

2022 ANNUAL REPORT

This is the trustees' Report and Financial Statements for the year to 31 December 2022 as required by charity law and regulations and constitutes a directors' report for the purpose of company legislation. The financial statements have been prepared in accordance with the accounting policies set out on pages 26 to 30 and comply with the charity's trust deed, the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102). The trustees assert that this annual report shows BTBS' trustees and co-opted committee members are effective, offering appropriate skills, knowledge and experience in support of clear aims, values and objectives, reflecting the tenets of the Charity Governance Code.

WHO WE ARE

The Book Trade Charity exists to support colleagues across the book trade and their families, providing grants and housing when they need it most. Since 1837 we have been a safety net providing vital funding to help when crisis strikes.

We can help with: utility bills, groceries, transport, medical costs, funeral costs, counselling, household items, relocation, training, development and housing needs. We even have our own housing for colleagues based in Hertfordshire and London.

Beyond our work with individuals, we work hard to support a healthy and vibrant book trade and to break down barriers for young entrants to the trade. We believe in a diverse and inclusive book trade and our approach reflects our commitment to underrepresented groups.

A photograph of a man and a woman embracing from behind in a modern building hallway. The man is wearing a blue and green patterned sweater, and the woman is wearing a black jacket with a red bag strap. The background shows a blurred hallway with large windows and a white wall.

A SAFETY NET

We act fast to help colleagues at the point of crisis. Putting food on tables, heating homes and keeping lights on. For hundreds of families.

A SPRINGBOARD

But we don't stop there. We actively drive positive change across the trade and are strongly committed to building a more inclusive and diverse book trade. We have helped hundreds more gain the skills they need to go further and to realise their potential.

CHAIR'S STATEMENT

2022 was another year of evolution for The Book Trade Charity. The challenges of COVID, war in Europe and the cost-of-living crisis have driven beneficiaries to our doors. Supported by the generosity of donors and the work of our trustees, our small dynamic team of staff and volunteers successfully battled these headwinds. In the year we made 265 grants to those in need of support and provided housing to over 75 people in need of the security of a home. It is hard to imagine how those current and ex-members of our book trade could support themselves without the safety net that The Book Trade Charity provides.

In addition, our 'Bookbinders' site in North London provides a springboard for the future stars of the Book Trade. We reached full occupancy at the new Bookbinder flats dedicated to housing young people from underrepresented backgrounds across the UK who, otherwise, would not be able to afford to work in London. It is a great privilege to chair an organisation that has such a committed team of trustees, fundraisers and volunteers, but I would like to pay a particular tribute to our staff Glenda, Nicki, Keith and our CEO, Vic. Their dedication to improving the lives of current and ex-colleagues, while maintaining a focus on the future, is outstanding and is increasingly recognized across the charitable sector. In November 2021 Glenda Barnard won the Association of Charitable Organisations outstanding achievement award and in 2022 our entire team was shortlisted for The Small Charity of the Year Award. **The Book Trade charity is making a real difference – please support us!**



Jonathan Nowell
Chair

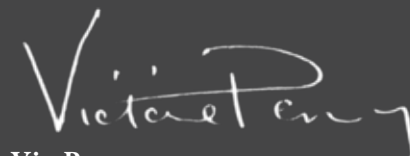


A WORD FROM OUR CHIEF EXECUTIVE

It is amazing to be part of a passionate team supporting book trade colleagues with targeted financial support and I am always further spurred on when we receive feedback from grant recipients like Salma* who recently wrote to say: *“As someone from an underrepresented background, The Book Trade Charity has been a lifeline and a balm to impossible costs amidst the cost-of-living crisis.”*

We know that our grants and housing programmes are life-changing, and we have ambitious plans for our charity. Firstly, a project to make our homes as energy efficient as possible - the largest such home improvement programme across our estate in recent years. Secondly, a new appeal to secure the future of our vital grants programme, helping colleagues through the cost-of-living crisis. Next year we will be actively seeking more company donors and partners from across the trade to help make these plans a reality and the signs are positive, with more donors joining our ranks and keen to make a difference to the lives of colleagues. We couldn't be more grateful.

Finally, a thank you for every supportive email, and every penny raised towards our vital work.



Vic Perry
Chief Executive



OUR AIMS

Overall our grants and housing supports colleagues to:

- improve quality of life for themselves and their families
- relieve distress and face crises
- take up education and training
- build their career in the book trade

OUR WAY OF WORKING

is tangible, practical and personal. It often starts with an email or a phonecall to talk through eligibility and to run through the application steps together. We can help with - utilities bills, groceries, transport, medical costs, funeral costs, counselling, household items, relocation, training, development and housing needs.

CRISIS DOESN'T DISCRIMINATE, AND NEITHER DO WE

We are committed to promoting a workplace committed to the principles of equity, inclusivity and diversity. All applications for support are considered in ways which do not discriminate on the basis of age, gender, ethnicity, race, religion, disability, sexual orientation or socio-economic background.

2022 HIGHLIGHTS

- Forged stronger relationships with funders and developed a new funding plan.
- Kickstarted the 185 Appeal, to raise vital funds for our grants programme.
- Developed a robust energy efficiency plan for our sites.
- Ended the year with full occupancy across both sites.
- Highly commended in the national ACO awards.
- Awarded 265 grants equating to over £249,000.





OUR 2023 AIMS

Creating a sustainable and energy efficient future

The Retreat is a housing development run by The Book Trade Charity in Hertfordshire which provides 36 homes to colleagues of all ages (average age 67) and are let to eligible applicants on assured short-hold tenancies at subsidised rents/utilities. The various properties that make up the estate, including some original Victorian alms-houses, need sustainably retrofitting and refurbishment not only to reduce their environmental impact, but also to remain affordable for our residents and indeed the charity. This ambitious upgrade will include energy efficient windows and doors, roof insulation and where required significant upgrades to individual boilers and heating systems. This project is the largest of its kind for a number of years and will ensure that we move into Winter 2023 with warmer and more energy efficient homes.

We consulted with our residents in October 2022, and shared our plans to support our residents. We knew that the unprecedented energy and cost of living crisis would be concerning to our residents, and we were eager to do everything within our power to make critical energy saving adjustments and to move the charity and our residents into a greener and more sustainable future. This work will continue into next year.

Diversifying our funding

In order to meet the challenges, it is critical for The Book Trade Charity to develop bold partnerships with existing and new funders across the book trade. In 2023 we will further develop our fundraising plan and our impact reporting to ensure that our donors understand the life-changing difference that their support can make. We will continue to run the 185 Appeal to raise funds from individuals and companies to bolster our vital grants programme which is the cornerstone of our work. Securing additional funding for our grants programme will be key moving forward in order to meet the demands across the book trade.

The 185 Appeal

During 2022 we successfully launched a new emergency campaign, The Book Trade Charity's Cost-of-Living Appeal. Launched on the 185th birthday of the Charity, we set an ambition to raise £185,000 towards our core and vital grants programme, in order to provide much-needed help to colleagues. Chair Jonathan Nowell: 'For over 185 years The Book Trade Charity (BTBS) has provided vital grants and homes to colleagues in the book industry. We launch special appeals only when we need to: when there was an overwhelming need for low-cost housing or when Covid struck. The current cost-of-living crisis has already driven requests for grants up by a significant amount in some areas. We are launching the appeal now to meet this demand by strengthening our core grants programme and thereby safeguarding our vital work across our industry.'

OUR YEAR IN NUMBERS

£249,955 AWARDED IN GRANTS

308 APPLICATIONS

167 BENEFICIARIES

75 REGULAR BENEFICIARIES

41 ENTRANTS TO THE TRADE

46 HOME & HOUSING GRANTS

OUR GRANTS

A large part of our work involves assessing grant applications from individuals seeking support for themselves and their families. We have a series of grants on offer to support colleagues at different stages of their career and facing different pressures.

WELFARE GRANTS

For book trade people living in their own homes, the charity supports individuals and families in need by providing one-off grants for people facing a crisis. Here are some examples of what people use our grants for:

Impact area	How we might help
Low household income and savings, debt and insolvency	Essential furniture and appliances, help with household bills, heating and maintenance costs, travel and car costs
Unemployment and redundancy	Interview costs, funding training and development, CV
Health and medical aid not easily or normally provided by the NHS	Help towards dental work, medical aides such as wheelchairs, mobility scooters, stair lifts
Being a carer	Respite care costs, financial support
Emergencies and unforeseen circumstances	Cover funeral costs, transport and travel
Accidents, illness or bereavement	Deposits for Motability vehicles, mobility aids or stairlifts, counselling sessions
Housing difficulties and homelessness	Pay for accommodation, deposits for a new home, help with removal costs

For further information please go to www.btbs.org

REGULAR GRANTS

We often work with colleagues who find themselves on a fixed, low income. They may be retired or indeed starting out in the trade. We support over 60 people with a means-tested grant of up to £175 per month. We know that this ongoing support can be a lifeline for people and enables us to play a sustained and meaningful role in their lives.

June's story

June receives a regular grant from The Book Trade Charity. We thank her for sharing her story:

"I have been working in the book trade for almost forty years and I love it. I first contacted the charity a number of years ago after a relationship broke down and I found moving costs were very high. I couldn't believe the help that I received. I am lost for words speaking about BTBS - no-one can imagine how much they mean to me. I have received a regular grant every month for a number of years which means that I don't struggle day to day, and I can afford to run a car as I have poor mobility. You have no idea how much this has helped me, and I think what you do is amazing. I have a lump in my throat, and I can't think of enough superlatives to describe the work that you do."



EDUCATION AND TRAINING GRANTS

We have a special grants programme to support people's training and professional development within the book trade and to support people with a passion to enter the trade. We see these grants as a springboard, enabling people to secure their dream job in the book trade. We continue to work with chosen providers to offer support and practical help to colleagues seeking their first or next job in the trade.

If the cost of undertaking education and training is a barrier to colleagues, we can help them to access career development courses and we tailor support to help new entrants with their living and household expenses often offering grants to support rental deposits or the costs of relocation. One recent applicant gave the following feedback:

“I WOULD DEFINITELY NOTE HERE THAT MY FUTURE CAREER PROSPECTS HAVE BEEN ENHANCED BY COMPLETING THIS PARTICULAR LEARNING PATH. I AM PARTICULARLY GRATEFUL TO BTBS FOR GIVING ME THE OPPORTUNITY TO WORK HARD AT ACHIEVING THOSE SKILLS. IT IS AT THIS POINT 'UNCLEAR' EXACTLY WHAT TIME FRAME IS NEEDED TO TAKE MY NEXT CAREER STEPS, E.G., PRINTING BOOK PROJECTS, APPROACHING VENDORS, ETC. BUT WHAT I DO KNOW IS, THAT I AM PREPARED, AND READY TO START TAKING THOSE STEPS.”



ENTRY TO THE TRADE GRANTS

We recognise the barriers for young people trying to obtain their first job in the industry and we are passionate about supporting people from underrepresented groups to enter the trade. This year we asked some of the young entrants who had undertaken fully funded career development sessions, why our support made a difference to them. This is what they said:

“I came into this from another industry and quickly learned that jobs and opportunities were few and centred around London or Edinburgh. The advice was invaluable, and helped me to grow my business.”

“Yes - it’s great to enable publishing hopefuls from low income backgrounds to get opportunities in the field, and these kind of sessions are incredibly useful. I would have found a session with book careers hard to afford without help, so the sponsorship of the Book Trade Charity was very valuable for me.”

“The publishing industry is notoriously underpaid leading to very little opportunity for those from lower income backgrounds to find their feet within it.”

“This is a highly competitive industry and too often favours those from privileged backgrounds and those with connections in the industry. It’s important for an industry that serves the UK’s book-reading public that the country’s demographic is better represented in the publishing industry.”

“Very important, especially given that career development sessions tend to be expensive and people looking for a job would find it hard to book them by themselves otherwise.”

OUR IMPACT, GRANTS

In 2021 our work supported beneficiaries across the UK. Here is a breakdown of our grants programme for the past three years:

HOW DID WE HELP?

Welfare grants, (one-off & regular), Entry to the trade grants and Project grants (not including Covid Hardship Grants)	2022	2021	2020
Beneficiaries:	167	179	219
New contacts:	68	N/A*	N/A*
Applications for assistance (total):	308	353	436
Applications funded:	265	319	341
Applicant did not pursue:	28	20	56
Applications rejected (ineligible or not within financial criteria) :	15	14	39

*Available data not comparable as separate system for processing Covid grants was in place

WHAT DID PEOPLE ASK FOR SUPPORT WITH?



60

Christmas one-off grants



22

Housing/rent arrears/debt



41

Interns & Entry to the Book Trade



17

Retraining & redundancy



75

Regular support



6

Disability, medical & nursing home fees



24

Household, including carpets,
white goods



16

Covid Hardship



OUR IMPACT, HOMES

Our homes in London and Hertfordshire exist to provide safe, secure and subsidised accommodation for book trade people of all ages. Our oldest resident is 98 and our youngest, 23.

THE RETREAT IN HERTFORDSHIRE

The Retreat at Kings Langley provides independent living in a community of self-contained accommodation for book trade people who need housing for social and economic reasons - a 'safe port' to start afresh after a difficult time. The estate provides homes for colleagues of all ages who have worked in the trade. People can apply to live there as the result of housing need or simply because they wish to live or retire amongst others who love books and share experience in the book trade. Properties are let to eligible applicants on assured short-hold tenancies at subsidised rents/utilities.

- Occupancy: 94.6% (2021: 95%)
- Average resident age at 31 December 2022 was 68 (2021: 67 years). Our oldest resident is 91 and youngest is 44.





Douglas' story

Douglas is a resident, and we thank him for sharing his story.

"I grew up in Africa and after school I went straight into book selling, which has been my lifelong passion. After some time, I moved to the UK and worked for Pan Books and for a number of years, I worked between the two countries. Eventually I took a job working for Hodder as film and TV co-ordinator, that was a great time and I got to meet some amazing people including Richard Attenborough. I then opened my own book shop in Tunbridge Wells for a few years before moving to London. After working back in bookshops, I became a carer for a number of years which was very rewarding but stressful. I found out about The Retreat from a friend at Marylebone Books and loved the idea of a place to live, geared towards book sellers. I moved in on a sunny day twenty-one years ago; I walked up the path and just fell in love with the place and the books. For a long time, I helped with the book sales here – I knew all the customers, and everyone got involved with the book sales. I loved working with the publishing houses who donated the books too and we really built-up a strong following. About a decade on, I had a heart attack and after getting ill, I had to step back from my work with the books, but I still love being so close to it all and part of the book community. In fact, it's the longest that I have ever lived anywhere and it's really a unique and lovely place."

"IT'S THE LONGEST THAT I HAVE EVER LIVED ANYWHERE AND IT'S REALLY A UNIQUE AND LOVELY PLACE."

BOOKBINDERS COTTAGES IN LONDON, N20

The Bookbinders Cottages form a small and unique development of tailor-made flats in North London providing a 'place to call home' for young people starting their Book Trade career in London as well as older residents. The development provides independent living in a community of self-contained flats for book trade people.

- Occupancy: 95.5% (2021: 60%).
- Average age of residents at 31 December 2022: 43 (2021:44). Our oldest resident is 99 and youngest 22.

Maria's story:

"I started out as an editorial assistant on a fixed-term contract that was extended until July 2020. During Covid, things were disrupted so I came home to work in Cambridge. I took a job which was working well whilst I could work from home but when Covid restrictions were lifted I found it really hard to commute into London and internship had sapped my savings. Then I saw Bookbinders Cottages and it solved so many of my problems; enabling me to get into Publishing in a sustainable way. My home feels safe and having my own space is fantastic. It's subsidised and manageable and so eases the financial pressure. Without The Book Trade Charity, I don't think I could have done this."

Maria is a new entrant to the trade, living at Bookbinders Cottages. We thank her for sharing her story.





FUNDRAISING

During 2022, we worked hard to develop new relationships with potential company donors, made applications to trusts and foundations and launched a new appeal on the Enthuse platform.

The Board records its thanks and appreciation to the following supporters:

Association of Authors Agents, Blackwells, Blake Friedmann, Bloomsbury, The Book Society, The Booksellers Association, Clays, Canongate, David Grossman, Faber and Faber, Hachette, Harper Collins, Ingram/Lightning Source, Pan Macmillan, Old Possum’s Practical Trust, PenguinRandomHouse, Profile Books, Publishers Licensing Society, Simon & Schuster and the Sue Thompson Charitable Foundation, who all contributed over £1,000 to The Book Trade Charity during the year.

In addition, money was raised during 2022 via:

- Publishers and Booksellers, who donated books and money to enable our vital work.
- Book sales — we raised £55,851 (2021: £39,000) from our book sales which was an impressive effort.
- Trusts, charitable foundations
- Legacies – we received a legacy from the estate of Geoffrey Bailey
- London Marathon runners raised over £11,000: Joanne Mower, Arthur Thompson, Ruth Brooks, Felicity Hemming and Bríd Enright
- Ride London. Our amazing Team BTBS raised over £3,000 – Jeremy Brinton, Felix Friedmann, Rupert Orton, Marcus Agerman Ross and Peter O’Keefe.
- Events and collections were held on our behalf by: Hachette’s All Together Network and Society of Young Publishers.

We adhere to and comply with the provisions of the Fundraising Standards Board as part of our membership.



VOLUNTEERS & STAFF

We wish to record our thanks and appreciation to all volunteers who contributed greatly to the charity's achievements and developments during the year. Without this support, we would not be able to transform lives.

Particularly, the trustees record their thanks to David Hicks and 'the cavalry' of book sorters who prepare us for our book sales and support us at London Book Fair each year.

The Board records its thanks and appreciation to the small staff team of Vic Perry, Glenda Barnard, Nicki Cattle and Keith Foster who are professional and dedicated in all that they do, including many voluntary hours in support of Book sales and other events.

FINANCIAL REVIEW

The statement of financial activities shows net expenditure of £1,000,546 for the year ended 31 December 2022.

	2022	2021
Total income:	£837,988	£632,580
Total expenditure:	£1,000,546	£1,014,956
Investment (losses)/gains	(£44,334)	£39,288
Net expenditure	£206,892	£343,088

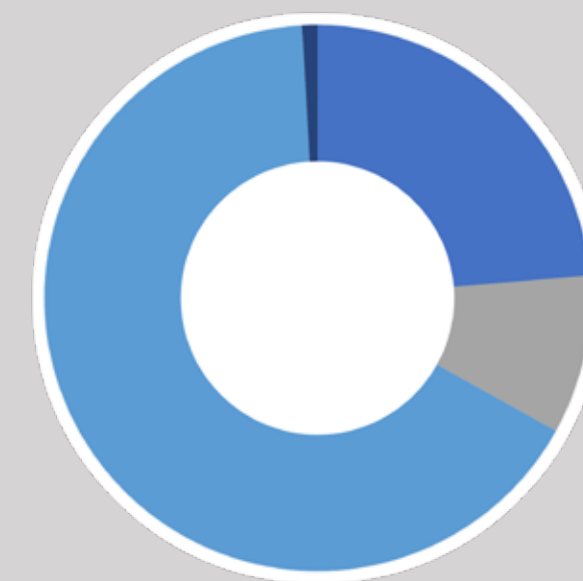
Recurring income for the charity comprises income from voluntary sources, events, rents and investments.

- Corporate and personal donations, and grants from charitable trusts contributed £154,722 (2021: £109,340) to unrestricted funds and £43,797 (2021: £11,815) to restricted funds.
- Events income totalled £78,810 (2021: £53,795) mainly from book sales and the London Marathon
- Rental income amounting to £553,054 (2021: £450,764).
- Gross investment income was £7,605 (2021: £6,866). Movement in the stock market during 2022 resulted in net realised and unrealised losses totalling £44,334 (2021: net gains of £39,288).

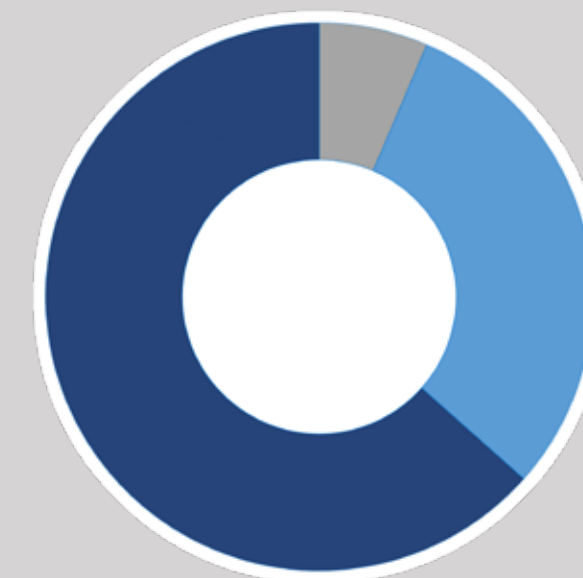
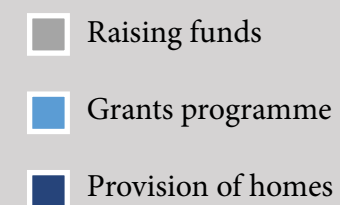
Costs for the year are £1,000,546 (2021: £1,014,956):

- Grants in the year, including provisions for regular grant commitments in 2022, amounted to £249,955 compared with £285,478 in 2021.

INCOME



EXPENDITURE



INVESTMENTS

The charity's investments are invested into the Rathbone Core Investment Fund for Charities, a pooled fund specifically designed for charities. Rathbones provided the following report in respect of the Core Fund for 2022:

Investment markets were volatile in 2022 as the global economy's emergence from the Covid-19 pandemic was thrown off course by the Russian invasion of Ukraine. Inflation, already increasing, was pushed higher by the fallout from this event, forcing global Central Banks to raise interest rates further than had been predicted. Towards the end of the year, focus turned to the prospect of slowed economic growth, with the potential for a global economic recession to follow in 2023. Against this uncertain market backdrop, the UK equity market (as measured by the FTSE All Share) rose +0.3% and overseas equities (as measured by the FTSE All-World ex UK) were down -7.8%. Fixed income was also weak as interest rates rose, leading to lower bond prices, with the FTSE UK Gilts All Stock falling -23.8%. The Rathbone Core Investment Fund for Charities, returned -10.3% net of all fees. This was behind Rathbones' short term composite index benchmark which fell -7.2% and slightly behind the peer group (as measured by the ARC Charity Steady Growth Index), which returned -9.6%.

INVESTMENT POLICY

Overall, the trustees wish to pursue a policy which provides revenue and growth to support the charity's current purposes and enhances income and capital growth over the longer term, thereby enabling them to meet the current and future objectives in accordance with the purposes of the charity. The investment objective of the Fund is to produce a return of inflation (CPI) plus 3%, net of fees. The Board has agreed to dispense with the income requirements and re-invest income to support capital growth, subject to any withdrawals the charity finds it necessary to make. This requirement is subject to annual review.

The trustees have delegated the day-to-day decision making and control of the charity's investments to Rathbones Investment Management, through a managed fund, to be informed by the policies and guidelines agreed annually at a meeting of trustees and monitored by regular contact with the Chief Executive, by formal quarterly reports and presentations to the finance committee of The Book Trade Charity. The trustees, in delegating their investment management, require the Managers to pay attention to the standard investment criteria, namely the suitability of the class of investment and the need for diversification insofar as it is appropriate to the circumstances of the charity and these requirements are to be met by the management of the fund. There are few restrictions on the type of investments or markets in which the Managers would invest on the charity's behalf and the

trustees see no conflict with the overall objectives of the shared fund. The Charity intends to actively learn more about ethical investment over the coming twelve months.

The trustees accept a medium risk approach to investment (definition below*) with a medium-to-long term objective of meeting the requirement for a returns target of inflation plus 3%, recognising that there will be short term fluctuations, and are satisfied the fund proposed for BTBS by Rathbones can achieve this. Note, we are less dependent on income from investments, given the significant reduction in value of reserves.

**The volatility target, as measured by standard deviation, aims to be high single digit (8-10%) i.e., roughly halfway between that of equities and government bonds. If we assume an expected return of +6% per annum (gross of fees) and that the volatility is 9%, then the expected range of returns (in theory) for the portfolio would be between -12% and +24% each year with a 95% degree of confidence.*

RESERVES POLICY

As at 31 December 2022, the charity held designated funds (comprising the property reserve, which is based on the net book value of the fixed assets of the charity, less loans secured against the properties) of £8,739,915, with unrestricted reserves of £374,889 (representing four months of unrestricted expenditure).

The charity's target is to hold sufficient reserves in investments to cover four key areas of need:

1. Continuity – funds used to bridge any delays in regular receipts – the estimated value of 3 months of donation income, £30,000.
2. Cyclical Maintenance — funds used for major maintenance to buildings and interiors — this is estimated at £100,000
3. Restructuring – funds used to cover essential trading activities if sources of income were reduced, such as a fall in occupancy of the property – this is identified as 4 months of budgeted expenses £280,000
4. Dissolution — funds used should the charity be unable to continue. Only to be used in the event of the trustees' deciding the charity should cease to exist — this is identified as three months running costs plus three months residual salaries £175,000

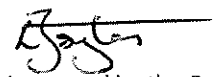
Minimum required unrestricted reserves are approximately £585,000. The charity will continue to review their reserves and reserves policy on an annual basis and work towards achieving the minimal target level of coverage. During recent years we have consciously made significant investment in the capital redevelopment of Bookbinders Cottages which has temporarily reduced the level of reserves below the policy target.

GOING CONCERN

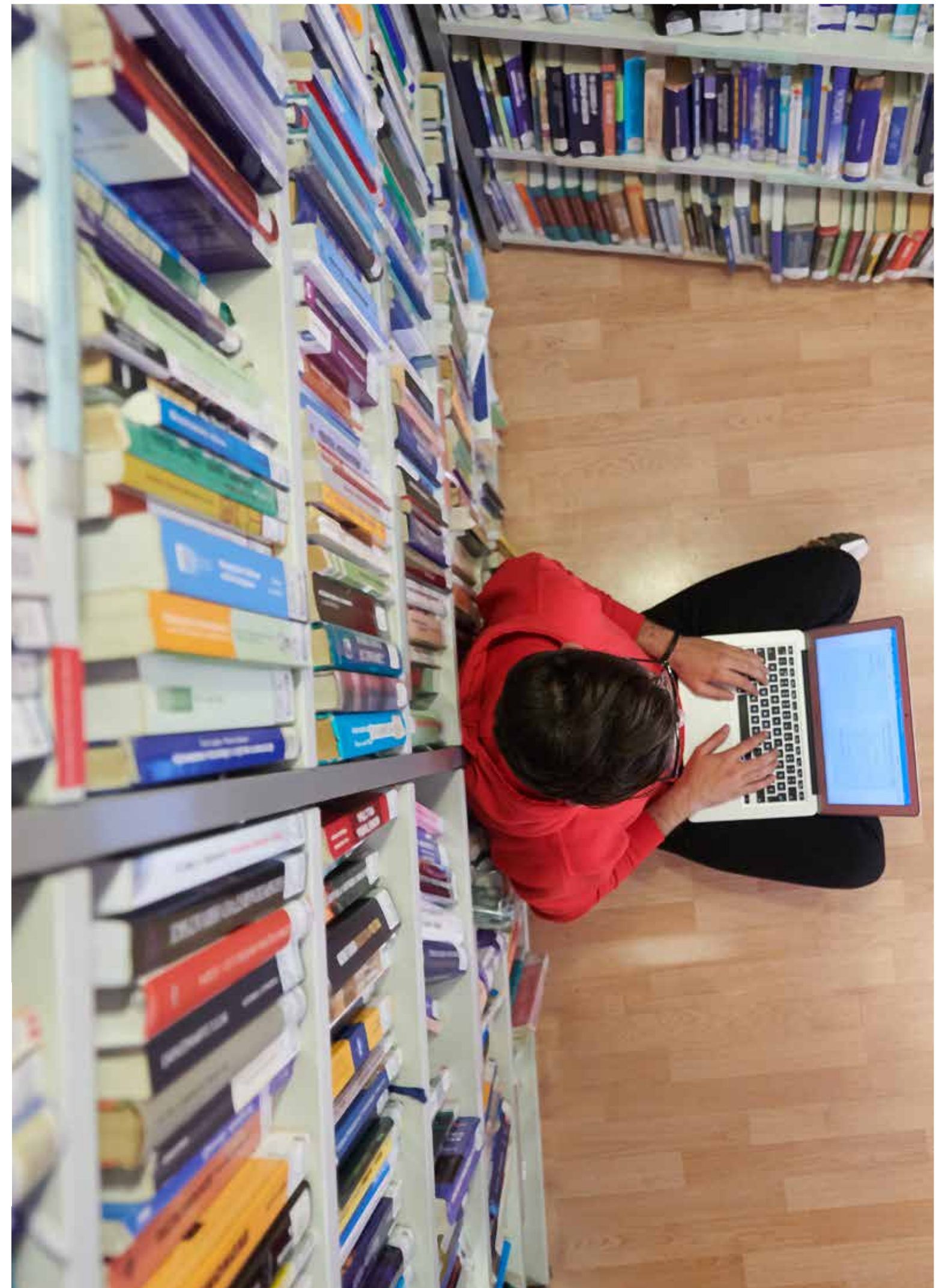
The trustees have assessed the position of the charity as a going concern in preparing this report and financial statements and have made this assessment in respect to a period of over one and half years from the date of approval of these accounts, based on budgets and cashflow forecasts to December 2023, the forecast reserves position at 31 December 2023 and the expected level of activity during 2023/2024. The charity's net current assets at 31 December 2022 are covered by fixed asset investments which can be converted to cash if necessary.

The trustees assessed key risks in the assumptions to these budgets and cashflow forecasts, including reductions in key revenue streams, increases in costs and fluctuations in interest rates and reviewed the impact that a significant change could have on the forecast to ensure the charity position. Mitigations against these risks were considered and would entail reducing the level of grants offered or the number of beneficiaries supported, re-assessing the criteria for providing housing and increasing the fundraising activity of the charity. Despite the continued inflation and interest rate risks, the trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern, and the charity will have sufficient resources to meet its liabilities as they fall due.

This report is prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.



Approved by the Board on and signed on its behalf by
Emily-jane Taylor, Honorary Treasurer, on behalf of the trustees



The Book Trade Charity (BTBS) Independent auditor's report 2022

Opinion

We have audited the financial statements of The Book Trade Charity (BTBS) (the 'charitable company') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statements of cash flows, the principal accounting policies and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its income and expenditure 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

The Book Trade Charity (BTBS) Independent auditor's report 2022

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the Trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures in respect to the remuneration of Trustees specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Trustees' responsibilities

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

The Book Trade Charity (BTBS) Independent auditor's report 2022

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

Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice Accounting and Reporting by Charities preparing this accounts in accordance with the Financial reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and the Companies Act 2006), those that relate to data protection (General Data Protection Regulation) and those in relation to safeguarding.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ performed substantive testing of expenditure including the authorisation thereof; and
- ◆ tested journal entries to identify unusual transactions.

The Book Trade Charity (BTBS) Independent auditor's report 2022

Auditor's responsibilities for the audit of the financial statements (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of this report

This report is made solely to the charitable company's Trustees, 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 Trustees those matters that 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's and the company's Trustees as a body, for our audit work, or the opinions we have formed.

Catherine Biscoe, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

The Book Trade Charity (BTBS) Statement of financial activities
(including income and expenditure account) for the year ended 31 December 2022

	Not es	Unrestricted funds £	Designated funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and legacies	1	154,722	—	43,797	198,519	121,155
Charitable activities						
. Rental income		553,054	—	—	553,054	450,764
Other trading activities	2	78,810	—	—	78,810	53,795
Investments and interest receivable	3	7,605	—	—	7,605	6,866
Total income		<u>794,191</u>	<u>—</u>	<u>43,797</u>	<u>837,988</u>	<u>632,580</u>
Expenditure on:						
Raising funds						
. Publicity and fundraising		52,420	—	—	52,420	56,288
. Fundraising trading						
.. Costs of selling donated goods		11,905	—	—	11,905	3,475
Charitable activities						
. Grants programmes		251,941	—	49,603	301,544	341,100
. Provision of residential accommodation		430,153	184,636	19,888	634,677	613,542
. Ola's fundraising		—	—	—	—	551
Total expenditure	4	<u>746,419</u>	<u>184,636</u>	<u>69,491</u>	<u>1,000,546</u>	<u>1,014,956</u>
Net income (expenditure) before investment gains and losses		47,772	(184,636)	(25,694)	(162,558)	(382,376)
Net investment (losses) gains		(44,334)	—	—	(44,334)	39,288
Net income (expenditure)		<u>3,438</u>	<u>(184,636)</u>	<u>(25,694)</u>	<u>(206,892)</u>	<u>(343,088)</u>
Transfer between funds		(107,539)	134,733	(27,194)	—	—
Net movement in funds		<u>(104,101)</u>	<u>(49,903)</u>	<u>(52,888)</u>	<u>(206,892)</u>	<u>(343,088)</u>
Reconciliation of funds:						
Fund balances brought forward at 1 January 2022		478,990	8,789,818	144,000	9,412,808	9,755,896
Fund balances carried forward at 31 December 2022		<u>374,889</u>	<u>8,739,915</u>	<u>91,112</u>	<u>9,205,916</u>	<u>9,412,808</u>

All of the charity's activities derived from continuing operations during the above two financial periods.

The charity has no recognised gains or losses other than those shown above.

The Book Trade Charity (BTBS) Statement of financial activities
(including income and expenditure account) for the year ended 31 December 2021

	Not es	Unrestricted funds £	Designated funds £	Restricted funds £	Total funds 2021 £
Income from:					
Donations and legacies	1	109,340	—	11,815	121,155
Charitable activities					
. Rental income		450,764	—	—	450,764
Other trading activities	2	53,795	—	—	53,795
Investments and interest receivable	3	6,866	—	—	6,866
Total income		<u>620,765</u>	<u>—</u>	<u>11,815</u>	<u>632,580</u>
Expenditure on:					
Raising funds					
. Publicity and fundraising		56,288	—	—	56,288
. Fundraising trading					
.. Costs of selling donated goods		3,475	—	—	3,475
Charitable activities					
. Grants programmes		254,769	—	86,331	341,100
. Provision of residential accommodation		434,877	178,665	—	613,542
. Ola's fundraising		—	—	551	551
Total expenditure	4	<u>749,409</u>	<u>178,665</u>	<u>86,882</u>	<u>1,014,956</u>
Net expenditure before investment gains and losses		(128,644)	(178,665)	(75,067)	(382,376)
Net investment gains		39,288	—	—	39,288
Net expenditure		<u>(89,356)</u>	<u>(178,665)</u>	<u>(75,067)</u>	<u>(343,088)</u>
Transfer between funds		265,658	(124,615)	(141,043)	—
Net movement in funds		<u>176,302</u>	<u>(303,280)</u>	<u>(216,110)</u>	<u>(343,088)</u>
Reconciliation of funds:					
Fund balances brought forward at 1 January 2021		302,688	9,093,098	360,110	9,755,896
Fund balances carried forward at 31 December 2021		<u>478,990</u>	<u>8,789,818</u>	<u>144,000</u>	<u>9,412,808</u>

The Book Trade Charity (BTBS) Balance sheet as at 31 December 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	9		9,980,741		10,083,290
Investments	10		321,238		358,634
Total fixed assets			10,301,979		10,441,924
Current assets					
Debtors	11	27,924		30,050	
Cash at bank and in hand		260,856		368,617	
Total current assets		288,780		398,667	
Current liabilities					
Creditors: amounts falling due within one year	12	(162,370)		(189,046)	
Net current assets			126,410		209,621
Total assets less current liabilities			10,428,389		10,651,545
Non-current liabilities					
Creditors: amounts falling due outside of one year	13		(1,222,473)		(1,238,737)
Net assets			9,205,916		9,412,808
The funds of the charity					
Unrestricted funds					
. Free reserves		374,889		478,990	
. Designated funds	14	8,739,915		8,789,818	
Total unrestricted funds			9,114,804		9,268,808
Restricted funds	15		91,112		144,000
Total charity funds			9,205,916		9,412,808

The financial statements were approved and authorised for issue by the Board on

Honorary Treasurer

The Book Trade Charity (BTBS) Statement of cash flows as at 31 December 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	A	26,306	(239,021)
Cash flows from investing activities:			
Dividends and interest from investments		7,605	6,866
Purchase of tangible fixed assets		(82,088)	(181,775)
Purchase of investments		(7,022)	(6,122)
Net cash used in investing activities		(81,505)	(181,031)
Cash flows from financing activities			
Movement in borrowing		(52,645)	306,390
Change in cash and cash equivalents in the year		(107,844)	(113,663)
Cash and cash equivalents at 1 January	B	368,936	482,599
Cash and cash equivalents at 31 December	B	261,092	368,936

Notes to the statement of cash flows for the year to 31 December 2022

The Book Trade Charity (BTBS) Statement of cash flows as at 31 December 2022

A Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net movement in funds (as per the statement of financial activities)	(206,892)	(343,088)
Adjustments for:		
Depreciation charge	184,636	178,665
Losses (gains) on investments	44,334	(39,288)
Dividends and interest from investments	(7,605)	(6,866)
Decrease in debtors	2,126	1,858
Increase (decrease) in creditors	9,707	(30,302)
Net cash provided by (used in) operating activities	26,306	(239,021)

B Analysis of changes in net debt

	At 1 Jan 2022 £	Cash flows £	Non-cash movement s £	At 31 Dec 2022 £
Cash at bank and in hand	368,617	(107,761)	—	260,856
Cash held by investment managers	319	(83)	—	236
Total cash and cash equivalents	368,936	(107,844)	—	261,092
Loans falling due within one year	(54,735)	52,645	(16,264)	(18,354)
Loans falling due outside of one year	(1,238,737)	—	16,264	(1,222,473)
Total	(924,536)	(55,199)	—	(979,735)

The Book Trade Charity (BTBS) Principal Accounting Policies

Year ended 31 December 2022

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 December 2022.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

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

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of tangible fixed assets;
- ◆ estimating the value of regular grants that had been committed to be disbursed at the year end; and
- ◆ estimating future cash flows for the purpose of assessing going concern (see below).

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts. This is based on budgets and cash flow forecasts to December 2023 and projections beyond.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. They are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. Despite the continued uncertainty in relation to inflation and interest rate rises, there are no concerns regarding the charity's ability to continue as a going concern.

With regard to the next accounting period, the year ending 31 December 2023, the most significant areas that affect the carrying value of the assets held by the charity are the performance of housing markets and, to a lesser extent investment markets.

Income recognition

All income is included in the statement of financial activities when the charitable company is legally entitled to the income and the amount can be quantified with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period. The following specific policies apply to categories of income:

The Book Trade Charity (BTBS) Principal Accounting Policies

Year ended 31 December 2022

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations, investment income and other income including the surplus on the disposal of tangible fixed assets.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity, and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised with a financial value.

Estimating the fair value of donated books and similar items for resale is impractical because of the volume of low-value items received and the absence of detailed stock records. Donated goods for resale are therefore not recognised on receipt and instead the value to the charity of the donated goods sold is recognised as income when sold.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity. Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash, or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having been transferred to the charity.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

The Book Trade Charity (BTBS) Principal Accounting Policies

Year ended 31 December 2022

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes investment management fees, staff costs associated with fundraising, and an allocation of support costs.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include charitable grants and donations, direct and support costs in respect on the charity's primary charitable purposes as described in the trustees' report and includes governance costs.

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or must fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are apportioned as detailed in notes 6 and 7.

Pension costs

The charitable company offers staff contributions towards a pension scheme, established with the Pensions Trust in anticipation of auto-enrolment applying. Contributions to this scheme, and previously existing personal pension schemes are charged to the statement of financial activities in the year in which they become payable. The charity's contributions are restricted to the contributions disclosed in note 8. There were no outstanding contributions at the year end. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

Tangible fixed assets and depreciation

Freehold land and buildings are stated at a trustees' valuation made, with professional assistance, in 2010 based on market value for existing use – under the transition provisions of FRS 102 this valuation has been treated as deemed cost. Freehold land and building acquired since then are stated at cost, or where they have been acquired for £nil consideration the fair value at the date of acquisition has been used as deemed cost. All other fixed assets are stated at cost.

The Book Trade Charity (BTBS) Principal Accounting Policies

Year ended 31 December 2022

Tangible fixed assets and depreciation (continued)

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Fixtures and fittings	-	between 10% and 20% straight line
Motor vehicles	-	20% straight line
Freehold buildings	-	between 2% and 5% straight line

The charitable company has a policy of capitalising assets which cost more than £1,000.

Freehold land is not depreciated.

Borrowing cost

Borrowing costs that are directly attributable to the acquisition, construction or production of a tangible fixed asset are capitalised as part of the cost of that asset and depreciated in line with estimated useful life of the associated asset.

Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value of investments at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Debtors

Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

Fund accounting

Funds held by the charity are:

Unrestricted funds	-	these are funds which can be used in accordance with the charitable company's objects, at the discretion of the Board.
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The Book Trade Charity (BTBS) Principal Accounting Policies

Year ended 31 December 2022

Fund accounting (continued)

Designated funds - these are unrestricted funds set aside by the Board for specific purposes.

Restricted funds - these are funds that can only be used for particular restricted purposes, within the objects of the charitable company. Restrictions arise when specified by the donor or implied by the terms of an appeal.

Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the term of the lease.

The Book Trade Charity (BTBS) Notes to the financial statements

Year ended 31 December 2022

1. Donations and legacies

	Unrestricted £	Designated £	Restricted £	2022 £	2021 £
Legacies	25,000	—	—	25,000	1,000
Donations and appeals					
. Donations	129,722	—	194	129,916	119,604
. Cost of Living Appeal	—	—	43,603	43,603	—
. Ola's fundraising	—	—	—	—	551
Total 2022 funds	154,722	—	43,797	198,519	121,155

	Unrestricted £	Designated £	Restricted £	2021 £
Legacies	1,000	—	—	1,000
Donations and appeals				
. Donations	108,340	—	11,264	119,604
. Ola's fundraising	—	—	551	551
Total 2021 funds	109,340	—	11,815	121,155

2. Other trading activities

	Unrestricted £	Restricted £	2022 £	2021 £
Marathon donations	11,569	—	11,569	7,716
Events/collections	11,391	—	11,391	7,207
Sales of donated goods	55,850	—	55,850	38,872
Total 2022 funds	78,810	—	78,810	53,795

	Unrestricted £	Restricted £	2021 £
Marathon donations	7,716	—	7,716
Events/collections	7,207	—	7,207
Sales of donated goods	38,872	—	38,872

The Book Trade Charity (BTBS) Notes to the financial statements

Year ended 31 December 2022

Total 2021 funds	53,795	—	53,795
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3. Investment income

	Unrestricted £	Restricted £	2022 £	2021 £
Listed investments	7,605	—	7,605	6,866
Total 2022 funds	7,605	—	7,605	6,866

	Unrestricted £	Restricted £	2021 £
Listed investments	6,866	—	6,866
Total 2021 funds	6,866	—	6,866

4. Expenditure

	Direct costs £	Support costs (note 6) £	Total funds 2022 £	Total funds 2021 £
Raising funds				
. Publicity and fundraising	8,884	43,536	52,420	56,288
. Fundraising				
.. Costs of selling donated goods	11,905	—	11,905	3,475
Charitable activities				
. Grants programmes (note 5)	249,955	51,589	301,544	341,100
. Provision of residential accommodation	573,689	60,988	634,677	613,542
. Ola's fundraising	—	—	—	551
	844,433	156,113	1,000,546	1,014,956

The Book Trade Charity (BTBS) Notes to the financial statements

Year ended 31 December 2022

	Direct costs £	Support costs (note 6) £	Total funds 2021 £
<i>Raising funds</i>			
. Publicity and fundraising	8,831	47,457	56,288
. Fundraising			
.. Costs of selling donated goods	3,475	—	3,475
<i>Charitable activities</i>			
. Grants programmes (note 5)	285,478	55,622	341,100
. Provision of residential accommodation	550,278	63,264	613,542
. Ola's fundraising	551	—	551
	<u>848,613</u>	<u>166,343</u>	<u>1,014,956</u>

4. Expenditure (continued)

Included in expenditure are:

- Staff costs amounting to £194,834 (2021: £197,378)
- Payments under operating leases for equipment amounting to £2,954 (2021: £2,954)
- A charge for depreciation amounting to £184,636 (2021: £178,665)
- Fee paid to the auditor in respect of the statutory audit amounting to £9,240 (2021: £8,950) excl. of VAT

Trustees' indemnity insurance is provided by the charitable company's insurers at no additional cost to the charitable company.

5. Grants payable

Included within grants programmes expenditure are the following grants:

	2022 £	2021 £
<i>Individuals</i>		
. The welfare of people in financial need	177,243	171,236
. Medical costs of beneficiaries	2,810	3,428
. Support to people in training, retraining and education	20,176	20,253
<i>Institutions</i>		
. MHCT	17,726	10,230
<i>Restricted grants</i>		
. COVID-19 Hardship fund	32,000	80,331
	<u>249,955</u>	<u>285,478</u>

The Book Trade Charity (BTBS) Notes to the financial statements

Year ended 31 December 2022

Grants were awarded to 151 beneficiaries (2021: 179) individuals. Grants were awarded to the following institutions: Bound by Veterans and Southam Book Festival.

6. Support costs allocation

	Office staff £	Chief executive £	Travel, training, etc £	Office expenses £	Governance (note 7) £	Bank charges £	Total 2022 £	Total 2021 £
<i>Raising funds</i>								
.. Publicity and fundraising	6,428	29,243	1,542	5,736	—	586	43,535	47,456
<i>Charitable expenditure</i>								
. Grants programmes	7,713	34,118	108	3,566	5,500	585	51,590	55,622
. Provision of residential accommodation	11,570	34,117	5,655	3,560	5,500	586	60,988	63,265
	<u>25,711</u>	<u>97,478</u>	<u>7,305</u>	<u>12,862</u>	<u>11,000</u>	<u>1,757</u>	<u>156,113</u>	<u>166,343</u>

	Office staff £	Chief executive £	Travel, training, etc £	Office expenses £	Governance (note 7) £	Bank charges £	Total 2021 £
<i>Raising funds</i>							
.. Publicity and fundraising	6,368	32,754	1,145	6,738	—	451	47,456
<i>Charitable expenditure</i>							
. Grants programmes	7,641	38,213	131	4,426	4,760	451	55,622
. Provision of residential accommodation	11,462	38,213	3,958	4,421	4,760	451	63,265
	<u>25,471</u>	<u>109,180</u>	<u>5,234</u>	<u>15,585</u>	<u>9,520</u>	<u>1,353</u>	<u>166,343</u>

Cost allocation includes an element of judgement and the charitable company has had to consider the cost/benefit of detailed calculations and record keeping.

Basis for support costs allocation:

- Office staff, estimated time spent on activities.
- Travel, allocated according to usage.
- Office expenses, allocated according to usage of resources.
- Governance costs, specifically incurred professional fees are allocated directly to the relevant activity and other fees are allocated equally between the charitable activities.
- Bank charges, allocated according to usage of resources.

The Book Trade Charity (BTBS) Notes to the financial statements

Year ended 31 December 2022

7. Governance

	2022 £	2021 £
Legal and professional	1,500	—
Audit and accountancy fees	9,500	9,250
Bank charges	1,757	1,350
	12,757	10,600

8. Staff costs and remuneration of key management personnel

	2022 £	2021 £
Wages and salaries	169,209	171,740
Social security costs	13,605	13,247
Pension costs	12,020	12,391
	194,834	197,378

The average number of employees during the year, analysed by function, was as follows:

	2022 £	2021 £
Estate management	2.0	2.0
Support	2.0	2.0
	4.0	4.0

One employee received remuneration of between £80,001 and £90,000 in 2022 (2021: One employee received remuneration of between £60,001 and £70,000). Contributions amounting to £4,920 (2021: £4,800) were paid to a personal pension scheme for that employee.

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis comprise the trustees and the senior management team. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £97,521 (2021: £97,955). Trustees are not remunerated. During 2022 no amounts were paid on behalf of/reimbursed to trustees for travel costs (2021: £nil).

The Book Trade Charity (BTBS) Notes to the financial statements

Year ended 31 December 2022

9. Fixed assets

	Freehold property £	Fixtures and fittings £	Motor vehicles £	IT Equipment £	Bookbind ers Developm ent £	Total £
Cost						
At 1 January 2022	7,939,921	24,580	16,800	6,505	3,067,293	11,055,099
Additions	—	36,480	—	—	45,608	82,088
At 31 December 2022	7,939,921	61,060	16,800	6,505	3,112,901	11,137,187
Depreciation						
At 1 January 2022	874,470	5,694	6,720	1,301	83,625	971,810
Charge for the year	87,921	6,106	3,360	1,301	85,948	184,636
At 31 December 2022	962,391	11,800	10,080	2,602	169,573	1,156,446
Net book value						
At 31 December 2022	6,977,530	49,260	6,720	3,903	2,943,328	9,980,741
At 31 December 2021	7,065,452	18,886	10,080	5,204	2,983,668	10,083,290

Included in freehold property is land £4,025,967 (2021: of £4,025,967) which is not depreciated. The freehold property is entirely occupied by the charitable company for its own activities.

10. Investments

	2022 £	2021 £
Listed investments		
Market value at 1 January 2022	358,314	312,904
Additions at cost	7,022	6,122
Disposal at opening market value	—	—
Net Unrealised investment gains (losses)	(44,334)	39,288
Market value at 31 December 2022	321,002	358,314
Cash held by investment managers for reinvestment	236	319
	321,238	358,634
Historical cost of listed investments at 31 December 2022	287,072	280,368

The Book Trade Charity (BTBS) Notes to the financial statements

Year ended 31 December 2022

At 31 December 2022, the following investment holding was material.

	2022 £
Rathbone Core Investment Fund For Charities	321,002

At 31 December 2021, the following investment holding was material.

	2021 £
Rathbone Core Investment Fund For Charities	358,314

The Book Trade Charity (BTBS) Notes to the financial statements

Year ended 31 December 2022

10. Investments (continued)

Listed investments held at 31 December 2022 comprise the following:

	2022 £	2021 £
Alternative	321,002	358,314
	321,002	358,314

11. Debtors

	2022 £	2021 £
Trade debtors	12,426	11,660
Prepayments and accrued income	15,498	18,390
	27,924	30,050

12. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	70,844	20,991
VAT and payroll taxes	4,668	5,928
Accruals and deferred income	68,504	107,392
Bank loans	18,354	54,735
	162,370	189,046

Accruals include £50,000 (2021: £50,000) in respect of grant commitments to 30 June 2023, in accordance with the accounting policy.

13. Creditors: amounts falling due outside of one year

	2022 £	2021 £
Bank loan	1,222,473	1,238,737

The Book Trade Charity (BTBS) Notes to the financial statements

Year ended 31 December 2022

13. Creditors: amounts falling due outside of one year (continued)

The bank loan may be analysed:

	2022 £	2021 £
Due within one year	18,354	54,735
Due between one and two years	19,583	56,405
Due between three and five years	1,202,890	1,182,332
	1,240,827	1,293,472

The bank loan is repayable in monthly instalments of £8,229 (inclusive of interest) and bears interest at 3% over base rate. Capital repayments commenced in November 2021. The total agreed facility is £1,400,000 of which £1,240,827 has been drawn down at the balance sheet date.

The loan has been secured by way of a fixed charge over the charitable company's freehold property.

14. Designated funds

	At 1 January 2022 £	New designatio ns £	Utilised/ released £	Transfers £	At 31 December 2022 £
Tangible Fixed Assets Fund	8,789,818	—	(184,636)	134,733	8,739,915
	8,789,818	—	(184,636)	134,733	8,739,915

The tangible fixed assets fund represents the amount of funds locked up in fixed assets which are needed for operational purposes, less the outstanding value of bank loans secured against the properties of the charity. Depreciation of fixed assets released from the designated fund annually.

Transfers from the fund in the year represent the movement in the drawn down loan facility (transfer out to general funds of £52,645) and capital additions in the year (transfer in from general funds of £54,894 and restricted funds of £27,194).

	At 1 January 2021 £	New designatio ns £	Utilised/ released £	Transfers £	At 31 December 2021 £
Tangible Fixed Assets Fund	9,093,098	—	1 (178,665)	(124,615)	8,789,818
	9,093,098	—	(178,665)	(124,615)	8,789,818

The Book Trade Charity (BTBS) Notes to the financial statements

Year ended 31 December 2022

15. Restricted funds

	At 1 January 2022 £	Income £	Expenditure £	Transfers £	At 31 December 2022 £
Ernest Hecht Fund	144,000	—	(6,000)	—	138,000
Cost of Living appeal	—	43,603	(43,603)	—	—
Capital appeal	—	194	—	(194)	—
Unwin Charitable Trust Fund	—	—	(19,888)	(27,000)	(46,888)
	144,000	43,797	(69,491)	(27,194)	91,112

The Ernest Hecht Fund was set up in 2020, this fund provides a bursary scheme for young people entering the trade from diverse and/or financially disadvantaged backgrounds

The Cost-of-Living appeal was launched in 2022 with the intention of raising and disbursing funds in support of the core grant programme of the Charity during a period of particular financial hardship for beneficiaries

The Unwin Charitable Trust Fund is to be utilised with respect to improvement works to the property of the Charity with a particular focus on energy efficiency. Costs on the project work began to be incurred in 2022. Attributable repairs costs are shown as expenditure against the Unwin Charitable Trust Fund and amounts capitalised shown as transfers from the Unwin Charitable Trust Fund to the designated capital fund. The Charity has received confirmation of entitlement to grant funding of £123,000 in January 2023 for the first phase of works. This income will be recognised as income in the year ending 31 December 2023 ensuring that the deficit balance shown at 31 December 2022 is eliminated.

The capital appeal fund relates to funds received for capital projects, the transfer to designated funds arising from capital additions during the year.

	At 1 January 2021 £	Income £	Expenditure £	Transfer s £	At 31 December 2021 £
Ernest Hecht Fund	150,000	—	(6,000)	—	144,000
COVID-19 Hardship Fund	210,110	—	(80,331)	(129,779)	—
Ola Gotkowska's Appeal	—	551	(551)	—	—
Capital appeal	—	11,264	—	(11,264)	—
	360,110	11,815	(86,882)	(141,043)	144,000

The Ola Gotkowska Appeal was set up by the Charity in 2018. The Charity is to raise and distribute funds to assist with medical costs relating to diagnosis, treatment and support.

The COVID-19 Hardship Fund was established in 2020. This fund is to be utilised on relieving hardship incurred by those in the book trade as a result of the COVID-19 pandemic. It was agreed with the original funder to which remaining funds pertain that the fund be released to general unrestricted funds at 31 December 2021 to be applied for the general benefit of the charity's beneficiaries in recovery from the impact of COVID-19.

The Book Trade Charity (BTBS) Notes to the financial statements

Year ended 31 December 2022

16. Volunteers

- Volunteers constitute the Board of trustees, with co-options to the committees and, recognition given to their contribution to the charity's achievements and developments during the year, without which the charity would not be able to achieve all that it does to relieve need. The support of the President and the honorary Treasurer is particularly significant
- Book trade colleagues who help to collect books for book sales at The Retreat and at London Book Fair and who support our book sales throughout the year.
- The Retreat residents and friends who organise social occasions and outings, and volunteer Graham Hogben drives the minibus for the weekly supermarket trips, and other occasional outings.

17. Contingent asset

The Trustees of Old Possum's Practical Trust have agreed to donate £10,000 to the charitable company annually, as long as the Trust's funds permit. No debtors have been recognised in the financial statements in respect of future donations as it is not possible to determine how long the Trust will continue to donate to the charitable company.

18. Lease commitments

At 31 December 2022, the charity had the following future minimum commitments in respect to non-cancellable operating:

	Equipment	
	2022 £	2021 £
Within one year	2,215	2,954
Within two and five years	—	2,215
	2,215	5,169

19. Capital commitments

As at 31 December 2022, the charitable company had contracted for capital commitments amounting to £nil (2021: £nil).

20. Control

The charitable company is controlled by the members who are the trustees of the charitable company.

21. Related party transactions

During the year, the following transactions took place at arm's length between the charity and its related parties: £93,650 (2021: £27,000) was received as donations from various organisations in which some trustees are involved and in donations from trustees as individuals.

David Hicks, the charity's ex-Chief Executive Officer, who retired in 2021 is a resident of The Retreat and therefore pays a monthly rental charge to the Book Trade Charity. This transaction was undertaken at arm's length during his employment and continues on the same basis.



OUR PEOPLE

PRESIDENT

Ursula Mackenzie (until February 2022)

Isobel Dixon (from February 2022)

PATRONS

Nigel Batt

Kip Bertram

Edwin Buckhalter

John Elsley

Christopher Foyle (d. 10.08.22)

Trevor Hing

Timothy Wright

AMBASSADORS

Ursula Mackenzie

David Young

David Shelley

John Seaton

Andrew Franklin

Ian Hudson

AUDITOR

Buzzacott LLP, 130 Wood Street, London,
EC2V 6DL

BANKERS

Unity Trust Bank PLC, Nine Brindleyplace,
Birmingham, B1 2HB

SOLICITORS

Sherrards LLP, 4 Beaconsfield Road, St Albans,
Hertfordshire, AL1 3RD

INVESTMENT

ADVISERS

Rathbone Investment Management, 8 Finsbury
Circus, London, EC2M 7A2

STAFF

Chief Executive: Victoria Perry

Operations Manager: Glenda Barnard

Finance & Admin Manager (p/t): Nicki Cattle

Special Projects (p/t): Keith Foster

BOARD OF TRUSTEES

Chair: Jonathan Nowell

Vice Chair: Ann Woodhall

Honorary Treasurer: Emily-jane Taylor

TRUSTEES AND BOARD MEMBERS

Jeremy Brinton

Elise Burns

Ian Chapman (from 25.7.2022)

Meryl Halls (from 25.7.2022)

Kate McFarlan

David Neale

Jasmine Richards (from 25.7.2022)

Fraser Tanner (until 25.7.2022)

Gemma Woodward

Samantha Smith

COMPANY SECRETARY

Victoria Perry



HOW YOU CAN HELP

To support our new appeal to fund our vital, core work please scan the QR above with your phone or go to btbs.enthuse.com/cf/cost-of-living-appeal and join us on our mission to raise at least £185,000 #185Appeal.

We welcome support of all kinds - please contact Vic at victoria@btbs.org to discuss how you can make a difference.



Some photos used are representative to maintain confidentiality.

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Registered company number: 06725178 | Registered charity number: 1128129