income		407	-	407	407
Fundraising		30,326	-	30,326	19,295
<b>Charitable activities</b>					
Bookstart		258,447	10,869,811	11,128,258	10,007,003
Booktime		-	1,235,172	1,235,172	1,515,884
Booked Up		-	2,463,555	2,463,555	2,637,551
Education		128,174	250,655	378,829	311,784
Promotions		53,476	437,215	490,691	238,577
Prizes		229,030	31,319	260,349	344,401
Marketing & Communications		93,110	-	93,110	101,353
Governance		13,468	-	13,468	8,656
<b>Total resources expended</b>		<b>806,438</b>	<b>15,287,727</b>	<b>16,094,165</b>	<b>15,184,911</b>
<b>Net incoming resources</b>	4	<b>109,345</b>	<b>350,516</b>	<b>459,861</b>	<b>760,461</b>
<b>Balances brought forward</b>		<b>1,317,296</b>	<b>4,436,241</b>	<b>5,753,537</b>	<b>4,993,076</b>
<b>Balances carried forward</b>	12	<b>1,426,641</b>	<b>4,786,757</b>	<b>6,213,398</b>	<b>5,753,537</b>

All amounts relate to continuing activities

**BOOKTRUST**  
**BALANCE SHEET**  
as at 31 March 2009

	Note	2009		2008	
		£	£	£	£
<b>Current assets</b>					
Stock	8	2,982,172		2,630,930	
Debtors	9	2,955,975		1,539,723	
Cash at bank and in hand		<u>2,505,851</u>		<u>3,256,245</u>	
		8,443,998		7,426,898	
<b>Creditors: amounts falling due within one year</b>	11	<u>(2,230,600)</u>		<u>(1,673,361)</u>	
<b>Net current assets</b>			6,213,398		5,753,537
<b>Net assets</b>			<u><u>6,213,398</u></u>		<u><u>5,753,537</u></u>
<b>Reserves</b>					
Unrestricted	12		1,426,641		1,317,296
Restricted	12		<u>4,786,757</u>		<u>4,436,241</u>
			<u><u>6,213,398</u></u>		<u><u>5,753,537</u></u>

Approved and authorised for issue by the board of directors on 9 December 2009 and signed on their behalf by:

Sue Horner

*S.M. Horner*

)  
)  
) Directors

Nigel Williams

*Nigel Williams*

)  
)

Company number 0210012



**BOOKTRUST**  
**CASH FLOW STATEMENT**  
**Year Ended 31 March 2009**

	2009	2008
	£	As restated £
<b>Net cash inflow from operating activities</b>		
Net incoming resources, excluding investment income	410,481	677,036
(Increase) / decrease in stock	(351,242)	(115,514)
(Increase) / decrease in debtors	(1,416,252)	550,657
Increase / (decrease) in creditors	439,481	94,128
	(917,532)	1,206,307
<b>Returns on investments and servicing of finance</b>		
Interest received	49,380	83,425
<b>(Decrease) / Increase in cash</b>	<b>(£868,152)</b>	<b>£1,289,732</b>
<b>Analysis of cash as shown in the balance sheet</b>		
<b>Cash at bank and in hand</b>		
Balance brought forward	2,930,798	1,641,066
(Decrease) / Increase in year	(868,092)	1,289,732
<b>Balance carried forward</b>	<b>£2,062,706</b>	<b>£2,930,798</b>
<b>Cash at bank and in hand</b>		
Bank balance	2,062,518	2,930,374
Cash	188	424
	<b>£2,062,706</b>	<b>£2,930,798</b>

**BOOK TRUST**  
**NOTES ON ACCOUNTS**  
**31 March 2009**

**1 Principal Accounting Policies**

a) Basis of accounting

The accounts have been prepared under the historical cost accounting rules and in accordance with Companies Act 1985 and applicable accounting standards. The accounts follow the recommendations in Accounting and Reporting by Charities: Statement of Recommended Practice 2005 (SORP), issued in March 2005.

b) Fund Accounting

Unrestricted;

The general fund is an unrestricted fund which 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. The Board has reconsidered that, given the nature of our long term commitments this should be a minimum 3 months of the resources expended, which amounts to £4,023,000 in general funds. This will enable Booktrust cover for temporary timing differences for grant claims, adequate working capital for our core costs plus provide a buffer against future funding uncertainties. The actual general fund reserves at 31 March 2009 were £1,076,641 which is short of our target figure and the Board is considering ways in which additional funds will be raised.

Designated;

Designated funds are unrestricted funds earmarked by the Board of Directors for particular purposes.

The Board designated £350,000 from the general reserve towards a development fund with the aim to develop future projects in 2008.

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 12.

c) Incoming Resources

All incoming resources are 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.

- > Voluntary income is donations, gifts and subscriptions which are reflected in the statement of financial activities only if they have been received. 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.
- > Investment income is included when receivable.
- > Incoming resources from charitable activities are accounted for as income only when the conditions under the terms of the grant have been fulfilled and includes and contributions from organisations, including local authorities, for the supply of Bookstart packs, books, promotions, prizes and the design of web sites.
- > Incoming resources from grants for a specific purpose are accounted for as income only when the conditions under the terms of the grant have been fulfilled.

d) Resources Expended

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

- > Costs of generating funds 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 strategic management of the charity.
- > Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

e) Volunteers

Booktrust derives substantial gain from the use of volunteer help throughout the year, the effect of which cannot be quantified and so is not recognised in the financial statements.

f) Group Accounts

The subsidiary Get London Reading is not consolidated as the turnover is considered immaterial. This is in accordance with schedule 5 1 (4) of the Company's Act 1985.

g) Stock

Stock held is valued at the lower of cost or net realisable value.

h) Operating Leases

Booktrust classifies the lease of cars as operating leases where the title of the cars remains with the lessor. The cars are replaced every 3 years whilst the economic life of the cars is normally 5 years. These operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

i) Pensions

Employees are eligible to join the stakeholder pension scheme operated by Standard Life Group Pensions. Employees joining the stakeholder pension contract directly with Standard Life. Booktrust makes a contribution to the pension scheme of 7% of employee basic salary plus also acts as agent in collecting and paying over employee pension contributions.

## 2 Investment Income

	2009 £	2008 £
Other interest receivable	49,380	83,425

## 3 Allocation of Support Costs

Booktrust allocates its support costs as shown in the table below and then further apportions those costs between the charitable activities undertaken. Support costs are allocated on a basis consistent with the use of resources. Rental charges are charged on a straight line basis over the term of the lease.

Support Costs	2009					2008
	Charitable activities	Voluntary Costs	Fundraising	Governance	Total	Total
	£	£	£	£	£	£
Support Staff	91,238	-	-	-	91,238	58,681
Professional	4,584	-	-	-	4,584	27,880
Establishment	62,536	-	832	76	63,444	84,817
Office Costs	90,392	7	1,890	150	92,439	52,630
PR	5,291	-	10	-	5,301	6,972
Finance	19,440	-	36	-	19,476	28,804
<b>Total</b>	<b>273,481</b>	<b>7</b>	<b>2,768</b>	<b>226</b>	<b>276,482</b>	<b>259,784</b>

#### 4 Net Incoming Resources

This is stated after crediting the following:-

	2009 £	2008 £
Subscriptions, Donations and gifts made under Gift Aid	4,652	1,984
Grant – Arts Council England	<u>528,685</u>	<u>254,798</u>
Direct Costs and other operating charges include:-		
Staff costs (note 5 )	1,544,661	1,248,816
Operating leases		
- hire of equipment	15,337	15,337
- rents payable	21,250	26,250
Auditor's Remuneration		
- Audit Fee	10,000	9,400
- Payroll services	1,800	1,320
- Taxation and other services	<u>9,785</u>	<u>2,700</u>

#### 5 Staff Costs

	£	£
Salaries	1,398,406	1,104,715
Social security costs	146,255	114,354
Pension costs	<u>77,434</u>	<u>66,907</u>
	<u>1,622,095</u>	<u>1,285,976</u>

	Number	Number
Average number employed	<u>56</u>	<u>43</u>

Staff costs for 2009 include an amount of £833,262 (2008: £633,943) relating to staff for the Bookstart Project.

During 2009 one employee earned over £60,000 (2008: One).

	2009 Number	2008 Number
The average number of employees by function, was:-		
Marketing and Communications	7	2
Prizes	3	3
Promotions	2	3
Bookstart	25	24
Booktime	4	2
Booked Up	2	2
Education	3	1
Support	8	4
Development and Fundraising	2	2
	<u>56</u>	<u>43</u>

No member of the Board of Directors received any remuneration for their services (2008: £Nil). During the year disbursements of £289 (2008: £220) were reimbursed to the directors for the performance of their duties.

## 6 Pensions

The pension costs of £77,434 (2008: £66,907) represent contributions made to a separately administered defined contribution pension scheme. The number of staff who are in a pension scheme that Booktrust contributes to as at 31 March 2009 is 49 (2008:31).

## 7 Taxation

No provision for taxation is required because the company is a Registered Charity.

## 8 Stock

	2009 £	2008 £
Bookstart materials	<u>2,982,172</u>	<u>2,630,930</u>

## 9 Debtors

	2009 £	2008 £
Amounts falling due within one year:		
Trade debtors	2,139,636	1,238,077
Other debtors	258,359	183,053
Amount owed from subsidiary	-	3,901
Prepayments and accrued income	<u>557,980</u>	<u>114,692</u>
	<u>2,955,975</u>	<u>1,539,723</u>

## 10 Trading Subsidiary

On 13 October 2003, Booktrust set up a wholly owned subsidiary Get London Reading, a not for profit company limited by guarantee not having a share capital. The company had the following transactions with Get London Reading during the period:

During the year Booktrust agreed to support the running costs of Get London Reading in furtherance of its own charitable aims and grants of £2,264 were awarded to its subsidiary company. The company also

had cash transactions through Booktrust of purchases amounting to £4,001 and refund of £5,638 of tax recoverable.

The net amount owed to the subsidiary at 31st March 2009 was £1,500 (owed from 2008: £3,901)

## 11 Creditors

	2009 £	2008 £
Amounts falling due within one year		
Bank overdraft	443,145	325,447
Trade creditors	753,200	854,654
Amount owed to subsidiary	1,500	-
Other taxes and social security	-	31,438
Accruals and deferred income	1,032,755	461,822
	<u>2,230,600</u>	<u>1,673,361</u>

## 12 Reserves

	1st April 2008 £	Net Incoming Resources £	31 March 2009 £	31 March 2008 £
<b>Unrestricted Funds :</b>				
General fund	967,296	109,345	1,076,641	967,296
Designated	-	-	-	-
Development	350,000	-	350,000	350,000
	<u>1,317,296</u>	<u>109,345</u>	<u>1,426,641</u>	<u>1,317,296</u>
<b>Restricted Funds :</b>				
Balance at 1 April 2008				
Promotions	73,892	50,587	124,479	73,892
Education	80,536	(35,512)	45,024	80,536
Bookstart	4,057,156	21,345	4,078,501	4,057,156
Booked Up	127,649	221,445	349,094	127,649
Booktime	36,572	103,260	139,832	36,572
Prizes	60,436	(10,609)	49,827	60,436
	<u>4,436,241</u>	<u>350,516</u>	<u>4,786,757</u>	<u>4,436,241</u>
Balance at 31 March 2009	<u>5,753,537</u>	<u>459,861</u>	<u>6,213,398</u>	<u>5,753,537</u>

### Unrestricted Funds

The General Fund represents the free funds of the charity which are not designated for particular purposes.

### Designated Funds

The Board designated £350,000 from the general reserve towards a development fund with the aim to develop future projects in 2008.

The transfer between funds represents project staff and overhead costs incurred but included in the general unrestricted reserves brought forward.

### Restricted Funds

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

Prize funds represent unspent income received from which Booktrust awards annual prizes.

Restricted funds represent unspent income received from which Booktrust funds its future projects. The largest restricted fund is for Bookstart where the Board has made a judgment that, given the nature of our long term commitments a reserve should be provided for a minimum 6 months of the expected future resources expended across the whole of the UK, which amounts to £5,053,000 for Bookstart. The reserve comprises stock held for future production of packs plus a level of working capital which will enable Booktrust cover for temporary timing differences for grant claims and will provide a buffer against the risks of an exit transition in case of future funding uncertainties. A significant portion of the working capital reserve arises from the discounts earned from the publishers who sponsor and support our bookgifting programmes. The Bookstart reserve amounts to £4,078,501.

The Bookstart reserve comprise:

	2009	2008
	£	£
Stock held for future production	2,982,172	2,630,930
Amount accrued from Publishers discounts	1,191,684	989,782
Other unspent income	(95,355)	436,444
	<u>4,078,501</u>	<u>4,057,156</u>

Booked Up funds represents unspent income and funds accrued from publishers discounts set aside to manage future uncertainties and to support or enhance the programme in its exit strategy.

	2009	2008
	£	£
Amount accrued from Publishers discounts	409,825	266,268
Other unspent income	(60,731)	(138,619)
	<u>349,094</u>	<u>127,649</u>

Booktime funds represents unspent income.

### 13 Deferred Income

	Total	Bookstart	Letterbox	Prizes
	£	£	£	£
Balance at 1 April 2008	370,829	370,829		
Released to incoming resources	(342,272)	(342,272)		
Amount deferred in year	845,318	200,000	620,055	25,263
Balance as at 31 March 2009	<u>873,875</u>	<u>228,557</u>	<u>620,055</u>	<u>25,263</u>

Deferred income comprises Bookstart and Letterbox packs sales and prize income received in advance and grants which the donor has specified must be used in future accounting periods.

#### 14 Analysis of Net Assets Between Funds

	Unrestricted Funds £	Restricted Funds £	Total £
Current assets	3,063,831	5,380,167	8,443,998
Current liabilities	(3,174,528)	943,928	(2,230,600)
Net Assets	<u>(110,697)</u>	<u>6,324,095</u>	<u>6,213,398</u>

#### 15 Financial Commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due within one year of the balance sheet date:

	2009		2008	
	Land and buildings £	Other £	Land and buildings £	Other £
Leases expiring in:				
Less than one year	-	-	-	-
1 to 5 years	-	15,549	5,000	15,337
More than 5 years	21,250	-	21,250	-
	<u>21,250</u>	<u>15,549</u>	<u>26,250</u>	<u>15,337</u>

#### 16 Related Party Transactions

The transactions with Booktrust's subsidiary Get London Reading are explained in note 10. No member of the Board of Directors received any remuneration for their services (2008: £Nil). During the year disbursements of £289 (2008: £220) were reimbursed to the Directors for the performance of their duties.

#### 17 Scottish Bookstart

In the year to March 2009, the Scottish Executive funded the Bookstart project in Scotland. A summary of the expenditure for the year to 31 March 2009 is shown below.

	2009 £	2008 £
<b>Project Grant</b>	<u>960,780</u>	<u>1,050,000</u>
<b>Expenditure</b>		
Bookstart packs and production and distribution	714,985	771,331
Promotions	89,774	161,742
Direct staff and administration costs	<u>118,323</u>	<u>66,521</u>
	923,082	999,594
Indirect cost and overheads	<u>70,591</u>	<u>79,023</u>
	<u>993,673</u>	<u>1,078,617</u>



## 18 Everybody Writes 2008-09

In the year to March 2009, The Department of Children, Families and Schools funded The Everybody Writes project phase 3. A summary of the expenditure for the year to 31 March 2009 is shown below.

	2009	2008
	£	£
Project Delivery	137,000	92,834
Web promotion	17,000	20,000
Staffing and administration	41,000	37,000
	<u>195,000</u>	<u>149,834</u>

## 19 The Letterbox Club

In the year to March 2009, The Department of Children, Families and Schools also funded The Letterbox Club project from their Children, Young People and Families Grant Programme. A summary of the expenditure for the year to 31 March 2009 is shown below.

	2009	2008
	£	£
Letterbox packs and production and distribution	63,748	58,200
Promotions	8,961	13,250
Research and Materials	9,371	39,616
Induction Training and consultation	-	8,509
Direct staff and administration costs	36,000	36,000
	<u>118,080</u>	<u>155,575</u>