



Company number: 03783095
Charity number: 1079257

World Book Day Limited

Report and financial statements

For the year ended 30 June 2022

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For the year ended 30 June 2022

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World Book Day Limited

Reference and administrative information

For the year ended 30 June 2022

Company number	03783095
Country of incorporation	United Kingdom
Charity number	1079257 (registered under the name World Book Day Limited)
Country of registration	England & Wales

Registered office and operational address 6 Bell Yard
London
WC2A 2JR

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

S Lotinga	Chair (to November 2021, resigned June 2022)
M Halls	Vice Chair
S Thompson	Treasurer
D Prescott	
J Douglas	
C Cowell	
H Broadfoot	
A Bond	
E Scott	Chair and Trustee (from November 2021)
R Calderon	(Appointed November 2021)
S Mahal	(Appointed November 2021)
D Conway	(Appointed September 2022)

Key management Personnel	Cassie Chadderton	Chief Executive and Company Secretary
	Emma Pritchard	World Book Day Manager

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
Invicta House
108-114 Golden Lane
LONDON
EC1Y 0TL

Bank HSBC
Church Street
Weybridge
KT13 8DF

World Book Day Limited

Reference and administrative information

For the year ended 30 June 2022

Solicitor	Bristows 1st Floor 100 Victoria Embankment London EC4Y 0DH
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The trustees present their report and the audited financial statements for the year ended 30 June 2022.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

The objective of the charity is the promotion and encouragement of reading. Its beneficiaries are children and young people.

The charity's vision is to see more children, from all backgrounds, developing a life-long habit of reading for pleasure, benefiting from the improved life chances this brings them.

Its mission is to promote reading for pleasure, offering every child and young person the opportunity to have a book of their own.

Purposes and aims

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

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

The trustees have complied with the duty in section 4 of the 2006 Charities Act to have due regard to guidance published by the Charity Commission. In particular, the trustees refer to the Charity Commission's general guidance on public benefit both when reviewing how well past activities have satisfied the charity's stated objective, and when planning how future activities may best continue to do so.

The main means through which the charity's objective is met is the organisation and promotion each year of a series of events designed to encourage reading by the public surrounding a designated day (in 2022, it was March 3) known as World Book Day.

Our Activities

World Book Day's activities and who it tries to help are described below. All its charitable activities focus on the promotion of reading, especially to children and young people and their families, and are undertaken to further World Book Day Limited's charitable purposes for the public benefit.

1. Offering every child and young person the opportunity to have a book of their own.

- Working with publishers, World Book Day presents a selection of specially produced £1/€1.50 books for children and young people.
- World Book Day produces and distributes £1 book tokens (€1.50 in Ireland) to school and pre-school aged children throughout the UK and Ireland. Children and young people can take their token to participating bookshops or retailers to swap it for one of the £1 World Book Day books. Or the token can be used to get £1 off any full price book (€1.50 in Ireland) or audiobook costing at least £2.99 (or €3.99 in Ireland).

2. Promote and encourage reading for pleasure

- World Book Day continued its work to promote and encourage reading for pleasure to children and families across the UK and Ireland. This includes delivery of the World Book Day events and supporting activities.
- World Book Day also conducts research to understand its impact and how it may improve its reach to beneficiaries.

3. Produce resources that support the development of reading for pleasure

- World Book Day produces resources to encourage and support reading for pleasure. This includes resource packs for schools and school children throughout the UK and Ireland and a wide range of activities to support reading available through the World Book Day website.

Achievements and performance

World Book Day 2022: celebrating 25 years

World Book Day 2022 marked the charity's 25th anniversary. The charity's campaign set out to promote the past, present and future of children's reading. Many authors and illustrators previously involved in World Book Day were invited to take part, and the charity worked with its partner, BookTrust, on a 'special edition' of the Pass The Pen campaign to promote up and coming authors and illustrators of colour.

The charity's campaign set out to encourage all families and children to see reading as part of their lives, using its '6 principles' as a framework for campaign messaging and activity. The charity's work to reach children and families in areas of high deprivation and low-literacy continued, in partnership with the National Literacy Trust and distributing copies of the £1 books – made possible by donations from publishers and McDonald's.

Highlights of 2022

- 2 million £1/€1.50 books gifted by booksellers & publishers give children 12 exciting books to choose from and own
- Digital events enjoyed by over 500k children
- #worldbookday trended on Twitter for 2 days with 2.7 million social media impressions
- Reception at 10 Downing Street & cross-party support from 136 MPs
- 41.5k £1/€1.50 token packs to schools & nurseries
- 53k downloads of school & family packs
- 101k £1/€1.50 books donated by publishers, McDonald's and the Arts Council given directly to children least likely to have books of their own
- World Book Day ambassador MC Grammar's 'Reading is Amazing' song notched up 360k listens
- Over 30 children's magazine partnerships showcased the £1 books and £1 token
- HRH Duchess of Cornwall shared the joy of reading to grandchildren in a Daily Mirror feature
- Matt Lucas joined The One Show Live studio to discuss the importance of reading
- 2,700 booksellers & 1,527 libraries joined in with events, displays and activities sharing the joy of reading, choosing & book discovery
- 69 million reach from online/print broadcast including Steph's Packed Lunch, ITV London, Sky Kids, Heart and Blue Peter
- 50 million tokens distributed through schools, magazines & partnerships including 5.3 million tokens on Happy Meal®, boxes

How World Book Day made an impact in 2022

Everyone celebrates the joy of reading

As we marked 25 years of bringing books and a love of reading to children and young people, it was wonderful to see the celebrations taking place once again in schools, bookshops, libraries and homes. On World Book Day, you couldn't go anywhere without bumping into the fun, whether you were watching Sky Kids, eating a McDonald's Happy Meal®, posting a letter or getting your free Beano comic. The joy of celebrating books and reading was everywhere!

Our broadcast, print and online coverage demonstrated that reading for pleasure was at the very heart of the message.

We were proud to have celebrations across Ireland, Scotland and Wales:

- An Irish language €1.50 book which topped the charts in Ireland
- Scottish Book Trust shared materials with primary schools
- Literature Wales published a Welsh language title and materials and circulated them to Welsh primary schools.

Delivering in communities

Our partnerships enabled us to place the £1/€1.50 book and token within easy reach of some of the country's most disadvantaged children and young people. This work was made possible thanks to book donations from publishers and funding from the Arts Council England and McDonald's and resulted in 110k books being gifted directly to children and young people.

Key outcomes from this work:

1. Mini World Book Day festivals across the 15 National Literacy Trust literacy hub areas connected libraries with other community spaces such as food banks and community centres. The celebrations included multiple storytelling events, crafting, book gifting and even a bus tour.
2. Children with limited access to books in Gloucestershire and Liverpool enjoyed pop-up bookshops in schools through our partnership with Read for Good.
3. Books gifted by prisoners to their children in visiting times in partnership with Give a Book.
4. Children's Books Ireland and An Post worked with 21 partner charities and organisations to gift 14,000 books in 23 different locations in 11 countries across Ireland to children and families experiencing homelessness, living in direct provision, in hospitals and healthcare situations, and Traveller communities.
5. Scottish Book Trust gifted £1 picture books in their family explorer bags and book tokens in their nursery-gifted explorer packs.

Developing resources based on our 6 principles

In 2021/2022, using existing research and supported by key partners Centre for Literacy in Primary Education, The National Literacy Trust and The Open University, we established 6 principles that support children reading for pleasure:

1. Being read to regularly
2. Access to books at home/school
3. The ability for children to choose what they want to read
4. Having trusted adults sharing and recommending books to them
5. Being given time to read
6. The reading experience is enjoyable

Working with teachers and children from three London schools we developed resources that speak directly to teacher and student need. We have been able to complete this work with support from The Charity of Sir Richard Whittington, a charity associated with The Mercers' Company.

Working with trusted education brands; Centre for Literacy in Primary Education, The National Literacy Trust and The Open University, BBC Teach and Twinkl we created trusted resources based on these principles that were shared and enjoyed by over 2 million children.

Our World Book Day guides to celebrating the day and enjoying our reading for pleasure activities were downloaded 54k times by schools, nurseries & families.

Our 2022 Author and Illustrator Academy videos and lesson plans offered a deeper insight into the work of our £1 authors and illustrators in partnership with Shapes for Schools. These have been watched over 26,000 times.

In partnership with Coram Beanstalk we also developed £1 book information sheets with introductory activities and games for each title that could be used by their reading volunteers or any adult supporting children choosing their books.

Giving every child the chance to choose and own their own book

Over 2,700 independent booksellers and high street retailers enabled children to have a book of their own by buying over 2 million £1 books to gift to children in exchange for their World Book Day token. 2022 also saw the launch of our bookseller matching service connecting over 130 schools with their local bookseller.

Celebrations kicked off with a window tour – World Book Day illustrator Allen Fatimaharan created bespoke windows for The Story Museum, Mostly Books, Mr B's Emporium, Storysmith and Blackwell's Cambridge.

With thanks to Arts Council England, we were also able to include a title from Knights Of. *Peak Peril: A High Rise Mystery* by Sharna Jackson extended the number of children able to see themselves in the £1 book list.

Creating a buzz about books with our digital events

We produced inspiring digital content for children to access across the country giving children the opportunity to meet the authors and illustrators behind the books. In total over 500,000 children tuned in to hear from World Book Day authors past and present and some of our brightest new talent.

Our flagship event **World Book Day Live with Matilda and Friends** was watched by 36,000 settings and featured; Children's Laureate Cressida Cowell, Humza Arshad, Chris Riddell, Allen Fatimaharan, Hannah Lee, Nizrana Farook, Frank Cottrell-Boyce, Maisie Chan, Greg James & Chris Smith plus the cast from Matilda.

We delivered this event by working with long-term partners Roald Dahl Story Company and the Royal Shakespeare Company.

World Book Day partnered with BookTrust and Waterstones Children's Laureate Cressida Cowell MBE on a special edition of their #PassthePen campaign. World Book Day legacy authors and illustrators of the last 25 years were paired with up-and-coming writers and illustrators of colour.

The campaign highlights the importance of all children having the opportunity to own and be inspired by inclusive stories, written by authors and illustrators who are representative of the society we live in.

Quotes from World Book Day participants	
'I've not been to the library for a long time because of COVID but this was a great drive to get us visiting again.'	'My daughter didn't do much for World Book Day in school and it's been fantastic to be able to enjoy celebrating as a family.'
'This was the most engaged we have ever seen schools with World Book Day. My favourite moment involved a boy whose teachers said he didn't 'do' books. He was so enthusiastic that he came back with his mum straight after school to buy a book!'	'There are no book shops nearby and a lot of the families don't have cars. It makes a huge difference to our children for us to be able to do this. They were honestly just thrilled to have a new book'
'Are they seriously free and to keep?' 'I can read the same book (as my child) and chat about it'	'This one little boy, at school they'd told him the dinosaur book was too young for him but he really wanted it. He was delighted when he saw that was the book his dad had chosen for him. He loved reading it out and telling us a few dinosaur facts!'
'It was great that we were able to give copies of the actual books to the most vulnerable families we work with (through the Bookbug for the Home practitioners) as this removes that barrier. Thanks so much for providing the books and vouchers – I'm absolutely sure it's had a positive impact.'	'Parents were delighted with the selection of books for their children, especially parents who encourage their children to read and see the value in reading. Some commented - "these books are new" and "look, they have 2022 on them".'
'It was great, and I've just joined the library!'	'In the shop, we encouraged children to choose their own books from the selection after reading the blurb, and it was good to see them really thinking about their choices.'

Beneficiaries of World Book Day

In 2021/22 World Book Day used several evidence sources to measure our impact and to review our achievements and performance.

National Literacy Trust, Annual Literacy Survey, 2021

Percentage of Children and Young People have heard of WBD	95.5%
Percentage of Children and Young People take part in a WBD event or activity	78.7%
% of Children and Young People who say the book they 'bought' with their World Book Day book token had been their first book of their own	16.9%
% of Children and Young People receiving free school meals	22.4%

who say the book they 'bought' with their World Book Day book token had been their first book of their own	
% read more books as a result of WBD	54.7%
% talk more about books with their family and friends as a result of WBD	46%
% share more books with their family and friends as a result of WBD	37.8%
% Borrow more books from the library	29.6%
% Buy more books	40%
% Read more with their parents	36%
Children and young people who take part in World Book Day activities in enjoy reading compared with their peers who don't take part	63.8% (vs 48.4%)
Children and young people who take part in World Book Day activities say they read daily in their free time compared with compared with their peers who don't take part	45.2% (vs 34.6%)

Nielsen, Understanding the Children's Book Consumer, 2020

% of children who discover new books via World Book Day	22%
World Book Day is an important source of book discovery: % of households with an income of less than £18,000 p.a.	23%
World Book Day makes my child more enthusiastic about books and reading	24%
There is a good selection of World Book Day books to choose from	24%
The World Book Day voucher encourages us to go into bookshops	23%
World Book Day encourages me to read to them	21%
World Book Day is about school more than home reading	19%

What children like best about World Book Day	2021
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World Book Day Limited

Trustees' annual report

For the year ended 30 June 2022

Being read to	17%
Receiving book voucher / getting a new book	24%
Being able to personally choose a new book themselves	24%
Dressing up at school	34%
Nothing: they don't like/take part in World Book Day	31%

World Book Day £1 Books 2022

- Over 2 million books were printed in 2022 giving children and young people 12 exciting books to choose from and own



Comparison with Previous Years – UK & Ireland

	UK	Ireland	UK & Ireland
2012	787,844	51,878	839,722
8 x titles			
2013	780,331	60,505	840,836
8 x titles			
2014	780,600	53,221	833,821
8 x titles			
2015	837,950	58,794	896,744

10 x titles			
2016	789,738	58,008	847,746
10 x titles			
2017	1,006,327	73,733	1,080,060
10 x titles			
2018	1,000,184	56,448	1,056,632
10 x titles			
2019	1,113,204	78,480	1,191,684
10 x titles			
2020	949,697	52,000	1,001,697
12x titles			
2021	Data not available	Nielsen did not have a full market measure due to the closure of physical retail stores	Data not available
12 x titles			
2022	1,051,469	60,638	1,112,107
12 x titles (14 with ROI)			

Source: Nielsen Bookscan

Financial review

Overall for the financial year ended 30 June 2022 the charity's financial position has been stable.

It has continued to attract sponsorship, licence fees and other income associated with its charitable activities from companies within the publishing and bookselling industry. Funding secured from the Mercers Company (restricted funds of £190,000 over three years, recognised in 2020 and 2021) and Arts Council England (£94,360 between February 2021 and August 2022) continues to significantly improve its year-on-year income.

The charity began work to consider the long-term sustainability and diversification of its income streams and has taken steps both to review and improve its income over the coming years.

World Book Day continues to maintain a close control on its costs and expenditure. The charity's delivery of projects associated with grant income (including employment of staff) increased expenditure.

The net movement of funds for the year was a decrease of £94,897 (2021: net increase £43,827). The decrease in funds comprised of an increase of £12,402 in the unrestricted funds and a decrease of (£107,299) in the restricted funds. Overall, the Charity's funds decreased to £258,088 from £352,985 in 2021, of which £221,393 (2021: £208,991) was unrestricted. The decrease in funds has occurred where a large portion of restricted grant income was received in 2020 and 2021 (as detailed above) creating restricted surpluses in those years, subsequently the

expenditure linked to that grant income was incurred in 2022 thus resulting in a reduction in funds in 2022.

Unrestricted income increased to £757,487 (2022) from £647,153 (2021), £83,300 of this increase is as a result of increased licence fees and increased take-up on publisher opportunities.

Unrestricted expenditure increased to £735,649 (2022) from £647,695 (2021), the charity focused expenditure on encouraging access and the promotion of reading. Areas of increased expenditure included; public relations, website and media, printing and distribution. It should be noted that there were significant inflationary rises in printing costs in 2022.

Risk management

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to minimise these risks. The trustees have taken steps to ensure that all child protection issues are properly addressed. A key element in the management of financial risk is the setting of a reserves policy and its regular review by trustees.

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Principal risks and uncertainties

The charity reviews its strategic and operational risks regularly. The continued uncertainties in the external environment (particularly the impact of the cost of living crisis and fluctuating prices) have been considered. The financial and operational effect of loss of income from sponsors and funders has been considered by trustees. It is believed that all major sources of income will remain stable.

World Book Day's strategy for 2020-25 addresses the broad socio-economic context and the impact of the rising cost of living on children's engagement with reading.

Investment powers and policy

Under the Memorandum of Association, the trustees have the power to deposit or invest funds in any manner they think fit, providing that they first obtain independent expert financial advice. In practice, any surplus funds are held on ordinary bank deposit and are likely to be so in the foreseeable future.

Reserves policy and going concern

It is the policy of the charity to aim to establish and maintain unrestricted funds at a level which equates to approximately 30% of the following year's estimated resources to be expended. This provides sufficient funds to maintain, at least in the short term, the quality and effectiveness, of the annual World Book Day campaign in the event of there being a reduction in incoming resources.

The charity plans to review its reserves policy in 2023.

The charity's actual free reserves at 30 June 2022 were £221,393 (2021: 208,991) which equates to 28% (2021: 28%) of the total estimated unrestricted resources for the following year. The Trustees understand that this is slightly under the desired policy level, the Charity is currently investing in its resources to grow the Charity and increase its income and expenditure to further meet beneficiary need.

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Fundraising

World Book Day's approach to fundraising is intended to protect its reputation and encourage public trust and confidence in the charity.

World Book Day adheres to recognised standards, including the Charity Commissions six principles for trustees to take responsibility for fundraising and the Fundraising Regulator's Code of Fundraising Practice. World Book Day is registered with the Fundraising Regulator.

World Book Day did not work with professional fundraisers or third parties during the year. During the year World Book Day received no complaints.

World Book Day contacts the majority of current and potential donors directly by email and in-person. These donors are commercial organisations or schools.

In 2022 World Book Day introduced a fundraising pack and encouraged donations by individuals via Just Giving or Supported Giving.

World Book Day began leading schools' fundraising activity in 2021. Book Aid International receives a portion of the funds raised by schools. In 2022 the amount was 50% of the total funds

raised by schools. In 2023 the amount will be a minimum of 50% of the total funds raised by schools.

World Book Day worked with four commercial participators in 2021. All promoted the sale of goods and donated a proportion of sales to World Book Day.

World Book Day was successful in an application to the Mercers' Company Reading and Writing for Pleasure Initiative in June 2020, for work to develop and provide evidence-based reading for pleasure teaching resources. A grant of £190,000 over three years was confirmed.

World Book Day also made a successful application to Arts Council England's Project Grants funding programme. The charity received £94,360 between February 2021 and August 2022 for activities to grow reading for pleasure for children and young people 2021-2022. The three areas of work are; gaining insight into how WBD can engage more strongly with older children and young people, reaching communities most in need and diversifying the £1 book selection.

Plans for the future

World Book Day's strategy for 2020-25 was published in late 2020. It sets out the trustees' refreshed vision and objectives for the charity, including how it will work more effectively to reach children and families from disadvantaged backgrounds.

The objectives of that strategy are

- 1.** Encourage all children to develop reading habits to improve life chances now, and for generations to come.
- 2.** Be a powerful, collaborative celebration: an annual national event for all those working to encourage children to read for pleasure.
- 3.** Build our financial and administrative resilience to be more effective and increase our impact.

In 2022 World Book Day's trustees reviewed the charity's strategy and business plan and approved their intention to deliver greater reach and impact to promote and encourage children's reading for pleasure, building on the reputation and recognition of the World Book Day annual campaign and brand.

The strategy will see World Book Day; 1) increase the reach and impact of the World Book Day charitable campaign: giving every child the opportunity to be a reader by increasing reach and addressing behavioural and economic barriers, 2) Improve life chances for children through reading: ensuring our activities meet the charity's purpose and the needs of beneficiaries – particularly those from lower socio-economic groups. 3) Nurture and strengthen the World Book Day brand for the long-term benefit of our beneficiaries, stakeholders and partners. 4) Build operational capacity and revenue generating capability to support the secure and effective development of the charity and its strategy.

These aims are guiding the development of World Book Day's future strategy and business plan, and as part of this work World Book Day will review its content and mechanisms to ensure they meet the charity's purpose and needs of beneficiaries.

The strategy and business plan will be introduced in 2023 and will ensure World Book Day's activities are linked to its outcomes and impacts.

World Book Day is operationally lean and agile, with low fixed costs. It has been able to adapt to the rises in operational costs and inflation with no significant financial impact. There have been no changes to the value of the charities' assets and liabilities and investments during the year.

Staff costs increased marginally in the year, the result of a variation to an existing role (fully funded through grant income). Staff costs will increase further from July 2022, with the introduction of a part time Finance and Operations Manager.

World Book Day is developing and implementing an income strategy for 2023 and beyond, with the aim of improving its income levels and diversifying income sources. Additional income will support World Book Day's engagement activities and content, its work to support life-changing reading habits with children and families experiencing disadvantage and inequality, and organisational development to ensure World Book Day can meet current needs and realise opportunities to make a greater impact.

The charity will aim to introduce long term funding agreements, maintain a transparent funding structure a broad range of income sources. These measures will allow it to adapt successfully to any changes in future context.

The charity also plans to review its reserves policy, in the event that its level of reserves drops and changes to its future commitments are required.

World Book Day believes that in the context of widening educational and economic disparity its work to encourage all children to develop a life-long habit of reading for pleasure, leading to improved life chances, will remain relevant.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 7 June 1999 and registered as a charity on 4 February 2000.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 6 to the accounts.

Appointment of members

Under the terms of the company's Articles of Association (approved September 2020) there shall be four members, of whom two shall be the Founder Members (Booksellers Association and Publishers Association). Each Founder Member may also nominate one individual or organisation to be admitted as an additional Member.

Method of nominating: members

Membership of the Charity is open to any individual or organisation interested in promoting the Objects who is nominated by either the Booksellers Association or the Publishers Association and signs the register of members or consents in writing to become a member either personally or (in the case of a member organisation) through an authorised representative.

Appointment of trustees

Under the terms of the company's Articles of Association there shall be no more than 12 trustees at any one time.

The trustees shall comprise of up to three eligible persons appointed by the BA and PA and up to an additional six eligible persons.

The Chair will be appointed by the Trustees from among those of their number for a term of office of three years and may be reappointed for two consecutive terms.

The Vice-Chair is appointed by the Trustees from among their number for a maximum term of office of one year from the date of appointment or the remaining length of their then current three year term as a Trustee, whichever is the shorter.

Method of nominating: trustees

The method of recruiting BA and PA appointed trustees is set out in the Articles, supported by a process run by the BA and PA; each seek names of potential appointees from colleagues and others involved in the book trade and the world of reading. During 2021 the charity went through an open recruitment process, using its recruitment policy, to appoint three non-industry trustees (including a Chair).

Trustee induction and training

New trustees are provided with a Trustee Handbook outlining their legal obligations under charity and company law and are made aware of the content of the Articles of Association, the decision making process and the financial performance and plans of the charity.

Organisation

The trustees are responsible for the overall administration of the charity and for making strategic decisions. Under the terms of the Articles of Association, the trustees must meet at least four times a year.

The implementation of strategic plans is carried out by the Executive, which includes the Chief Executive and World Book Day Manager. In early July 2022 the charity appointed a Finance and Operations Manager.

World Book Day also contracted with freelance contractors and service providers to assist in the delivery of programme. A leading public relations company is employed on a contract basis to promote the charity's activities. Staff employed by the Booksellers Association and the Publishers Association provide additional support and administration, free of charge to the charity.

Related parties and relationships with other organisations

The charity has a close relationship with both the Booksellers Association and Publishers Association.

The BA and PA are Founder Members of World Book Day and appoint two members to represent the Booksellers Association and the Publishers Association.

During the year, the charity paid £NIL (2021: £842) to the BA for recharged expenses. At the year ended 30 June 2022, the charity owed the BA £Nil (2021: £Nil).

The charity received administrative assistance free of charge from both the BA and the PA. The charity has estimated this at £9,000 (2021: £9,000) and is included within the donated services in the year.

Throughout the year the charity's Board included trustees holding senior positions at companies or organisations with the publishing and bookselling industries that provided financial donations.

The charity is sponsored by National Book Tokens, a subsidiary of the Booksellers Association.

The charity's Board also included a trustee holding a senior position at a literacy charity, The National Literacy Trust, with whom World Book Day works on research and evaluation, and as a partner on the achievement of its charitable objectives.

Amounts received and paid during the year are detailed in the financial statements.

Remuneration policy for key management personnel

The chief executive's salary is set by the trustees and will be reviewed annually, referring to benchmarking information to confirm that the salary is reasonable and in line with the market. A performance and salary review is normally be carried out at least once in each year for all key management personnel.

Statement of responsibilities of the trustees

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity promise to pay up to £1 towards the assets of the charity in the event of winding up. The total number of such guarantees at 30 June 2022 was £4 (2021: £4).

Four of the trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on 1 February 2023 and signed on their behalf by

Emma Scott
Chair and Trustee

Opinion

We have audited the financial statements of World Book Day (the 'charitable company') for the year ended 30 June 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 30 June 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other Information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our

Independent auditor's report

To the members of

World Book Day Limited

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to

liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Capability of the audit in detecting irregularities

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

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

Independent auditor's report

To the members of

World Book Day Limited

tested significant transactions that are unusual or those outside the normal course of business.

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

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

Use of our report

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

Fleur Holden (Senior statutory auditor)

17 March 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor

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

World Book Day Limited

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 30 June 2022

	Note	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Income from:							
Donations	2	567,937	37,744	605,681	541,141	92,182	633,323
Charitable activities	3						
Encouraging access		61,560	–	61,560	38,486	–	38,486
Promotion of reading		127,715	–	127,715	67,526	–	67,526
Other		275	–	275	–	–	–
Total income		757,487	37,744	795,231	647,153	92,182	739,335
Expenditure on:							
Charitable activities	4						
Encouraging access		413,744	53,875	467,619	360,544	–	360,544
Promotion of reading		313,168	15,307	328,475	243,630	–	243,630
Developing resources		8,737	85,297	94,034	43,521	47,813	91,334
Total expenditure		735,649	154,479	890,128	647,695	47,813	695,508
Net (expenditure)/income for the year		21,838	(116,735)	(94,897)	(542)	44,369	43,827
Transfers between funds		(9,436)	9,436	–	–	–	–
Net movement in funds		12,402	(107,299)	(94,897)	–	–	–
Reconciliation of funds:							
Total funds brought forward		208,991	143,994	352,985	209,533	99,625	309,158
Total funds carried forward		221,393	36,695	258,088	208,991	143,994	352,985

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 14 to the financial statements.

World Book Day Limited

Balance sheet

Company no. 03783095

As at 30 June 2022

	Note	£	2022 £	£	2021 £
Non-current assets:					
Tangible assets	10		<u>1,054</u>		<u>745</u>
			1,054		745
Current assets:					
Debtors	11	59,809		75,994	
Cash at bank and in hand		<u>252,767</u>		<u>369,213</u>	
		312,576		445,207	
Liabilities:					
Creditors: amounts falling due within one year	12	<u>(55,542)</u>		<u>(92,967)</u>	
Net current assets			<u>257,034</u>		<u>352,240</u>
Total net assets			<u>258,088</u>		<u>352,985</u>
The funds of the charity:	14				
Restricted funds			36,695		143,994
Unrestricted funds		<u>221,393</u>		<u>208,991</u>	
Total charity funds			<u>258,088</u>		<u>352,985</u>

Approved by the trustees on 1 February 2023 and signed on their behalf by

Emma Scott
Chair and Trustee

World Book Day Limited

Statement of cash flows

For the year ended 30 June 2022

	2022 £	£	2021 £	£
Cash flows from operating activities				
Net income for the reporting period (as per the statement of financial activities)	(94,897)		43,827	
Depreciation charges	552		415	
Decrease in debtors	16,185		37,172	
(Decrease)/increase in creditors	(37,425)		44,336	
	<hr/>		<hr/>	
Net cash provided by operating activities	(115,585)		125,750	
Cash flows from investing activities:				
Purchase of fixed assets	(861)		(565)	
	<hr/>		<hr/>	
Net cash used in investing activities	(861)		(565)	
	<hr/>		<hr/>	
Change in cash and cash equivalents in the year	(116,446)		125,185	
Cash and cash equivalents at the beginning of the year	369,213		244,028	
	<hr/>		<hr/>	
Cash and cash equivalents at the end of the year	<u>252,767</u>		<u>369,213</u>	

1 Accounting policies

a) Statutory information

World Book Day Limited is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address is 6 Bell Yard, London, WC2A 2JR

b) Basis of preparation

The financial statements have been prepared in accordance with 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 UK 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.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

World Book Day continues to receive support in our distribution of book tokens. See note 2 for additional information on the policy used in accounting for this support.

1 Accounting policies (continued)

g) Interest receivable

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.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support and governance costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned based on an estimate of staff time.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Tangible fixed assets

Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Computer equipment 2 years

l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

n) Creditors and provisions

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

Notes to the financial statements

For the year ended 30 June 2022

1 Accounting policies (continued)

o) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2 Income from donations

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Sponsorship	490,140	–	490,140	514,439	–	514,439
Grants	–	–	–	–	45,002	45,002
Grant income received from Arts Council England	–	37,744	37,744	–	47,180	47,180
Donated services and facilities	21,040	–	21,040	18,540	–	18,540
Other donations	56,757	–	56,757	8,162	–	8,162
	<u>567,937</u>	<u>37,744</u>	<u>605,681</u>	<u>541,141</u>	<u>92,182</u>	<u>633,323</u>

Income from donated services and facilities relate to support received from the Booksellers' Association and Publishers' Association in the form of office space, equipment and administrative support to World Book Day.

As detailed in the trustees' annual report, the charity distributed over 15 million World Book Day £1 Tokens. The charity paid for the design, printing and distribution of the World Book Day £1 Tokens. Some of the World Book Day £1 Tokens were redeemed against ordinary books. Other World Book Day £1 Tokens were exchanged for the World Book Day £1 Books; provided by publishers and bought by book retailers at a cost of 10p per unit.

3 Income from charitable activities

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
License fees	123,118	–	123,118	76,971	–	76,971
Sale of school packs	66,157	–	66,157	29,041	–	29,041
	<u>189,275</u>	<u>–</u>	<u>189,275</u>	<u>106,012</u>	<u>–</u>	<u>106,012</u>

License fee income is split equally between Encouraging access and Promotion of reading charitable activities. Sale of school packs is included under Promotion of reading.

4a Analysis of expenditure (current year)

	Charitable activities						2021 (restated)
	Encouraging access £	Promotion of reading £	Developing resources £	Governance costs £	Support costs £	2022 Total £	Total £
Staff costs (Note 6)	-	-	41,662	-	149,641	191,303	152,294
Anniversary event	-	10,047	-	-	-	10,047	-
Printing costs	50,391	-	-	-	-	50,391	55,588
Distribution costs	146,182	-	-	-	-	146,182	137,158
Public relations	-	81,847	-	-	-	81,847	62,356
Delivering WBD in communities	23,415	-	-	-	-	23,415	-
Donated services	-	-	-	-	21,040	21,040	18,540
Website, apps and social media costs	-	73,483	-	-	-	73,483	49,894
Project co-ordination	-	-	-	-	74,160	74,160	40,068
Artwork and design	-	36,274	3,600	-	-	39,874	72,482
Research and data	-	-	14,952	-	-	14,952	-
Evaluation	-	-	11,945	-	-	11,945	10,499
Point-of-sale materials	72,807	-	-	-	-	72,807	42,942
Audit & accountancy	-	-	-	6,650	20,174	26,824	25,363
Bank charges	-	-	-	-	1,104	1,104	324
Legal and Professional	-	-	-	15,860	16,520	32,380	25,215
Irrecoverable VAT	-	-	-	-	11,859	11,859	-
Sundry expenses	-	-	-	-	6,515	6,515	2,785
	292,795	201,651	72,159	22,510	301,013	890,128	695,508
Support costs (unrestricted)	162,164	117,241	21,608	-	(301,013)	-	-
Governance costs	12,660	9,583	267	(22,510)	-	-	-
Total expenditure 2022	467,619	328,475	94,034	-	-	890,128	
Total expenditure 2021	360,544	243,630	91,334	-	-		695,508

World Book Day Limited

Notes to the financial statements

For the year ended 30 June 2022

4b Analysis of expenditure (prior year)

	Charitable activities					2021 (restated) Total £
	Encouraging access £	Promotion of reading £	Developing resources £	Governance costs £	Support costs £	
Staff costs (Note 6)	-	-	13,126	-	139,168	152,294
Biggest Book Show (online festival)	-	-	-	-	-	-
Printing costs	55,588	-	-	-	-	55,588
Distribution costs	131,658	-	5,500	-	-	137,158
Public relations	-	62,356	-	-	-	62,356
Library promotion	-	-	-	-	-	-
Donated services	-	-	-	-	18,540	18,540
Website, apps and social media costs	-	49,894	-	-	-	49,894
Project co-ordination	-	-	-	-	40,068	40,068
Artwork and design	-	43,295	29,187	-	-	72,482
Helpline costs	-	-	-	-	-	-
Evaluation	-	-	10,499	-	-	10,499
Point-of-sale materials	42,942	-	-	-	-	42,942
Audit & accountancy	-	-	-	7,150	18,213	25,363
Bank charges	-	-	-	-	324	324
Legal and Professional	-	-	-	5,743	19,472	25,215
Sundry expenses	-	-	-	-	2,785	2,785
	230,188	155,545	58,312	12,893	238,570	695,508
Support costs	123,672	83,569	31,329	-	(238,570)	-
Governance costs	6,684	4,516	1,693	(12,893)	-	-
Total expenditure 2021	360,544	243,630	91,334	-	-	695,508

2021 has been restated to better reflect the classification of expenditure in the previous year. The total expenditure has remained the same at £695,908 but public relations, website, apps and social media costs have decreased/increased respectfully by £9,250.

5 Net income / (expenditure) for the year

This is stated after charging:

	2022 £	2021 £
Depreciation	552	415
Auditor's remuneration (excluding VAT):		
Audit	7,500	7,150
Other	-	2,000
	<u>7,500</u>	<u>9,565</u>

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	174,278	136,922
Social security costs	9,231	9,999
Employer's contribution to defined contribution pension schemes	7,794	5,373
	<u>191,303</u>	<u>152,294</u>

One employee earned between £80,000 – £89,999 during the year. One employee earned more than £60,000 in 2021.

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £139,292 (2021: £125,315).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2021: £nil) incurred by no (2021: none) members relating to attendance at meetings of the trustees.

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 2.6 (2021: 2.3).

8 Related party transactions

The charity is supported by The Booksellers Association (BA) and The Publishers Association (PA). Both the BA & PA have three members each appointed as trustees of the charity during the year.

During the year both the BA and PA made donations of £5,000 (combined total of £10,000) to the charity to support the 25th Birthday Party event.

During the year, the charity paid £nil (2021: £842) to the BA for recharged expenses.

The charity received administrative assistance free of charge from both the BA and the PA. The charity has estimated this at £9,000 (2021: £9,000), and is included within the donated services in the year.

During the year, the charity received sponsorship income of £156,501 (2021: £156,500) from Book Tokens Limited, a wholly owned subsidiary of BA. The charity paid for services received from Book Tokens Limited of £nil (2021: £nil). As at 30 June 2022, there are no outstanding balances between the charity and Book Tokens Limited.

During the year, the charity paid for services received from National Literacy Trust £14,000 (2021: £9,000), a company of which the trustee J Douglas, is chief executive at the balance sheet date. As at 30 June 2022, there was a balance of £nil owed to National Literacy Trust.

During the year, the charity received sponsorship income of £5,500 (2021: £6,600) from Scholastic UK, a company of which the trustee S Thompson is a director. As at 30 June 2022, there are no outstanding balances between the charity and Scholastic UK. The charity also received sponsorship income of £57,063 (2021: £57,936) from Hachette UK, a company of which the trustee A Bond is a director. As at 30 June 2022, there are no outstanding balances between the charity and Hachette UK.

9 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10 Tangible fixed assets

	Computer equipment £	Total £
Cost		
At the start of the year	1,215	1,215
Additions in year	861	861
At the end of the year	2,076	2,076
Depreciation		
At the start of the year	470	470
Charge for the year	552	552
At the end of the year	1,022	1,022
Net book value		
At the end of the year	1,054	1,054
At the start of the year	745	745

All of the above assets are used for charitable purposes.

11 Debtors

	2022 £	2021 £
Trade debtors	58,104	55,037
Prepayments	1,606	758
VAT debtor	–	20,199
Other debtors	99	–
	59,809	75,994

12 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	7,513	64,229
Taxation and social security	17,210	7,677
Pension creditor	–	–
Accruals	29,200	21,061
Other creditors	1,619	–
	55,542	92,967

13a Analysis of net assets between funds (current year)

	Unrestricted £	Restricted £	Total funds £
Tangible fixed assets	1,054	–	1,054
Current assets	267,041	45,536	312,577
Creditors due within one year	(46,702)	(8,841)	(55,543)
Net assets at 30 June 2022	221,393	36,695	258,088

13b Analysis of net assets between funds (prior year)

	Unrestricted £	Restricted £	Total funds £
Tangible fixed assets	745	–	745
Current assets	285,840	159,367	445,207
Creditors due within one year	(77,594)	(15,373)	(92,967)
Net assets at 30 June 2021	208,991	143,994	352,985

14a Movements in funds (current year)

	At 1 July 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 June 2022 £
Restricted funds:					
Charity of Sir Richard Whittington	105,814	–	(69,119)	–	36,695
Arts Council England	38,180	37,744	(85,360)	9,436	–
Total restricted funds	143,994	37,744	(154,479)	9,436	36,695
Unrestricted funds:					
General funds	208,991	757,487	(735,649)	(9,436)	221,393
Total funds	352,985	795,231	(890,128)	–	258,088

The narrative to explain the purpose of each fund is given at the foot of the note below.

14b Movements in funds (prior year)

	At 1 July 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 June 2021 £
Restricted funds:					
Charity of Sir Richard Whittington	99,625	45,002	(38,813)	–	105,814
Arts Council England	–	47,180	(9,000)	–	38,180
Total restricted funds	99,625	92,182	(47,813)	–	143,994
Unrestricted funds:					
General funds	209,533	647,153	(647,695)	–	208,991
Total funds	309,158	739,335	(695,508)	–	352,985

Purposes of restricted funds

Charity of Sir Richard Whittington – funding will be used to employ a full time education manager to develop and provide evidence-based reading for pleasure teaching resources.

Arts Council England – funding will be used to explore and improve the role that reading plays in the lives of older children, to reach less engaged readers and disadvantaged communities to encourage reading and access to books, and to improve the cultural diversity of the £1 book selection.

The transfer between the unrestricted fund and the Arts Council England fund has been made to allow for the final 10% of the grant withheld by the Arts Council until the completion of the project. This transfer will be reversed in 2023 once the residual grant has been received.

15 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.