Our People

President
Ursula Mackenzie

Patrons
Nigel Batt
Kip Bertram
Edwin Buckhalter
John Elsley
Christopher Foyle
Trevor Hing
Timothy Wright

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: David A Hicks (retired 31 March 2021)

Chief Executive: Victoria Perry
Operations Manager: Glenda Barnard
Finance & Admin Manager (p/t): Nicky Cattle
Special Projects (p/t): Keith Foster

Board of Trustees
Chairman: Jonathan Nowell
Vice Chairman: Ann Woodhall
Honorary Treasurer: Emily-jane Taylor

Trustees and Board Members
Jeremy Brinton
Elise Burns
Isobel Dixon
Kate McFarlan
David Neale
Fraser Tanner
Emily-jane Taylor
Ann Woodhall
Gemma Woodward

Company Secretary
Victoria Perry

Sub-committees
(as at 31 December 2019)

Finance:
Emily-jane Taylor (Chair), Paul Chapman, Jonathan Nowell, Gemma Woodward

Grants and Housing Committee:
Ann Woodhall (Chair), Sally Atkinson, Marie Bucksey, Elise Burns, Ben Gutch, Fraser Tanner, Barbara Taylor
The Board records its thanks and appreciation to the following supporters:

**London Marathon runners**: Rolf Hoving and Natalie Winstone ran the virtual event, and together raised funds to exceed the 2020 budget; funds raised during the year by other participants opting to run in subsequent years were carried over to 2021.

**Prudential Ride Cyclists**: Jeremy Brinton, Rex Elston, Marcus Agerman-Ross, Robert Manser, Jamie Hodder-Williams, David McTeague, Tony Newell and Rihard Ketso

**Events and collections were held on our behalf**: Bloomsbury Publishing, Hachette and bookcareers.


**Additionally, major donations were received from**: Ernest Hecht Charitable Trust (for the new Bursary scheme), and Amazon UK, Penguin Random House, The Booksellers Association, Hachette UK, Macmillan, Influx and Bill Samuel – plus the individual and corporate donors to the Covid Hardship Fund Crowdfunder

**Donated ‘bricks’ for the Bookbinders appeal**: some 40 Bricks were sponsored as part of the capital appeal, plus major donations from: The Foyle Foundation, Unwin Charitable Trust, John Seaton, Rogers, Coleridge & White (RCW), The Soho Agency, Blake Friedmann, Boshers Construction, Andrew Wilson Partnership, Macmillan and Simon & Schuster.

**Donations** received from the estates of F Ian Chapman, John Hyams, Jane Havell and Joan Olive Goodwins

Accommodation at The Retreat is sponsored by Penguin Random House to provide a place to stay close to London for their two-weekly work experience participants.

Any other fundraising income comes from trade supporters who organise internal events to raise money for their trade charity, BTBS does not employ any professional fundraising individual or organisation and is not involved in any commercial participation to raise funds. The charity’s approach to fundraising is to comply with the provisions of the Charities Act 2011 in relation to any direct fundraising when this occurs and to encourage supporting individuals, companies and trade bodies to adhere to and comply with the provisions of the Fundraising Standards Board as part of BTBS’ membership during the year.

Trustees encourage income from fundraising as they believe the charity is on a stable and properly constituted structure, with processes and procedures which comply with charity law and regulations; solvent and prudently run, but not cash rich, well perceived in the book trade and making an impact for the good with its housing and grants programmes able to make the best use of any fundraising income.
Chair’s Introduction

2020 has been an unprecedented year with many charitable organisations being severely hit by the economic effects of the Covid pandemic.

The Book Trade Charity has worked hard to reach colleagues in need throughout the Covid crisis and to implement a new grant scheme to support affected booksellers. Donations have been steady, in part, due to the profitability of the publishing sector and our rental income being stable, but we recognise that we have an unprecedented challenge ahead and will need the support of the book industry to help us to reach colleagues in need. The world is a different place, and the needs of our beneficiaries are changing - it is our responsibility to help.

Providing grants during Covid - in addition to our welfare grants programme this year the grant-making focus quickly shifted to helping bookshops who had to close during the lockdowns and whose staff were struggling. This shift was made possible thanks to our generous donors who were confident in our ability to respond to the emerging crisis in an agile and effective way. In total 89 beneficiaries (individuals and bookshops) received Covid grants during 2020, with almost a quarter of these seeking further support when it became clear the impact on businesses was going to be prolonged. It is expected that Covid Hardship applications will continue to be received well into 2021, as the long-term impact of the Covid crisis on people’s lives and finances becomes clearer.

Housing provision - the charity continued to provide good quality, affordable accommodation for 55 tenants during 2020 at The Retreat in Kings Langley and Bookbinders Cottages in London, N20. The Retreat proved to be a particular haven for residents during the lockdowns, given its relative seclusion and pleasant grounds. The community pulled together well and rallied to ensure those most vulnerable did not become isolated.

We are also pleased to share a few additional highlights from the year:
• raising £340K towards the capital development project
• near-completion of the redevelopment project at Bookbinders Cottages, London
• securing a grant from the Ernest Hecht Foundation to set up a bursary scheme for young people
• the appointment of a new Chief Executive, Victoria (Vic) Perry

There is no doubt that our work remains vital and that the book trade values our role as a safety net for those facing crisis. We will continue to be there when colleagues (past, present and future) need us most. We also commit to expanding our offer to act as a springboard for the trade, helping to actively break down barriers for new entrants and to support the next generation of publishers, booksellers and others who want to join our industry.  

Jonathan Nowell  
Chair
Our Mission

Provide support for people in the book trade and:

- improve quality of life
- relieve poverty and distress
- build the foundations for a positive future for individuals, families, new entrants and interns
- provide education and training
- encourage the next generation of readers and book buyers, to the benefit of the trade
Plans and Objectives

• to work towards full occupancy of the Bookbinders development and raise funds to support it
• to ensure our funding meets the needs of our beneficiaries facing crisis
• to review our programme of impact reporting
• to continue to meet the evolving needs of those impacted by Covid pandemic
• to review and develop a plan for our future storytelling, driving our relevance and accessibility
• to expand our support for young people entering the trade by developing the Young Ambassador initiative and setting the terms of reference

The Board keeps under review the charity’s aims, objectives, values, activities and future plans towards benefiting the book trade. All applications for grants, housing, education and training are assessed within established guidelines. All applications for support for whichever programme are considered in ways which ensure BTBS does not discriminate on the basis of age, gender, ethnicity, race, religion, disability, sexual orientation or socio-economic background. The Board sees no reason to alter previous estimates that there are some 50,000 people in the UK who could claim to work in the book trade, with a further 50,000 dependants and retired employees. The Board believes the number of those with an appropriate book trade connection, and who are eligible by being in some form of social, welfare or housing need, is likely to be around 500 (or 1% of the book trade population). Following the Bookbinders Charitable Society merger in 2016, BTBS now works closely with charities that have an interest in the bookbinding trades and industry, which includes production, printing, conservation, and restoration.
Achievement and Performance in 2020

During the year, there were, in total, 223 beneficiaries of the grants programme, including 89 Covid hardship grant beneficiaries.

There are usually around 40 residents at The Retreat and, currently 11 longstanding residents at Bookbinders Cottages. Seventeen new flats have become available at Bookbinders Cottages from the beginning of 2021. The charity also continued to provide accommodation for Penguin Random House (PRH) work experience participants in the Retreat bungalow.

During 2020, BTBS helped 18 new entrants to the trade through the Matthew Hodder Fund. As there was little recruitment of new staff and interns to the trade during the year, the majority of these grants were for training to enhance applicants’ skills in preparation for the future. The grants programme for entrants and interns concentrates on applicants from a wide range of socio-economic, cultural and educational backgrounds, especially where geographically remote from London, to support the industry’s efforts to promote diversity, inclusivity and social mobility. In addition, BTBS provided repeat funding to cover the rent for the Bound by Veterans project, a bursary for a student at West Dean College and support to the Southam Book Festival, a small, grass-root community event which was run online during the summer.

We are pleased to share the following highlights this year:

- Near-completion of the redevelopment project at Bookbinders Cottages, handed back to the charity by the building contractors in March 2021
- Raising £340K towards the capital development project, in addition to regular donations from the trade to support core operations
- Securing an £150K grant from the Ernest Hecht Foundation to set up a bursary scheme for young people entering the trade from diverse and/or financially disadvantaged backgrounds
- The appointment of a new Chief Executive, Victoria (Vic) Perry who took up the role on 1st March 2021, overlapping with current Chief Executive, David Hicks for one month

“The Book Trade Charity’s housing provision at the beginning of my publishing career was immensely helpful. Never having lived in London before, I had no idea how to start my search for a flat and I had to move quite quickly. Being able to know that I had a place to stay in London meant that I did not have to worry about that while learning the ropes at my new job.”

- Anya
Our Grants

Welfare Grants

For book trade people living in their own homes, the charity supports individuals and families in need with help to address and ameliorate the impact of:

- low household income and savings, debt and insolvency
- unemployment and redundancy
- health and medical aid not easily or normally provided by the NHS
- being a carer
- emergencies and unforeseen circumstances
- accidents, illness or bereavement
- housing difficulties and homelessness

We do this by signposting to government grants and allowances; directing applicants and beneficiaries to other charities and organisations offering specialist help with complex situations; giving regular and one-off discretionary financial grants; "almonising" or sharing with other charities where there is a joint interest to provide solutions, and access to additional funds; collaborating with bookcareers - the career development organisation and supporting services which help unemployed people with a book trade connection, and encouraging applications for grant funding from local and regional charities in support of education and training activities connected with learning, literacy and the enjoyment of reading.

Typically, our welfare grants relieve the impact on individuals and families facing a variety of issues, including problems arising from debt; household bills and the cost of essential furniture, appliances and equipment as well as heating and maintenance costs. In addition, we often support beneficiaries with travel and car costs, including deposits for Motability vehicles to ensure that beneficiaries can access their workplace, community or appointments, and to ensure that they can retain their independence. We often support carers who may be unable to undertake paid work whilst they are responsible for the care of a family member. When the worst happens, we can also cover funeral costs for families, to carry the burden of this expense for them at a difficult time. If the cost of undertaking education and training is a barrier for colleagues, we can help them to access career development courses and we tailor our support to help new entrants with their living and household expenses often offering grants to support rental deposits or the costs of relocation.

Providing a safety net for people in the book trade
Education and Training Grants

Educational grants reach our much wider communities for the benefit of the book trade through our targeted support of literary festivals, reading and literature appreciation programmes (particularly for young people) and the development of local and regional literacy initiatives. Training grants, sometimes linked to the provision of short-term accommodation at The Retreat, show support for the book trade’s recent diversity and inclusivity objectives. BTBS continues to work with bookcareers, and organisation which offers support and practical help to book trade colleagues in finding employment and re-employment.

This year a designated fund - the Matthew Hodder Fund (MHF) - made available:

- grants of up to £1,000 to support young people hoping to enter the book trade, to help overcome the costs of attending job interviews including travel, overnight accommodation, subsistence

- grants of up to £2,000 to support interns in the book trade who would otherwise struggle financially (again with travel, accommodation and subsistence)

- grants to post-graduate students who would otherwise struggle financially

- grants of up to £5,000 for educational projects and initiatives which facilitate or provide training to promote the study, knowledge and appreciation of literature, publishing and the book trade.
Covid Hardship

We set up our new funding in 2020 to support individuals and small business (particularly bookshops) whose finances have become unsustainable as a direct result of the pandemic. This was possible due to generous donations from Amazon and a Crowdfunder set up on the charity’s behalf, including the Booksellers Association, Penguin Random House and donations large and small from a wide range of authors, publishers and individuals.

These donors felt confident in our ability to manage the funds transparently and professionally. Eighty-nine beneficiaries (individuals and bookshops) received Covid Hardship grants, with almost a quarter of these applying for a second time (106 applications funded) when the long-term implications of Covid became clearer. It is expected that Covid Hardship applications will continue to be received throughout 2021, as the long-term impact of the Covid crisis on peoples’ lives and finances becomes more apparent.

During the year we:

- took steps to ensure individuals and families knew how and where to access support from their trade charity, by using the website as the charity’s principal access point for applications and enquiries
- developed links with book trade individuals and organisations, using charity networks for referrals and generating awareness
- helped potential entrants to the trade maintain their momentum and commitment, whilst waiting for the job market to recover, by sponsoring relevant training courses and career guidance in lieu of the usual grants for travel costs to interviews/living costs for interns
- worked closely with booksellers to provide emergency careers guidance and support to those who had lost jobs because of the pandemic

The Operational Guidelines were used as a basis to assess the new Covid Hardship Grants, but, given the unprecedented scale and urgency of individual need, and the availability of new funds, the usual cap on grants was waived to enable the awards to meet actual shortfalls in income where appropriate.
Grants impact

We spent £172,452 on welfare and entry to the trade grants and a further £166,779 on Covid Hardship Grants. The number of applications not pursued or ineligible reflects the level of speculative enquiries for support, and applicants who, after initial contact, prefer not to be financially assessed.

<table>
<thead>
<tr>
<th>Welfare grants, one-off &amp; new regular applications (not including Covid Hardship Grants)</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applications for assistance (total)</td>
<td>163</td>
<td>272</td>
<td>301</td>
</tr>
<tr>
<td>Applications from new contacts</td>
<td>87</td>
<td>219</td>
<td>235</td>
</tr>
<tr>
<td>Applications funded</td>
<td>111</td>
<td>157</td>
<td>192</td>
</tr>
<tr>
<td>Applicant did not pursue</td>
<td>26</td>
<td>66</td>
<td>61</td>
</tr>
<tr>
<td>Applications rejected (ineligible or not within financial criteria)</td>
<td>26</td>
<td>49</td>
<td>48</td>
</tr>
</tbody>
</table>

It is thought that the small decrease in traditional applications was due to the pandemic (due to reduced expenditure during lockdowns) and that entry grants were also affected by the suspension of new job recruitment.

<table>
<thead>
<tr>
<th>Covid hardship grant applications 2020</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applications for assistance (total)</td>
<td>149</td>
</tr>
<tr>
<td>Applications funded</td>
<td>106</td>
</tr>
<tr>
<td>Applicant did not pursue</td>
<td>30</td>
</tr>
<tr>
<td>Applications rejected (ineligible or not within financial criteria)</td>
<td>13</td>
</tr>
</tbody>
</table>

| Categories of grant (grants awarded may fall into more than one category per beneficiary) |
|---|---|---|---|
| Total number of beneficiaries | 2020 | 2019 | 2018 |
| Regular support (# supported for full 12 months) | 73 | 76 | 75 |
| Christmas one-off grants | 57 | 40 | 43 |
| Housing/rent arrears/debt | 13 | 24 | 34 |
| Travel & car costs | 2 | 4 | 7 |
| Holidays, respite care | 0 | 2 | 5 |
| Household, including carpets, white goods | 21 | 29 | 27 |
| Retraining & redundancy | 21 | 17 | 20 |
| Disability, medical & nursing home fees | 2 | 6 | 7 |

| Matthew Hodder Fund |
|---|---|---|---|
| Interns support & Entry into the Book Trade | 18 | 50 | 83 |
| MHF grants, projects | 3 | 11 | 11 |
| Covid Hardship Fund Grants | 89 | N/A | N/A |

We spent £172,452 on welfare and entry to the trade grants and a further £166,779 on Covid Hardship Grants. The number of applications not pursued or ineligible reflects the level of speculative enquiries for support, and applicants who, after initial contact, prefer not to be financially assessed.
Our Housing Provision

Our homes in Hertfordshire and London offer the opportunity to be part of a book trade community.

The Retreat provides homes for colleagues of all ages who have worked in the trade. People can apply to join our community 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. The Retreat can provide a 'safe port' to start afresh after a difficult time. 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 the capital. Residents at both sites play an active part within their local communities.

The Retreat

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. The estate comprises seven properties in Dickinson House (the original almshouse), Dillon Lodge, eight studio bungalows, four townhouses, ten one-bedroom and two two-bedroom bungalows and four flats above the community centre and charity offices (The Foyle Centre). Properties are let to eligible applicants on assured short-hold tenancies at subsidised rents/ utilities.

This year, in association with the Penguin Random House Work Experience Programme (which pays the London Living Wage), BTBS provided temporary accommodation for five participants.

One bungalow was completely redecorated for a longstanding tenant. Moreover, Dickinson House (which contains the original seven almshouses on the estate) and Dillon Lodge (the original gatehouse), both of which are grade II listed buildings, had external woodwork repaired and repainted (i.e. doors, windows and fencing). In addition the communal TV aerial system was updated.

The Retreat impact

Occupancy:
98% (2019: 99.0%)

Average age of residents at 31 December 2020:
66.7 years (2019: 65.5 years)
Our residents

Our residents are the lifeblood of our Charity. Many have chosen to live at The Retreat for many years and support each other as part of a book-loving community.

“I am a very active 77-year-old. I have lived at The Retreat for over 15 years. I love living here mainly because of the people, they all share a love of books and the area is very green, with great transport links. We all help each other as neighbours. Even if I won the lottery I don’t feel I would like to go anywhere else.”

Eric, resident
**Bookbinders Cottages**

Bookbinders provides independent living in a community of self-contained flats for book trade people in London. The new development allowed for the demolition of two of the existing four blocks of flats which were in poor condition and the erection of four new two-storey buildings comprising seventeen new flats, an office and community space. Several of the new flats will be designed to be available as either single-occupancy or flat-shares which will make them suitable and affordable for new entrants to the trade, and we are eager to welcome tenants from diverse and underrepresented backgrounds. This will build on the recent pilot to provide housing for young people who would not otherwise be able to afford to take up job opportunities in the capital.

**Bookbinders Cottages impact**

**Occupancy:**
78.7% (2019: 100%)
Only 15 flats were available. Two separate householders moved out together leaving vacancies, and one flat, suitable for sharing, remained vacant throughout the year.

**Average age of residents at 31 December 2020:**
69.9 (2019: 71.3)

**Redevelopment works complete:**
Site handed back to BTBS in March 2021

**Objectives and progress**

**Objective:** to achieve near completion of the Bookbinders Cottages development and put in place plans for the recruitment of appropriate tenants for the new flats and a permanent member of staff based on site. Progress: early in 2021, details of the new flats were publicised to the trade press and publishing house HR departments and the charity has already started to receive enquiries and applications. The recruitment of a member of staff is being postponed until the charity has a clearer idea of what the tenant demographic and requirements will be.

**Objective:** to raise between £250K and £500K through the capital appeal for Bookbinders Cottages. Progress: the capital appeal was officially launched at a reception on 4th February 2020 and £340K has been raised to date. (see Fundraising section 6).

**Objective:** to continue to monitor and control expenditure on grants within (BTBS) affordable levels. Progress: the grants spend (welfare, entry to the trade and intern grants) came in under budget (£172,000 against a budget of £200K). However, it should be acknowledged that certain grants were awarded from the Covid Hardship Fund instead, providing they met the criteria.
Booksales

Raising funds from books donated by the trade

Two sales were held early in the year, but given the restrictions in 2020, normal sales were suspended until October, when we offered a series of one-hour slots for one/two customers at a time, over a period of several weeks. This did not make up the shortfall in sales, but successfully raised some funds and was appreciated by customers.
Trustees’ Report

These are the Trustees’ Report and Financial Statements for the year to 31 December 2020 as required by charity law and regulations and constitute 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 BFRS’ 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.

Governance structure

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to charities preparing their accounts in accordance with the United Kingdom and Republic of Ireland (FRS 102)
• make judgements and accounting estimates that are reasonable and prudent
• state whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
• prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping proper 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 each trustee is aware at the time the report is approved:

• there is no relevant audit information of which the charitable company’s auditor is unaware
• the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company’s auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006. 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.

Appointments to the Board

All appointments are subject to approval by the Board. Names are put forward to fill a vacancy arising from resignation or retirement under the provisions of the governing instrument. The Board considers individuals whose skills, knowledge and experience meet the needs of the organisation including:

• book trade knowledge and networks
• charity governance and law plus the benevolent fund charity sector
• welfare, education, training and housing
• equality, diversity and inclusion
• finance, asset management and investments
• fundraising and marketing
• human resources, health and safety

Induction – new trustees meet existing board members and staff to discuss the work of the charity and the expectations, duties and responsibilities of the role. Appropriate information and documentation is supplied.

Learning and development – everyone is encouraged to attend training courses and meet others in the benevolent fund sector. During the year, Board members, Jeremy Brinton, Kate McFarlan, Jonathan Nowell, Fraser Tanner, Emily-Jane Taylor, Ann Woodhall and Gemma Woodward attended courses on charity finance and trustee responsibilities with staff members David Hicks, Nicki Cattle and Glenda Barnard. The latter also attended courses on Tenancy Management with the National Landlords Association (NLA) and completed the ACEVO “Emerging Leaders Programme”.

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 2021 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 global uncertainty in relation to COVID-19, 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 2021, 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.
How we work

Legal status and objects

The Book Trade Charity (BTBS) is a company limited by guarantee (06725178) and a charity registered in England and Wales (1128129).

It was founded in 1837 and incorporated on 15 October 2008, with the Memorandum and Articles of Association (governing instrument) amended by special resolutions on 26 August 2009 and 16 July 2014.

Memorandum and Articles of Association set out its objects which are summarised as:

• to provide grants (welfare) and supported accommodation to anyone with a (UK) book trade connection (including bookbinding and allied trades) so as to relieve social and financial need, including the impact on families and individuals of sickness and illness
• to support new entrants to the book trade with accommodation and grants
• to look for and support programmes of education and training which promote study, knowledge and appreciation of literature, publishing and the book trade and for the benefit of those who work in this trade

Public benefit

The Trustees have a duty to report on how our organisation’s charitable objective has been carried out for the public benefit and to follow the guidance from the Charity Commission on the provision of Public Benefit requirement under the Charities Act 2011. Understanding and measuring our impact on beneficiaries is a critical focus ensuring that we achieve our mission.

Governance and management

A list of trustees is shown on page two. The trustees are also directors of The Book Trade Charity (BTBS) for the purposes of company law and are responsible for preparing the Trustees’ Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The Chairman chairs the Board (and any other sub-committee of the Board as required), acts as the principal interface between the Board and the Chief Executive and provides the Board with information, advice and support on strategic matters. The Chief Executive is the senior member of staff, who reports to and is accountable to the Board for all operational matters, assisting the Board in its strategy. The Board’s responsibilities are to:

• comply with the objects and purposes as set out in the governing instrument
• approve policies, plans and budgets in support of its aims and objectives
• ensure the organisation is solvent and well run with appropriate controls and delegated powers
• scrutinise all activities of the charity
• comply with all charity and company laws and regulations on good governance
• approve financial statements, ensuring these give a true and fair picture of the charity’s position
• report to the Charity Commission serious incidents (2020: none)
• appoint a Data Protection Lead (GDPR) (Ann Woodhall)
The reimbursement of expenses to Board members is shown in the financial statements, note 8.

Sub-committees of the Board

The charity’s sub-committees operate within terms of reference approved by the Board. There are two (Grants & Housing, and Finance) which review progress and make recommendations to the Board, on policies, practices and procedures. There were no changes in the terms of reference, reporting processes and appointments.

Grants and Housing Committee

This committee comprises the Vice Chair, two trustees and four co-options, three of whom were previously on the boards of the merged charities, and one whose previous experience in other benevolent funds brings a depth of knowledge to this important committee. Underpinning the governance of this committee are a set of operational guidelines, which set out processes and procedures and the financial criteria for assessing applications (household income, savings and expenditure) which are reviewed and updated by the Committee.

During the year the Grants and Housing Committee provided the Board with:

• recommendations on financial criteria in assessing applications and delegated financial limits
• reports on grants, housing, education and training activities, including those which were approved and refused by the Committee under delegated powers
• analysis of financial expenditure on grants, education and training programmes and future trends.
• guidance to help establish and administer the new Covid Hardship Fund

The Grants and Housing committee regularly reviews the range of applications, and the scale of the responses from BTBS and keeps under consideration the Guidelines document, against which all applications are assessed to ensure consistency, and appropriateness of our charitable response.

Finance Committee

The Finance Committee reviews income and expenditure, cash flow, capital projects and investments and provides the Board with recommendations on the Budget for the year, capital expenditure and investments. Apart from the Chairman and three board trustees, there is one co-option (providing continued input from the previous Bookbinders Charitable Society).

Transactions with Trustees

The reimbursement of expenses to Board members is shown in the financial statements, note 8.

Board changes during 2020

Samantha Smith was co-opted as a new trustee in February and elected to the Board at the AGM in July. Isobel Dixon, David Neale and Emily-Jane Taylor, following completion of their first terms, were all re-elected. Arrangements and appointments to the Board and the senior staff structure were reviewed as part of the Board’s responsibilities to ensure there is effective succession planning.

Key Management Personnel

Key Management Personnel include the Chairman and all trustees, who are unpaid as above, plus the Chief Executive, who is paid. The terms and conditions of employment of the Chief Executive and three other permanent staff members (one full-time and two part-time) were reviewed by the trustees and the Board agreed a 2% salary increase for Glenda Barnard (GB), Nicki Cattle (NC) and Keith Foster (KF). In recognition of the enormous effort the staff team had made under the exceptionally difficult circumstances of the Covid pandemic, the Board also agreed to discretionary, end-of-year bonuses for GB, NC and KF of 4% of their respective salaries. In recognition of his achievement in meeting agreed fundraising targets, the trustees agreed to pay DAH his full 5% bonus. In addition, it was agreed to budget a discretionary bonus for DAH to be payable on his retirement at 31st March 2021. In assessing pay, the Board has regard to performance, the financial position of the charity, the rate of inflation at mid-year, and book trade pay rates and, in the case of the Chief Executive, guidance from The Association of Chief Executives of Voluntary Organisations (ACEVO).

Investments

The charity’s investments are held with Rathbones in a bespoke portfolio of securities; who provided this report:

Despite the impact of the COVID-19 pandemic, the final index results for 2020 made reasonable reading. Global stocks suffered from one of the sharpest declines in history back in March, but have since recovered and in some cases reached new highs since. Sizable government stimulus measures, increased certainty around the US election and Brexit and the promise of vaccine rollouts encouraged investors to turn more positive. Overseas equity markets were strong, with the FTSE All World ex UK rising +14.3%, however the UK did less well with the FTSE All Share falling -9.8%. UK Government Debt was strong, returning +8.3%, with corporate bonds producing similar returns (+8.6%).

The charity’s investment portfolio, managed by Rathbones, performed well, returning +8.4%. This was ahead of Rathbones’ short term composite index benchmark which rose +3.7% and ahead of the peer group (as measured by the ARC Charity Steady Growth Index), which was +3.5%.

The investment objectives were determined in the light of the agreed, revised Reserves and Investment Policies (see pages 38 and 39). The Board has previously agreed that BTBS would not automatically draw down income from the investments, with a view to rebuilding the level of reserves in the long term. However, the Board’s decision to go ahead with the Bookbinders Cottages development, with the requirement to fund £1.6 million from reserves, resulted in the draw-down of cash from investment reserves, guaranteeing the funds would be available for the project, and not subject to fluctuations in the value of investments.
Risk assessment and management

Principle risks and uncertainties

Trustees considered all risks as part of their on-going responsibilities to guard against the major issues of possible detriment to which the charity is exposed. They have satisfied themselves that systems and procedures are in place to manage and mitigate those risks. In carrying out this review, the trustees looked at existing and potential risks in detail; considered Charity Commission guidance; had regard to risk practices and procedures of other benevolent funds and asked for input from staff.

Key risks

• The development of the Bookbinders Cottages: delays, escalating costs, consideration of existing tenants, health and safety were all effectively managed throughout the year through good collaborative working relations with the building contractors and the diplomatic work of staff to overcome issues with the longstanding tenants who suffered disruption. This was particularly important as tenants were largely confined to their homes during the lockdowns.

• Occupancy of the new flats: not being able to fill the new flats in the coming year would result in a loss of rental income for the charity which might affect the ability of the Charity to repay the associated bank loan. The risk of reduced rental income has, in part, been mitigated by prudent budget projections.

• Health & Safety: risks during the pandemic were mitigated by clear protocols and signage for staff, residents and contractors plus enhanced cleaning of communal areas to minimise the risk of spreading the virus. Non-essential repairs and maintenance were suspended during lockdowns to minimise contractor visits to households. Until his retirement, David Hicks covered the office during lockdowns. IT systems enabled staff to work from home, only working from the office on a rota basis, if absolutely necessary.

• Loss of key staff: with a small staff team, the loss of their experience, knowledge and skills could adversely impact operations and external relations. This risk is mitigated by an agreed succession plan (for officers and staff); secure archive, filing and documentation systems and cooperative working practices.

• IT failure or loss: the loss of information or records, which would impact day-to-day working systems and operations. This risk is mitigated by procedures for off-site storage of regular computer back-ups, regular replacement of key IT equipment and secure archive, filing & documentation systems.

• Fire, flood, damage at The Retreat and the Bookbinders Cottages estate, which could result in the potential risk of death or injury to staff or residents; loss of office facilities and/or accommodation, with consequent loss of income (from rents), office capability or fundraising resources. The design of The Retreat means any damage would tend to be localised rather than widespread; the risk is mitigated further with regular maintenance and agreed safety procedures at both sites.

• Non-compliance with General Data Protection Regulations (GDPR) and the risk of actions taken by the regulator. This risk is mitigated by the Board agreeing a Data Protection Policy, via staff training and the appointment of a Data Protection Lead who has direct access to the Board. (No applications for information and data were received during the year.)

• Actions taken on behalf of BTBS without appropriate approval (fraud and theft). This risk is mitigated by policies, practices and approval systems reviewed by the Board, Chief Executive and auditors.

• Situations which have the potential to lead to adverse publicity and loss of support. This risk is mitigated by the Board approving and keeping under regular review robust plans, policies and procedures, based on their commercial and book trade related knowledge and skills.
At the 1 January 2020, 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 £9,093,098, with unrestricted reserves of £302,688 (representing four months of unrestricted expenditure).

The charity’s target has previously been to hold sufficient reserves in investments to provide for two year’s normal expenditure (excluding depreciation, development costs and one-off legal fees). This was achieved between 31 December 2016 and 31 December 2018, but the Board’s decision to invest reserves into developing work which fulfills the charity’s objectives means that this is no longer a realistic objective, and indeed, is probably not a desirable one. Reserves should represent both a source of investment income and a safety net in case normal expenditure drops, or unanticipated expenditure occurs; the level also needs to be sufficient to wind up the charity in an orderly fashion, in the last resort.

Given that demand for the properties is projected to be high, following the completion of the Bookbinders development, the increased level of rental income anticipated should provide a stable baseline for annual income and reduce the reliance on investment income. The charity’s longer-term target is to provide between four and six months’ worth of normal expenditure, excluding depreciation, development costs and one-off legal fees.

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.

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 half way 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.
Independent Auditor’s Report

to the members of The Book Trade Charity

Opinion

We have audited the financial statements of The Book Trade Charity (BTBS) (the ‘charitable company’) for the year ended 31 December 2020 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).

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 2020 and of its income and expenditure for the year then ended;have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; andhave 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 charitable company’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 trustees are responsible for the other information. The other information comprises the information included in the annual report 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and

• the trustees’ 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’ 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 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.

Responsibilities of trustees

As explained more fully in the trustees’ responsibilities statement, 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 is detailed below:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements for charitable companies operating within this sector, through our own experience as well as through discussion with management and those charged with governance and inspection of regulatory and legal correspondence. We reviewed policies and procedures regarding compliance with laws and regulation and remained alert throughout our audit to any indications of non-compliance, with areas of highest risk communicated to all members of the audit team.

The charitable company is subject to laws and regulations directly affecting the financial statements including financial reporting legislation and taxation legislation which we assessed compliance with as part of our review of related financial statement items. This includes the Charities Act 2011 and Companies Act 2006 as referenced above. Other laws and regulations of which compliance was considered higher risk (as non-compliance could lead to material misstatement of the financial statements) included anti-bribery regulations, employment law, health and safety legislation, housing regulations and data protection regulations.

We considered areas which could be most susceptible to fraud or misstatement, which included the use of journals and suspense accounts and management override of controls. Our audit work has been performed to ensure that these areas have been tested on a sample basis, including the use of data analytics to review for unusual transactions.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected a material misstatement within the financial statements while performing our audit in accordance with applicable audit standards. Irregularities may involve a collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 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.

Date of approval - 21 September 2021

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

The statement of financial activities shows a net increase in funds of £382,626 for the year ended 31 December 2020.

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

Corporate and personal donations, and grants from charitable trusts (as in para 7.7) contributed £316,745 (2019: £284,499) to unrestricted funds and £527,022 (2019: £13,180) to restricted funds

Events income totalled £55,384 (2019: £80,301) mainly from booksales and the London Marathon

Rental income amounting to £359,993 was receivable, a decrease of 4.3% over 2019 (£376,503) with properties vacated for development works.

Gross investment income was £8,167 compared with £21,071 in 2019 and included income from the Matthew Hodder Fund and Bookbinders Charitable Society investments. Movement in the stock market during 2020 resulted in net realised and unrealised gains totalling £15,878 (2019: £51,964). The size of the investment portfolio has reduced during 2020, with £1m transferred out of the portfolio to fund the Whetstone capital development works undertaken in the year. This is reflected in the reduction in the level of capital gains and investment income in 2020.

7.3 Costs for the year are £1,156,967 (2019: £806,743), due to the increase in the level of grants awarded, including Covid grants. This also includes recognition of a loss on disposal of £256,604 arising from the demolition of buildings on the Bookbinders site performed as part of the redevelopment works.

Grants in the year, including provisions for regular grant commitments in 2020, amounted to £339,141 compared with £322,220 in 2019.

The Board continued to trial the programme of sustainable energy equipment at The Retreat to reduce long-term energy and maintenance costs.
The Book Trade Charity (BTBS) Statement of financial activities 
(including income and expenditure account) for the year ended 31 December 2019

Reconciliation of funds:
Transfer between funds
Net investment gains (losses)
Net income (expenditure) before investment gains and losses
Total expenditure
Charitable activities
Donations and legacies
Investments and interest receivable
Net investment gains (losses)
Total expenditure
Investments and interest receivable
Charitable activities
Other trading activities
Net income
Total income
Expenditure on:
Raising funds
.. Costs of selling donated goods
Charitable activities
.. Grants programmes
.. Provision of residential accommodation
.. Ola’s fundraising
Total expenditure
Net income (expenditure) before investment gains and losses
Net investment gains (losses)
Net income (expenditure)
Transfer between funds
Net movement in funds
Reconciliation of funds:
Fund balances brought forward at 1 January 2019
Fund balances carried forward at 31 December 2019

The Book Trade Charity (BTBS) Balance sheet as at 31 December 2020

Company number: 06725178 (England and Wales)
The Book Trade Charity (BTBS) Statement of cash flows as at 31 December 2020

<table>
<thead>
<tr>
<th>Notes</th>
<th>2020 £</th>
<th>2019 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash provided by (used in) operating activities</td>
<td>A</td>
<td>502,529</td>
</tr>
<tr>
<td>Cash flows from investing activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends and interest from investments</td>
<td></td>
<td>8,166</td>
</tr>
<tr>
<td>Purchase of tangible fixed assets (2,812,123)</td>
<td>(552,060)</td>
<td>—</td>
</tr>
<tr>
<td>Purchase of investments (1,000)</td>
<td>(303,544)</td>
<td>—</td>
</tr>
<tr>
<td>Net cash (used in) provided by investing activities</td>
<td>(2,314,975)</td>
<td>(296,291)</td>
</tr>
<tr>
<td>Cash flows from financing activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New borrowing</td>
<td></td>
<td>987,082</td>
</tr>
<tr>
<td>Change in cash and cash equivalents at the year end (825,846)</td>
<td>(252,868)</td>
<td>51,868</td>
</tr>
<tr>
<td>Cash and cash equivalents at 1 January</td>
<td>B</td>
<td>1,307,945</td>
</tr>
<tr>
<td>Cash and cash equivalents at 31 December</td>
<td>B</td>
<td>482,599</td>
</tr>
</tbody>
</table>

Notes to the statement of cash flows for the year to 31 December 2020

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

<table>
<thead>
<tr>
<th>Notes</th>
<th>2020 £</th>
<th>2019 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net movement in funds (as per the statement of financial activities)</td>
<td></td>
<td>126,222</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation charge</td>
<td>99,538</td>
<td>97,478</td>
</tr>
<tr>
<td>Loss on disposal of fixed assets</td>
<td>256,604</td>
<td>—</td>
</tr>
<tr>
<td>Gains on investments (15,878)</td>
<td>(51,964)</td>
<td>—</td>
</tr>
<tr>
<td>Dividends and interest from investments (8,166)</td>
<td>(21,071)</td>
<td>—</td>
</tr>
<tr>
<td>Decrease (increase) in debtors 79,982</td>
<td>(84,593)</td>
<td>—</td>
</tr>
<tr>
<td>(Decrease) in creditors (39,733)</td>
<td>82,297</td>
<td>—</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>502,529</td>
<td>43,422</td>
</tr>
</tbody>
</table>

B Analysis of changes in net debt

<table>
<thead>
<tr>
<th>Notes</th>
<th>At 1 Jan 2019 £</th>
<th>Cash flows £</th>
<th>At 31 Dec 2020 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank and in hand</td>
<td>303,015</td>
<td>179,344</td>
<td>482,959</td>
</tr>
<tr>
<td>Cash held by investment managers</td>
<td>1,004,930</td>
<td>1,004,930</td>
<td>240</td>
</tr>
<tr>
<td>Total cash and cash equivalents</td>
<td>1,307,945</td>
<td>(825,296)</td>
<td>482,959</td>
</tr>
<tr>
<td>Loans falling due within one year</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Loans falling due outside of one year (987,682)</td>
<td>(987,682)</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1,307,945</td>
<td>(1,812,486)</td>
<td>(504,483)</td>
</tr>
</tbody>
</table>

Basis of preparation

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below. These financial statements have been prepared for the year to 31 December 2020.

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
- estimating future cash flows for the purpose of assessing going concern (see below)

As the long term impact of the global coronavirus pandemic is still unknown, it is not possible to evaluate all the potential implications for the charity’s activities, beneficiaries, funders, suppliers and the wider economy. Estimates used in the accounts, particularly with respect to the value of listed investments (see note 10) continue to be subject to a greater degree of uncertainty and volatility. As set out in these accounting policies under “Assessment of going concern”, the trustees have considered the impact of the pandemic on the charity and have concluded that although there may be some negative consequences, it is appropriate for the charity to continue to prepare its accounts on the going concern basis.

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 2021 and projections beyond.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cause significant doubt on the ability of the charity to continue as a going concern. They are of the opinion that the charity still have sufficient resources to meet its liabilities as they fall due. Despite the continued global uncertainty in relation to COVID-19, 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 2021, 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.

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**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:

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 the charity is aware or has to 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.

**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 has to 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. 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 cost 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.
- **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.

Critical accounting estimates and areas of judgement

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

As the long term impact of the global coronavirus pandemic is still unknown, it is not possible to evaluate all the potential implications for the charity’s activities, beneficiaries, funders, suppliers and the wider economy. Estimates used in the accounts, particularly with respect to the value of listed investments (see note 10) continue to be subject to a greater degree of uncertainty and volatility. As set out in these accounting policies under “Assessment of going concern”, the trustees have considered the impact of the pandemic on the charity and have concluded that although there may be some negative consequences, it is appropriate for the charity to continue to prepare its accounts on the going concern basis.
3. Investment income (continued)

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Restrictd</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Listed investments</td>
<td>21,071</td>
<td>—</td>
<td>21,071</td>
</tr>
<tr>
<td>Total 2019 funds</td>
<td>21,071</td>
<td>—</td>
<td>21,071</td>
</tr>
</tbody>
</table>

4. Expenditure

<table>
<thead>
<tr>
<th></th>
<th>Direct costs</th>
<th>Support costs (note 6)</th>
<th>Total funds 2020</th>
<th>Total funds 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raising funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Publicity and fundraising</td>
<td>10,210</td>
<td>43,085</td>
<td>53,295</td>
<td>53,790</td>
</tr>
<tr>
<td>Fundraising</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Costs of selling donated goods</td>
<td>5,590</td>
<td>—</td>
<td>5,590</td>
<td>6,065</td>
</tr>
<tr>
<td>Charitable activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants programmes (note 5)</td>
<td>339,141</td>
<td>702,246</td>
<td>1,041,387</td>
<td>1,393,989</td>
</tr>
<tr>
<td>Provision of residential accommodation</td>
<td>639,714</td>
<td>442,310</td>
<td>1,082,024</td>
<td>1,436,324</td>
</tr>
<tr>
<td>Ola’s fundraising</td>
<td>133</td>
<td>—</td>
<td>133</td>
<td>13,180</td>
</tr>
<tr>
<td></td>
<td>994,788</td>
<td>162,179</td>
<td>1,156,967</td>
<td>806,743</td>
</tr>
</tbody>
</table>

Analysis of expenditure between restricted and unrestricted funds:

<table>
<thead>
<tr>
<th></th>
<th>Direct costs</th>
<th>Support costs (note 6)</th>
<th>Total funds 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raising funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Publicity and fundraising</td>
<td>8,750</td>
<td>45,040</td>
<td>53,790</td>
</tr>
<tr>
<td>Fundraising</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Costs of selling donated goods</td>
<td>6,065</td>
<td>—</td>
<td>6,065</td>
</tr>
<tr>
<td>Charitable activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants programmes (note 5)</td>
<td>232,220</td>
<td>442,310</td>
<td>674,530</td>
</tr>
<tr>
<td>Provision of residential accommodation</td>
<td>379,467</td>
<td>442,310</td>
<td>821,867</td>
</tr>
<tr>
<td>Ola’s fundraising</td>
<td>13,180</td>
<td>—</td>
<td>13,180</td>
</tr>
<tr>
<td></td>
<td>639,882</td>
<td>167,067</td>
<td>806,743</td>
</tr>
</tbody>
</table>

4. Expenditure (continued)

- Staff costs amounting to £192,599 (2019 - £172,660)
- Payments under operating leases for equipment amounting to £2,954 (2019 - £2,954)
- A charge for depreciation amounting to £99,538 (2019 - £97,478)
- A loss on disposal of fixed assets of £256,604 relating to the demolition of buildings on the Bookbinders site as part of the redevelopment works.
- Fee paid to the auditor in respect of the statutory audit amounting to £7,500 (2019 - £7,350) exclusive 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:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individuals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The welfare of people in financial need</td>
<td>148,067</td>
<td>180,346</td>
</tr>
<tr>
<td>Medical costs of beneficiaries</td>
<td>2,050</td>
<td>2,399</td>
</tr>
<tr>
<td>Support to people in training, retraining and education</td>
<td>16,535</td>
<td>29,973</td>
</tr>
<tr>
<td>Institutions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MHCT</td>
<td>5,800</td>
<td>19,501</td>
</tr>
<tr>
<td>Restricted grants</td>
<td>166,779</td>
<td>—</td>
</tr>
</tbody>
</table>

Grants were awarded to 217 (2019 - 180) individuals. Grants were awarded to the following institutions: Bound by Veterans, Second Shelf, Chepstow Bookshop, West Dean College, Southern Book Festival and Stanfords Bookshop.
6. Support costs allocation

<table>
<thead>
<tr>
<th>Office staff</th>
<th>Chief executive</th>
<th>Travel, training, etc</th>
<th>Office expenses</th>
<th>Governance (note 7)</th>
<th>Bank charges</th>
<th>Total 2020</th>
<th>Total 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Raising funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Publicity and fundraising</td>
<td>7,006</td>
<td>28,724</td>
<td>1,147</td>
<td>5,851</td>
<td>397</td>
<td>43,085</td>
<td>45,059</td>
</tr>
<tr>
<td>Charitable expenditure</td>
<td>8,407</td>
<td>33,531</td>
<td>489</td>
<td>3,712</td>
<td>10,086</td>
<td>397</td>
<td>56,562</td>
</tr>
<tr>
<td>- Provision of residential accommodation</td>
<td>12,810</td>
<td>33,531</td>
<td>2,295</td>
<td>3,712</td>
<td>10,086</td>
<td>397</td>
<td>62,532</td>
</tr>
<tr>
<td>Total</td>
<td>28,213</td>
<td>65,786</td>
<td>3,933</td>
<td>13,605</td>
<td>16,177</td>
<td>1,277</td>
<td>162,179</td>
</tr>
</tbody>
</table>

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.
- Chairman, 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.

7. Governance

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Legal and professional</td>
<td>11,422</td>
<td>16,256</td>
</tr>
<tr>
<td>Audit and accountancy fees</td>
<td>8,750</td>
<td>8,900</td>
</tr>
<tr>
<td>Bank charges</td>
<td>1,073</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>21,245</td>
<td>25,156</td>
</tr>
</tbody>
</table>

The Book Trade Charity (BTBS) Notes to the financial statements
Year ended 31 December 2020

8. Staff costs and remuneration of key management personnel

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Wages and salaries</td>
<td>168,417</td>
<td>149,201</td>
</tr>
<tr>
<td>Social security costs</td>
<td>10,783</td>
<td>10,960</td>
</tr>
<tr>
<td>Pension costs</td>
<td>13,399</td>
<td>12,499</td>
</tr>
<tr>
<td>The average number of employees during the year, analysed by function, was as follows:</td>
<td>192,599</td>
<td>172,660</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Estate management</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Support</td>
<td>2.0</td>
<td>2.5</td>
</tr>
<tr>
<td>The average number of employees during the year, analysed by function, was as follows:</td>
<td>4.0</td>
<td>4.5</td>
</tr>
</tbody>
</table>

One employee received remuneration of between £70,001 and £80,000 in 2020 (2019 - One employee received remuneration of between £70,001 and £80,000). Contributions amounting to £7,819 (2019 - £7,894) 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, the Executive Chairman (who is not a trustee) 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 £88,600 (2019 - £88,669).

Trustees are not remunerated. During 2020 no amounts were paid on behalf of/reimbursed to trustees for travel costs (2019 - £nil).
The Book Trade Charity (BTBS) Notes to the financial statements
Year ended 31 December 2020

9. Fixed assets

<table>
<thead>
<tr>
<th></th>
<th>Freehold property</th>
<th>Fixtures and fittings</th>
<th>Motor vehicles</th>
<th>Assets under construction</th>
<th>Total £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2020</td>
<td>8,221,388</td>
<td>8,090</td>
<td>15,594</td>
<td>613,190</td>
<td>8,858,262</td>
</tr>
<tr>
<td>Additions</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Disposals</td>
<td>(281,467)</td>
<td>(15,594)</td>
<td></td>
<td>(297,051)</td>
<td>—</td>
</tr>
<tr>
<td>At 31 December 2020</td>
<td>7,939,921</td>
<td>8,090</td>
<td>16,080</td>
<td>2,908,513</td>
<td>10,873,324</td>
</tr>
</tbody>
</table>

Depreciation

<table>
<thead>
<tr>
<th></th>
<th>At 1 January 2020</th>
<th>At 31 December 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>717,861</td>
<td>786,548</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>93,550</td>
<td>—</td>
</tr>
<tr>
<td>Eliminated on disposals</td>
<td>(24,863)</td>
<td>(15,594)</td>
</tr>
<tr>
<td>At 31 December 2020</td>
<td>786,548</td>
<td>793,144</td>
</tr>
</tbody>
</table>

Net book value

<table>
<thead>
<tr>
<th></th>
<th>At 31 December 2020</th>
<th>At 31 December 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>7,153,373</td>
<td>7,503,527</td>
</tr>
<tr>
<td>Depreciation</td>
<td>717,861</td>
<td>741,463</td>
</tr>
<tr>
<td>Net book value</td>
<td>6,435,512</td>
<td>6,762,064</td>
</tr>
</tbody>
</table>

Included in freehold property is land £4,025,967 (2019 - of £4,025,967) which is not depreciated. The freehold property is entirely occupied by the charitable company for its own activities. Assets under construction relate to works in process at the Bookbinders development.

10. Investments

<table>
<thead>
<tr>
<th>Listed investments</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market value at 1 January 2020</td>
<td>286,026</td>
<td>468,761</td>
</tr>
<tr>
<td>Additions at cost</td>
<td>11,000</td>
<td>103,514</td>
</tr>
<tr>
<td>Disposal at opening market value</td>
<td>(114,473)</td>
<td>—</td>
</tr>
<tr>
<td>Unrealised investment gains (losses)</td>
<td>15,878</td>
<td>28,225</td>
</tr>
<tr>
<td>Market value at 31 December 2020</td>
<td>312,904</td>
<td>286,026</td>
</tr>
</tbody>
</table>

Cash held by investment managers for reinvestment

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash held by investment managers for reinvestment</td>
<td>240</td>
<td>1,004,930</td>
</tr>
<tr>
<td>Historical cost of listed investments at 31 December 2020</td>
<td>313,144</td>
<td>1,292,956</td>
</tr>
</tbody>
</table>

At 31 December 2020, the following investment holding was material.

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rathbone Core Investment Fund For Charities</td>
<td>312,904</td>
<td>—</td>
</tr>
</tbody>
</table>

At 31 December 2019, the following investment holding was material.

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rathbone Core Investment Fund For Charities</td>
<td>286,026</td>
<td>—</td>
</tr>
</tbody>
</table>

The Book Trade Charity (BTBS) Notes to the financial statements
Year ended 31 December 2020

10. Investments (continued)
Listed investments held at 31 December 2020 comprise the following:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alternative</td>
<td>312,903</td>
<td>286,026</td>
</tr>
</tbody>
</table>

11. Debtors

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade debtors</td>
<td>14,196</td>
<td>11,155</td>
</tr>
<tr>
<td>Prepayments and accrued income</td>
<td>17,712</td>
<td>100,735</td>
</tr>
<tr>
<td></td>
<td>31,908</td>
<td>111,897</td>
</tr>
</tbody>
</table>

12. Creditors: amounts falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>9,968</td>
<td>118,993</td>
</tr>
<tr>
<td>VAT and payroll taxes</td>
<td>4,743</td>
<td>4,256</td>
</tr>
<tr>
<td>Accruals and deferred income</td>
<td>149,902</td>
<td>77,137</td>
</tr>
<tr>
<td>Bank loans</td>
<td>17,080</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>181,693</td>
<td>200,386</td>
</tr>
</tbody>
</table>

Accruals include £50,000 (2019 - £50,000) in respect of grant commitments to 30 June 2019, in accordance with the accounting policy.

13. Creditors: amounts falling due outside of one year

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank loan</td>
<td>970,002</td>
<td>—</td>
</tr>
</tbody>
</table>

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The loan has been secured by way of a fixed charge over the charitable company’s freehold property, which £987,082 has been drawn down at the balance sheet date.

The bank loan is repayable in monthly instalments of £8,229 (inclusive of interest) and bears interest at 3% over base rate. Capital repayments are due to commence in October 2021. The total agreed facility is £1,400,000 of which £987,082 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

<table>
<thead>
<tr>
<th>At 1 January 2020</th>
<th>New designations £</th>
<th>Utilised/ released £</th>
<th>At 31 December 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangible Fixed Assets Fund</td>
<td>8,124,199</td>
<td>2,312,123 (1,343,224)</td>
<td>9,093,098</td>
</tr>
<tr>
<td>The Matthew Hodder Fund</td>
<td>928,958</td>
<td>— (928,958)</td>
<td>—</td>
</tr>
<tr>
<td>The Bookbinders Fund</td>
<td>707,819</td>
<td>— (707,819)</td>
<td>—</td>
</tr>
<tr>
<td>Tangible Fixed Assets Fund</td>
<td>7,668,617</td>
<td>552,060 (97,478)</td>
<td>8,124,199</td>
</tr>
<tr>
<td>Ola Gotkowska’s Appeal</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

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.

The Matthew Hodder Fund had been designated by the trustees based on the value of gift received from the Matthew Hodder Charitable Trust. It had been set aside to guarantee funds and underwrite grants given under the new initiatives for educational, training and literary projects which further the objectives of the charity; such grants reduced the capital balance of the designated fund.

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 from diverse and/or financially disadvantaged backgrounds.

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 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.
16. Analysis of net assets between the funds

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted funds</th>
<th>Designated funds</th>
<th>Restricted funds</th>
<th>Total funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tangible fixed assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><strong>Investments</strong></td>
<td></td>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><strong>At 31 December 2020</strong></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
</tbody>
</table>

17. 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 booksales at The Retreat, from the London and Frankfurt Book Fairs
- 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.

18. 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.

19. Lease commitments

At 31 December 2020, the charity had the following future minimum commitments in respect to non-cancellable operating:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equipment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Within one year</strong></td>
<td>2,954</td>
<td>2,954</td>
</tr>
<tr>
<td><strong>Within two and five years</strong></td>
<td>8,123</td>
<td>11,077</td>
</tr>
</tbody>
</table>