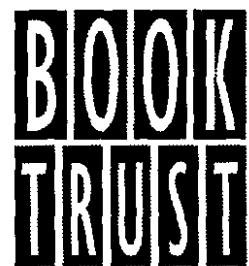


BOOK TRUST ANNUAL REPORT

YEAR ENDED 31ST MARCH 1999

Company Limited by Guarantee
Registration Number: 210012
Registered Charity Number: 313343

ARTS COUNCIL FUNDED



ANNUAL REPORT
Year ended 31 March 1999

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BOOK TRUST

PATRON

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

PRESIDENT

Doris Lessing

VICE PRESIDENT

Rayner Unwin CBE

BOARD DIRECTORS

Eric Bolton CB	-	Chairman
Richard Hoggart	-	Deputy Chairman
Eric de Bellaigue	-	Honorary Treasurer
Roderick Watson	-	Chairman, Book Trust Scotland
Jane Carr		
Elizabeth Attenborough		
Brian Cox, CBE		
Martyn Goff, OBE		
Lord Hattersley		
Ben Hooberman		
Michael Marland, CBE		
Michael Turner		

OBSERVERS

Alison Combes	-	Arts Council of England
Dr Alastair Niven	-	British Council

BANKERS

National Westminster Bank Plc, Wandsworth Branch, 98 Wandsworth High Street, London, SW18 4ZD

SOLICITORS

Osborne Clarke, Hillgate House, 26 Old Bailey, London, EC4M 7HS

AUDITORS

HLB Kidsons, Spectrum House, 20-26 Cursitor Street, London EC4A 1HY

BOOK TRUST CHAIRMAN'S REPORT

The Review of Book Trust's organisation and management promised in last year's *Annual Report* has now been completed. As a consequence the Board has agreed:

- an up to date statement of the Trust's role;
- the wider worlds to which it relates;
- its three main areas of work;
- a restructuring of the Board to ensure that the experience and expertise of the Directors is such as to effectively advise and support the Trust's work, development and funding.

The Trust is on a sound financial footing, and work in the areas of book information, prizes and in projects such as adult reading groups, and Bookstart, is progressing successfully and excitingly. In short, largely due to the commitment, dedication and skills of the staff and the Executive Director, Book Trust is in very good shape, and well placed to raise its public profile and to increase and enlarge the services it offers.

That exciting prospect is somewhat dimmed by the fact that we have not yet been able to appoint a successor to our current Executive Director, Brian Perman, who announced in January that he would be retiring during 1999. After the usual recruiting process the post was offered to one of the interviewees, however, for reasons quite beyond our control, the applicant was unable to accept the post. We are currently going through the process again, and are determined to fill the post by the end of the year.

The unavoidable delay in appointing a new Executive Director has its consequences for the work of the Trust, particularly in respect of possible expansions of existing programmes and the initiation of new developments. It has another consequence namely, that we have not been able, as yet, to mark Brian Perman's retirement, and to thank him for the terrific job he has done for Book Trust during his time as Executive Director. We will of course do that with some suitable celebration in the near future. Now, however, personally and on behalf of the Board, I want to thank Brian for all he has done to ensure that the Trust is in such a healthy and sound state. I also want to thank him for being so willing to help out during the delay in appointing his successor. Book Trust owes him a great deal, and we wish him and his family well in the future.

Finally, my thanks, and that of the Board to Alexandra Strick, Deborah Hallford, Huw Molseed, Sandra Vince and Sheila Derrick, and all their staff for doing all that they do so well, and doing it so willingly and pleasantly.

Eric Bolton

BOOK TRUST EXECUTIVE DIRECTOR'S REPORT

I am very pleased that my optimism about the future in last year's report proved justified. During the past twelve months our work has flourished and, as a result, we have seen a healthy growth in income. A number of factors lie behind this success, but I have no doubt that the new conviction within Whitehall that books have an important part to play at every stage of life is the most significant among them.

For many years it fell to Book Trust to draw attention to the shortfalls in book provision in schools and in libraries. I would not pretend that, in two short years, these problems have been resolved. However, we are moving in the right direction and now the debate is about methods rather than principles.

I believe that we are at the beginning of a new chapter in the history of Book Trust. With programmes like Bookstart we have an opportunity to build lasting links with library, education and health authorities throughout the UK. Such links will make it possible for us to provide new book information and advice services in the years ahead.

Book days and reading years will come and go, but if we are to become a truly literate nation, we know, from our own research that informed decisions about *what* to read are what really count. Through our information services, the advice and help we offer to teachers and through literary prizes and book weeks we can make a unique contribution to this great goal.

This is my last annual report. It is always hard to decide when to hand over one's responsibilities but, after five years, I believe the time is right. I have enjoyed my time at Book Trust immensely and I look forward to handing over the challenges of the next five years to someone with fresh ideas and new enthusiasms. Of one thing I am certain, my successor could not wish for the support of a better team of managers and staff. They have all done a magnificent job over the past twelve months.

Brian Perman

BOOK TRUST THE HONORARY TREASURER'S REPORT

This is the first year in which the results of Book Trust Scotland are not consolidated. The comparative figures for 1997/98 have been restated to reflect the present situation.

For the year to March 31, 1999, incoming resources exceeding outgoing resources, leading to a surplus of £13,981. This represented a considerable improvement on the previous year when there had been a deficit of £13,837. After realised losses and unrealised gains on investments, the net movement in funds was positive at £13,629, compared to a negative total of £13,473 for the year to March 31, 1998.

Incoming resources at £998,784 were 41% ahead of the equivalent total for the previous year. While there was a further drop in subscriptions and donations amounting to £15,802, turnover rose 56% to £867,781. This reflected the rapid development of Bookstart, as well as increased activity throughout most departments.

The main balance sheet changes centred on a reduction in investments, with the maturing of a £28,000 gilt holding. This was reflected in a rise in cash balances, pending reinvestment.

Eric de Bellaigue

BOOK TRUST REVIEW OF THE YEAR

Book Information Services

While telephone enquiries, faxes, e-mails and good old-fashioned letters have continued to pour into our Book Information Service throughout the year, we have begun to harness the potential of the Internet to enable us to distribute information to libraries, schools and professionals within the book and media industries with access to the World Wide Web.

Autumn 1998 saw us invest in new IT equipment giving all staff access to the web, and we established www.booktrust.org.uk as Book Trust's web site. Ironically, while many predicted the 'death of the book' as the Internet began to take off, it has meant a proliferation of information about books, writers, publishers and events such as literary festivals and book prizes. Now everyone seems to have their own web site, and we have set up a window for Book Trust activities, prizes, information and YBT. The medium lends itself to posting up-to-date information and news and we have realised our web site's potential as a clearing house for information and queries about the book world, in the same way that our telephone information service is used by booksellers, publishers and journalists.

So now if you want to find out the date of the Hay-on-Wye festival, or the winner of the Orange Prize, or information about children's book week, you can visit www.booktrust.org.uk. We also publish a weekly gazette of book news and related media stories, and when a major story breaks, such as the appointment of the new poet laureate, we can update our site within minutes and tell the world. We dedicate web pages to the administration details and past winners of the prizes that are administered by Book Trust, and add more and more links everyday to other book-related web sites, from Bookwire, the American publishing industry site, to the site promoting the Whitbread awards, one of many sites about individual book prizes. Now researchers and journalists can visit our site in the knowledge that they will be able to find out about the latest sites of interest.

We have also spent much of the year preparing the groundwork for future projects on the web, developing our own resources, including the database of children's books maintained by YBT and the Contemporary Writers database which we are developing with the British Council and which will be available in September 1999 on the web.

Back on the ground, we have worked hard to draw closer links between the work of the Book Information Service and the information provided by YBT staff. We recruited a new member of staff in Autumn 1998, who now works closely with another new member of staff, the Children's Book Information Officer. This has meant that we have begun to integrate our work on children's books, from profiles of authors, subject book lists and bibliographic information with sources of information traditionally aimed at adult readers. And, like all departments within Book Trust, we are basking in the success of the Bookstart project. This has increased the profile of the work of Book Trust and has meant that we are dealing with an increasing amount of queries about children's books and reading, from books for babies to fiction for teenagers.

BOOK TRUST Review of the year (continued)

Young Book Trust and Bookstart

It has been a fruitful twelve months for all aspects of Book Trust's work in children's literature. However, the real success story of the year must surely be Bookstart, our books for babies project.

What began as a small pilot scheme in inner city Birmingham has now been developed into a vast national programme reaching hundreds of thousands of families each year. It took over five years of research, hard work (on the part of both local authorities and Book Trust staff), and substantial support from the Roald Dahl Foundation, Unwin Foundation and Basic Skills Agency to transform Bookstart into a project worthy of major national sponsorship.

In the summer of 1998, Business in the Community introduced Book Trust to Sainsbury's, and by the Autumn, contracts had been signed and the Secretary of State for Education announced the supermarket chain's £6 million two-year funding of Bookstart. Book Trust wasted no time in appointing national and regional staff, creating national Bookstart materials and visiting every area of the UK interested in running the scheme, and, in January 1999, the first scheme was launched in Sheffield, the Education Secretary's home constituency.

Bookstart is currently being phased in across the whole country. The gift pack which parents receive from their health visitor (containing two free baby books, advice, information and a nursery rhyme card) has already been translated into Welsh and 8 community languages. A conference is now planned to promote further publicity, discussion and sharing of ideas.

Sainsbury's Bookstart will deliver well over 1 million free baby books. What will happen at the end of the two years' guaranteed funding is, as yet, uncertain, but Book Trust will certainly be doing all it can to sustain this ground-breaking national programme.

Sainsbury's have also extended their sponsorship to fund a new prize – the Sainsbury's Baby Book Award – as well as supporting the National Children's Book Week in October 1998. Their Book Week grant enabled us to develop a successful new Parent's Pack, over 6000 copies of which have been ordered in the past 8 months. A grant from the National Year of Reading ensured we created one of the best Children's Book Week packs ever, and enabled us to produce a full-colour brochure on organising a book event, encouraging thousands of schools and libraries to participate.

The library of children's literature at Book House continues to receive the majority of children's books published each year and hosts various events and activities. Frequent visitors include publishers, booksellers, teachers, lecturers and researchers, parents, students and schoolchildren. Perhaps partly as a result of our librarian's active involvement in IBBY (the International Board of Books for Young People) and connections with Book Aid International, the number of overseas visitors has dramatically increased this year. The library database now features 30,000 annotated

BOOK TRUST Review of the year (continued)

titles and is used in the compilation of a vast range of highly valued booklists and publications, many of which will be available through Book Trust's flourishing website.

Amongst our most popular publications has been *100 Best Books*, our independent guide to new fiction for children of all ages. Particularly effective has been our promotion of *100 Best* to bookshops - many of whom now stock the guide and make use of the accompanying poster and counterpack. Our ever-popular *Children's Book Handbook* has also been still further developed this year, reinforcing its reputation as the ultimate guide to all aspects of the world of children's books and reading.

Our subscription package for schools and libraries has this year been developed into a three-tiered service, to cater for a wider range of requirements, including those of individuals and parents. One of the key components of the service, our *Children's Book News* magazine (previously *YBT News*), has been given a new look, along with the new name, and is the subject of a major promotional drive. With recent increased interest in our services, Book Trust hopes subscription levels will continue to rise through the coming year.

BOOK TRUST Review of the year (continued)

Literary Prizes

In this the National Year of Reading, literary prizes are even more newsworthy. In 1998/99 Book Trust administered nine literary prizes. The Saga Prize saw its last award, as did the David Higham Prize for Fiction. We have, however, established a new prize and we will be able to inform you about it in full in the next Annual Report.

The Booker Prize

The Booker Prize, probably the best known of the prizes administered by Book Trust, celebrated its thirtieth anniversary in 1998. A book called *Booker 30* was published with snippets of the prize's history.

The 1998 winner was Ian McEwan for his book *Amsterdam* (Jonathan Cape), for which he was awarded £21,000 (£1,000 for being shortlisted and £20,000 for winning). The following shortlisted authors each received £1,000: - Beryl Bainbridge for *Master Georgie* (Duckworth); Julian Barnes for *England, England* (Jonathan Cape); Martin Booth for *The Industry of Souls* (Dewi Lewis); Patrick McCabe for *Breakfast on Pluto* (Picador) and Magnus Mills for *The Restraint of Beasts* (Flamingo).

The judges for 1998 were Douglas Hurd (Chair), former Foreign Secretary; Valentine Cunningham, Professor of English at Corpus Christi College, Oxford; Penelope Fitzgerald, best-selling novelist and former Booker Prize winner; Miriam Gross, Literary Editor of The Sunday Telegraph and Nigella Lawson, journalist, critic and food writer.

The BP Natural World Book Prize in association with The Wildlife Trusts

The winner of the BP Natural World Book Prize 1998 was Sir David Attenborough for *The Life of Birds* (BBC Consumer Publishing). A cheque for £5,000 was presented to him at the Barbican Centre, London in December by Michael Meacher MP, Minister for the Environment. It was the first time Sir David had won a book award and he was clearly thrilled. The judges were Linda Bennett (Chair), environmental consultant and journalist; Margaret Gilmore, BBC News Environment Correspondent; Colin Gomm, BP Health, Safety and Environment Adviser; Keith Shackleton, international wildlife artist and David Streeter, Reader in Ecology at the University of Sussex.

The Commonwealth Writers Prize

At an award ceremony held in Wellington, New Zealand on 30th April, the Commonwealth Writers Prize for Best Book, worth £10,000 was awarded to Murray Bail for *Eucalyptus*. The Best First Book, worth £3,000, was awarded to Kerri Sakamoto for *The Electrical Field*.

The four regional winners for Best Book, who each received £1,000 were Marion Molteno (South Africa) for *If you Can Walk, You Can Dance* (Shola Books);

Lawrence Scott (Trinidad) for *Aelred's Sin* (Allison & Busby); Beryl Bainbridge (Great Britain) for *Master Georgie* (Gerald Duckworth & Co.) and Murray Bail (Australia) for *Eucalyptus* (The Harvill Press). The regional winners for Best First Book, who also received £1,000 were Benjamin Kwame Kwakye (Ghana) for *Clothes of Nakedness* (Heinemann International); Kerri Sakamoto (Canada) for *The Electrical Field* (Alfred A Knopf); Manju Kapur (India) for *Difficult Daughters* (Penguin India) and Catherine Chidgey (New Zealand) for *In a Fishbone Church* (Victoria University Press).

As part of the prize, Murray Bail had a reception in his honour at the Royal Overseas League on 19th May, after visiting Her Majesty The Queen. He was also in conversation with Dr Alastair Niven of the British Council on the same evening. The Commonwealth Writers Prize is the only prize for which the winner of the Best Book is granted an audience with The Queen.

The David Higham Prize for Fiction

The final David Higham Prize for Fiction was awarded to Gavin Kramer for his novel *Shopping* (Fourth Estate). Fourth Estate hosted a Japanese-style reception at their offices in December. The judges were Alain de Botton, author and columnist; Louise Doughty, author and critic, and Lee Langley, novelist and a member of the Executive Committee of P.E.N. Gavin was presented with a cheque for £1,000 by Lee Langley.

The Kurt Maschler Award

The winner of the 1998 Kurt Maschler Award was Anthony Browne for *Voices in the Park* (Doubleday). Tom Maschler presented him with a cheque for £1,000 and a statue of 'Emil'. The shortlist of six included *The Green Ship* by Quentin Blake (Cape), *Zagazoo* by Quentin Blake (Cape), *Pumpkin Soup* by Helen Cooper (Doubleday), *The Adventures of Robin Hood and Marian* by Adrian Mitchell and illustrated by Emma Chichester Clark (Orchard Books) and *Exodus* by Brian Wildsmith (OUP).

The Mail on Sunday/John Llewellyn Rhys Prize

The winner of the 1997 Mail on Sunday/John Llewellyn Rhys Prize was Phil Whitaker for *Eclipse of the Sun* (Phoenix House). He was awarded a cheque for £5,000 by Chris Smith MP, Secretary of State for Culture, Media and Sport.

The Orange Prize for Fiction

Carol Shields won the Orange Prize for Fiction 1998 for *Larry's Party* (Fourth Estate). At an award ceremony at The People's Palace, South Bank, Carol received a cheque for £30,000 and a "Bessie" – a bronze statue sculpted by Grizel Niven. The judges for 1998 were Sheena MacDonald (Chair), broadcaster, critic and journalist; Grace Kempster, Library Information Heritage and Cultural Services Manager; Bernice Rubens, novelist; Elaine Showalter, academic, critic and journalist, and Erica Wagner, author and Literary Editor of The Times.

The 1999 judges are Professor Lola Young (Chair), academic and writer; Mariella Frostrup, TV Presenter and journalist; Nicci Gerrard, novelist and journalist; Ursula Owen, Editor and Chief Executive of Index on Censorship and Honor Wilson-Fletcher, PR and Publicity Manager of HMV Media Group Book Division. The 1999 shortlist was announced on 10th May, and the winner will be announced on 8th June.

The Saga Prize

The final Saga Prize for an unpublished manuscript was awarded to London policeman Ike Eze-Anyika for his novel *Canteen Culture* which will be published by Faber & Faber in 1999. Ike received a cheque for £3,000 at a lunchtime reception during the 1998 Edinburgh Festival.

The Nestle Smarties Book Prize

There was a reception for the winners of the 1998 Nestle Smarties Book Prize at the Barbican Centre, London at the beginning of December, with prizes awarded by the children's TV presenter Andi Peters. The adult judging panel consisted of the following judges: - Julia Eccleshare (Chair), Children's Book Editor of *The Guardian*; Henrietta Branford, award-winning author; Nicholas Allan, author; Liz Gregory, Associated Editor of *She* magazine and Anita Bevan, Editor of BBC Family Life.

The three winning Young Judges schools were:

- 5 and under** Year One, St Ursula's High School, Bristol
- 6-8** Class Four, St Mary's School, Cornwall
- 9-11** Year Six, Howell's Junior School, Cardiff

The Gold Award winners (£2,500):

- 5 and under** *Cowboy Baby* by Sue Heap (Walker Books)
- 6-8** *The Last Gold Diggers* by Harry Horse (Puffin Books)
- 9-11** *Harry Potter and the Chamber of Secrets* by J.K. Rowling (Bloomsbury)

The Silver Award winners (£1,500):

- 5 and under** *Come on Daisy!* by Jane Simmons (Orchard Books)
- 6-8** *The Runner* by Keith Gray illustrated by Clive Scruton (Mammoth Books)
- 9-11** *Aquila* by Andrew Norriss (Puffin Books)

The Bronze Award winners (£500):

- 5 and under** *Secret in the Mist* by Margaret Nash illustrated by Stephen Lambert (Levinson Books)
- 6-8** *The Green Ship* by Quentin Blake (Jonathan Cape)
- 9-11** *The Crowstarver* by Dick King-Smith (Doubleday).

BOOK TRUST STAFF

(as at July 1999)

Brian Perman	Executive Director
(Alexandra Strick	Deputy Executive Director)

Accounts and Administration

Deborah Hallford	Head of Personnel and Administration
Jim Duffy*	Accountant and Company Secretary
Machala Bennett	Personal Assistant to Executive Director & HPA
Sheila Derrick	Accounts Manager
Angela Merrall	Accounts Assistant
Laurence Gathercole*	Office Assistant

Young Book Trust and Bookstart

Alexandra Strick	Head of Children's Literature and Bookstart
Dawn Adenekan	Secretary/Personnal Assistant to HCLB
Edgardo Zaghini	Children's Library and Information Officer
Kim Foscett	Young Book Trust Assistant
Ruth Pyner	Bookstart London Project Co-ordinator
Ann Carty	Bookstart Development Officer
Rosemary Clarke	Bookstart Regional Officer – Wales and Midlands
Maxine McCoy	Bookstart Regional Officer – Scotland, Northern Ireland and North of England
Sylvia Jackson	Bookstart Regional Officer – South, West and East of England

Information Services

Huw Molseed	Head of Information Services
Louise Frith	Senior Information Officer
Suzanne Joinson	Children's Information Officer
Sarah Harrington	Children's Information Officer
Sarah MacDougall*	Information Officer
Ron Ferrioli*	Archivist

Prizes, Publicity and Publications

Sandra Vince	Prizes Manager
Tarryn McKay	Prizes Assistant
Jessica Williams	PR and Promotions Officer
Kathryn Quinton	Publications Officer

*Part-time

BOOK TRUST FUND-RAISING

(as at July 1999)

Book Trust is most grateful to the Arts Council of England their support.

Heartfelt thanks also go to the many companies and individuals who support us, some of whom are listed below.

Anderson Press	KPMG Community Brokering Service
Aurum Press	Library Association
Award Publications	Francis Lincoln
Basic Skills Agency	Living and Learning Cambridge
Bertrams Booksellers	Macmillan Publishers
BCA	Magi Publications
Book Tokens	Melrose Press
Bemrose Corporation	New York Times
British Council	Page Brothers
BNBRF (British National	Penguin UK
Bibliography Research Fund)	Random House
Cambridge University Press	Robb's Books
Professor David Crystal	Sainbury's plc
Roald Dahl Foundation	Colin Smythe
Martin Dunitz	Society of Authors
Elliott Rightway Books	Soros Foundation
Esmee Fairbairn Charitable Trust	Sutton Publishing
Evans Brothers	Times Literary Supplement
Faber and Faber	Transworld
FirstSchools	Thomson Corporation
Michael Frayn	Trinity Holdings
Robert Hale	Unwin Charitable Trust
HarperCollins	The Van Tulleken Company
Heffers Booksellers	Which? Books
Hodder Headline	Whitaker (J) and Sons
Robert Gavron Charitable Trust	John Wiley and Sons
Islamic Foundation	Yale University Press
Johnson Press	
Judy Piatkus	
Christopher Logue	

BOOK TRUST DIRECTORS' REPORT

Year ended 31 March 1999

The directors present their report and the audited accounts for the year ended 31 March 1999.

Principal activity

Book Trust is engaged in the promotion and encouragement of the habit of reading and the wider and more general distribution of books among all people.

Review of the year

Details of the year's activities are contained in the Chairman's Report. The results of the year's operations are shown in the statement of financial activities on page 17.

Status

The company is limited by guarantee and does not have a share capital. The liability of members, the number of which is unlimited, is restricted to £1 each in the event of a winding up or dissolution.

The company is a Registered Charity.

Officers

A list of the President, vice-president and members of the Board of Directors as at 31 March 1999 is given on page 2 of the Annual Report. The following changes are due to take place:

Eric de Bellaigue - Retires and is not eligible for re-election on 28 September 1999

Martyn Goff - Retires and is not eligible for re-election on 28 September 1999

Roy Hattersley - Retires and is not eligible for re-election on 28 September 1999

Michael Marland - Retires and is not eligible for re-election on 28 September 1999

Michael Turner - Retires and is not eligible for re-election on 28 September 1999

It will be proposed at the Annual General Meeting that Diran Adebayo, Grace Kempster and Stephen Purse be appointed as directors.

BOOK TRUST DIRECTORS' REPORT

31 March 1999 (continued)

Statement of Directors' Responsibilities

We are required under company law to prepare accounts for each financial year which 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 these accounts we are required to:

- select suitable accounting policies and apply them consistently
- make reasonable and prudent judgements and estimates

We are also responsible for:

- keeping proper accounting records
- safeguarding the company's assets
- taking reasonable steps for the prevention and detection of fraud

Auditors

HLB Kidsons have agreed to offer themselves for re-election as auditors of the company.

By Order of the Board

Jim Duffy

Secretary

Book House
45 East Hill
London
SW18 2QZ

28 September 1999

BOOK TRUST AUDITORS' REPORT

Auditors' report to the members of Book Trust

We have audited the accounts on pages 17 to 25 which have been prepared under the accounting policies set out on pages 20 and 21.

Respective responsibilities of directors and auditors

As described on page 15 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

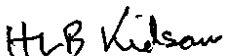
Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the 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 mis-statement, 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 of the state of the company's affairs at 31 March 1999 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



HLB Kidsons

Registered Auditors

Chartered Accountants

London

28 September 1999

BOOK TRUST
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31st March 1999

	Notes	Unrestricted funds 1999 £	Restricted Funds 1999 £	Total funds 31st March 1999 £	Total funds 31st March 1998 £
Incoming resources					
Subscriptions, donations & gifts		54,322	-	54,322	70,124
Grants		64,872	-	64,872	64,872
Investment income	6	7,205	-	7,205	11,037
Turnover		455,188	412,593	867,781	557,452
Other operating income		<u>4,604</u>	<u>-</u>	<u>4,604</u>	<u>4,500</u>
Total incoming resources		<u>586,191</u>	<u>412,593</u>	<u>998,784</u>	<u>707,985</u>
Resources used					
Direct charitable expenditure					
Young Book Trust		30,980	-	30,980	55,586
Book Information Service		57,460	-	57,460	74,486
Prizes		55,814	77,750	133,564	195,642
Publications		185,966	-	185,966	75,693
Projects		88,644	334,843	423,487	180,430
Support costs		<u>70,580</u>	<u>-</u>	<u>70,580</u>	<u>65,677</u>
		489,444	412,593	902,037	647,514
Other expenditure					
Publicity and fundraising		50,205	-	50,205	13,266
Administration		<u>32,561</u>	<u>-</u>	<u>32,561</u>	<u>61,042</u>
Total expenditure		<u>572,210</u>	<u>412,593</u>	<u>984,803</u>	<u>721,822</u>
Net incoming (outgoing) resources		13,981	-	13,981	(13,837)
Other recognised gains and losses					
Realised (losses) on investments		(4,252)	-	(4,252)	(314)
Unrealised gains on investments		<u>3,900</u>	<u>-</u>	<u>3,900</u>	<u>678</u>
Net movement in funds		13,629	-	13,629	(13,473)
Balances brought forward at 1st April 1998		<u>157,812</u>	<u>53,524</u>	<u>211,336</u>	<u>224,809</u>
Balances carried forward at 31st March 1999	13	<u>171,441</u>	<u>53,524</u>	<u>224,965</u>	<u>211,336</u>

All activities are continuing.

These notes on pages 21 to 25 form part of these accounts.

BOOK TRUST
BALANCE SHEET
at 31st March 1999

	Note	1999	1998
		£	£
Fixed assets			
Tangible assets	8	153,663	136,475
Current assets			
Stocks	9	3,295	11,199
Debtors	10	229,830	452,240
Investments	11	16,628	44,980
Cash at bank and in hand		<u>102,776</u>	<u>76,832</u>
		352,529	585,251
Creditors: amounts falling due within one year	12	<u>(281,227)</u>	<u>(510,390)</u>
Net current assets		<u>71,302</u>	<u>74,861</u>
Net assets		<u>224,965</u>	<u>211,336</u>
Reserves	13	<u>224,965</u>	<u>211,336</u>

The accounts on pages 17 to 25 were approved by the board of directors on 28 September 1999.

Eric Bolton

) 

) Directors

Eric de Bellaigue

) 

BOOK TRUST
CASH FLOW STATEMENT
for the year ended 31st March 1999

	1999 £	1998 £
Net cash inflow/(outflow) from operating activities		
Operating surplus (deficit)	6,776	(24,874)
Depreciation	13,170	10,439
Loss on disposal of investments	4,252	314
Decrease in stocks	7,904	1,530
Decrease/(increase) in debtors	222,410	(223,400)
(Decrease)/increase in creditors	<u>(229,524)</u>	<u>201,759</u>
	24,988	(34,232)
Returns on investments and servicing of finance		
Interest received	7,205	11,037
Capital expenditure and financial investment		
Purchase of investment	-	(14,938)
Purchase of tangible fixed assets	(30,349)	(7,287)
Proceeds from sale of investment	<u>28,000</u>	<u>33,000</u>
Increase/(decrease) in cash	<u>29,844</u>	<u>(12,420)</u>
Analysis of cash as shown in the balance sheet		
Cash at bank and in hand		
Balance brought forward	76,832	89,930
Balance carried forward	<u>102,776</u>	<u>76,832</u>
	25,944	(13,098)
Short term investments		
Change in market value of investments	<u>3,900</u>	<u>678</u>
	<u>29,844</u>	<u>(12,420)</u>

BOOK TRUST
NOTES ON ACCOUNTS

31st March 1999

1 Principal accounting policies

Basis of accounting

The accounts have been prepared under the historical cost accounting rules, save for current asset investments which are stated at market value, and in accordance with applicable accounting standards.

Depreciation

Depreciation of tangible fixed assets is charged by equal annual instalments at varying rates to write off their cost less any residual value over the expected useful lives which are as follows: -

Freehold land and buildings	-	Nil
Furniture and equipment	-	5 or 10 years
Additions to Book House	-	10 years
Computer equipment	-	5 years

In the case of freehold property, the Board of Directors are of the opinion that provision for depreciation is unnecessary because the building is maintained to a high standard and its market value is in excess of cost.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost has been determined by the FIFO method and is based on purchase price or production cost excluding general overheads. Net realisable value is based on estimated selling price less the costs of disposal.

Pensions

Defined contribution schemes

The pension cost charge represents contributions payable to a separately administered pension scheme.

Donations, Legacies and other Voluntary Income

Amounts are reflected in the accounts when received by Book Trust.

Grants

Book Trust accounts for general grants on an accruals basis. Those grants given for a specific purpose are accounted for as income only when the conditions under the terms of the grant have been fulfilled. Until then the grant is held in the balance sheet as a creditor.

BOOK TRUST
NOTES ON ACCOUNTS

31st March 1999
(continued)

1 Principal accounting policies (continued)

Fundraising & Publicity Costs

This includes those items directly attributable to fundraising and publicity, and the portion of overheads considered appropriate based on floor space and man-hours.

Support Costs

This includes those services that are provided centrally in support of Book Trusts' direct charitable activities, and the portion of overheads considered appropriate based on the floor space and man-hours of those central services.

Administration Costs

This includes those items attributable to management of the charity that cannot be allocated to the direct charitable expenditure. This includes audit costs, and the administration of the membership.

Investments

Investments are included in the accounts at market value and any gains or losses, realised or unrealised, are reflected in the Statement of Financial Activities.

Volunteers

Book Trust derives substantial gain from the use of volunteer help throughout the year, the effect of which cannot be quantified.

2 Restatement

The accounts deal only with the activities and financial position of the Book Trust. Previously they also incorporated the activities and financial position of the Scottish Book Trust (formerly Book Trust Scotland). On 1 April 1998 the Scottish Book Trust became a wholly independent organisation and the corresponding figures in these accounts have been restated to disclose the position had the above development occurred at the commencement of the previous year.

BOOK TRUST
NOTES ON ACCOUNTS

31st March 1999
(continued)

3	Operating surplus (deficit)	1999	1998
		£	£
	This is stated after crediting the following:-		
	Subscriptions, donations and gifts including donations made under Deeds of Covenant	54,322	70,124
	Grant - Arts Council of England	<u>64,872</u>	<u>64,872</u>
	Direct costs and other operating charges include:-		
	Staff costs (note 4)	302,587	280,541
	Operating leases		
	- hire of equipment	5,086	4,152
	- rents payable	8,326	8,326
	Auditors' remuneration (of which £2,050 in respect of prior year; 1998: £3,100)	<u>8,050</u>	<u>7,100</u>

4	Staff costs	1999	1998
		£	£
	Salaries	300,193	250,802
	Social security costs	28,581	23,803
	Pension costs (note 5)	<u>12,000</u>	<u>5,936</u>
		<u>340,774</u>	<u>280,541</u>
		Number	Number
	Average number employed	<u>19</u>	<u>16</u>

Staff costs for 1999 include an amount of £38,187 (1998: £nil) not charged to the Statement of Financial Activities as these are recoverable from another party.

Excluding pension contributions, no employee earned over £40,000 in either year.

	1999	1998
	Number	Number
The total number of employees by function, was:-		
Young Book Trust	4	4
Book Information Service	2	3
Prizes	2	3
Publications	2	1
Bookstart	4	-
Support costs	3	3
Publicity and fundraising	<u>2</u>	<u>2</u>
	<u>19</u>	<u>16</u>

No member of the Board of Directors received any remuneration for their services (1998 - £Nil).

BOOK TRUST
NOTES ON ACCOUNTS

31st March 1999
(continued)

5 Pensions

The pension costs charge of £12,000 (1998 - £5,936) represents contributions made to a separately administered pension scheme.

6 Investment income	1999	1998
	£	£
Interest on Government stocks	4,443	6,329
Other interest receivable	<u>2,762</u>	<u>4,708</u>
	<u>7,205</u>	<u>11,037</u>

7 Taxation

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

8 Tangible fixed assets	Freehold land and buildings £	Additions to Book House £	Furniture and equipment £	Total £
Cost				
1st April 1998	107,559	4,623	111,335	223,517
Additions	30,349	-	-	30,349
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
31st March 1999	<u>137,908</u>	<u>4,623</u>	<u>111,335</u>	<u>253,866</u>
Depreciation				
1st April 1998	-	4,623	82,410	87,033
Charge for year	-	-	13,170	13,170
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
31st March 1999	<u>-</u>	<u>4,623</u>	<u>95,580</u>	<u>100,203</u>
Net book amount				
31st March 1999	<u>137,908</u>	<u>-</u>	<u>15,755</u>	<u>153,663</u>

The costs of freehold land and buildings above represents the company's 25% share in the freehold of Book House (see also note 14).

Additions to freehold land and buildings represents the cost of an extension at Book House originally funded by Publishers Training Centre (formerly Book House Training Centre) who solely occupy this extension. The rent due to Book Trust in respect of this part of the building was being and is retained by Publishers Training Centre until such time as the cumulative retained rent and interest thereon equalled the original cost together with interest thereon. Full provision has been made for the cost together with retained rent and interest adjustments at 31 December 1998 (note 12).

BOOK TRUST
NOTES ON ACCOUNTS

31st March 1999
(continued)

9	Stocks	1999	1998
		£	£
	Publications and videos	<u>3,295</u>	<u>11,199</u>
10	Debtors		
	Amounts falling due within one year		
	Trade debtors	168,814	33,767
	Other debtors	24,946	14,397
	Prepayments and accrued income	36,070	367,276
	Due from Book Trust Scotland	<u>-</u>	<u>36,800</u>
		<u>229,830</u>	<u>452,240</u>
11	Current asset investments	1999	1998
		£	£
	Government stocks		
	Market value	<u>16,628</u>	<u>44,980</u>
	Cost	<u>14,939</u>	<u>47,191</u>
12	Creditors		
	Amounts falling due within one year		
	Trade creditors	21,363	71,644
	Other taxation and social security	36,924	9,541
	Other creditors (note)	40,403	2,017
	Accruals and deferred income	<u>182,537</u>	<u>427,188</u>
		<u>281,227</u>	<u>510,390</u>

Note:

This includes an amount of £32,849 due to the Publishers Training Centre (formerly Book House Training Centre) representing the cost of additions to Book House, £30,349, originally funded by the Publishers Training Centre together with retained rent and interest adjustments.

13	Reserves	1st April	Surplus for	31st March
		1998	the year	1999
		£	£	£
	Income and expenditure account	51,903	13,629	65,532
	Capital reserve	105,151	-	105,151
	Gilroy-Scott Fund	<u>54,282</u>	<u>-</u>	<u>54,282</u>
		<u>211,336</u>	<u>13,629</u>	<u>224,965</u>

BOOK TRUST
NOTES ON ACCOUNTS

31st March 1999
(continued)

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:

	1999		1998	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Leases expiring in:				
Less than one year	-	-	-	-
1 to 5 years	-	1,406	-	4,152
More than 5 years	<u>8,326</u>	<u>4,210</u>	<u>8,326</u>	<u>-</u>
	<u>8,326</u>	<u>5,516</u>	<u>8,326</u>	<u>4,152</u>

The above payments in respect of land and buildings include the company's rent payable in respect of the 75% interest in that part of Book House occupied but not owned by the company, less the rent receivable in respect of the company's 25% interest in that part of Book House occupied by Publishing Training Centre excluding the retained rent referred to in Note 8. The rent is subject to review every five years, the next review being on 29th September 1999.