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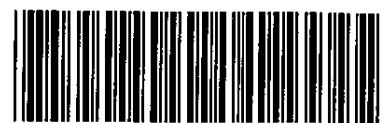
**BOOKTRUST**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2015**

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

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# **BOOKTRUST**

## **REPORT AND FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 MARCH 2015**

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## **BOOKTRUST**

### **CHAIR'S REPORT**

**FOR THE YEAR ENDED 31 MARCH 2015**

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#### **CHAIR'S REPORT**

##### **'It's not a book. It's a doorway'**

BookTrust's aim is to inspire children and families to read together. We know that children who read for pleasure are happier, healthier, do better in school and have better life chances. This is why we work with committed partners across education, early years, libraries, publishing, and health, in every region in the UK to open a doorway on the world for all young readers. Simply put, reading for pleasure transforms lives, and we are committed to ensuring that every child has access to shared reading and stories.

This year, BookTrust has focused on delivering its extensive programmes (over 5 million books delivered to children through our partners across the UK), building our targeted programmes (for instance, Bookstart Corner, an intensive programme for vulnerable families), and building on our evaluation and impact assessment to ensure that every penny spent by BookTrust makes the biggest difference possible to children's lives.

This year has also seen the appointment of a new CEO, whom we welcome warmly – Diana Gerald joined us from Ark Academies, and has brought considerable management, education, fundraising and policy expertise, all of which are of great importance in the current economic climate. I would also like on behalf of BookTrust to thank Viv Bird, who retired as CEO of BookTrust at the end of March 2015, for all her leadership and vision over the last seven years for the charity.

Charities have experienced a number of challenges this year, from questions around fundraising tactics to the sad demise of a very high profile children's charity, focusing attention on the governance and financial stability of charities.

BookTrust consistently strives for strong governance, strong financial management and ethical fundraising. Our funding environment is challenging, but we have a focused plan for diversifying our income through fundraising, corporate partnerships and trading. We also have solid reserves to ensure our financial stability.

Above all, Book Trust is about inspiring children to read, and we do this in a number of ways. Firstly in our book selection drawing on the wealth of great writing and illustration – whether we're choosing the best book to engage a 6 month old, or the right book to encourage a 12 year old reluctant reader, our expertise and selection panels ensure that families, schools and other professionals can depend on BookTrust to get every child excited about stories. Next, our guides and resources which accompany every book, give confidence to families and children with helpful advice, tips and guidance. Our focus on innovation and insight ensures that we continually review and adapt our programmes for maximum impact. Our website and newsletters, meanwhile, engage and inform families with games, activities and book clubs for children of every age. And finally, we campaign to raise the profile and remind everyone of the importance of reading for pleasure – through press, partnerships and research on everything from digital reading to the growing role of fathers in children's reading journey as well as activities such as supporting the inspirational Children's Laureate, Malorie Blackman. We want to say thank you to Malorie for her phenomenal work as Laureate during this period, and we welcome Chris Riddell as the new Children's Laureate.

We are very grateful to all our funders, supporters, champions and partners, without whom we could not deliver programmes and campaigns of such scale and reach. We are also very grateful to our patron, HRH Duchess of Cornwall, and our President, Michael Morpurgo, who do so much to highlight the importance of reading for pleasure and nurture the readers of tomorrow.

Karen Brown

Chair of Trustees

**BOOKTRUST**  
**REPORT OF THE TRUSTEES**  
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The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2015

BookTrust is the largest reading charity in the UK. We work to inspire a love of reading in children across the country because we know that reading changes lives. We are national in scale, working in every region in England, Northern Ireland and Wales. Our programmes provide books, resources and materials, advice and guidance to support everyone on their reading journey, giving additional support to those who need extra help. There are still children across the country that live in households without a single book or in environments where reading simply isn't part of their lives. We break down these barriers to reading, and champion books that can capture young imaginations and open doorways to a new path in life.

To make this happen we act as the lynchpin for an extraordinary set of partnerships where publishers, authors, local authorities, health visitors, early years settings, libraries and schools all contribute to support children and their families to experience the life changing impact of developing a love of reading.

To become a fluent reader every child needs to go through a reading journey from babyhood to adulthood at 18. Since every child and family is an individual, BookTrust delivers both universal and more targeted programmes so that children and their families can get the range of support they need regardless of their circumstances.

**Objects of the charity**

BookTrust's objects are set out in its Articles of Association (which incorporate what used to be the Memorandum of Association)

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

**Our strategic priorities for 2014-15 were:**

- ensure that our programmes are effective in reaching all children,
- evaluate our programmes to ensure that they are achieving the impact required on children's lives,
- raise BookTrust's profile and influence as a leading voice on children's reading,
- build our capabilities, resources and partnerships to continue to deliver outstanding reading programmes

**What we do:**

- we get books, guidance and resources into families' hands, to build confidence in reading,
- we run targeted programmes for those who need more support on their journey to be confident readers,
- we work with every local authority in England through a trusted network of professionals in education, health, libraries and children's centres, whom we support to work with families through guidance, handbooks and training events,
- we promote reading for pleasure and campaign to raise awareness of the importance of reading with children,
- we champion books and authors that can capture readers' imagination and inspire a love of reading,
- we continue the support and advice via our digital platform and newsletters,
- we are the authority on great books for all ages, reading ability and interest— let us help you inspire your children to read

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**Why we do this:**

We know that reading for pleasure helps children and young people to do well at school, improves their well-being and increases their social mobility, and is a joy in itself. Reading is more important for a child's educational success than their family's socio-economic status, so we do everything we can to help to make sure that every child can enjoy books and the doors they can open.

But the sad truth is that one child in five in this country still leaves primary school without basic reading skills and rarely catches up. Poor academic achievement can lead to a lifetime of unemployment or low-paid jobs, creating cycles of poverty that last for generations. By 2025 there will be nearly 1.5 million children behind in their reading, with potentially devastating effects on their lives.

We know that bookgifting works in encouraging reading. Evidence demonstrates that it

- 1 improves parents' knowledge, attitude and skills relating to reading to their children,
- 2 increases reading for pleasure;
- 3 improves attitudes towards reading and reading attainment,
- 4 improves the home literacy environment,
- 5 supports early years development and school readiness,
- 6 provides an opportunity for early years professionals to start talking to parents about language, literacy and development,
- 7 is inclusive, celebrates diversity and improves accessibility to the arts;
- 8 improves the quality of parent-child interaction,
- 9 supports the development of a 'reading for pleasure culture' in schools;
- 10 works across agencies to improve outcomes for children and young people.

We believe that inspiring a love of books and reading that will last a life-time is of vital importance for all children, and for this reason, we offer a range of services that reach every child in England, Northern Ireland and Wales at different points in their lives. We also understand that developing and maintaining a reading habit can be more challenging for some children so we provide additional, more targeted support for these children.

**How we have delivered on our strategic priorities in 2014-15**

**1. Ensure that our programmes are effective in reaching all children**

In 2014-15, we delivered universal and targeted programmes to ensure we were effective in reaching all children including

**Early Years Programmes**

These included:

Bookstart Baby is BookTrust's key early intervention programme which was delivered to every family in England with a baby aged 0 -12 months. The programme supports children to develop a reading habit from an early age, puts books and rhymes directly into the home, and increases shared reading (leading to proven benefits in language development, early literacy skills, well-being, school readiness – and critically in developing a love of reading in itself).

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Booktouch and Bookshine are packs for children who are blind or visually impaired and deaf or hearing impaired respectively. Two packs were available for each programme: Baby (0-2) and Toddler (3-5). These packs were offered in addition to our universal packs and have been developed with a focus on supporting children with specific needs, as well as to address a major gap in reading programmes around a lack of easy access to age appropriate books and affordable books for children with these specific needs.

Bookstart Star is aimed at children 3–5 who have a condition or disability that affects or delays the development of their fine motor skills.

We provided 11,000 book packs for special or additional needs, digital versions of a range of books with signing and audio on our website, and 23,000 'dual language' book packs.

Bookstart Corner is a targeted programme that works in partnership with Children's Centres across England focusing on families of children aged 12 – 24 months who are facing disadvantage, and encourages them to develop a love of stories, books and rhymes. We worked with 1,500 Children's Centres and their staff to reach 75,000 families by providing high quality resources that supported early language and communication skills and promoted early literacy. The programme also provided online training to Children's Centre staff who deliver the programme to parents, who are identified at a local level as in greatest need of the support.

Practitioners ran four sessions with children and their parents and carers (at home or in the Children's Centre), using a range of books, resources and materials developed by BookTrust to increase parents and carers knowledge, skills and confidence around shared reading, rhyming and reading for pleasure with their children. To underpin and embed best practice around changing reading behaviours, Bookstart Corner also increased practitioner knowledge and confidence around supporting parents and carers to share books, stories and rhymes.

Bookstart Treasure is BookTrust's universal early intervention reading programme for every 3-4 year old child in England. The programme includes two carefully selected high quality books, as well as rhymes and activities (on and offline), and advice and guidance on reading and rhyming with children. It uses the same models and principles as Bookstart Baby and was delivered in partnership with libraries and a range of early years providers to the families of over 670,000 children aged 3-4 in 2014-15.

BookTrust's National Bookstart Week takes Bookstart activities out of the home and into a range of other settings. Held across a week in June, we worked with libraries across the country and a range of other partners (including prison visitor centres, children's hospices, neonatal units, booksellers, food banks) to run shared reading events and activities in a national celebration of reading for pleasure. National Bookstart Week raises awareness of the importance of shared reading and rhyming and encourages children and families to experience reading in local settings.

### **Primary and Secondary Programmes**

These included

BookTrust's Booktime programme helps provide every child starting school with the chance to enjoy a story. It promotes reading for pleasure, encourages families to read together and provides support materials and guidance for schools and libraries. In 2014-15 over 670,000 children aged 4 – 5 received their own Booktime pack containing a carefully selected storybook; activities and games to enjoy at home, and guidance and ideas for parents. 1,500 public libraries received library packs which are designed to increase links between libraries and schools and range of targeted resources were provided to support children with additional needs through the Booktime website.

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These included a digital version of the storybook which has audio and sign language options available for children with special educational needs (SEN)

The Ant Club supports children to get carried away with words and get into reading. It provides targeted materials, advice and guidance to 1,500 selected primary schools in England where a higher than average proportion of students receives free school meals. Ant Club schools receive a new package of classroom materials every term to use with 4 -6 year old pupils in Reception and Year 1. They are designed to help boost confidence, develop key skills and support children to become fluent readers who can enjoy reading for pleasure.

Beyond Booked Up is designed to ignite students' interest in books and reading for pleasure by introducing them to a variety of great writing and genres. The programme provided targeted materials, reading resources, guidance and advice to 375 selected secondary schools in England where a higher than average proportion of students receives free school meals. Materials are designed to introduce Year 7 and Year 8 children aged 11-13 to different books at the start of secondary school and help them develop the confidence and skills to read a range of books.

School Library Pack is a toolkit for secondary schools to get students talking about books and encourage them to read widely. 4,000 mainstream secondary schools and 700 special schools in England benefitted from the programme this year. Mainstream schools received new fiction, short stories, books for readers with special education needs, and guidance on how to get students reading for pleasure. Special schools received accessible books, audiobooks, picture books chosen by experts to suit a variety of readers, and guidance on engaging students with a range of needs.

Read for My School. Our annual reading challenge for primary school children, run jointly with Pearson, is designed to encourage children to read more and embrace regular reading. In 2014-15, 225,000 pupils in over 3,500 schools read nearly 700,000 books during the 10 weeks of the challenge.

Book Buzz. This was the second year of our Book Buzz programme designed to support children in the first year of secondary school to become confident, independent readers. In 2014-15 we had a huge response from schools signing up to Book Buzz. 157,056 pupils in 1,096 schools.

**Children in Care and Community Programmes**

These included

Letterbox Club which sends a monthly parcel of books, maths, games and fun activities to children in care (personally addressed to them and sent to them wherever they are living) continues to grow apace (reaching 7,511 children in care in 93 local authorities across the UK in 2014-15). As well as excellent formal evaluations of these projects we get continuing excellent and moving feedback from the children who receive these parcels, from their foster carers and from Heads of Virtual Schools.

Thanks to Arts Council funding, the innovative Stories Tour brought imaginative storytelling to 10 areas of the highest disadvantage and lowest arts engagement. Aimed at promoting reading and family story-sharing, the project targeted three ethnic minorities (Somali, Pakistani and Bangladeshi). The tour included prisons, to help fathers develop their confidence and ability to tell stories to their children. Ofsted has recently included this BookTrust project as a good practice example of Family Learning.

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**2. Evaluate our programmes to ensure that they are achieving the impact required on children's lives**

- Our universal and targeted bookgifting programmes have been carefully and systematically evaluated against intended outcomes. Year-on-year we work closely with our delivery partners to understand our impact and have continued to collect data on each of our programmes. We also commission external evaluation which this year included qualitative studies of the School Library Pack, Ant Club and Bookstart Corner. We are applying findings from these evaluation studies to develop our programmes and improve impact.
- To build an even stronger approach to measuring impact in 2015-16 we will further interrogate the pathways through which our programmes get families sharing books and reading for pleasure, how these support a child's reading journey; and how reading for pleasure improves lives. This will support us to develop an even better understanding of the evidence base underpinning BookTrust programmes and to identify priority evaluation projects. We are also taking an active role in the development of a cross-sector framework of reading outcomes, led by The Reading Agency.
- We worked with the Open University to conduct research investigating children's digital reading habits. This will inform how we support families to get the most out of both print and digital books.

**3. Raise BookTrust's profile and the importance of reading**

BookTrust secured considerable press coverage during 2014-15 as well as attracting record numbers of visitors to its website. Our Arts Programmes, meanwhile raise our profile through activities including the Waterstones Children's Laureate and YALC – the Young Adult Literacy Convention, along with interactive children's and young people's online book clubs, a writer in digital residence, online children's book reviews, support for children's literature in translation, and advocacy in the arena of disability in children's books.

**Key successes include**

- a 41% increase in visitors across the 10 BookTrust sites (1.7m to 2.4m) viewing 18m pages, almost 35,000 downloading a resource. We celebrate the best new books monthly in our children's books area with 1.35m page views this year. User surveys (3,500 responses) had 87% saying the sites were useful and 86% easy to navigate,
- press coverage of our programmes had a reach of over 700m (notional advertising value £13m). For prizes we secured almost 500 media pieces (print, broadcast, online), reaching over 22m people, each measured against PR targets,
- we ran a range of competitions e.g. Read for My School and a series of prizes (e.g. Blue Peter Book Prize, BBC National Short Story Award, BookTrust Lifetime Achievement Award), which generated excitement for children and families around reading for pleasure and promote quality and choice in children's literature, and a culture of reading, as well as securing considerable press coverage for BookTrust and the importance of reading;
- our literary prizes and promotional projects also promote the very best authors to a wide public audience, and provided platforms for lesser-known authors. BBC National Short Story Award highlighted stalwarts Rose Tremain and Zadie Smith alongside newcomer Francesca Rhydderch, and the Independent Foreign Fiction Prize placed debut Timur Vermes and Juan Tomás Ávila Laurel beside heavyweights Murakami and Knausgaard,
- we explored creative ways to connect prizes with new audiences. In 2014 we secured BBC Arts live streaming of the BBC National Short Story Award for the first time, and Front Row, and we participated in the inaugural London Short Story Festival to sell-out crowds and were asked back to chair in 2015;



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- National Bookstart Week 2014 had the largest digital offering to date, with nine downloadable activity sheets, five publicity resources, and four pieces of interactivity, receiving a total of 7,500 views in the month following NBW,
- our writing tips for young people are increasingly popular, with 9,800 users per month (up from 5,700), encouraging creativity and arts engagement Children's Book Week in July 2014 - offering resources for schools, libraries and families - had over 93,000 page views,
- BookTrust's Twitter account has grown by 50% in the last 18 months (22,000 followers to 33,000) and our Facebook account has grown by 33% in the same period resulting in increased website visitors,
- BookTrust continued to champion fathers' involvement in reading through tailored resources when polled, many fathers said that confidence was a factor in stopping them reading with their children BookTrust has helped to raise the profile of reading among government through responses to consultations, for example, the Social Mobility Commission consultation on Social Mobility, and the Libraries consultation BookTrust bookgifting programmes were highlighted as good practice in the Cultural Education report launched by the Department for Education and the Department for Culture, Media and Sport in July 2013. Bookstart Corner was referenced in the Social Mobility report,
- BookTrust's high-profile Reading Changes Lives conference in March presented research commissioned from DJS Research and Sheffield University on the link between reading and social mobility, which demonstrated that people who were read to and encouraged to read as children are significantly more likely to read as adults, both to themselves and to their own children A lively panel discussion ensued with speakers including the current Children's Laureate Malorie Blackman, Rt Hon Dr Liam Fox MP, Rt. Hon Alan Johnston MP and Carol Taylor OBE from NIACE (trustee of BookTrust);
- we have worked in collaboration with the Publisher's Association and other literacy charities - including the National Literacy Trust and The Reading Agency - on a joint Reading for Pleasure Campaign BookTrust and other key literacy charity CEOs spoke at a Publisher's Association event at London Book Fair – where BookTrust curates the children's seminars – helping to raise the profile among the publishing community for this important work,

#### **4. Build our capabilities, resources and partnerships to continue to deliver outstanding reading programmes.**

This year BookTrust has focused on addressing the key challenge of long term financial sustainability The underpinning principles of BookTrust's new business model is to reduce our reliance on the proportion of our income arising from government grants, and expand our trading activity and other income coming through corporate donations, individual donors, trusts and foundations

During the year our income growth focused on developing our existing trading offers (The Letterbox Club and Bookbuzz) We have continued identifying new areas of work and have also developed our fundraising capacity with a new strategy and a strong team focused on delivery.

In support of our ongoing development we also moved at the end of 2014 from Book House in Wandsworth to new open plan offices in Battersea Studios in Wandsworth These new premises will help facilitate more effective working between staff We are very grateful to the Unwin Trust for their generous support of this move

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**Financial Review**

This year we have continued with our work on underpinning the principles of BookTrust's new business model of diversifying income streams by expanding our individually purchased activities by developing our existing offers (Letterbox Club and Bookbuzz) and fundraising income from corporations, individual donors, trusts and foundations. The Children's Reading Fund (CRF), which is about improving the life chances for disadvantaged children in England, continued to grow with in-store and corporate support from Waterstones, who also hosted a very successful fundraising dinner and auction for high-net worth individuals, and sold CRF Christmas Cards in their stores. We provided volunteering opportunities with Waterstones, and 160 people volunteered in their local store to wrap books that are Christmas presents in return for a donation to CRF. This represents an exciting first stage in developing supporters over the coming years. We look forward to building the partnership with Waterstones next year.

The fundraising team had other significant successes in 2014-15, including a further one year of funding from Pearson for Booktime and Read for My School.

We are very grateful to all our funders who support the work of BookTrust – without which we would be unable to carry out our mission. For the year 2014-15 we would particularly like to thank for their generous support:

- The Arts Council of England
- Welsh Department for Education and Skills
- Pearson Plc
- Arts Council of Northern Ireland
- John S Cohen Foundation
- Prudential Services Ltd
- Ralph Lauren Europe Sàrl
- Waterstones Booksellers Ltd
- Unwin Charitable Trust
- All our publishing partners

**Future Plans**

BookTrust's priorities for 2015-16 are:

**Insight, innovation and evidence** we will be carrying out further early stage insight and innovation work to identify areas where we can provide targeted innovation and support to families and children who need most help to access reading for pleasure. To build an even stronger approach to measuring impact in 2015-16 we will further interrogate the pathways through which our programmes get families reading for pleasure and sharing books. As part of this work we are testing models and assumptions within programme delivery including those relating to activities, environments and networks that affect the impact of our programmes. We are also taking an active role in the development of a cross-sector framework of reading outcomes, led by the Reading Agency.

**Strategy** We will be developing our next 3 year strategic plan in 2015-16, we will also be producing a new theory of change model for the organisation to better articulate the impact we make, and help us assess potential future programmes.

**Digital** We will be redeveloping our web and digital content to create a valued and engaging resource for parents and children, and to create and maintain content that positions BookTrust as the authority

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on books and reading. We will also be carrying out further research with parents on their attitude to their children's reading in the digital age.

**Funding** The funding environment is tough, and is likely to remain so. BookTrust is developing a broad fundraising approach to maintain its future sustainability. This includes working closely with the Arts Council, our key funder, to demonstrate the value and impact of our work to feed into the Comprehensive Spending Review, individual fundraising appeals, further activity to secure corporate sponsorship, and corporate social responsibility funding, and a new patrons scheme. We will also continue to expand our group of programmes which are funded by individual purchasing.

**Effectiveness** given the size and scale of our programmes we will ensure a continuing focus is on ensuring ongoing effective and lean delivery of our core universal and targeted programmes, and our competitions, prizes and events.

### **Risks and Uncertainties**

The Board recognises the importance of risk management and regularly reviews these risks. It recognises the current most significant risk to the organisation as being financial risk associated with income levels as we move into a period of uncertainty around levels of government funding in a climate of austerity and with the forthcoming Comprehensive Spending Review due in November 2015. To mitigate this risk the Board has made income diversification a key priority for the organisation which is already reflected in an increasing income stream from individually purchased activities, as well as more investment in building a higher level of income from fundraising. The Board also reviews and ensures mitigations are in place around governance and operational risks typical of a charity of this size and scale, and to non-financial risks arising from fire, health and safety of staff.

More broadly the Trustees also have a risk management strategy which comprises

- periodic review of the risks the charity may face (including regular risk reviews by the management team),
- 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,
- a key element in the management of financial risk is the setting of a reserves policy and its regular review by Trustees.

### **Investment Policy**

In 2011 the Board agreed to seek independent financial advice on how to increase the yield and minimise any capital risks, with assurances that any investments were ethical and excluded sensitive sectors such as arms, tobacco, alcohol and gambling.

The Board agreed to invest £1million through the SA Sequel Cautious Target Return Strategy unit trust and that the level of risk should be cautious. This remains the case although Trustees consider the return on the significant cash balance held by the Charity to be low given the current interest rate climate so a further review of the investment policy is planned in the next financial year.

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**Reserves Policy**

BookTrust reserves policy is designed to reflect the needs of the organisation. The Trustees have therefore agreed a reserves policy which covers

- working capital to reflect that the nature of the charity's activities includes a significant level of advance book buying to support large scale book distribution programmes, typically with a 6-9 month production and distribution cycle (covered by General Fund),
- a reasonable level of reserves as with all charities to support unexpected issues and in the worst case an orderly exit (covered by General Fund),
- given the current financial climate reserves to support key bookgifting programmes if there is a period of transition in source of funding (covered by the Restricted Funds stated under Bookstart, secondary and primary in note 11 to the accounts),
- strategic investments for future developments (covered by Designated Funds)

BookTrust reserves at 31<sup>st</sup> March 2015 are held under two different categories. Unrestricted Funds which were £3,543,672 and Restricted Funds which were £3,461,716. The Unrestricted Fund is further divided into General Fund which was £2,882,172 and Designated Funds which were £661,500. The General Fund is available for use at the discretion of the Board and represents just over 3½ months of the annual expenditure to cover the working capital requirements arising from long lead times between committing production and delivery of goods from Far-East and furtherance of the general objectives of the charity. The Designated Funds were set aside to enable us to respond to changes driven by new processes, technological innovation, capacity building in our fundraising activity and developing new products to further increase income from our trading activities. These are detailed in note 11 to the accounts.

Trustees have also agreed that there will be a planned and limited spend down of reserves over the next 5 years into projects of impact, whilst acknowledging 2014-15 and 2015-16 are significant years of transition where a higher level of reserves are more appropriate.

**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.

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**LEGAL AND ADMINISTRATIVE INFORMATION**

Charity Name	BookTrust
Charity Registration Number	0313343
Company Registration	0210012

**Patron**

HRH The Duchess of Cornwall

**President**

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

Karen Brown	Chair (appointed 1 April 2014)
Lynne Murray	Vice Chair
Meredith Niles	Honorary Treasurer
Nicola Briggs	
Sam Hudson	
Santiago de la Mora	
Hugh Shanks	
Fiona Wheeler	
David Roche	(resigned 30 September 2015)
Teresa Cremin	(resigned 30 September 2015)
Carol Taylor	(resigned 30 September 2015)
Dawn Barnes	(resigned 3 June 2015)
Fiona Collins	(appointed 30 September 2015)
Claire Malcolm	(appointed 30 September 2015)
Peter Roche	(appointed 30 September 2015)
Derek Wyatt	(appointed 30 September 2015)

**Chief Executive**

Viv Bird (until 16<sup>th</sup> March 2015) Diana Gerald (from 17<sup>th</sup> March 2015)

**Company Secretary**

Bharat Pandya (until 16<sup>th</sup> March 2015) Diana Gerald (from 17<sup>th</sup> March 2015)

**Registered Office and Operational Address**

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

**Our Advisers**

Auditors	haysmacintyre, 26 Red Lion Square, London WC1R 4AG
Bank	Natwest Branch, 98 Wandsworth High Street, London, SW18 4ZD
Solicitors	Osborne Clarke, Hillgate House, 26 Old Bailey, London, EC4M 7HS
Investment Managers	Foster Denovo, 8 East Cheap, London EC3M 1AE

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**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 and is governed under its Articles of Association. It now operates under Articles of Association adopted by special resolution in 2011.

**Governance and Management**

The Board of Trustees of up to 12 members administers the charity and exercises its scrutiny role through quarterly Board meetings and a standing committee on Business and Finance. A number of ad hoc committees have met, including a Brand sub-committee and a sub-committee to support the recruitment of the new CEO. A Development Board has also been set up.

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.

In March 2015 Diana Gerald joined as new CEO, replacing Viv Bird, who retired from the post. Diana was formerly COO at Ark Academies, and brings to the charity strong management experience, a clear understanding of education and government priorities, along with operational and revenue generating experience.

**Appointment of Trustees**

Under the terms of the Articles of Association, management of BookTrust's affairs is vested in a Board of Trustees of not less than eight and no more than twelve members.

**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 judgments 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.

**BOOKTRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2015**

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The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of BookTrust and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of BookTrust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Auditor**

**Statement as to Disclosure of Information to the Auditor**

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

A resolution will be proposed at the Annual General Meeting that Haysmacintyre be re-appointed as auditor of the charity for ensuing year.

Trustees report, incorporating the Strategic Report, approved by order of the Trustees



Karen Brown (Chair)

**8 October 2015**

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

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We have audited the financial statements of BookTrust for the year ended 31 March 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, 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.

We have been appointed auditor under the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

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 2015 and of the charitable company's incoming resources and application of resources for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report incorporating the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.




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

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### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- the charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us, or
- the charitable company 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



**Sam Coutinho (Senior statutory auditor)  
for and on behalf of haysmacintyre, Statutory Auditor**

**26 Red Lion Square  
London WC1R 4AG**

**Date:** 8/10/15

haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**BOOKTRUST**
**STATEMENT OF FINANCIAL ACTIVITIES**

(Including Income and Expenditure Account)

FOR THE YEAR ENDED 31 MARCH 2015

	Notes	Unrestricted funds £	Restricted Funds £	Total Funds 2015 £	Total Funds 2014 £
<b>Incoming resources</b>					
<b>Incoming resources from generated funds:</b>					
<i>Voluntary Income</i>					
Activities for generating funds		67,235	-	67,235	9,943
Children's Reading Fund		-	238,855	238,855	194,633
Investment income	2	19,341	-	19,341	21,448
<b>Incoming resources from charitable activities:</b>					
Grants		187,933	-	187,933	173,411
Bookstart		336,807	5,250,758	5,587,565	5,814,366
Primary		-	746,287	746,287	746,290
Secondary		394,490	636,267	1,030,757	1,032,144
Education		134,750	-	134,750	301,761
Promotions		1,012,268	56,946	1,069,214	990,106
Prizes		560,812	433	561,245	550,331
Other		120,147	-	120,147	1,125
<b>Total incoming resources</b>		<b>2,833,783</b>	<b>6,929,546</b>	<b>9,763,329</b>	<b>9,385,558</b>
<b>Resources used</b>					
<b>Cost of generating funds</b>					
Children's Reading Fund		-	118,826	118,826	140,232
Fundraising		147,397	-	147,397	182,790
<b>Charitable activities</b>					
Bookstart		335,939	5,272,614	5,608,553	5,597,137
Primary		-	757,057	757,057	746,416
Secondary		191,410	645,450	836,860	772,220
Education		131,866	1,951	133,817	252,910
Promotions		1,001,513	97,509	1,099,022	953,110
Prizes		577,139	1,723	578,862	629,199
<b>Governance</b>		<b>33,172</b>	<b>-</b>	<b>33,172</b>	<b>36,597</b>
<b>Total resources expended</b>		<b>2,418,436</b>	<b>6,895,130</b>	<b>9,313,566</b>	<b>9,310,611</b>
<b>Net incoming resources</b>	4	<b>415,347</b>	<b>34,416</b>	<b>449,763</b>	<b>524,947</b>
Transfer between funds	11	18,894	(18,894)	-	-
Gain on investments	7	97,594	-	97,594	42,772
<b>Net incoming resources</b>	4	<b>531,835</b>	<b>15,522</b>	<b>547,357</b>	<b>567,719</b>
Balances brought forward		3,011,837	3,446,194	6,458,031	5,890,312
<b>Balances carried forward</b>	11	<b>3,543,672</b>	<b>3,461,716</b>	<b>7,005,388</b>	<b>6,458,031</b>

**BOOKTRUST**

**BALANCE SHEET**

**AT 31 MARCH 2015**

	Notes	2015		2014	
		£	£	£	£
<b>CURRENT ASSETS</b>					
Investments	7	1,228,774		1,131,180	
Debtors	8	2,428,564		2,794,039	
Cash at bank and in hand		5,954,659		5,121,866	
		<u>9,611,997</u>		<u>9,047,085</u>	
<b>Creditors</b> amounts falling due within one year	10	(2,606,609)		(2,589,054)	
<b>NET CURRENT ASSETS</b>			7,005,388		6,458,031
<b>NET ASSETS</b>			<u>7,005,388</u>		<u>6,458,031</u>
<b>FUNDS</b>					
Restricted funds	11		3,461,716		3,446,194
Unrestricted					
General fund	11		2,882,172		1,736,664
Designated funds	11		661,500		1,275,173
			<u>7,005,388</u>		<u>6,458,031</u>

Approved and authorised for issue by the board of directors on 8 October 2015 and signed on their behalf by

Karen Brown ) *Karen Brown*  
 ) Directors  
 Meredith Niles ) *Meredith Niles*

**BOOKTRUST****CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 MARCH 2015**

	<b>2015</b> <b>£</b>	<b>2014</b> <b>£</b>
<b>Net cash inflow/(outflow) from operating activities</b>		
Net incoming resources, excluding investment income	430,422	503,499
Decrease in stock	-	1,201,855
Decrease in debtors	365,475	616,660
Increase in creditors	17,555	414,144
	<u>813,452</u>	<u>2,736,158</u>
<b>Returns on investments and servicing of finance</b>		
Interest received	19,341	21,448
	<u>19,341</u>	<u>21,448</u>
<b>Increase in cash</b>	<u>832,793</u>	<u>2,757,606</u>
<b>Analysis of cash as shown in the balance</b>		
<b>Cash at bank and in hand</b>		
Balance brought forward	5,121,866	2,364,260
Increase in year	832,793	2,757,606
	<u>5,954,659</u>	<u>5,121,866</u>
<b>Balance carried forward</b>	<u>5,954,659</u>	<u>5,121,866</u>
<b>Cash at bank and in hand</b>		
Bank balance	5,953,810	5,118,673
Cash	849	3,193
	<u>5,954,659</u>	<u>5,121,866</u>

**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 2006 and applicable accounting standards. The accounts follow the recommendations in Accounting and Reporting by Charities Statement of Recommended Practice 2005 (SORP)

**(b) Fund Accounting**

BookTrust reserves are held under two categories unrestricted and restricted. The unrestricted reserve is further divided into a general fund and designated funds.

***Unrestricted general fund:***

This fund supports working capital requirements arising from long lead times between committing production and delivery of goods, strategic investments for future developments, supports unexpected issues including in the worst case an orderly exit 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.

***Unrestricted designated funds:***

The Board has designated certain amounts for the development of new programmes which are detailed in note 11.

***Restricted funds:***

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, as detailed in note 11. The Bookstart, secondary and primary funds additionally support a period of transition in source of funding in the event the bookgifting scheme is terminated.

**(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 consists of 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.
- Activities for generating 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.
- 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 contributions from organisations, including local authorities, for the supply of Bookstart packs, books, promotions, prizes and the design of websites.
- Incoming resources from grants, including government grants, for a specific purpose are accounted for as income only when the conditions under the terms of the grant have been fulfilled.

# BOOKTRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

### 1. Accounting policies (continued)

#### (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 this 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) Group Accounts

The subsidiary Get London Reading is not consolidated as it is a dormant company. These financial statements present information about BookTrust as an individual undertaking and not about its group.

#### (f) Operating Leases

BookTrust classifies the lease of cars as operating leases where the title of the cars remains with the lessor. There is a lease for the photocopier which is for a term of 5 years from April 2012.

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

#### (g) Pensions

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

#### (h) Investments

Investments are valued at their market value ruling at the balance sheet date, which gives rise to unrealised gains and losses which are included in the Statement of Financial Activities (SOFA). All investment balances are unrestricted funds.

### 2. Investment income

	2015 £	2014 £
Other interest receivable	19,341	21,448

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

## 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.

Support costs	2015				2014
	Charitable Activities £	Fundraising £	Governance £	Total £	Total £
Support staff	107,440	-	2,755	110,195	97,320
Professional	12,839	-	-	12,839	10,082
*Establishment	464,448	-	-	464,448	55,620
Office costs	186,061	3,169	1,000	190,230	231,337
PR	34,424	1,480	-	35,904	31,190
Finance	4,618	-	-	4,618	5,152
Total	<u>809,830</u>	<u>4,649</u>	<u>3,755</u>	<u>818,234</u>	<u>430,701</u>

\*Note includes £316,285 one off cost for relocation to new premises (A contribution of £120,000 received from the Unwin Charitable Trust towards relocation has been treated as income. A further contribution of £30,000 a year from the Unwin Charitable Trust for next 7 years has been agreed)

## 4. Net incoming/(outgoing) resources

	2015 £	2014 £
<b>This is stated after crediting the following:</b>		
Subscriptions, donations and gifts including donations made under Gift Aid	113,500	60,094
Grants – Arts Council England	<u>187,933</u>	<u>173,411</u>
Direct costs and other operating charges include		
Operating leases		
- hire of equipment	11,842	18,654
- rents payable	87,926	45,377
Auditors remuneration		
Audit services	11,300	11,000
Non-audit services	2,350	1,000
Paid to previous auditor in respect of prior year	-	3,069

**BOOKTRUST****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2015**

<b>5. Staff costs</b>	<b>2015 £</b>	<b>2014 £</b>
Salaries	2,283,335	2,084,129
Social security costs	229,321	219,013
Pension costs	158,408	111,103
	<u>2,671,064</u>	<u>2,414,245</u>
Employees with remuneration in range of £70,000 to £80,000	<u>1</u>	<u>1</u>

Additionally, BookTrust made contributions of £5,347 (2014 £5,292) into the stakeholder pension scheme in respect of the above employee

	<b>Number</b>	<b>Number</b>
<b>The average number of employees by function, was</b>		
Charitable activity	50	51
Fundraising	5	4
Administration, support and governance	10	9
	<u>65</u>	<u>64</u>

**6. Taxation**

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

<b>7. Investments</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>2015 £</b>	<b>2014 £</b>
<b>Quoted investments</b>				
Market value as at 1 April	1,131,180	-	1,131,180	1,088,408
Unrealised investment gains	97,594	-	97,594	42,772
	<u>1,228,774</u>	<u>-</u>	<u>1,228,774</u>	<u>1,131,180</u>
Market value as at 31 March	1,228,774	-	1,228,774	1,131,180
	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>

Investments include the following which are greater than 5% of the portfolio valuation.

	<b>2015 £</b>	<b>2014 £</b>
SA Sequel Caution Target Return	<u>1,228,774</u>	<u>1,131,180</u>



**BOOKTRUST****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2015**

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<b>8. Debtors</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	1,297,258	1,368,177
Other debtors	204,039	202,890
Amount owed by subsidiary	853	853
Prepayments and accrued income	926,414	1,222,119
	<u>2,428,564</u>	<u>2,794,039</u>

**9. 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 has not traded and there are no transactions to report.

<b>10. Creditors</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade creditors	1,139,920	1,254,249
Other taxes and social security	76,343	64,772
Accruals and deferred income	1,326,671	1,214,510
Other creditors	63,675	55,523
	<u>2,606,609</u>	<u>2,589,054</u>

# BOOKTRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2015

#### 11. FUNDS

	1 April 2014 £	Incoming Resources £	Resources Used £	Transfer Between Funds £	Investment Gains £	31 March 2015 £
<b>Unrestricted Funds</b>						
General Fund	1,736,664	2,833,783	2,392,543	606,674	97,594	2,882,172
<b>Designated Funds</b>						
New offers development	35,288	-	25,893	(9,395)	-	-
Relocation reserves	100,000	-	-	(100,000)	-	-
IT and infrastructure development	150,000	-	-	70,000	-	80,000
Income diversification	366,000	-	-	134,000	-	500,000
New products development costs	105,000	-	-	(23,500)	-	81,500
Bookgifting reserves	518,885	-	-	(518,885)	-	-
	<u>3,011,837</u>	<u>2,833,783</u>	<u>2,418,436</u>	<u>18,894</u>	<u>97,594</u>	<u>3,543,672</u>
<b>Restricted Funds:</b>						
Promotions	43,306	56,945	97,509	8,291	-	11,033
Children's Reading Fund	180,098	238,855	118,826	(9,749)	-	290,379
Education	27,546	-	1,951	(17,346)	-	8,159
Bookstart	2,519,732	5,250,758	5,272,614	-	-	2,497,876
Secondary	449,897	636,267	645,450	-	-	440,714
Primary	204,075	746,287	757,057	-	-	193,305
Prizes	21,540	433	1,723	-	-	20,250
	<u>3,446,194</u>	<u>6,929,546</u>	<u>6,895,131</u>	<u>(18,894)</u>	<u>-</u>	<u>3,461,716</u>
	<u>6,458,031</u>	<u>9,763,329</u>	<u>9,313,567</u>	<u>-</u>	<u>97,594</u>	<u>7,005,388</u>

The general fund stood at £2,882,172 at 31st March 2015 and included unrealised gains of £97,594 arising from market valuation of the investments. 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.

**11. Funds (continued)**

**Designated funds**

- New Offers Development fund was released following the completion of the pilot projects
- Relocation Reserves fund was released following the completion of relocation of BookTrust offices
- IT and Infrastructure Development (2014 - Change Programmes) reserve is intended to cover exceptional costs to respond to changes driven by new processes and technological innovation
- Income Diversification (2014 - Capacity Building) fund is intended to cover the expected costs of BookTrust's fundraising activities while income diversification strategy is developed
- New Product Development Costs fund represents the costs of developing new products for merchandising
- Bookgifting Reserves fund was released as now covered by Bookstart restricted fund

**Restricted Funds**

- Promotions fund represents unspent income from contributions from organisations for specific projects at the year end
- Children's Reading Fund (CRF) was set up from corporate sponsorship and substantial donations from individuals to support projects for children in care
- Education fund represents unspent income from contributions from organisations for specific projects at the year end. The amount stated under transfer between funds represents final expenditure following the end of the project
- Bookstart fund represents stock held for future production of book packs, provides adequate working capital and covers the cost of an exit strategy in the event the Bookstart scheme is terminated. The Bookstart reserve amounts to £2,497,876

Bookstart reserve comprises

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Prepayment "Stock" held for future publication	396,962	662,111
Amount accrued from Publishers discounts	1,840,392	1,814,257
New working Capital	250,522	43,364
	<u>2,497,876</u>	<u>2,519,732</u>

Secondary fund represents publishers discounts and supports working capital as well as provides for the exit strategy in the event the Secondary scheme is terminated

Secondary reserves comprises

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Amount accrued from Publishers discounts	558,552	558,552
Net Working Capital	(117,838)	(108,655)
	<u>440,714</u>	<u>449,897</u>

## BOOKTRUST

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 MARCH 2015

- Primary fund supports working capital and provides cover for the cost of an exit strategy in the event the Primary scheme is terminated
- Prizes fund represents unspent income received from which BookTrust awards annual prizes

12. Deferred income	Total £	Bookstart £	Letterbox £	Prizes £	BookBuzz £
Balance at 1 April 2014	676,382	-	524,876	151,506	-
Released to incoming resources	(676,382)	-	(524,876)	(151,506)	-
Amount deferred in the year	1,011,527	30,000	971,445	-	10,083
Balance as at 31 March 2015	<u>1,011,527</u>	<u>30,000</u>	<u>971,445</u>	<u>-</u>	<u>10,083</u>

13. Analysis of net assets between funds	Unrestricted funds £	Restricted funds £	Total £
Current assets	4,862,223	4,749,774	9,611,997
Current liabilities	(1,318,551)	(1,288,058)	(2,606,609)
Net assets	<u>3,543,672</u>	<u>3,461,716</u>	<u>7,005,388</u>

#### 14. 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:

	2015		2014	
	Land and buildings £	Other £	Land and buildings £	Other £
Leases expiring in				
Less than one year	20,015	723	13,860	5,464
1 to 2 years	-	12,168	5,000	6,084
2 to 5 years	-	-	-	-
More than 5 years	67,911	-	24,800	-
	<u>87,926</u>	<u>12,891</u>	<u>43,660</u>	<u>11,548</u>

# BOOKTRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2015

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#### 14. Delivery of DFE Project in England

Under the terms and conditions of our grant offer with the Department for Education the income and expenditure in cash and accrual term were as shown below

The Bookstart grant is reduced by our VAT liability of £95,182 which is shown as an additional deduction below

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Gross income	6,000,000	6,000,000
VAT liability	95,182	127,975
Net income	5,904,818	5,872,025
Expenditure	5,903,837	5,943,484
Net to reserves	<b>981</b>	<b>(71,459)</b>