

Annual Report

2022/23



A Word from our Chair, **Linda Tomos**



It's been an exciting year for the Books Council of Wales and for me personally in taking on the Chair of the Trustees.

My heartfelt thanks go to Prof. M. Wynn Thomas for magnificently

steering the organisation through 20 years as Chair which included a major re-organisation. I know that my fellow Trustees are indebted to Wynn for his leadership and he leaves the Council in a strong place.

The need for the Council to provide support to the book industry in Wales has never been greater. The effects of the Pandemic on us all have been challenging to overcome, coupled with the cost of living increases and the need to promote the excellent books being produced in Wales. That the Council has increased its delivery over the past year is a tribute to the hard work of staff and their very productive partnerships with Creative Wales, publishers, bookshops and libraries. I'm very heartened by the interest shown by Welsh Ministers, particularly by Deputy Minister Dawn Bowden MS, who has been generous in her support of our activities. Her collaboration with the Minister for Education and Welsh Language, Jeremy Miles MS, has been very fruitful in ensuring that Welsh-language material has been widely circulated to schools in Wales.

There are so many highlights that it is difficult to find space here to mention them all, although I hope that as you read the Annual Report you, like me, will be impressed with the breadth of the work which has been delivered. However, with success comes the need to consolidate and expand both the output of publishing in Wales and to reach audiences which may not be immediately attracted to reading, or may feel that the books they would like are not available. The Books Council has a vital role to play in providing expert advice, maintaining the quality of books supported and linking books and readers, particularly in digital delivery.

How we all react to the very dynamic economic context and our ability to effectively work together will, as ever, define our future success. I would like to sincerely thank all our supporters, the many volunteer panel members, the Friends of the Books Council, and my fellow Trustees who have all freely given their time and expertise to enable us to achieve more. Without the dedication of brilliant staff who ensure that our work prospers under Helgard's leadership and our many partners in Government, Local Authorities and the publishing industry, we would not have succeeded in delivering the outputs and outcomes outlined in this report. I very much look forward to working with you all going forward, with my very best wishes. **Linda**

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



As I look back at the last year, I am proud of a number of important projects we delivered,

but without doubt, it is the outcomes of two project-funded initiatives – the New Audiences Grant and #SchoolsLoveReading – that had a profound impact on their respective areas.

I am grateful to all the creative and energetic people delivering over 40 projects supported by our New Audiences Grant. Long-lasting positive change to achieve fair representation within the publishing sector in Wales was, and remains, a core ambition and I believe this additional funding allowed for the foundations to be laid to achieve that ambition, especially with a second year of funding for 2023/24 also recently announced by the Deputy Minister Dawn Bowden.

#SchoolsLoveReading was an extraordinary undertaking, launched by the Minister for Education and Welsh Language Jeremy Miles in May 2022 at Ysgol Hamadryad in Cardiff, whereby every learner in a state school in Wales was gifted a book. In addition, food banks and community projects were able to gift books to their service users, and schools will receive book parcels, all in celebration and recognition of the transformative power of reading. It was pleasing that a large part of the publishing ecosystem made up of publishers, booksellers, authors, and illustrators from Wales also benefited from this Welsh Government investment and that the team at the Distribution Centre rose to the challenge of distributing an astonishing 300,000 titles without any disruption to their usual services.

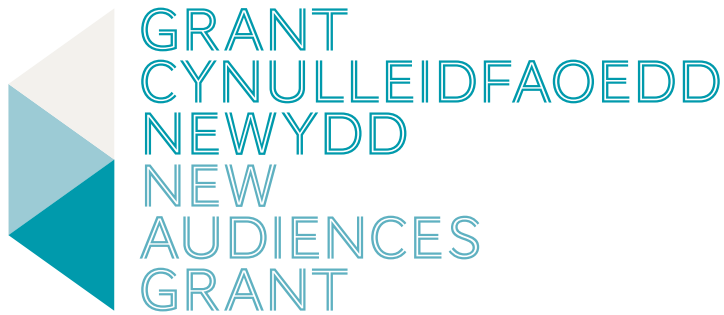
Our colleagues in the Publishing Development Department were busy with

several franchise rounds which saw some new entrants, new magazine pilots and additional digital news initiatives whilst continuing to deliver the next Reading Well programme.

We were delighted to welcome a new Head of Children's Books and Reading Promotion, Bethan Jones, whose background in teaching and publishing is continuing to transform and propel forward our work, especially with regards to the three-year Belonging project which is seeking to address certain gaps in books for children and young people. An additional focus of this project is to attract new talent to write and illustrate books, especially in the Welsh language.

We were pleased to support CCPW with their first conference in Aberystwyth and their collective presence at London Book Fair, giving an international platform for publishers from Wales and an important opportunity to showcase Welsh-language content to a global audience.

I would like to thank Welsh Government for their ongoing support and confidence in us as a key partner supporting one of Creative Wales's priority sectors. As ever, I am grateful to all the colleagues who contribute to our work, who look after not only the big things but also the small yet important aspects that are essential and underpin our work. I am indebted to the energy, advice and time given so generously by our Chair Linda Tomos, Vice Chair Rona Aldrich and Treasurer Alfred Oyekoya, as well as the Board of Trustees, the volunteers on our subcommittees, selection and judging panels – their collective expertise enriches our work immeasurably. We are alive to the potential barriers to joining our committees and we have put mechanisms in place to address these where necessary to continue our journey towards fair representation of all the communities that make up Wales today and to be united in one purpose – to make all of Wales a reading nation.



Creating lasting change

In May 2022 we announced the 13 recipients of the first round of New Audiences Grant funding, with a second funding round on the horizon, thanks to support from Creative Wales and Welsh Government.

One year later, and we have distributed around £600,000 to over 40 projects, large and small, across Wales.

When we invited grant applications in the spring, we were looking for ideas that would be catalysts for lasting change in the industry; creating opportunities to improve access to publishing and increase diversity in the sector in Wales. We could not then have predicted the wide range of ventures we would be able to fund, or that so many people would be able to benefit from participating in the projects; to develop skills, build networks and to see their words in print and lived experiences shared.

Cymru & I

A partnership between Inclusive Journalism Cymru and Seren to publish *Cymru & I*, a paperback collection of ten new essays that shed light on contemporary Wales, from the perspectives of under-represented people and communities.

New Voices Creative Writing Project

Dr Hanin Abou Salem has worked with ten refugees in Wales on a writing programme, resulting in a poetry collection entitled *Unheard Voices*, which explores their stories.



Y Delyn Aur

Gwasg y Bwthyn is preparing to publish *Y Delyn Aur*, by Malachy Edwards. The book is a piece of creative non-fiction in which Malachy discusses his situation and emotions as a Welsh-speaking person from a mixed ethnic background of Welsh, Irish and Barbadian.

Lucent Dreaming

The New Audiences Grant enabled Lucent Dreaming to become the first funded creative magazine and book publisher in Wales to be led by two full-time writers of colour. Its mission is to represent people who have been historically neglected or excluded from traditional publishing.

15 magazines supported

7 books supported

1 project supported a permanent position

6 projects supported a temporary position

23 projects led to freelance work opportunities

12 projects provided training or internship opportunities

Schools Love Reading

The £4.6m Schools Love Reading project to ensure that every child in a state school in Wales receives a book of their own to keep, was announced in November 2021. It is the most exciting and ambitious book-gifting project we have ever managed, and by the spring the first of nearly 300,000 books were leaving the Distribution Centre on their way to schools across Wales. In May the programme was launched by the Minister for



Education and Welsh Language, Jeremy Miles at a special event in Ysgol Hamadryad in Cardiff.

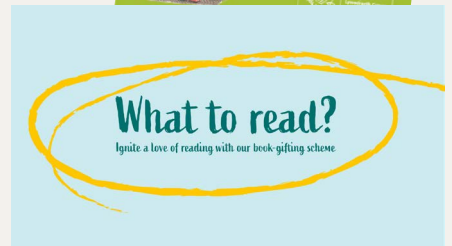
Primary school learners received their books through school, while secondary school students received special £7 book tokens. In the final stage of the programme, every school also receives a selection of around 50 books for the school library.

The project was a huge collaborative effort and the scheme supported publishers, booksellers and schools in Wales, both through books sent directly to schools and through bookshops developing partnerships with their local schools.

We have commissioned an independent evaluation of the project with Arad Research and the findings

will inform future projects.

Welsh celebrities such as presenter and writer Mel Owen and blogger Charlotte Harding shared their own experiences of escaping into the world of books, and the important role books play in their own lives and families. Alongside artist Mace the Great and TikTok creator Ellis Lloyd Jones, they shared their love of reading in a campaign to highlight the Schools Love Reading programme.



Appointing our new Chair

In July 2022, we announced the appointment of our new Chair, Linda Tomos CBE. Linda is a chartered librarian with over 40 years' experience in the sector and was the National Librarian for Wales 2015–2019, leading the National Library in Aberystwyth. She has worked as a senior civil servant within Welsh Government and was the first Director of CyMAL: Museums, Archives and Libraries Wales. A member of the Gorsedd, Linda was

awarded a CBE in the 2020 Queen's Birthday Honours for services to Welsh culture.

Reflecting on her first year in the role, Linda said: 'It has been a privilege to work with fellow Trustees, staff and supporters of the Books Council during such a busy and productive year. The challenges we all face are daunting; however, as an organisation, we have reached out to authors, publishers, book shops and librarians to work together to maintain

a strong and diverse sector serving Wales and beyond.'



Welcoming new members of the team

We welcomed two new members of the Children's Books and Reading Promotion team this year.

Bethan Jones joined us as the Head of Department in October, joining us from Atebol, where she had held a previous role as Project Leader. Before that Bethan held various roles in education, including as a teacher, an advisory teacher for Ceredigion Council and as a peer inspector for Estyn.



In February we welcomed Francesca Sciarrillo as Reading Promotions Officer. Before joining the Books Council, Francesca was a member of the Welsh-language Tir na n-Og judging panel. As a Welsh learner and self-confessed bookworm, she

says that books have been instrumental in helping her to learn the language: "In my opinion, one of the best ways to immerse yourself in the Welsh language is through reading – and we are so lucky here in Wales that we have so many amazing writers and stories to share with each other and enjoy."



New voices on our Young People's Panel

In spring 2023 we established the Books Council's first Young People's Panel, with nine new members appointed, aged between 17 and 20. The panel, chaired by Llŷr Titus, will meet three times a year to share opinions and ideas for inspiring others to read for pleasure, consider the use of social media and digital channels, and to offer feedback and suggestions on Welsh- and English-language books that are published in Wales.

Belonging – building empathy and a love of reading

We secured £810,967 of funding from the Welsh Government Education Department for Belonging, a three-year project to create reading material for pleasure for readers aged 3-16.

The vision at the heart of this project is to publish books that will offer an insight into the culture, people and history of Wales, which will help to develop key empathy skills and contribute to the

emotional and mental well-being of learners, and thereby support the four purposes of the New Curriculum for Wales.

An independent panel was appointed, and in January 30 titles were chosen to be adapted into Welsh representing a cross-section of themes such as LGBTQ+, disability and cultural diversity. Following the selection of the 30 existing books to be adapted, ten brand-new titles will now be commissioned

from Wales to complement the collection and widen the range of themes.

All state schools across Wales will be gifted the collection of 40 books and accompanying educational resources in September 2025.



Our year in numbers

175

Welsh-language books supported by grants



112

English-language books supported by grants



£610k

to strengthen and diversify the publishing industry in Wales



198

international orders sent to **24** different countries outside the UK



337

shops serviced



26,838 kWh

of electricity generated by the solar panels.



874,089

books sent out by the Distribution Centre



63

volunteers on our Board and independent panels – **Thank you!**



296,970

books sent out to **1,285** primary schools as part of the Schools Love Reading programme



53,075

books sent to **201** community groups and food banks as part of the Schools Love Reading programme



**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

Registered Charity: 1192269

www.books.wales

Trustees' Report

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CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES
TRUSTEES’ REPORT FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their report, together with the accounts for the year ending 31 March 2023. The assets and liabilities were 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 2023

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 2022/23 are:

Professor M. Wynn Thomas	Chair (until 26/07/22)
Mrs Linda Tomos	Chair (from 27/07/22)
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	
Professor Gerwyn Williams	
Dr Caroline Owen Wintersgill	

CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES
TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

Constitution

Cyngor Llyfrau Cymru – The Books Council of Wales's 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 –

Looking back at the last financial year there are two projects, the New Audiences Grant and #SchoolsLoveReading, that stand out due to the profound impact they are continuing to deliver. The former has laid the foundations for long lasting positive change and to achieve fair representation in our sector – this would not have been possible without the creative and energetic engagement of all the people delivering over forty projects in partnership with us and other stakeholders. Such was the success that additional funding has been made available by Welsh Government to run another round in the coming financial year. In contrast to this very targeted initiative, #SchoolsLoveReading was a universal offer to learners in Wales not only to promote the joy and value of reading for pleasure but also to give every child and young person in state education a free book. We were also able to extend the scheme to include community endeavours such as food banks, and we received some of the most moving testimonies from service users. Welsh Government also answered calls to support the sector in recognition of the cost-of-living crisis, making available additional funding to support businesses with rising bills and enabling them to support their own staff financially. It was delightful to support Cyhoeddi Cymru Publishing Wales in delivering a stand at London Book Fair, giving over twenty publishers from Wales a platform at this major trade fair.

Business Developments

Despite an originally uncertain outlook for 2022/23, the Distribution Centre closed the year with another excellent performance. However, this was largely driven by the continued and phased delivery of the #SchoolsLoveReading project, and concerns about the overall health of the independent bookshop sector remain a reality. The Distribution Centre continues to invest in its services, but is also implementing a new SMS and warehouse system which will replace the very outdated system implemented some 30 years ago. Maintaining our business operations without any interruption remains the top priority which has made the implementation slower than originally anticipated, but we are confident that it will be concluded within the next financial year. We are confident that this investment will allow the Distribution Centre to gain new distribution business and grow its position amongst competitors.

Publishing Development Highlights

The past twelve months have been busy with re-introducing the assessment cycles for core programmes (books and magazines) which we paused during the COVID emergency. The franchise round for English-language publishers and posts was successfully delivered with a number of new entrants becoming programme publishers for the next 4 years. We ran the Welsh-language magazine franchises which benefited from Welsh Government funding and led to pilots for a Welsh-language sports magazine developed by Golwg and a popular history magazine delivered by Gwasg Carreg Gwalch, whilst also safeguarding the core magazines. Following Newsquest's decision to cease Corgi, we ran another tender process with the remaining funding being awarded to Golwg to improve

their reach to new audiences by developing their services on current and new social media platforms. After much discussion, the Welsh-language subcommittee decided to hold a major investment review for Welsh-language publishers, the first of its kind in the history of the Books Council. The process mirrored the franchise process on the English-language side and allowed the subcommittee to take a longer-term and more strategic view whilst enabling publishers to plan and deliver their programmes in a more structured way. Final decisions and offers will be made in summer 2023 with the new franchise programmes delivering for 4 years from April 2024.

The Children's Books Department commenced work on the Perthyn project, funded by the Welsh Government Education Department to diversify books for children and young people both in terms of the themes and authors involved. We are grateful to the external panel of experts who selected titles for translation. A tender for the commissioning of original titles will be held in early summer 2023. Colleagues from the Publishing Development department are cooperating closely to ensure that there is as much alignment as possible to avoid duplication.

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 collaborating 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 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

We welcomed a new Head of Children's Books and Reading Promotion, Bethan Jones, who energetically took over reviewing the myriad of projects delivered by her small team. We have already witnessed the added value some small adjustments have made and look forward to further developments in the coming year.

We are continuing to invest in our staff by offering regular training opportunities combining online and in-house training ranging from business skills, health and safety and people management to mental health at work and menopause awareness.

We commissioned a survey to investigate how to make our buildings more energy efficient and to work towards a carbon neutral supply chain and working environment. Due to the age of both buildings, significant investment is likely to be required and we will discuss options with Welsh Government.

CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES
TRUSTEES’ REPORT FOR THE YEAR ENDED 31 MARCH 2023

Achievement and Performance

KEY TARGETS 2022/23		
	2022/23 Target	2022/23 Achieved
Number of manuscripts – Editorial Department	170	128
Number of titles assisted by the Design Department	110	90
Distribution Centre	£3m gross £2m net	£6.55m gross £4.37m net
Level of Distribution Centre debtors	No more than 2%	1%
Gwales: targets for online sales	£75,000	£93,896

CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES
TRUSTEES’ REPORT FOR THE YEAR ENDED 31 MARCH 2023

KEY TARGETS 2022/23 – PUBLISHING GRANTS		
	2022/23 Target	2022/23 Achieved
Publishing Grants (Welsh-language)		
Number of titles published	175	175
Average sales	800 after 18 months	912
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	29
Number of author advance titles published	15	25
Marketing Grants	20	24
Number of magazines funded	6	6
Average sales of literary magazines	General – 1,000 Multi-focus – 300 Individual focus – 400	General – 1,000 Multi-focus – 300 Individual focus – 400
Prompt publishing in accordance with the timetable	98%	98%

CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES
TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

Financial Review

A total income of £10.4m was received during the year compared to £13.4m in 2021/22. The decrease was mainly due to the major Caru Darllen project (£4.6m) in the previous year, of which the majority of the spend has now been incurred.

The Distribution Centre's income has benefited from the Caru Darllen sales which has been helpful in terms of increasing the gross profit. Large projects have helped to make use of the staff capacity available, but with standstill funding there is very little capacity to absorb project administration into current staffing in future.

Of the expenditure of £10m (compared to £12.3m in 2021/22), the treatment of capitalising expenditure on the new system has largely generated a surplus of £396,857 (compared to the net surplus of £1,078,619 in 2021/22).

The Books Council's investments £185K (£193.5k for the same period in 2022) and Pension Scheme investments have decreased and with interest rates improving we may need to look at other methods of generating income from the capital.

At 31 March 2023, net assets (excluding pension liabilities) stood at £3.9m (2021/22: £710k). The increase is due to the timing of the expenditure of the capital funding that will be spent over the next 2 years.

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 2023, there was a surplus of £2,484,000 (2021/22: deficit £2,583,000). The trustees have decided not to identify this as an asset on the balance sheet, but a full narrative is provided on note 22. Employer contributions have been agreed with the Dyfed Pension Fund until 31 March 2027.
 - Council: Maintain a reserve balance of no more than 4% of core funding (which equates to £150,400 in 2022/23). The fund increased to £150,918 as a result of short-term job vacancies.
 - Distribution Centre: Target of a sufficient fund to cover overheads for 6 months (excluding discount) (£328,264 based on 2022/23 figures). The size of the fund this year is £457,373, higher than the target due to Caru Darllen surpluses.

Designated Funds

As new system development is capitalised, there is a fund of £1,471,576 to equate to the £690,109 investment in new systems carried out to date. The new system will be depreciated when it goes live.

Restricted Funds

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

Main Sponsors

We are extremely grateful to Creative Wales and 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 transactions during the year ending 31 March 2023 by the trustees noted in note 26 of the financial statements.

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.

CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES

TRUSTEES’ REPORT FOR THE YEAR ENDED 31 MARCH 2023

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 24 July 2023.



..... Mrs Linda Tomos

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 2023

Opinion

We have audited the financial statements of the Books Council of Wales (the 'charity') for the year ended 31 March 2023 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 2023 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 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 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 the corresponding expenditure is included in the same financial period;
- Ensuring that the procedures for identifying the correct treatment of income as restricted or designated are correctly applied to any new funding;
- Reviewing the valuation of the pension fund ensuring that the treatment is in line with FRS 102 section 28.22 regarding the recognition of a defined benefit plan asset; 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.

**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 2023
(CONTINUED)**

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

- 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*.....

DATE:*24 / 7 / 2023*.....

BETHAN VAUGHAN

Senior Statutory Auditor

For and on behalf of

LLŶR JAMES Cyf.

Statutory Auditors

CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2023 £	Total Funds 2022 £
Income through charitable activities						
Welsh Government Grants	3	1,129,278	557,000	4,001,889	5,688,167	9,976,853
Other Grants	4	–	–	146,421	146,421	56,500
Departmental Income	5	197,133	–	2,678	199,811	150,044
Other commercial activities						
Distribution Centre	9	4,373,598	–	–	4,373,598	3,240,447
Investments	5	–	–	4,948	4,948	4,704
Total incoming resources		5,700,009	557,000	4,155,936	10,412,945	13,428,548
Resources expended						
Charitable activities						
Grants distributed	6/7	–	–	2,600,722	2,600,722	2,600,722
Specific projects		–	–	1,253,388	1,253,388	4,708,796
Charitable expenditure	8	1,607,387	55,571	323,061	1,986,019	1,818,434
Other commercial activities						
Distribution Centre	9	4,169,369	6,590	–	4,175,959	3,221,977
Total resources expended	10	5,776,756	62,161	4,177,171	10,016,088	12,349,929
Net incoming resources before transfers		(76,747)	494,839	(21,235)	396,857	1,078,619
Other recognised gains / (losses)						
Actual gain / (loss) on defined benefit scheme	22	2,861,000	–	–	2,861,000	1,105,000
Movement on investments	14	–	–	(8,150)	(8,150)	3,891
Transfer between funds		21,430	–	(21,430)	–	–
		2,882,430	–	(29,580)	2,852,850	1,108,891
Net movement in funds	23	2,805,683	494,839	(50,815)	3,249,707	2,187,510
Balances brought forward at 1 April 2022		(1,697,392)	976,737	1,431,259	710,604	(1,476,906)
Balances carried forward at 31 March 2023	18–20	1,108,291	1,471,576	1,380,444	3,960,311	710,604

A separate income and expenditure statement has not 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 notes on pages 19 to 37 form a full part of these accounts.

CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES

BALANCE SHEET AS AT 31 MARCH 2023

	Note	2023		2022	
		£	£	£	£
Fixed assets					
Tangible fixed assets	13		988,173		629,550
Investments	14		185,374		193,524
			1,173,547		823,074
Current assets					
Debtors	15	499,889		5,704,895	
Distribution Centre stock		242,384		206,451	
Cash at bank and in hand	16	4,545,760		1,215,797	
		5,288,033		7,127,143	
Liabilities: Amounts falling due within one year	17	2,501,269		4,656,613	
Net current assets			2,786,764		2,470,530
Total assets less liabilities			3,960,311		3,293,604
Pension Fund	22		-		(2,583,000)
			3,960,311		710,604
Funds					
Unrestricted	18	1,108,291		885,608	
Pension Fund	22	-		(2,583,000)	
Unrestricted due to pension adjustment	18		1,108,291		(1,697,392)
Designated	19		1,471,576		976,737
Restricted	20		1,380,444		1,431,259
			3,960,311		710,604

Approved by the Trustees and Chief Executive of the Council on 24 July 2023 and signed on their behalf by:

LINDA TOMOS Chair



ALFRED OYEKOYA Treasurer



HELGARD KRAUSE Chief Executive



CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES

CASH FLOW FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
<i>Cash flow from operating activities</i>			
Net cash provided by operating activities	24	3,329,963	(361,599)
Cash at beginning of year		1,215,797	1,577,396
Cash at end of year	24	<u>4,545,760</u>	<u>1,215,797</u>

CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES

NOTES TO THE ACCOUNTS

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).

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. The trustees are of the view that on this basis the charity is a going concern.

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.

d. 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.

e. Investments

Investments are stated at market value.

f. 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

NOTES TO THE ACCOUNTS (CONTINUED)

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

g. **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.

h. **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.

i. **Tax**

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

2. Statement of Financial Movement

The surplus for the year after withdrawing the following:

	2023	2022
	£	£
Bank costs	10,415	8,524
Auditors' Fee	7,800	7,800
Depreciation	30,907	30,907

CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES

NOTES TO THE ACCOUNTS (CONTINUED)

3. Grants received – Welsh Government

	2023	2022
	£	£
Creative Wales		
Core funding	1,129,278	1,129,277
Publishing Grants for distribution	2,600,722	2,600,722
Capital grant	557,000	180,000
New Audiences Fund	400,000	610,000
Cost of Living fund	500,000	–
London Book Fair funding	80,000	–
Additional magazine funding	135,000	–
Welsh in Education department		
Books for schools project	–	510,500
Catalogue funding	–	4,999
E-books project	–	30,000
British Sign Language project	–	4,000
Belonging project	17,280	–
Education department		
Reading Promotion Schemes	140,000	140,000
Caru Darllen Scheme	–	4,679,831
Culture Division		
Reading Well Scheme	24,963	67,524
Reading Promotion Schemes	49,893	20,000
Football World Cup Scheme (Team Wales 22)	54,031	–
	<u>5,688,167</u>	<u>9,976,853</u>

4. Other Grants

	2023	2022
	£	£
Ceredigion County Council	–	2,500
Cheltenham Reading Festival	1,500	1,500
CILIP Cymru Wales	–	5,000
The Reading Agency	144,921	47,500
	<u>146,421</u>	<u>56,500</u>

CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES

NOTES TO THE ACCOUNTS (CONTINUED)

5. Income – Other Departments and Investments

	2023	2022
	£	£
Unrestricted funds		
Editorial	17,774	18,010
Design	13,456	19,075
Communication and Marketing	87,810	21,770
Sales & Information	53,956	63,859
Children’s Books and Reading Promotion	3,000	
Investment Income	<u>4,948</u>	
	7,948	7,705
Various Income	21,137	18,829
Restricted funds		
Children’s Books and Reading Promotion	<u>2,678</u>	<u>5,500</u>
	<u>204,759</u>	<u>154,748</u>

6. Expenditure – Publishing Grants

	Note	2023	2022
		£	£
<u>Welsh-language</u>			
Grants towards books	7a	438,048	455,012
Authors’ and illustrators’ grants		368,718	367,410
Appointments and training scheme	7b	218,851	214,348
Grants towards magazines	7c	388,875	400,248
Funding for Welsh-language press	7d	217,145	202,820
Grants towards marketing		35,360	30,244
Partnerships and research		1,550	7,844
Grants to booksellers		27,503	24,125
Grants to create e-books		–	1,500
<u>English-language</u>			
Grants towards books	7e	266,924	248,606
Grants towards magazines	7f	147,900	175,918
Grants towards marketing		88,529	104,948
Appointments scheme	7g	108,500	81,375
Authors’ grants		82,357	79,117
Classics		1,450	1,500
Training		–	5,480
Cyhoeddi Cymru Publishing Wales		3,000	3,090
Administrative costs		<u>206,012</u>	<u>197,137</u>
Total Publishing Grants		<u>2,600,722</u>	<u>2,600,722</u>

The above does not include one-off restricted grants (New Audiences Fund and Cost of Living Grant) distributed to publishers which are included in note 20 of the financial statements.

CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES

NOTES TO THE ACCOUNTS (CONTINUED)

7. Grants per publisher

7a. Welsh-language Publishers – Grants for books	2023	2022
	£	£
Y Lolfa	127,283	126,163
Gwasg Carreg Gwalch	107,416	106,089
Rily	47,600	49,000
Gwasg y Dref Wen	45,400	43,520
Atebol	38,050	29,985
Cyhoeddiadau Barddas	29,500	27,300
Gwasg y Bwthyn	12,390	31,085
Llyfrau Broga	5,885	12,650
Dalen Llyfrau	5,500	8,790
Cyhoeddiadau'r Gair	5,100	7,700
Graffeg	3,774	5,580
O'r Pedwar Gwynt	3,000	–
Firefly	2,980	–
University of Wales Press	1,500	–
Honno	1,310	1,370
Cyhoeddiadau Modern	860	1,750
Dalen Newydd	–	1,370
Arachne Press	–	2,660
Evaluation cost	500	–
	438,048	455,012

7b. Welsh-language Publishers Appointment Scheme	2023	2022
	£	£
Y Lolfa	80,284	80,284
Gwasg Carreg Gwalch	42,204	42,204
Rily	26,832	26,832
Gwasg y Bwthyn	24,480	24,480
Cyhoeddiadau Barddas	15,180	15,180
Atebol	15,116	15,116
Cyhoeddiadau'r Gair	6,752	6,752
Training	8,003	3,500
	218,851	214,348

CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES

NOTES TO THE ACCOUNTS (CONTINUED)

7c. Welsh-language Publishers – Support for magazines	2023	2022
	£	£
Barn	69,000	100,000
Golwg	79,000	77,000
O’r Pedwar Gwynt	36,750	34,000
Cip	39,000	34,000
Wcw	30,750	30,000
Y Cymro	26,900	24,000
Barddas	21,000	20,000
Lysh	21,750	18,998
Lingo Newydd	22,500	18,000
Cara	11,250	10,000
Y Selar	11,250	11,000
Y Wawr	6,000	8,000
Llafar Gwlad	5,250	8,750
Y Traethodydd	4,000	3,000
Cristion	2,000	2,000
Fferm a Thyddyn	1,125	1,500
Cost of assessment panel	1,350	–
	<u>388,875</u>	<u>400,248</u>

7d. Welsh-language Publishers – Support for magazines	2023	2022
	£	£
Golwg	150,000	200,000
Newsquest	66,145	–
Panel costs	1,000	2,820
	<u>217,145</u>	<u>202,820</u>

7e. English-language Publishers – Grants for books	2023	2022
	£	£
Seren	95,000	71,250
Parthian	37,575	50,100
Firefly	28,410	37,615
Honno	26,991	35,988
Y Lolfa	20,283	26,433
Gwasg Carreg Gwalch	23,900	11,920
University of Wales Press	27,340	7,200
New Welsh Review	2,200	3,000
Broken Sleep	–	2,100
Aderyn Press	–	1,500
The Ghastling	–	1,500
404 Ink	3,000	–
I-Pigeon	2,225	–
	<u>266,924</u>	<u>248,606</u>

CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES

NOTES TO THE ACCOUNTS (CONTINUED)

7f. English-language Publishers – Support for magazines

	2023	2022
	£	£
New Welsh Review	33,750	45,000
Planet	45,000	33,750
Wales Arts Review	20,625	27,500
Poetry Wales	15,000	20,000
Nation.Cymru	15,000	20,000
The Welsh Agenda & Click on Wales	13,125	17,500
Grants for small magazines	5,400	9,250
Other magazine evaluation costs	–	2,918
	<u>147,900</u>	<u>175,918</u>

7g. English-language Publishers – Appointments Scheme

	2023	2022
	£	£
Parthian	23,000	17,250
Honno	21,500	16,125
Y Lolfa	15,000	11,250
University of Wales Press	15,000	11,250
Firefly	15,000	11,250
Seren	7,700	5,775
Graffeg	7,800	5,850
Gwasg Carreg Gwalch	3,500	2,625
	<u>108,500</u>	<u>81,375</u>

8. Departmental Expenditure

	2023	2022
	£	£
Costs		
Editorial	117,356	116,066
Design	109,989	110,420
Communication and Marketing	230,001	93,746
Sales	259,210	252,940
Corporate and Customer Services	238,714	245,502
Children’s Books	77,145	104,125
Reading Promotion Schemes	167,641	160,000
Reading Well Scheme	155,420	136,286
Renewal and Capital Expenditure and depreciation	48,414	59,548
Support costs	316,350	334,285
Unusual costs		
Provision for holiday pay	(12,221)	(8,184)
Redundancy pay and reorganisation	–	2,700
Movement in Pension Scheme Obligation	278,000	211,000
	<u>1,986,019</u>	<u>1,818,434</u>

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

9. Income and Expenditure at the Distribution Centre

	2023	2022
	£	£
Income	4,373,598	3,240,447
Costs		
Books purchased	3,519,431	2,612,672
Salaries, insurance, pension	352,107	338,480
Running costs of vehicles	5,641	10,101
Travelling and subsistence	397	362
Carriage, post, packaging materials	170,212	132,973
Purchase and maintenance of equipment	43,164	31,365
Rent, rates, heating, lighting, telephone	12,432	13,444
Insurance, maintenance of buildings	16,283	14,883
Printing and stationery	4,596	2,405
Discounts allowed	28,222	25,521
Sundries	16,320	15,884
Bad Debts	564	17,297
Depreciation	6,590	6,590
Total Expenditure	4,175,959	3,221,977
Surplus /(Deficit) for the year	197,639	18,470

10. Total cost of resources

	Staff costs	Other costs	Grants	Total 2023	Total 2022
	£	£	£	£	£
Direct charitable costs	1,732,276	5,889,102	2,394,710	10,016,088	12,349,929

11. Staff

	2023	2022
	£	£
Salaries	1,275,679	1,085,337
Employer's National Insurance Contribution	127,566	100,339
Employer's Pension Contribution	249,031	218,072
Pension past service deficit	80,000	100,000
Total salaries	1,732,276	1,503,748
The average number of staff employed during the year (Full-time posts)	39	36

During the year, 1 member of staff (2022 – 1) earned, including national insurance, between £70,000 and £80,000.

CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES

NOTES TO THE ACCOUNTS (CONTINUED)

Remuneration to key staff

Including the Chief Executive, there are six members of the Executive Team (2022 – 6) and the following payments were made during the year:

	2023	2022
	£	£
Salaries	250,229	261,204
Social Security Costs	29,952	28,363
Pension Costs	49,451	51,457
	<u>329,632</u>	<u>341,024</u>

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 £1,146 (2022: £None). Travel costs to volunteer members of the Board's subcommittees amount to £2,053.

13. Fixed Assets

	Freehold land and buildings £	Computers and digital development £	Fixtures and fittings £	Motor vehicles £	Total £
Value					
At 1 April 2022	253,008	526,566	55,851	68,736	904,161
Additions	–	389,530	–	–	389,530
Disposals	–	(225,987)	–	–	(225,987)
At 31 March 2023	<u>253,008</u>	<u>690,109</u>	<u>55,851</u>	<u>68,736</u>	<u>1,067,704</u>
Depreciation					
At 1 April 2022	–	234,141	26,723	13,747	274,611
Provided during the year	–	8,154	9,006	13,747	30,907
Disposals	–	(225,987)	–	–	(225,987)
At 31 March 2023	<u>–</u>	<u>16,308</u>	<u>35,729</u>	<u>27,494</u>	<u>79,531</u>
Net value					
At 31 March 2023	<u>253,008</u>	<u>673,801</u>	<u>20,122</u>	<u>41,242</u>	<u>988,173</u>
At 31 March 2022	<u>253,008</u>	<u>292,425</u>	<u>29,128</u>	<u>54,989</u>	<u>629,550</u>

All assets are used for charitable purposes.

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

14. Investments

The market value of these investments as at the end of the financial year was £185,374 (2022 – £193,524).

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

	2023	2022
	£	£
Trade debtors	180,776	194,447
Other debtors	307,405	5,499,690
Prepayments	11,708	10,758
	<u>499,889</u>	<u>5,704,895</u>

All amounts stated are due in less than one year.

16. Cash at bank and in hand

	2023	2022
	£	£
Book Tokens	890,103	281,462
Others	3,655,657	934,335
	<u>4,545,760</u>	<u>1,215,797</u>

17. Liabilities: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	1,631,555	3,093,662
Book Tokens	743,672	1,409,177
Other creditors	126,042	153,774
	<u>2,501,269</u>	<u>4,656,613</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		Balance
	1 April	Incoming	Outgoing	pensions		31 March
	2022					2023
	£	£	£	£		£
Capital Funds	500,000	–	–	–		500,000
Income Funds						
Pension Fund	(2,583,000)	–	(278,000)	2,861,000		–
Council	132,464	1,326,411	(1,329,387)	21,430		150,918
Distribution Centre	253,144	4,373,598	(4,169,369)	–		457,373
	<u>(1,697,392)</u>	<u>5,700,009</u>	<u>(5,776,756)</u>	<u>2,882,430</u>		<u>1,108,291</u>

19. Designated Fund

	Balance					Balance
	1 April 2022	Incoming	Outgoing	Transfer		31 March 2023
	£	£	£	£		£
Capital Funding						
Welsh Government	746,043	557,000	(62,161)	–		1,240,882
Computer development fund	230,694	–	–	–		230,694
	<u>976,737</u>	<u>557,000</u>	<u>(62,161)</u>	<u>–</u>		<u>1,471,576</u>

CYNGOR LLYFRAU CYMRU – THE BOOKS COUNCIL OF WALES

NOTES TO THE ACCOUNTS (CONTINUED)

20. Restricted Funds

		Balance 1 April 2022 £	Incoming £	Outgoing £	Balance 31 March 2023 £
Dr Dewi Davies Fund	i	63,539	1,671	(3,251)	61,959
Promotion of Authors Fund	ii	47,631	–	(206)	47,425
Mary Vaughan Jones Award	iii	4,849	–	–	4,849
Cymdeithas Lyfrau Ceredigion Fund	iv	82,354	3,276	(9,640)	75,990
Grants for distribution					
Publishing Grants	v	–	2,600,722	(2,600,722)	–
Additional Magazines	vi	–	135,000	–	135,000
London Book Fair	vii	–	80,000	(48,904)	31,096
Cost of Living Grant	viii	–	500,000	(396,482)	103,518
New Audiences Fund	ix	608,850	400,000	(608,850)	400,000
Reading Promotion Schemes	x	–	167,641	(167,641)	–
Dept. of Welsh in Education	xi	29,759	–	(550)	29,209
Love Reading / Caru Darllen	xii	570,837	–	(141,642)	429,195
Belonging / Perthyn	xiii	–	17,281	(17,909)	(628)
Cheltenham Literary Festival	xiv	1,240	1,500	(1,503)	1,237
Football World Cup scheme	xv	–	54,031	(54,031)	–
The Reading Agency – Reading Well	xvi	13,521	144,921	(100,826)	57,616
Culture Division – Reading Well	xvii	8,679	49,893	(54,594)	3,978
		<u>1,431,259</u>	<u>4,155,936</u>	<u>(4,206,751)</u>	<u>1,380,444</u>

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. 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.

vi. Additional Magazine Grant

To help with increased costs and to pilot new magazines for Welsh History and Sport, Creative Wales awarded £135,000 extra for one year to the Welsh-language magazine budget to be distributed in 2023/24.

vii. London Book Fair

Creative Wales awarded £80,000 to Cyhoeddi Cymru Publishing Wales to attend the London Book Fair in April 2023. Whilst most of the fund was used, a virement request has confirmed that the remaining funds can be used towards the London Book Fair 2024.

viii. Cost of Living Grant

An application was made to Creative Wales for funding to support the book sector, and £500,000 was received in February 2023. The remainder of the fund will be used during 2023/24. The grant beneficiaries of this fund were as follows:

Grant recipient	Value (£)
Barn	15,000
Honno	15,000
Golwg cyf	15,000
Lolfa	15,000
Crown House	15,000
Gwasg Carreg Gwalch	15,000
Rily	15,000
Graffeg	15,000
Candy Jar	15,000
Firefly	15,000
Atebol	15,000
Seren	15,000
Planet	14,991
Parthian	14,950
Cymro	14,120
Lucent Dreaming	12,000
New Welsh Review	10,920
Henson Editorial	10,000
Gwasg y Bwthyn	9,000
Nation.cymru	7,200
Cyhoeddiadau'r Gair	7,000
Gwasg y Dref Wen	5,799
Merched y Wawr	5,000
O'r Pedwar Gwynt	5,000
Cylchgrawn Cara	1,600
Green Wellies	970
Cyhoeddiadau Curiad	750
Ashley Drake Publications	700

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

ix. New Audiences Fund

Creative Wales awarded £610,000 towards a programme to strengthen and diversify the publishing industry in Wales. The grant beneficiaries from this fund were as follows:

Grant recipient	Value (£)
Firefly	65,500
Lucent Dreaming	51,000
Atebol	47,700
Nation	42,000
Lumin Press	40,000
BAME Swansea	39,000
Institute of Welsh Affairs	29,000
Y Lolfa	25,500
Gwasg y Bwthyn	20,000
Gwasg Carreg Gwalch	17,540
Inclusive Journalism	15,000
Broken Sleep	15,000
Taz Rahman	15,000
Hanin Abou Salem	15,000
Pontio	14,500
Cyhoeddi Cymru Publishing Wales	12,500
Golwg	12,000
Aderyn	12,000
Graffeg	10,000
Y Cymro	10,000
Modron	10,000
Seren	7,000
Honno	6,000
Atebol/Graffeg (joint project)	5,000
Xcellence	5,000
Poetry Wales	3,500
Barn	2,700
Mymuna Soleman	2,500
WCW	2,000
Lysh	1,500
Lingo Newydd	1,200
Y Wawr	900
Cara	900
Barddas	900
Cip	675
Y Selar	600
Marketing and communication	14,794
Papurau bro marketing project	23,646
Project evaluation	6,000
Administration	6,945
TOTAL	610,000

- 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, £24,963 awarded by the Culture Division with the remainder being an external contribution from Waterstones. No funds were carried forward.
- xi. Department of Welsh in Education**
Remaining funds from the Iechyd Da project are being used to fund the Children's Books and Reading Promotion Department.
- xii. Caru Darllen / Love Reading**
The Department of Education's aim is for each state school pupil in Wales 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. Belonging / Perthyn**
This is a 3-year project to develop books for children in Welsh and English. Jointly funded by the Department of Education and Department of Welsh in Education, the aim is to produce books which reflect the diversity of Wales.
- xiv. Cheltenham Festivals**
The Literary Festival provided £1,500 towards the Reading Teachers = Reading Pupils programme and its delivery in Wales.
- xv. Football World Cup Project**
In September, the Books Council were awarded a grant as part of Welsh Government's World Cup Partner Support Fund to provide books, bags and bunting to libraries and foodbanks, which promoted football. The aim was to celebrate Wales's achievement in the World Cup, to ignite a love of reading in young people and help them improve their literacy skills.
- xvi. The Reading Agency – Reading Well**
This is the end of the third tranche of the Reading Well scheme as well as the start of the fourth tranche for teenagers. 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 2022, some activity has been carried out since, and any shortfall will be carried to the fourth tranche (teenage mental health) which started in October 2022 and will be completed by September 2023.
- xvii. 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	61,959	–	–	61,959
Promotion of Authors Fund	47,425	–	–	47,425
Mary Vaughan Jones Award	–	4,849	–	4,849
Cymdeithas Lyfrau Ceredigion Fund	75,990	–	–	75,990
Cost of living fund	–	103,518	–	103,518
Additional funding for Magazines	–	135,000	–	135,000
London Book Fair	–	31,096	–	31,096
Department of Welsh in Education	–	29,209	–	29,209
Belonging / Perthyn	–	(628)	–	(628)
Love Reading / Caru Darllen scheme	–	429,195	–	429,195
New Audiences Fund	–	400,000	–	400,000
Cheltenham Literary Festival	–	1,237	–	1,237
The Reading Agency – Reading Well	–	57,616	–	57,616
Culture Division – Reading Well scheme	–	3,978	–	3,978
Restricted Funds	185,374	1,195,070	–	1,380,444
Designated Funds	735,165	736,411	–	1,471,576
Unrestricted Funds	253,008	855,283	–	1,108,291
	<u>1,173,547</u>	<u>2,786,764</u>	<u>–</u>	<u>3,960,311</u>

22. Pension Scheme

The charity is a member of Dyfed Pension Scheme, which is a defined benefit scheme. For the year commencing 1 April 2022 the employer contributions were 19.7% of pensionable pay.

Date of last full Actuarial Valuation: 31 March 2022

ACTUARIAL ASSUMPTIONS

Financial Assumptions	Beginning of Year	End of Year
Rate of inflation	3.30%	2.7%
Rate of increase in salaries	4.80%	4.2%
Rate of increase in pensions	3.40%	2.8%
Discount rate	2.80%	4.8%

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 2023. The corresponding figures for the start of the year have been calculated as at 31 March 2022.

Statement of Financial Position Items as at 31 March 2023

	£'000
Market Value Assets	14,324
Liabilities	<u>(11,840)</u>
Surplus (Deficit)	<u><u>2,484</u></u>

Change in benefit obligation during year to 31 March 2023

Benefit obligation at beginning of the year	(2,583)
Current Service Cost	(533)
Employer Contributions	327
Net Interest	(67)
Administration Costs	(5)
Actuarial Gain or (Loss)	<u>5,345</u>
Benefit obligation at the end of the year	<u><u>2,484</u></u>

* The asset in 2023 was restricted to comply with FRS 102 paragraph 28. An entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. These criteria were not considered to be met, therefore an asset was not recognised.

NOTES TO THE ACCOUNTS (CONTINUED)

Additional Disclosure Pension Assets

	Assets on 31.03.23		Assets on 31.03.22	
	£000	%	£000	%
Equities	10,657	74	10,810	72
Government Bonds	72	1	194	1
Other Bonds	1,017	7	1,181	8
Property	1,934	13	1,959	13
Liquidity	644	5	807	6
Total	<u>14,324</u>		<u>14,951</u>	
Liabilities on 31.03.23	<u>11,840</u>		<u>17,534</u>	

23. Net movement in the Funds

	2023 £	2022 £
Unrestricted Funds		
Income Funds		
Distribution Centre	204,229	18,470
Council	18,454	34,358
Pension Fund	2,583,000	894,000
Designated Fund	494,839	113,863
Restricted Funds	(50,815)	1,126,819
	<u>3,249,707</u>	<u>2,187,510</u>

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

	2023 £	2022 £
Net Income for the year	3,249,707	2,187,510
Adjustments:		
Capital expenditure	(389,530)	(244,935)
Depreciation	30,907	30,907
Losses/(Gains) in value of investments	8,150	(5,518)
(Gains)/losses on defined benefit scheme	(2,583,000)	(894,000)
(Increase)/decrease in stock	(35,933)	55,337
Decrease/(Increase) in debtors	5,205,006	(5,431,866)
(Decrease)/Increase in creditors	(2,155,344)	3,940,966
Net cash provided by operating activities	<u>3,329,963</u>	<u>(361,599)</u>

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

25. Capital Commitments

	2023	2022
	£	£
Contracted but not provided for in the financial statements	–	258,911
Capital expenditure on the new system		

26. Related Parties

In Note 20, BAME Swansea are the beneficiaries of £39,000 grants in the New Audiences Fund scheme of which the Books Council's Treasurer, Alfred Oyekoya, is a trustee.

Professor Jane Aaron (a Books Council's Trustee) is a Honno Press trustee, that received £71,070 in various grants (including £15,000 cost of living grant (one-off) and £6,000 from the New Audiences Fund).

Lowri Ifor works for Museum Wales for which the Books Council of Wales has a trading relationship, but transactions are not controlled by Lowri in any way.

There are strict procedures in place to ensure that where an individual is connected to a deemed related party, they are not included in any part of the decision-making process of awarding grants to these entities.