

Annual Report 2021/22



CYNGOR LLYFRAU CYMRU
BOOKS COUNCIL of WALES



Noddir gan
Lywodraeth Cymru
Sponsored by
Welsh Government

A Word from our Chairman, **M. Wynn Thomas**



Books are the cheapest and quickest form of transport available to us all. They instantly transport us to distant realms of fantasy, information, instruction and entertainment. The Welsh Government's recent decision to provide the Books Council of

Wales with funds sufficient to allow it to present every child in the country with a book of his or her own choosing for nothing is therefore the most generous and magical of gifts. It is the latest example of the range of programmes managed by the Council that have so enlarged, enriched and empowered the Welsh reading public over the last few years. And that these schemes have been introduced under the most testing of circumstances – pandemic now followed by deep recession – is an extraordinary achievement. It remains a privilege for me to be associated with such a body. But the challenge now will be to maintain, and if possible expand, this enlightened and invaluable reading programme in the face of deepening financial difficulties.

A wide variety of reading materials is particularly necessary as Wales begins to work towards an enhanced acknowledgement, appreciation and celebration of the many different linguistic and cultural communities of which the modern nation is exhilaratingly composed. A vital step forward in that process is the publishing by the Welsh Government of its document on producing an Anti-racist Wales, that includes a detailed Action Plan. The Board and staff of the Council have already benefitted greatly from an expert introduction to that Plan, and I'm proud that the

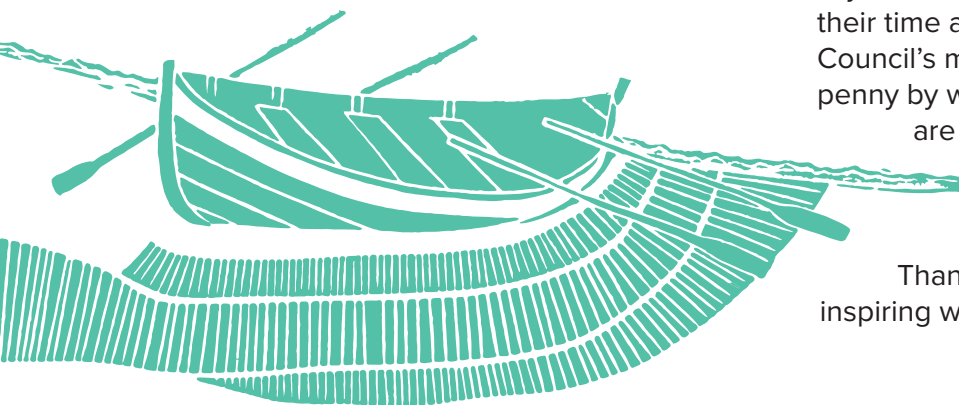
Council's Management Team and Trustees have put a clear commitment to widening access to the publishing sector and increasing representation in literature at the heart of the Council's strategy for the next five years. The Council has begun to make constructive progress in its implementing of that plan across all its programmes.

Particularly noteworthy this past year has been the remarkable achievement of the dedicated staff at the Distribution Centre. Despite all difficulties, they have managed to provide a service of such exceptional quality that at year's end the Centre has finished up in profit. It is an excellent achievement by the arm of the Council that does not receive any public subsidy for its distribution services.

The Council has now firmly established itself as a national institution, and as one of Wales' primary cultural assets. It is therefore an appropriate juncture for me to step down as Chair. Over the past twenty years, I have enjoyed a ringside seat as the Council has steadily expanded its cultural remit, added to its range of services, and adapted to the demands of a digital age. It has been a pleasure and a privilege to have acted as its Chair, as it has been an education for me to serve alongside three quite outstanding Directors, each of whom has been devoted to a common national vision, and each of whose contributions has been of immeasurable worth. I have also been afforded a unique overview of the publishing industry in Wales, in all its astonishing multifacetedness. It has been a pleasure to witness the remarkable dedication of the Council's staff and to marvel at the talents so modestly deployed. Finally, it has been a continuing revelation to see how many 'lay' individuals have been prepared to give of their time and of their expertise to serve the Council's many panels – and all without a single penny by way of remuneration. Special thanks

are of course due to the officers, including the treasurers, secretaries and Vice-Chairs, all of whose support has been of immense value to me.

Thank you one and all, and long may your inspiring work continue. **M. Wynn Thomas**



Helgard Krause, Chief Executive, *reflects on the last year*



This last financial year has been extraordinary in so many ways, not least because we were celebrating our 60th anniversary by publishing our history thus far, commissioning a short film to celebrate the

sector we support as well as launching our new five-year strategic plan.

It was also the second year of living and working under the conditions brought by Covid. It was the first year of the Books Council operating as a newly formed Charitable Incorporated Organisation, governed by a new Board of Trustees, with Professor Charlotte Williams giving the inaugural keynote speech at our first Annual General Meeting. It was the year we concluded our restructure and welcomed several new staff into our organisation. We also saw a strong rallying support for local booksellers matched by equally strong online retailing, culminating in one of the best sales performances since 2009/10.

The excellent working relationships with several Welsh Government departments resulted in a number of proposals being answered positively, addressing areas we would like to support more intensively. In November the Education Department approved a fantastic national book-gifting project worth £4.6 million to schools and learners, including for the first time a community element with food banks receiving books for their service users.

Our Welsh Government funders, Creative Wales, responded positively to our proposal for a New Audiences Fund and we received £610,000 in additional funding to invest in increasing opportunities in the book sector for those from underrepresented communities

here in Wales. In March we received the first tranche of applications for funding, with further opportunities during 2022/23.

Achieving fair representation across the sector and the content we fund remains a strategic priority, and this significant investment is a crucial first step in achieving lasting positive change. Building on existing partnerships with schools, libraries and booksellers, Literature Wales, Arts Council of Wales, Urdd Eisteddfod, Eisteddfod Genedlaethol,

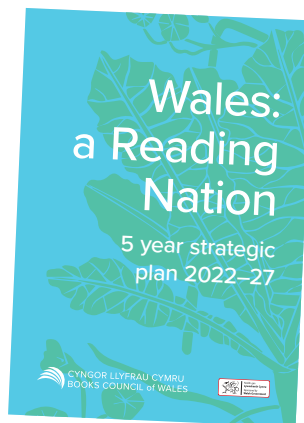
Race Council Cymru, Disability Arts Cymru as well as community-based grassroots organisations will be central to us achieving our strategic goals over the next five years.

It fills me with a deep sense of gratitude and some sadness to see our Chair, Professor M. Wynn Thomas, retire this year. His ambition for a truly national charity that serves all of Wales and his tireless support in achieving that aim cannot be celebrated enough. As Chief Executive I could not have wished for a

better Chair; ambitious, probing, inquisitive and yet unfailingly kind and humorous, his leadership has helped us all to navigate some challenging times to emerge as a stronger organisation.

I am indebted to the Board of Trustees, who give their time, support and expertise freely, as do the members of our sub-committees and judging panels – we would not be able to do our work without them. I am fortunate and grateful to lead an organisation where colleagues throughout the structure and at all levels are showing their ability, resilience and dedication on a daily basis and are contributing to delivering our ambitious strategic plan.

And as ever, this part of our creative industries in Wales could not exist without the imagination of authors, illustrators and publishers, and I am grateful for their ongoing collaboration. **Helgard Krause**



Igniting a love of reading

In November 2021 we had just finished marking our 60th anniversary when we found ourselves with another reason to celebrate. Jeremy Miles, the Minister for Education and Welsh Language, announced a multi-million pound investment in reading engagement from Welsh Government, and a major book-gifting campaign to benefit children and young people across Wales.

Fast forward a few months, and after consultation with pupils from primary and secondary schools across Wales, the Schools Love Reading



A selection of the books gifted to food banks and community groups

book-gifting campaign was soon well under way. In the first phase of the programme in March, we supplied over 40,000 books to food banks, community organisations and other local groups to make books available to children and young people in their local communities and provide a choice of high-quality and engaging reading resources for families to use at home.

Over the course of the scheme, which we will continue to deliver into 2022/23, hundreds of thousands of books will be flying in and out of the Distribution Centre in the most ambitious and exciting book-gifting project we have ever managed. On behalf of Welsh Government, we will be delivering a selection of around 50 free books to every state school in Wales and, in addition, every pupil aged 3–16 will receive an individual book of their choice to keep.

We could not deliver this programme without the ongoing support of the publishers, booksellers and schools who have embraced this scheme to ignite a love of reading for children and young people across Wales.

Welcoming our new Treasurer

In October we welcomed the appointment of our new Treasurer, Alfred O. Oyekoya, to the Board of Trustees.

This important role will be instrumental in leading the Council as we continue to support the book industry in Wales through Covid recovery and look towards our new strategy for 2022 and beyond.

Alfred Oyekoya is an MSc Finance graduate from Swansea University and a Chartered Accountant, with many years' leadership and business development experience. He has worked across a number of international and commercial sectors including the UK Civil Service.

Alfred is an energetic, determined and dedicated champion of Equality, Diversity and Inclusion. He is the founder and Director of BMHS – a not-for-profit organisation focused on education and advocacy to support mental health and wellbeing among Black, Asian and Minority Ethnic community members.

Speaking about his appointment, Alfred

said: "It's an honour to have been appointed and I am excited about the opportunity to carry on the great work that has been done excellently in the last sixty years."

Professor M. Wynn Thomas, Chair of the Board of Trustees, said: "We are delighted to welcome Alfred as Treasurer to the Board of Trustees of the Books Council of Wales."

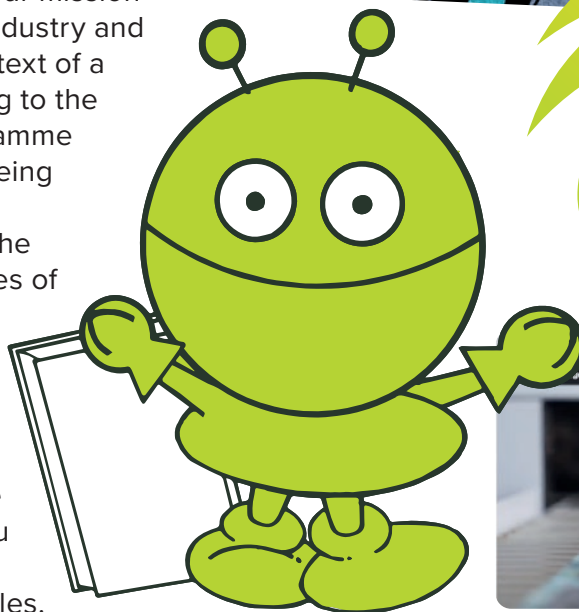
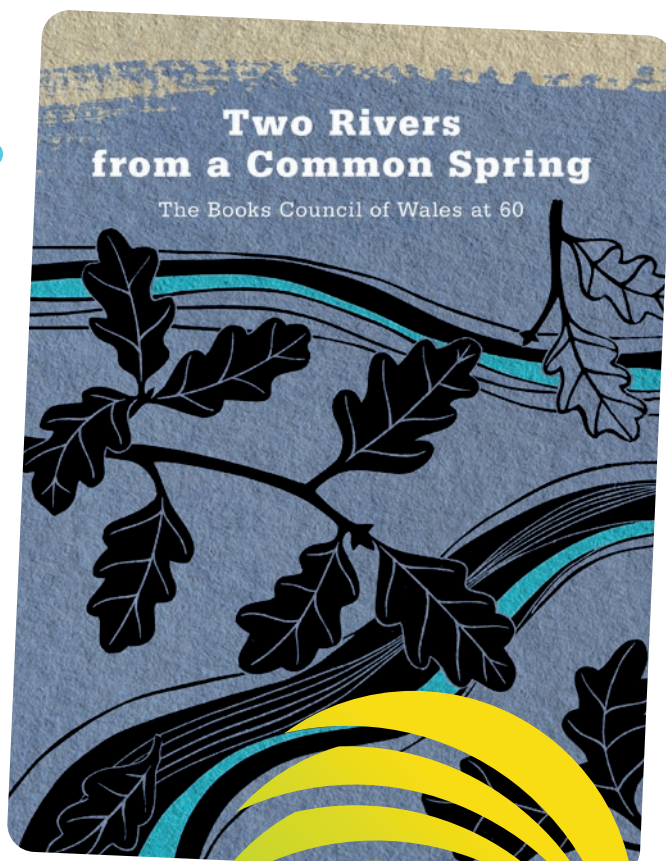
He brings with him considerable experience of financial and business leadership, developed through his previous work for a government ministry. Additionally, he has valuable experience of leading BMHS, a not-for-profit organisation. I and my fellow Board members look forward very much to working with him to advance the Council's work."



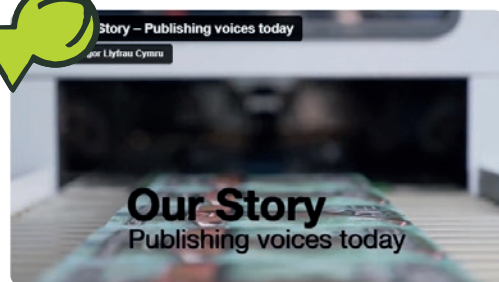
Celebrating 60 years of the Books Council of Wales

We marked our 60th anniversary in November with a week-long programme of activity to recognise and celebrate 60 years of supporting the book industry in Wales, and promoting reading for pleasure. Through two specially commissioned books and two short films, we charted the legacy and work of the Books Council from 1961 to the present day and the vibrant, creative and exciting industry that we are proud to support.

While we also, of course, took the opportunity to enjoy a trip down memory lane (Sbondonics anyone?!), the highlight of this anniversary week was focused on looking to the future as we launched our five-year strategic plan for 2022–27, **Wales: a Reading Nation**. It outlines how we will progress with our mission to support the publishing industry and promote reading in the context of a Covid recovery; contributing to the Welsh Government's Programme for Government and Well-being Statements and supporting the industry to respond to the opportunities and challenges of the future. We've already started on much of this exciting work and are looking forward to being able to make a lasting and positive impact over the life of the plan and beyond. You can download the strategy from our website, books.wales.



60



Funding awarded for two Welsh-language Digital News Services

During this year the tender was awarded for the Welsh-language Digital News Service for the period April 2022–March 2026 following an open tendering process. For the first time the £200,000 grant funding was shared between two services: Golwg360, a popular service that will be familiar to many Welsh readers, which is part of Golwg Cyf, and Corgi Cymru, a brand

new service that is part of news company Newsquest. From April 2022, readers will have a wider choice of providers to access their news through the medium of Welsh.



CORGI
CYMRU

golwg360



Launching the best of the best – introducing old favourites to new readers

In August we launched the first three titles of Gorau'r Goreuon (the Best of the Best), a selection of Welsh-language classics for children and young people that have been republished for a new generation of readers.

The titles published in the first selection are ***Dirgelwch y Dieithryn*** by Elgan Philip Davies, ***O'r Tywyllwch*** by Mair Wynn Hughes and ***Luned Bengoch*** by Elizabeth Watkin-Jones.

The series was commissioned in response to one of the recommendations by Dr Siwan Rosser of Cardiff University who conducted a survey of children's and young people's books for us in 2016/17. The report has informed much of our work in this field since then. One of her recommendations was:

"Consideration should be given to re-issuing popular Welsh-language books or 'classics' from the past and updating them as part of a specific genre or series to create a market with a strong indigenous brand that is passed on from one generation to the next."

A panel of experts in the field of children's

and young people's literature was established to select books from the titles that could be included on this initial list.

Luned Bengoch was originally published in 1946 by Brython Press, then updated by Hugh D. Jones and republished by Gomer Press in 1983. Gomer Press were also the publishers of *O'r Tywyllwch* in 1991 and *Dirgelwch y Dieithryn* in 1993, the former part of the Gwreiddiau scheme and the latter part of the Corryn series.

The first three stories chosen for the series needed very little editorial work to make them suitable for a variety of contemporary audiences. Part of bringing them to life for new readers was reimagining the covers, and we have commissioned three contemporary artists to design the covers: Efa Blossie-Mason, Chris Iloff and Nia Tudor.

The intention is to add to the series over the coming years, and we hope to also receive recommendations from publishers and the public for other titles to include in the collection.

Supporting shops across Wales and beyond

We have expanded our customer base, in Wales with new bookshops such as Siop y Pentan, Llanelli, Cyfoes, Llandeilo and Ffloc in Cardiff; and also within the UK, working with Books etc., Blackwells and Findel. Shops we support vary from a games emporium and a castle to a garden centre, and we aim to expand this so that books are available in all types of retail outlets. 2021/22 also saw the expanding of our home delivery offering to bookshops, with over a thousand packages sent directly to customers on behalf of bookshops. This development not only allows the bookshops to compete and offer good service but is better for the environment with less transport miles incurred.

Siop y Pentan, Llanelli

Ffolio, the e-book platform set up in January 2021, has continued to expand, in the number of e-books available, but also in partnership with Bolinda to ensure that a wide variety of e-books are available in public libraries. The lending numbers are encouraging and we hope they will convince libraries to invest in Welsh-language e-books in future.

Escaping into the world of books

During lockdown many of us turned to books for wellbeing, comfort and entertainment. As the industry responded to the challenges of the pandemic it also increased our access to the world of Welsh books, with an increase in titles from Wales available in alternative formats such as e-books and audio books, and bringing more of us closer to the authors who created them through online events and podcasts.

There's nothing better than hearing first-hand from authors discussing their ideas, experiences and recommendations

linked to the books we have enjoyed. Here are some of the podcasts we have supported, to provide some reading inspiration:

Colli'r Plot (Welsh-language) With Bethan Gwanas, Dafydd Llewelyn, Sian Northey and Manon Steffan Ros.

Caru Darllen (Welsh-language) A podcast from the Books Council of Wales. A space to discuss books of all kinds, with a range of guests.

Podlediad Barddas (Welsh-language) The place to hear conversation between Wales' best poets.



barddas



Our year in numbers

42,065

books delivered in total to **152** food banks and community groups



187

Welsh-language books supported by grants



132

English-language books supported by grants

60

years of supporting the publishing industry and celebrating reading



140

schools took part in the Tir na n-Og shadowing scheme



433

e-books made available on Ffolio



27,950

kWh of electricity generated by the solar panels, avoiding around **15.7** tons of CO₂



253

international orders sent to **24** different countries

650,753

books sent out by the Distribution Centre



1,171

new items added to the range available from the Distribution Centre



388

shops serviced





**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES
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CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The trustees present their report, together with the accounts for the year ending 31 March 2022. This is the Charity's first year operating as a Charitable Incorporated Organisation. The assets and liabilities have been transferred from the old charity to the new organisation on 1 April 2021.

Main Aims and Activities of the Charity

- To encourage and support the book industry in Wales by awarding grants and otherwise;
- To encourage, promote and assist the production and distribution of books and other recorded literary and artistic material howsoever recorded (whether by known means or by means as yet unknown) in the two official languages of Wales, Welsh and English, or which are of Welsh interest;
- To organise events to support the promotion of books, reading and the book sector as a whole;
- To encourage and promote the publication of such books and other material in Wales.

Public Benefit Declaration of Interest

The Executive Committee have considered their duty in accordance with Section 17 of the Charities Act 2011 regarding Public Benefit. They are satisfied that the charity's activities during the year, as described in this report, are in accordance with these criteria. The core aim of Cyngor Llyfrau Cymru – The Books Council of Wales is to provide benefit to the readers of Wales – in both languages.

Administrative details

Name of Charity	Cyngor Llyfrau Cymru – The Books Council of Wales
Registered Charity	1192269
Registered Address	Castell Brychan Aberystwyth Ceredigion SY23 2JB
Auditors	Llŷr James Chartered Certified Accountants & Registered Auditors 25 Bridge Street Carmarthen SA31 3JS
Bank	HSBC plc Harford Square Lampeter Ceredigion SA48 7DU
Chief Executive	Helgard Krause
Investments Broker	Blackrock 12 Throgmorton Avenue London EC2N 2DL

CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES
TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

Trustees

The Books Council of Wales, as a Charitable Incorporated Organisation, is governed by the Board of Trustees which includes the Chair, Vice Chair and Trustees and up to 12 members. Trustees are elected to serve for a term of 4 years with an option of an additional second term of 4 years. The chair is elected annually by the Board of Trustees. An Annual General Meeting is held in the summer where the membership receives the accounts and annual report.

The Trustees for 2021/22 are:

Professor M. Wynn Thomas	Chair
Mrs Rona Aldrich	Vice Chair
Mr Alfred Oyekoya	Treasurer
Professor Jane Aaron	
Mrs Rajvi Glasbrook Griffiths	
Mrs Alwena Hughes Moakes	
Ms Lowri Ifor	
Professor Carwyn Jones	
Mrs Linda Tomos	
Professor Gerwyn Williams	
Dr Caroline Owen Wintersgill	
Mr Christopher Hywel Macey	Resigned on 26/07/2021

Constitution

Cyngor Llyfrau Cymru – The Books Council of Wales' governing instrument is a written constitution. Cyngor Llyfrau Cymru – The Books Council of Wales was transferred into a Charitable Incorporated Organisation on 1 April 2021.

The Council and its Committees

The Books Council is governed by a Board of Trustees who are appointed under the terms of its Constitution. The Board of Trustees appoints members to specialist sub-committees which report to the Board of Trustees. An open advertising process is fair and transparent, in line with best practice, for all available positions on the Board and sub-committees.

A Summary of the Year

This last financial year has been extraordinary in so many ways, not least because we were celebrating our 60th anniversary by publishing our history thus far, commissioning a short film to celebrate the sector we support, as well as launching our new 5-year strategic plan.

It was also the second year of living and working under the conditions brought about by Covid. It was the first year of the Books Council operating as a newly formed Charitable Incorporated Organisation, governed by a new Board of Trustees, with Professor Charlotte Williams giving the inaugural keynote speech at our first Annual General Meeting. It was the year we concluded our restructure and welcomed several new members of staff into our organisation. We also saw strong rallying support for local booksellers, matched by equally strong online retailing, culminating in one the best sales performances since 2009/10.

Business Developments

This last financial year has seen an exceptionally strong performance across the sector, including our own Distribution Centre. A strong desire to support bricks and mortar bookshops on the high street, combined with continuing increases in online retailing, meant that we recorded one of the strongest years since 2009/10. The Distribution Centre won several new clients for distribution which contributed to business growth, as did the continued success of the newly implemented 'direct to home' delivery system available to both bookshops and publishers to fulfil web orders. The potential supply chain issues affecting the crucial Christmas trading period were mitigated by intense contact and communications with both publishers and booksellers, who heeded the advice not to rely on last minute reprint and orders, leading to a strong performance.

Publishing Development Highlights

The excellent working relationships with several Welsh Government departments resulted in several proposals being answered positively, addressing areas we would like to support more intensively. The Education Department approved a fantastic national book gifting project worth £4.6 million to schools and learners, that included for the first time a community element with food banks receiving books for their service users. This particular scheme was met with such a positive response that we decided to extend it to provide copies of the Quick Reads/Stori Sydyn series in early summer and another campaign nearer Christmas. This grant will also have a significant economic impact on participating publishers and booksellers.

We were delighted that, together with colleagues from The Reading Agency in 2022/23, we will be delivering an additional £250,000 from the Health Department to continue delivering Darllen yn Well – a publishing programme focusing on Mental Health and Well-being for young.

Our funders Creative Wales responded positively to our proposal for a New Audiences Fund and invested £610,000 to increase the opportunities in the book sector to those from underrepresented communities here in Wales. This first tranche has already provided seed funding for two new publishers from minority ethnic backgrounds; a YouTube channel promoting poetry and literature from Wales; pilot schemes for two new magazines on disability; several community projects involving refugees and the North Wales Africa Society, as well as the first audio books for Welsh language learners. Two additional rounds of funding have been earmarked for further projects.

Equality, Diversity and Inclusion

At the Books Council of Wales, we recognise that the structural inequalities that exist within the wider society in Wales also exist in our own sector. We are committed to achieving fair representation within both our own organisation and the book sector in Wales. Our Board of Trustees, executive leadership, managers and team leaders understand that ensuring opportunities is both an individual and a collective responsibility and lies at the heart of the culture of our organisation. We have appointed a new Board of Trustees, and increased diversity within our sub-committees and judging panels, but there is more to do.

In particular, we are seeking to overcome the challenges of attracting staff from underrepresented communities, being based in rural Wales and committed to conducting our day-to-day business in the Welsh language. These challenges are shared by others and will not be solved by us alone. It requires a collective Wales-wide effort, and we are working with partners and stakeholders to create solutions for real and lasting change. As the main supporters and funders of the publishing industry in Wales, we have a responsibility for the impact we have on the people we support, our partners, our employees, and wider society. Considerations of equality, diversity and inclusion are central to making all our funding decisions in order to assist partners to deliver positive change and achieve fair representation in the content we fund. We report regularly on Equality, Diversity and Inclusion to the Board of Trustees.

Corporate Matters

The Board of Trustees appointed a new Treasurer, Mr Alfred Oyekoya, who joined the first Board meeting in January 2022.

Following the restructure, the newly created role of Head of Communications, Marketing & Design was appointed in August 2021 and is a member of the management team. The creation of a dedicated Communications role has been central in dealing with increased government and media enquiries, as well as the 60th anniversary celebrations and an increase in social media activities. The brand position of the Books Council has been improved with a far greater interest in advertised roles than previously. The new role of Key Accounts Manager was appointed in July 2021, working closely with client publishers.

Work continued on implementing new IT systems for distribution, warehousing and finance. A digital document-sharing platform was developed for trustees to ensure accessibility of documents and to cut down on printing and posting documents.

CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES
TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

Achievement and Performance

KEY TARGETS 2021/22		
	2021/22 Target	2021/22 Achieved
Number of manuscripts – Editorial Department	170	152
Number of titles assisted by the Design Department	110	110
Distribution Centre	£3m gross £2m net	£4.8m gross £3.2m net
Level of Distribution Centre debtors	No more than 2%	0.9%
Gwales: targets for online sales	£70,000	£93,964

CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES
TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

KEY TARGETS 2021/22 – PUBLISHING GRANTS		
	2021/22 Target	2021/22 Achieved
Publishing Grants (Welsh-language)		
Number of titles published	175	187
Average sales	1,000 after 18 months	994
Number of Welsh-language magazines	16	16
Prompt publishing in accordance with the timetable	98%	95%
Publishing Grants (English-language)		
Number of Literature Grant titles published	75	71
Number of author advance titles published	15	25
Marketing Grants	20	34
Number of magazines funded	6	6
Average sales of literary magazines	General – 1,000 Multi-focus – 500 Individual focus – 400	674 (+80% digital)
Prompt publishing in accordance with the timetable	95%	95%

Financial Review and Future Plans

A total income of £13.4m was received during the year compared to £7.7m in 2020/21. The increase was mainly due to the major Caru Darllen project (£4.6m) of which the majority of the spend was committed prior to year-end. Additional grants were secured – £510,500 from the Department of Welsh in Education to purchase books for schools and libraries, and we are grateful to the Welsh Government for their support.

The Distribution Centre's income recovered to pre-Covid levels, and it continues to make a small profit, due to an improvement in the margin. Large projects have helped to make use of the staff capacity available, but it is good to note that the industry has also recovered.

Of the expenditure of £12.3m (compared to £7.5m in 2020/21), the amounts in the Pension Scheme valuation are mainly responsible for the net surplus of £1,078,619 (compared to the net surplus of £268,705 in 2020/21).

The Books Council's investments (£194K) and Pension Scheme investments improved slightly compared to March 2021.

At 31 March 2022, net assets (excluding pension liabilities) stood at £3.3m (2020/21: £2m). The increase is due to the timing of the expenditure of the capital funding that will be spent over the next 2 years. The pension deficit clouds the positive financial performance, but much of the restricted fund will be expended in the next financial year.

Reserves Policy

This Reserves Policy is designed to ensure that the Council has enough funds to meet unforeseen capital expenditure, and to deal with risk factors associated with the running of a Distribution Centre that receives no funding from the public purse. The Books Council keeps these financial funds in several categories:

Unrestricted Funds

- Capital Funds – £500,000 to meet the historic cost of buildings and unexpected capital expenditure. An audit of the buildings will be carried out over the next year, prioritising where further expenditure is required from this fund.
- Revenue Funds
 - Pension: At 31 March 2022, there was a deficit of £2,583,000 (2020/21: £3,477,000). The trustees have agreed contributions with the Dyfed Pension Fund until 31 March 2024. This is a snapshot as at year end; however, this actuarial valuation carried out in 2022/23 is likely to recommend increases to the contributions.
 - Council: Maintain a reserve balance of no more than 2% of core funding (which equates to £74,600 in 2021/22). The fund increased to £132,464, which is a bit higher than the target, as a result of job vacancies during the year which is a short-term gain.
 - Distribution Centre: Target of a sufficient fund to cover overheads for 6 months (excluding discount) (£304,653 based on 2021/22 figures). The size of the fund this year is £253,144, slightly less than the target.

Designated Funds

In addition to the internal funding committed, a fund of £976,737 is now available for the new system with an agreement with KNK for a large proportion of this amount to be spent over the next two years. As the new system is capitalised – although there has been capital expenditure against the project – this fund only accounts for the revenue costs and depreciation on the capital cost.

Restricted Funds

These funds are for use only as noted in note 20.

Main Sponsors

We are extremely grateful to the Welsh Government for providing a large proportion of the Books Council's funding; without this support, it would not be possible for the Council to carry out its work.

Investments Policy

In accordance with the Constitution, the charity trustees have the power to invest when they believe that investment is appropriate. The assets of the charity are available and sufficient to meet the requirements in the foreseeable future.

Volunteers

The charity is very grateful for the contribution of volunteers who work free of charge on the various panels and projects of the Books Council. As we cannot put a financial value on all this work, it is not included in the Statement of Financial Activities.

Related Party Transactions

The staff and trustees declare any interests annually and as they arise. There are no associated party transactions during the year ending 31 March 2022 by the trustees.

Risk Management

The Council has considered and assessed every risk that could affect the charity. This risk assessment process encompasses not only the financial situation, but also strategic and circumstantial considerations. The Council confirms that systems have been put in place to mitigate all such risks identified as part of this process.

Viable Business Assumption

The trustees have a reasonable expectation that the Books Council has enough resources to continue to act as a going concern. For that reason, it continues to prepare a Financial Statement based on being a viable business.

Equal Opportunities Policy

The Books Council of Wales is an equal opportunities employer. It does not allow discrimination on the grounds of gender, race, colour, disability, ethnic background or socio-economic background, age, family situation, marital status, part-time or full-time workers, religion, politics, sexual orientation or any other irrelevant difference, and is committed to positively considering diversity. The principles of fair and open competition are used, and appointments are subject to merit.

STATEMENT OF TRUSTEES' RESPONSIBILITY:

The Trustees are responsible for the preparation of the Trustees' Report and the financial statements in accordance with applicable legislation and the Acceptable General Accounting Exercises of the United Kingdom.

The law requires the Trustees to prepare accounts for each financial year that will give a true and fair view of the Charity's situation during that period. In preparing those accounts, the Trustees must:

- select suitable accounting policies and apply them consistently;
- follow the methods and principles in the 'Statement of Recommended Practice for Charities' (SORP);
- make judgements and estimate reasonably and prudently; state whether applicable standards have been followed, subject to any disclosed material departures explained in the financial statements;
- prepare the accounts on the basis that the Charity will continue to act if it is not inappropriate to assume this.

The Trustees are responsible for keeping appropriate accounting records that disclose the Charity's financial position fairly accurately at any time, and also to enable them to ensure that the financial statements are in accordance with the *Charities (Accounts and Reports) Regulations 2008*. They also have a responsibility to protect the assets of the Charity and take steps to prevent and detect fraud or other irregularities.

According to the Trustees' understanding:

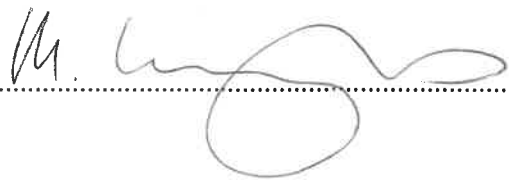
- there is no relevant information of which the Charity's auditors are unaware;
- the Trustees have taken all necessary steps to ensure that they are aware of any relevant auditable information and to ensure that the Charity's auditors are aware of that information.

The Trustees are responsible for the care and accuracy of the corporate and financial information that is included on the charity's website. Legislation in the United Kingdom that manages, prepares and distributes financial statements may differ from legislation in other authorities.

AUDITORS

The reappointment of the auditors, Llŷr James, will be proposed at the Annual Meeting.

The Trustees' report and the annual accounts were approved on 25 July 2022.


..... Professor M. Wynn Thomas

CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE BOOKS COUNCIL OF WALES FOR THE YEAR ENDED 31 MARCH 2022

Opinion

We have audited the financial statements of the Books Council of Wales (the 'charity') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 charity 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.

Conclusion relating to a going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 Charities Act 2011

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 annual report and the trustees' report have 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 charity 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 Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; 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.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

We have been appointed as auditor under the Charities Act 2011, section 144, and report in accordance with regulations made under the Act and relevant regulations made or having effect thereunder. 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:

Based on our understanding of the charity and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the Charity Commission, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Charities Act 2011. We evaluated management’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the transfer of the assets and liabilities from the Charity to the new Charitable Incorporated Organisation and the timing of recognition of grant income and expenditure to manipulate financial performance. Audit procedures performed included:

- Discussions with management, including consideration of potential instances of non-compliance with laws and regulations and fraud;
- Reviewing all correspondence, both internal and external, in relation to the transfer of the assets and liabilities of the Charity to the Charitable Incorporated Organisation;
- Reviewing key correspondence with the Charity Commission in relation to compliance with laws and regulations;
- Reviewing relevant meeting minutes of the Board;
- Selecting a sample of transactions and tracing to documentation to establish that they are *bona fide* business transactions; and
- Selecting a sample of grant income and tracing to ensure that it is accounted for in the correct period and that the corresponding expenditure is also included in the same financial period; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES INDEPENDENT AUDITORS’ REPORT TO THE TRUSTEES OF THE BOOKS COUNCIL OF WALES FOR THE YEAR ENDED 31 MARCH 2022
(Continued)

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity’s trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity’s trustees 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 charity and the charity’s members as a body, for our audit work, for this report, or for the opinions we have formed.

.....*Bethan Vaughan*.....

BETHAN VAUGHAN

Senior Statutory Auditor

For and on behalf of

DATE: *25 July 2022*

LLŶR JAMES Cyf.

Statutory Auditors

25 Bridge Street

Carmarthen

SA31 3JS

CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2022

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2022 £	Comparative Total Funds 2021 £
Income through charitable activities						
Grants	3	1,129,277	180,000	8,667,576	9,976,853	4,931,290
Other Grants	4	–	–	56,500	56,500	234,729
Departmental Income	5	144,544	–	5,500	150,044	172,853
Other commercial activities						
Distribution Centre	9	3,240,447	–	–	3,240,447	2,339,569
Investments	4	–	–	4,704	4,704	4,734
Total incoming resources		4,514,268	180,000	8,734,280	13,428,548	7,683,175
Resources expended						
Charitable activities						
Grants distributed	6/7	–	–	2,600,722	2,600,722	2,600,723
Specific projects		–	–	4,708,796	4,708,796	532,208
Charitable expenditure	8	1,462,601	59,547	296,286	1,818,434	1,943,338
Other commercial activities						
Distribution Centre	9	3,221,977	–	–	3,221,977	2,338,201
Total resources expended	10	4,684,578	59,547	7,605,804	12,349,929	7,414,470
Net incoming resources before transfers		(170,310)	120,453	1,128,476	1,078,619	268,705
Other recognised gains / (losses)						
Actual gain / (loss) on defined benefit scheme	21	1,105,000	–	–	1,105,000	391,000
Movement on investments	14	–	–	3,891	3,891	24,877
Transfer between funds		12,138	(6,590)	(5,548)	–	–
		1,117,138	(6,590)	1,657	1,108,891	415,877
Net movement in funds	23	946,828	113,863	1,126,819	2,187,510	684,582
Balances brought forward at 1 April 2021		(2,644,220)	862,874	304,440	(1,476,906)	(2,161,488)
Balances carried forward at 31 March 2022	18–20	(1,697,392)	976,737	1,431,259	710,604	(1,476,906)

No separate income and expenditure statement has been prepared.

The Charity Trustees wish to note that the pension fund has influenced the final financial outcome. They wish to note that the Dyfed Pension Fund is beyond the charity's control.

The prior year figures relate to the previous charity of the same name and are provided for comparative reasons only.

The notes on pages 18 to 34 form a full part of these accounts.

CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES

BALANCE SHEET AS AT 31 MARCH 2022

	Note	2022	Comparative
		£	2021
		£	£
Fixed assets			
Tangible fixed assets	13	629,550	415,522
Investments	14	193,524	188,006
		<u>823,074</u>	<u>603,528</u>
Current assets			
Debtors	15	5,704,895	273,029
Distribution Centre stock		206,451	261,788
Cash at bank and in hand	16	1,215,797	1,577,396
		<u>7,127,143</u>	<u>2,112,213</u>
Liabilities: Amounts falling due within one year	17	4,656,613	715,647
Net current assets			
		<u>2,470,530</u>	<u>1,396,566</u>
Total assets less liabilities		<u>3,293,604</u>	<u>2,000,094</u>
Pension Fund	22	(2,583,000)	(3,477,000)
		<u>710,604</u>	<u>(1,476,906)</u>
Funds			
Unrestricted	18	885,608	832,780
Pension Fund	22	(2,583,000)	(3,477,000)
Unrestricted due to pension adjustment	18	(1,697,392)	(2,644,220)
Designated	19	976,737	862,874
Restricted	20	1,431,259	304,440
		<u>710,604</u>	<u>(1,476,906)</u>

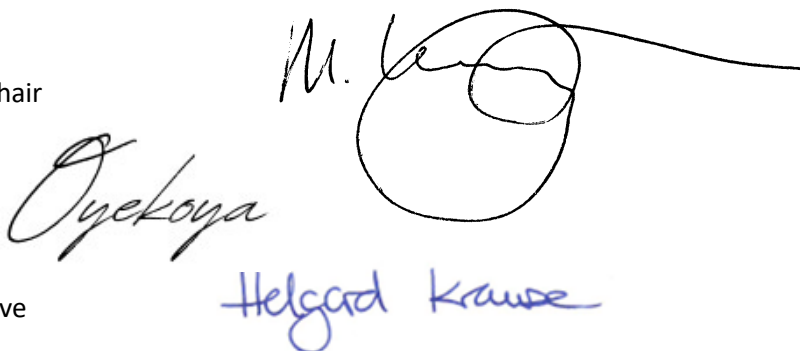
The prior year figures relate to the previous charity of the same name and are provided for comparative reasons only.

Approved by the Honorary Chief Officers and Chief Executive of the Council on 25 July 2022 and signed on their behalf by

Professor M. WYNN THOMAS Chair

ALFRED OYEKOYA Treasurer

HELGARD KRAUSE Chief Executive



CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES

CASH FLOW FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	Comparative 2021 £
<i>Cash flow from operating activities</i>			
Net cash provided by operating activities	24	(361,599)	809,873
Cash at beginning of year		1,577,396	767,523
Cash at end of year	24	<u>1,215,797</u>	<u>1,577,396</u>

The prior year figures relate to the previous charity of the same name and are provided for comparative reasons only.

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a. Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Cyngor Llyfrau Cymru – The Books Council of Wales meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value, unless otherwise stated in the relevant accounting policy note(s).

The prior year figures relate to the previous charity of the same name and are provided for comparative reasons only.

b. Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is calculated based on purchase value. Commercial value is based on the objective of selling less than the estimated cost of disposal.

c. Preparation of the accounts on a going concern basis

CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES has a surplus balance on the Balance Sheet of £710,604 (2021: deficit £1,476,906). This is because of the liability associated with the Defined Benefit Pension. The Pension Deficit is a long-term liability and the charity is able to meet all its current liabilities. The short-term liability of the pension deficit is recognised by the trustees and they are able to meet these obligations. The trustees are of the view that on this basis the charity is a going concern.

d. Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to carry on operating as a going concern, which the trustees consider appropriate.

The effects of the COVID-19 pandemic and the transfer of the Council's entity from a charity to a Charitable Incorporated Organisation (CIO) on 1 April 2021 has not affected this assumption.

e. Pension costs

CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES operates a defined benefit pension within the Dyfed Pension Fund. With the adoption of FRS 102 in April 2014, this liability is shown in full on the Balance Sheet. The adjustments to the financial statement following this adjustment are shown in note 18, with the full pension liability shown in note 22.

f. Investments

Investments are stated at market value.

g. **Fixed assets**

Tangible fixed assets are stated at historical cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, evenly over its expected useful life, as follows:

- Computers and other equipment – over 5 years (when completed)
- Fixtures and fittings – over 5 years
- Motor vehicles – 5 years

Freehold land and buildings are not depreciated as the residual value is higher than the value in the Balance Sheet.

h. **Grants payable**

Grants payable are charged to the Statement of Financial Activities when a constructive obligation exists notwithstanding that they may be paid in the future accounting periods.

i. **Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies apply to categories of income:

- Grants: where related to performance and specific deliverables, these are accounted for as the charity earns the right to consideration by its performance. Where income is received in advance of its recognition it is deferred and included in creditors. Where entitlement occurs before income being received the income is accrued. Capital grants are accounted for as income as soon as they are receivable.
- Trading Income: income raised through the operation of the Distribution Centre under the charity's management is considered at the time a contractual obligation exists.
- Legacies: entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

j. **Tax**

The Charity is exempt from the need to pay corporation tax due to its charitable status.

2. Statement of Financial Movement

The surplus /(deficit) for the year after withdrawing the following:

	2022	2021
	£	£
Bank costs	8,524	6,837
Auditors' Fee	7,800	7,400
Depreciation	30,907	6,896

CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES

NOTES TO THE ACCOUNTS (CONTINUED)

3. Grants received – Welsh Government

	2022	2021
	£	£
Creative Wales		
Core funding	1,129,277	1,129,277
Publishing Grants for distribution	2,600,722	2,600,723
Capital grant	180,000	630,000
New Audiences Fund	610,000	–
Welsh in Education department		
Books for school project	510,500	405,632
Catalogue funding	4,999	4,999
E-books project	30,000	–
British Sign Language project	4,000	–
Education department		
Reading Promotion Schemes	140,000	140,000
Caru Darllen Scheme	4,679,831	–
Covid recovery		
Economic Resilience Fund	–	1,000
Culture Division		
Reading Well Scheme	67,524	–
Reading Promotion Schemes	20,000	19,659
	<u>9,976,853</u>	<u>4,931,290</u>

4. Other Grants

	2022	2021
	£	£
Ceredigion County Council	2,500	9,449
Merthyr Tydfil County Borough Council	–	35,280
Cheltenham Reading Festival	1,500	–
CILIP Cymru Wales	5,000	–
The Reading Agency	47,500	190,000
	<u>56,500</u>	<u>234,729</u>

CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES
NOTES TO THE ACCOUNTS (CONTINUED)

5. Income – Other Departments and Investments

	2022	2021
	£	£
Unrestricted funds		
Editorial	18,010	16,205
Design	19,075	13,990
Communication and Marketing	21,770	–
Sales & Information	63,859	68,098
Children's Books and Reading Promotion	3,001	
Investment Income	4,704	
	7,705	7,806
Various Income	18,829	65,160
Restricted funds		
Children's Books and Reading Promotion	5,500	–
Reading Promotion Scheme Sponsorship	–	3,559
T. Llew Jones Memorial Fund	–	2,768
Mary Vaughan Jones Award	–	1
	154,748	177,587

6. Expenditure – Publishing Grants

	Note	2022	2021
		£	£
<u>Welsh-language</u>			
Grants towards books	7a	455,012	447,233
Authors' and illustrators' grants		367,410	402,730
Appointments and training scheme	7b	214,348	211,285
Grants towards magazines	7c	400,248	356,414
Funding for Welsh-language press	7d	202,820	200,000
Grants towards audio books		–	3,230
Grants towards marketing		30,244	29,565
Partnerships and research		7,844	5,390
Grants to booksellers		24,125	25,215
Grants to create e-books		1,500	26,989
<u>English-language</u>			
Grants towards books	7e	248,606	265,470
Grants towards magazines	7f	175,918	204,125
Grants towards marketing		104,948	46,484
Appointments scheme	7g	81,375	135,625
Authors' grants		79,117	37,466
Classics		1,500	6,000
Training		5,480	1,875
Body to sector		3,090	3,000
Administrative costs		197,137	192,627
Total Publishing Grants		2,600,722	2,600,723

CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES

NOTES TO THE ACCOUNTS (CONTINUED)

7. Grants per publisher

7a. Welsh-language Publishers – Grants for books	2022	2021
	£	£
Y Lolfa	126,163	127,966
Gwasg Carreg Gwalch	106,089	108,730
Gwasg Gomer	–	14,487
Rily	49,000	48,900
Gwasg y Dref Wen	43,520	43,520
Cyhoeddiadau Barddas	27,300	29,100
Atebol	29,985	29,365
Gwasg y Bwthyn	31,085	22,270
Llyfrau Broga	12,650	–
Dalen Llyfrau	8,790	5,760
Cyhoeddiadau'r Gair	7,700	4,000
Cyhoeddiadau Curiad	–	2,600
Graffeg	5,580	4,085
Arachne Press	2,660	–
Cyhoeddiadau Modern	1,750	–
Dalen Newydd	1,370	–
Honno	1,370	–
University of Wales Press	–	4,000
Cara	–	2,450
	455,012	447,233

7b. Welsh-language Publishers Appointment Scheme	2022	2021
	£	£
Y Lolfa	80,284	80,284
Gwasg Carreg Gwalch	42,204	42,204
Rily	26,832	26,832
Gwasg y Bwthyn	24,480	20,580
Cyhoeddiadau Barddas	15,180	15,180
Atebol	15,116	15,116
Cyhoeddiadau'r Gair	6,752	6,752
Training	3,500	4,337
	214,348	211,285

CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES

NOTES TO THE ACCOUNTS (CONTINUED)

7c. Welsh-language Publishers – Support for magazines	2022	2021
	£	£
Barn	100,000	60,000
Golwg	77,000	77,000
O'r Pedwar Gwynt	34,000	36,500
Cip	34,000	31,000
Wcw	30,000	30,000
Y Cymro	24,000	24,000
Barddas	20,000	20,000
Lysh	18,998	18,664
Lingo Newydd	18,000	18,000
Cara	10,000	10,000
Y Selar	11,000	11,000
Y Wawr	8,000	8,000
Llafar Gwlad	8,750	5,250
Y Traethodydd	3,000	4,000
Cristion	2,000	1,500
Fferm a Thyddyn	1,500	1,500
	400,248	356,414

7d. Welsh-language Publishers – Support for magazines	2022	2021
	£	£
Golwg	200,000	200,000
Panel and legal contractual costs	2,820	–
	202,820	200,000

7e. English-language Publishers – Grants for books	2022	2021
	£	£
Seren	71,250	95,000
Parthian	50,100	50,100
Firefly	37,615	35,200
Honno	35,988	35,987
Y Lolfa	26,433	12,816
Gwasg Carreg Gwalch	11,920	1,500
University of Wales Press	7,200	7,500
New Welsh Review	3,000	2,900
Broken Sleep	2,100	–
Aderyn Press	1,500	–
The Ghastling	1,500	–
Cinnamon Press	–	11,250
Gwasg Gomer	–	6,400
Panel costs	–	4,017
Rily	–	1,800
Cyhoeddiadau Modern	–	1,000
	248,606	265,470

CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES

NOTES TO THE ACCOUNTS (CONTINUED)

7f. English-language Publishers – Support for magazines

	2022	2021
	£	£
New Welsh Review	45,000	45,000
Planet	33,750	57,500
Wales Arts Review	27,500	34,375
Poetry Wales	20,000	20,000
Nation.Cymru	20,000	25,000
The Welsh Agenda & Click on Wales	17,500	17,500
Grants for small magazines	9,250	4,750
Other magazine evaluation costs	2,918	–
	175,918	204,125

7g. English-language Publishers – Appointment Scheme

	2022	2021
	£	£
Parthian	17,250	28,750
Honno	16,125	32,005
Y Lolfa	11,250	18,750
University of Wales Press	11,250	8,620
Firefly	11,250	18,750
Seren	5,775	14,625
Graffeg	5,850	9,750
Gwasg Carreg Gwalch	2,625	4,375
	81,375	135,625

8. Departmental Expenditure

	2022	2021
Costs	£	£
Editorial	116,066	105,985
Design	110,420	95,989
Communication and Marketing	93,746	117,134
Sales	252,940	406,549
Corporate and Customer Services	245,502	–
Children's Books	104,125	81,949
Reading Promotion Schemes	160,000	143,559
Reading Well Scheme	136,286	175,954
Renewal and Capital Expenditure and depreciation	59,548	74,341
Support costs	334,285	328,658
Unusual costs		
Provision for holiday pay	(8,184)	17,254
Additional pension contributions	–	95,700
Redundancy pay and reorganisation	2,700	73,266
Movement in Pension Scheme Obligation	211,000	227,000
	1,818,434	1,943,338

CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES
NOTES TO THE ACCOUNTS (CONTINUED)

9. Income and Expenditure at the Distribution Centre

	2022	2021
	£	£
Income	3,240,447	2,339,569
Costs		
Books purchased	2,612,672	1,790,901
Salaries, insurance, pension	338,480	354,548
Running costs of vehicles	10,101	8,597
Travelling and subsistence	362	257
Carriage, post, packaging materials	132,973	97,570
Purchase and maintenance of equipment	31,365	30,839
Rent, rates, heating, lighting, telephone	13,444	11,585
Insurance, maintenance of buildings	14,883	12,354
Printing and stationery	2,405	2,344
Discounts allowed	25,521	17,188
Sundries	15,884	12,018
Bad Debts	17,297	–
Depreciation	6,590	–
Total Expenditure	3,221,977	2,338,201
Surplus /(Deficit) for the year	18,470	1,368

10. Total cost of resources

	Staff costs	Other costs	Grants	Total 2022	Total 2021
	£	£	£	£	£
Direct charitable costs	1,503,748	8,245,459	2,600,722	12,349,929	7,414,470

11. Staff

	2022	2021
	£	£
Salaries	1,085,337	1,200,357
Employer's National Insurance Contribution	100,339	110,036
Employer's Pension Contribution	218,072	171,851
Pension past service deficit	100,000	95,700
Total salaries	1,503,748	1,577,944
The average number of staff employed during the year (Full-time posts)	36	40

During the year, 1 member of staff (2021 – 1) earned, including national insurance, between £60,000 and £70,000.

NOTES TO THE ACCOUNTS (CONTINUED)

Remuneration to key staff

Including the Chief Executive, there are six members of the Executive Team (2021 – 5) and the following payments were made during the year:

	2022	2021
	£	£
Salaries	261,204	228,625
Social Security Costs	28,363	25,336
Pension Costs	51,457	33,608
	341,024	287,569

12. Remuneration to trustees

The trustees do not receive any remuneration as they are appointed by outside authorities or bodies and are not entitled to payment. The total cost paid to trustees (travelling to meetings etc.) during the year was £NONE (2021: £None).

13. Fixed Assets

	Freehold land and buildings £	Computers and digital development £	Fixtures and fittings £	Motor vehicles £	Total £
Value					
At 1 April 2021	253,008	360,917	45,301	–	659,226
Additions	–	165,649	10,550	68,736	244,935
At 31 March 2022	253,008	526,566	55,851	68,736	904,161
Depreciation					
at 1 April 2021	–	225,987	17,717	–	243,704
Provided during the year	–	8,154	9,006	13,747	30,907
at 31 March 2022	–	234,141	26,723	13,747	274,611
Net value					
at 31 March 2022	253,008	292,425	29,128	54,989	629,550
at 31 March 2021	253,008	134,930	27,584	–	415,522

All assets are used for charitable purposes.

14. Investments

The market value of these investments as at the end of the financial year was £193,524 (2021 – £188,006).

The investments are held by Blackrock in their Charinco and Charinshare Investment Funds that are based in the UK.

The investments are recognised at their commercial value at the balance sheet date. The investments have been revalued, and any gains or losses are recognised in the Financial Activities Analysis.

15. Debtors

	2022	2021
	£	£
Trade debtors	194,447	154,269
Other debtors	5,499,690	107,710
Prepayments	10,758	11,050
	<u>5,704,895</u>	<u>273,029</u>

All amounts stated are due in less than one year.

16. Cash at bank and in hand

	2022	2021
	£	£
Book Tokens	281,462	277,625
Others	934,335	1,299,719
	<u>1,215,797</u>	<u>1,577,344</u>

17. Liabilities: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	3,093,662	366,316
Book Tokens	1,409,177	223,664
Taxes and Pension	–	–
Other creditors	153,774	125,666
	<u>4,656,613</u>	<u>715,646</u>

There are no creditors for more than one year, excluding book tokens, where one cannot be certain when they will be paid.

CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES

NOTES TO THE ACCOUNTS (CONTINUED)

18. Unrestricted Funds

	Balance			Transfers and pensions	Balance
	1 April 2021	Incoming	Outgoing		31 March 2022
	£	£	£	£	£
Capital Funds	500,000	–	–	–	500,000
Income Funds					
Pension Fund	(3,477,000)	–	211,000	1,105,000	(2,583,000)
Council	98,106	1,273,821	1,251,601	12,138	132,464
Distribution Centre	234,674	3,240,447	3,221,977	–	253,144
	<u>(2,644,220)</u>	<u>4,514,268</u>	<u>4,684,578</u>	<u>1,117,138</u>	<u>(1,697,392)</u>

19. Designated Fund

	Balance			Transfer	Balance
	1 April 2021	Incoming	Outgoing		31 March 2022
	£	£	£	£	£
Capital Funding					
Welsh Government	632,180	180,000	59,547	(6,590)	746,043
Computer development fund	230,694	–	–	–	230,694
	<u>862,874</u>	<u>180,000</u>	<u>59,547</u>	<u>(6,590)</u>	<u>976,737</u>

CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES

NOTES TO THE ACCOUNTS (CONTINUED)

20. Restricted Funds

		Balance 1 April 2021 £	Incoming £	Outgoing £	Balance 31 March 2022 £
Dr Dewi Davies Fund	i	60,267	1,829	(1,443)	63,539
Promotion of Authors Fund	ii	44,607	–	(3,024)	47,631
Mary Vaughan Jones Award	iii	4,849	–	–	4,849
Cymdeithas Lyfrau Ceredigion Fund	iv	83,132	2,876	3,654	82,354
Alun Creunant Davies Fund	v	586	–	586	–
T. Llew Jones Fund	vi	2,768	–	2,768	–
Grants for distribution					
Publishing Grants	vii	–	2,600,722	2,600,722	–
Emergency Grant	viii	52,765	–	52,765	–
New Audiences Fund	ix	–	610,000	1,150	608,850
Reading Promotion Schemes	x	–	160,000	160,000	–
Dept. of Welsh in Education	xi	4,361	510,500	485,102	29,759
Love Reading / Caru Darllen	xii	–	4,679,831	4,108,994	570,837
British Sign Language project	xiii	–	4,000	4,000	–
E-book Project	xiv	–	30,000	30,000	–
Catalogue	xv	–	4,999	4,999	–
Merthyr Tydfil County Borough Council	xvi	2,642	–	2,642	–
Ceredigion County Council	xvii	5,000	2,500	7,500	–
CILIP Cymru Wales	xviii	–	5,000	5,000	–
Cheltenham Literary Festival	xix	–	1,500	260	1,240
Internal projects	xx	–	5,500	5,500	–
The Reading Agency – Reading Well	xxi	34,978	47,500	68,957	13,521
Culture Division – Reading Well	xxii	8,485	67,523	67,329	8,679
		304,440	8,734,280	7,607,461	1,431,259

i. Dr Dewi Davies Fund

The interest on the fund is used to fund prizes for competitions to promote reading amongst children and young people.

ii. Promotion of Authors Fund

A general fund for the promotion of creative writing in Welsh.

iii. Mary Vaughan Jones Award

The fund is used every three years to award a person for an outstanding contribution in the field of children's books over a substantial period.

iv. Cymdeithas Lyfrau Ceredigion Fund

The interest of the fund is to be used to fund prizes for the Tir na n-Og competition and other activities to promote reading through the medium of Welsh amongst children and young people.

v. Alun Creunant Davies Fund

A donation received to produce a volume to celebrate the work of the Books Council, with some expenditure during the year – it was published in November 2021.

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- vi. **T. Llew Jones Fund**
A contribution was received from a charity that came to an end with the condition that the money would be used to promote the T. Llew Jones Fund. A payment was made in the year for a theatrical performance to promote T. Llew Jones' books.
- vii. **Welsh Government Publishing Grant**
An annual grant is received which is limited to specific purposes noted in the Operational Plan and the Award Letter. The publishing development sub-committees receive regular reports regarding this funding, and they approve any expenditure from the fund.
- viii. **Emergency Grant**
An application was made to the Welsh Government for funding to support the book sector, and £150,000 was received in March 2021. The remainder of the fund was distributed in November 2021.
- ix. **New Audiences Fund**
Creative Wales initially awarded £200,000 towards a programme of encouraging new audiences to engage in reading. Subsequently, this was topped up to £610,000, and whilst £187,500 was provisionally awarded prior to year-end (subject to acceptance), this will be accounted and paid during 2022/23.
- x. **Reading Promotion Schemes**
An annual grant is received which is limited to reading promotion schemes (Quick Reads/Stori Sydyn, World Book Day and the Summer Reading Challenge). £140,000 of the funding is awarded by the Welsh Government's Education Department, with the remainder being an external contribution from Waterstones.
- xi. **Department of Welsh in Education**
A sum of £510,500 was received to purchase books for all schools in Wales – which was distributed between April and October 2021.
- xii. **Caru Darllen / Love Reading**
The Department of Education's aim is for each school pupil to be given a book. This project has multiple layers including books to food banks, individual books to pupils, book tokens to pupils (to make their own selection) and a box of books for schools. Whilst all the books were ordered prior to year-end, given the size of the project, it is likely to take 12 months to complete.
- xiii. **British Sign Language**
Funding of £4,000 was provided to draft contracts with publishers in order to gain the rights to create videos suitable for children with hearing impairment. The project was completed in the year.
- xiv. **E-book project**
Funding of £30,000 was received from the Welsh in Education department to create new e-books for school children. The project was completed in the year.
- xv. **Catalogue grant**
Additional sums were received from the Welsh in Education department for the production of a children's books catalogue in 2021 (£4,999) as in previous years.
- xvi. **Merthyr Tydfil County Borough Council**
In 2020, there was a joint project with the Stephens & George Charity; books were made available to disadvantaged families in Merthyr Tydfil county, with the funding coming through Merthyr Tydfil County Borough Council. The evaluation work was completed in 2021/22.
- xvii. **Ceredigion County Council**
A joint project has been undertaken with Ceredigion County Council to distribute books to disadvantaged families in Ceredigion. The project came to an end during the year but an additional sum of £5,000 was received to fund a project with young carers that was completed in June 2021.

xviii. CILIP Cymru Wales

CILIP awarded the Kathleen Cookson application to pay for a review into school libraries within Wales. The work on this project is ongoing.

xix. Cheltenham Festivals

The scheme provided £1,500 towards the Reading Teachers = Reading Pupils programme and its delivery in Wales.

xx. Internal projects

The publishing grant contributed towards specific reading promotion projects including funding for 'Gorau'r Goreuon' (reprint of historically good books) and a digital map of Wales.

xxi. The Reading Agency – Reading Well

This is the third tranche of the Reading Well scheme. The money is provided by The Reading Agency, which is a registered charity that has received funding for this project from the Welsh Government's Department of Health. This work is limited to the translation and publication of books relating to children's mental health, which will be available in libraries and for purchase. Whilst the third tranche (children's mental health) came to an end in August 2021 some activity has been carried out since, and any shortfall will be carried to the fourth tranche (teenage mental health) which started in April 2022.

xxii. Culture Division – Reading Well

A grant was received towards the cost of the books in the Reading Well scheme and the distribution of books and e-books to local libraries, as well as funds to create audio books of some of the books within the scheme.

21. Analysis of Net Assets Between Funds

	Fixed Assets £	Net Current Assets £	Long Term Creditors £	Total £
Restricted Funds				
Dr Dewi Davies Fund	63,539	–	–	63,539
Promotion of Authors Fund	47,631	–	–	47,631
Mary Vaughan Jones Award	–	4,849	–	4,849
Cymdeithas Lyfrau Ceredigion Fund	82,354	–	–	82,354
Department of Welsh in Education	–	29,759	–	29,759
Love Reading / Caru Darllen scheme	–	570,837	–	570,837
New Audiences Fund	–	608,850	–	608,850
Cheltenham Literary Festival	–	1,240	–	1,240
The Reading Agency – Reading Well Culture Division – Reading Well scheme	–	13,521	–	13,521
	–	8,679	–	8,679
Restricted Funds	193,524	1,237,735	–	1,431,259
Designated Funds	376,542	600,195	–	976,737
Unrestricted Funds	253,008	632,600	(2,583,000)	(1,697,392)
	823,074	2,470,530	(2,583,000)	710,604

CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES
NOTES TO THE ACCOUNTS (CONTINUED)

22. Pension Scheme

Nature of Scheme: Defined Benefit

Date of last full Actuarial Valuation: 31 March 2021

ACTUARIAL ASSUMPTIONS

Financial Assumptions	Beginning of Year	End of Year
Rate of inflation	2.70%	3.30%
Rate of increase in salaries	4.20%	4.80%
Rate of increase in pension	2.80%	3.40%
Discount rate	2.10%	2.80%

The end of year figures for the market value of the assets and split assets between investment categories have been calculated as at 31 March 2022. The corresponding figures for the start of the year have been calculated as at 31 March 2021.

Balance Sheet Items as at 31 March 2022

	£000
Market Value Assets	14,951
Liabilities	(17,534)
Surplus (Deficit)	<u>(2,583)</u>

Movement in (Deficit) during 2021/22

Surplus (Deficit) at the beginning of the year	(3,477)
Current Service Cost	(474)
Employer Contributions	337
Cost of previous contributions	–
Net Interest	(70)
Administration Costs	(4)
Actuarial Gain or (Loss)	1,105
Surplus /(Deficit) at the end of the year	<u>(2,583)</u>

Additional Disclosure Pension Assets

	Assets on 31.03.22		Assets on 31.03.21	
	£000	%	£000	%
Equities	10,810	72	10,361	74
Government Bonds	194	1	–	
Other Bonds	1,181	8	1,624	12
Property	1,959	13	1,554	11
Liquidity	807	6	462	3
Total	<u>14,951</u>		<u>14,001</u>	
Liabilities on 31.03.22	<u>17,534</u>		<u>17,478</u>	

CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES
NOTES TO THE ACCOUNTS (CONTINUED)

23. Net movement in the Funds

	2022	2021
	£	£
Unrestricted Funds		
Income Funds		
Distribution Centre	18,470	1,368
Council	34,358	(17,534)
Pension Fund	894,000	164,000
Designated Fund	113,863	555,659
Restricted Funds	1,126,819	(18,911)
	<u>2,187,510</u>	<u>684,582</u>

24. Reconciliation of net income (expenditure) to net cash flow from operating activities

	2022	2021
	£	£
Net Income for the year	2,187,510	684,583
Adjustments:		
Capital expenditure	(244,935)	(169,410)
Depreciation	30,907	6,896
(Gains)/losses in value of investments	(5,518)	(24,877)
(Gains)/losses on defined benefit scheme	(894,000)	(164,000)
(Increase)/decrease in stock	55,337	46,150
(Increase)/decrease in debtors	(5,431,866)	442,646
Increase/(decrease) in creditors	3,940,966	(12,115)
Net cash provided by operating activities	<u>(361,599)</u>	<u>809,873</u>

25. Capital Commitments

	2022	2021
	£	£
Contracted but not provided for in the financial statements	258,911	409,721