

Company No. 03849680

**The Booksellers Association of
the United Kingdom & Ireland
Limited**

Report and Financial Statements

Year Ended

31 October 2021



The Booksellers Association of the United Kingdom & Ireland Limited

**Annual report and financial statements
for the year ended 31 October 2021**

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Directors

A K Rossiter	- President
F Sinclair	- BA Officer
H Broadfoot	- BA Officer
W Pettinger FCA	- Director
W Samuel FCA	- Director
P F Tanner	- Director
A De Berry	- Director
M J Halls	- Director
N R Bottomley	- Director
T Catton ACMA CGMA	- Finance Director

Secretary and registered office

M C Kay, 6 Bell Yard, London WC2A 2JR

Company number

03849680

Auditors

Haysmacintyre LLP, 10 Queen Street Place, London, EC4R 1AG

The Booksellers Association of the United Kingdom & Ireland Limited

Report of the directors for the year ended 31 October 2021

The directors submit their report, together with the audited financial statements for the year ended 31 October 2021.

Results and dividends

The Consolidated Statement of Comprehensive Income is set out on page 6 and shows the profit for the year.

The directors do not recommend the payment of a dividend for the year ended 31 October 2021.

The Booksellers Association of the United Kingdom and Ireland Limited is a company limited by guarantee.

Principal activities, trading review and future developments

The Booksellers Association of the United Kingdom & Ireland Limited

The principal activity of the Company is to represent and advocate for bookselling in the UK and in Ireland to national and local government, the trade, consumers and the media, as well as provide a range of services to help Booksellers Association ("BA") members to increase their sales, reduce their costs, share knowledge and best practice, maximise professionalism and increase the profile of bookshops in the cultural and economic landscape.

2021 saw the BA attempt to move back to business as usual, but simultaneously continue to support the bookselling sector through the worst impacts of the pandemic. The biggest project in this context was the COVID Recovery Grants Project, which saw us shore up the independent sector with grants to help them survive 2021. Launched as we entered the first lockdown of 2021, the COVID Recovery Grants allowed smaller members to consolidate small but crucial aspects of their businesses which made a big difference to them individually, and which also helped to consolidate the BA's reputation for being a port in a storm, and a massive supporter of and investor in high street bookselling in the UK and Ireland.

We continued in our relentless reinvention of all BA campaigns and events through the year, starting with online only, and culminating in a re-establishment of an in-person BA Annual Conference as a hybrid event, watched by many booksellers online. We hit the sweet spot in timing, before Omicron was detected, and brought together over 300 booksellers for the first time in two years. The creation of in-person hybrid events is stretching our ingenuity and also impacting on costs, but mainly our costs were under tight control and our contingency plans for in-person activity were largely not needed, and so netted out.

The pro-active nature of the activities undertaken by the BA during 2021 has been deeply appreciated by the membership, with a net effect of a c10% increase in membership numbers, and an enhanced respect, appreciation and engagement for and with the BA, both amongst booksellers, and across the industry.

The £150,000 loan given to Batch Ltd last year was forgiven by the Group board after the forgiveness of the Loan it had received from Book Tokens Ltd was also made as part of the package of support to the BA membership to fully support and enhance the development of this new service to the membership.

The principal activity and trading review for each of the Company's subsidiaries is shown below:

Book Tokens Limited

The principal activity of Book Tokens Ltd is the operation of the National Book Tokens scheme.

Sales for the year in both the UK and Ireland recovered well once lock-down restrictions on retail and the wider economy were reduced, however total high street sales remained somewhat suppressed. Prior year growth for both online and B2B channels was sustained.

Throughout the year the business continued to manage costs and at the same time to invest sensibly in product development and brand awareness.

Investment performance was particularly strong, being somewhat ahead of the market, providing further evidence of the benefits of the businesses long-term managed risk investment strategy. In addition small changes to stamp fund management led to an increase in transfers from the funds to the P&L.

Batch Limited

The principal activity of Batch Ltd is the operation of an electronic information and processing system for booksellers and publishers.

Trading has been in line with expectations, however, additional one off development and set up costs around the new Batchline system has resulted in a small loss for the year.

The Booksellers Association of the United Kingdom & Ireland Limited

Report of the directors (Continued) for the year ended 31 October 2021

Charitable donations

During the year the Group made charitable contributions of £15,000 (2020 - £42,000).

Directors

The directors of the Company during the period were:

N R Bottomley
W Pettinger FCA
W Samuel FCA
P F Tanner
A De Berry
T Catton ACMA CGMA
A K. Rossiter
M J Halls
F Sinclair
H Broadfoot

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Booksellers Association of the United Kingdom & Ireland Limited

Report of the directors (Continued) for the year ended 31 October 2021

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Haysmacintyre LLP have expressed their willingness to continue in office. Under the Companies Act 2006 section 487(2) they will be reappointed as auditors 28 days after these accounts are sent to the members, unless the members exercise their rights under the Companies Act 2006 to prevent their re-appointment.

In preparing the directors' report advantage has been taken of the small companies exemptions provided by section 415A of the Companies Act 2006.

By order of the Board

Maggie Kay

M C Kay

Secretary

Date 1 March 2022

The Booksellers Association of the United Kingdom & Ireland Limited

Independent auditor's report

Independent auditor's report to the members of The Booksellers Association of the United Kingdom & Ireland Limited

Opinion

We have audited the financial statements of The Booksellers Association of the United Kingdom & Ireland Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 October 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Cash Flow, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the related notes including a summary of significant accounting policies and notes to the financial statements, 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 October 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 Groups 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 directors 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 directors 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 Companies Act 2006

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

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

The Booksellers Association of the United Kingdom & Ireland Limited

Independent auditor's report (Continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

We 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 posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulations, and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals;
- Reviewing income received prior and subsequent to the year-end to ensure that the income had been recognised in the correct period;
- Challenging assumptions and judgements made by management in their critical accounting estimates, particularly in respect of the valuation of the provision for unexchanged vouchers and amounts released from it into income.

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

Use of our report

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

George Crowther (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, statutory auditor
10 Queen Street Place
London
EC4R 1AG
Date: 1 March 2022

The Booksellers Association of the United Kingdom & Ireland Limited

Consolidated Statement of Comprehensive Income for the year ended 31 October 2021

	Note	2021 £	2020 £
Turnover	3	1,611,517	1,289,260
Cost of sales		(381,727)	(319,683)
Gross Profit		1,229,790	969,577
Administrative expenses		(5,215,504)	(4,289,862)
Other operating income	5	7,415,083	4,262,333
Interest receivable		4,104	27,772
Share of operating revenue in joint arrangement	6	32,890	33,814
Fair value movement in investments		6,655,343	(190,182)
Profit on ordinary activities before taxation	7	10,121,706	813,452
Taxation on ordinary activities	8	(2,244,275)	(155,901)
Profit after tax on total comprehensive income for the year		7,877,431	657,551

All amounts relate to continuing activities.

All recognised gains and losses are included in the Statement of Comprehensive Income.

The notes on pages 12 to 22 form part of these financial statements.

Company No. 03849680

The Booksellers Association of the United Kingdom & Ireland Limited

Consolidated Statement of Financial Position as at 31 October 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	9		3,690,880		3,760,302
Intangible assets	10		83,658		76,153
			<u>3,774,538</u>		<u>3,836,455</u>
Current assets					
Investments at fair value	12	41,843,531		33,754,427	
Stock	13	121,867		142,077	
Debtors	14	1,198,434		1,151,492	
Short term deposits		2,000,000		2,000,000	
Cash at bank and in hand	15	7,265,655		6,512,881	
		<u>52,429,487</u>		<u>43,560,877</u>	
Creditors: amounts falling due within one year	16	(2,028,786)		(1,457,537)	
Net current assets			<u>50,400,701</u>		<u>42,103,340</u>
Total assets less current liabilities			<u>54,175,239</u>		<u>45,939,795</u>
Provision for liabilities and charges	17		(23,412,217)		(24,603,325)
Provision for deferred taxation	18		(2,181,572)		(640,706)
Net assets			<u><u>28,581,450</u></u>		<u><u>20,695,764</u></u>
Reserves					
Profit & loss account			21,700,173		17,636,686
Unrealised surplus on investments less deferred tax			6,881,277		3,059,078
Shareholders' funds			<u><u>28,581,450</u></u>		<u><u>20,695,764</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 1 March 2022.

N R Bottomley

N R Bottomley
Director

The notes on pages 12 to 22 form part of these financial statements.

Company No. 03849680

The Booksellers Association of the United Kingdom & Ireland Limited

Company Statement of Financial Position as at 31 October 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	9		16,243		11,871
Investment in subsidiary undertakings	10		502		502
			<u>16,745</u>		<u>12,373</u>
Current assets					
Stock	13	7,452		14,608	
Debtors	14	318,903		431,848	
Cash at bank and in hand		193,594		425,390	
		<u>519,949</u>		<u>871,846</u>	
Creditors: amounts falling due within one year	16	(501,862)		(563,800)	
Net current assets			<u>18,087</u>		<u>308,046</u>
Total assets less current liabilities			<u>34,832</u>		<u>320,419</u>
Net assets			<u>34,832</u>		<u>320,419</u>
Reserves					
Profit & loss account - Distributable			34,832		320,419
			<u>34,832</u>		<u>320,419</u>

The financial statements were approved by the Board of Directors and authorised for issue on 1 March 2022.

N R Bottomley
N R Bottomley
Director

The Company has taken advantage of the exemption allowed under section 408 of the companies act 2006 and has not presented its own statement of comprehensive income in these financial statements. The (Loss) after tax of the parent company for the year was £285,588 (2020 : Profit £545,861)

The notes on pages 12 to 22 form part of these financial statements.

The Booksellers Association of the United Kingdom & Ireland Limited

Consolidated Statement of Cash Flow for the year ended 31 October 2021

Reconciliation of net profit to net cash inflow from operating activities	2021 £	2021 £	2020 £	2020 £
Profit after tax on total comprehensive income for the year		7,877,431		657,551
Adjustment for:				
Depreciation charged for the year	89,815		103,941	
(Increase) decrease in debtors	(46,942)		241,651	
Increase in deferred tax provision	2,244,275		155,901	
Deduct investment income	(814,908)		(752,778)	
Increase in creditors	571,249		201,359	
Decrease / (increase) in stock	20,210		(33,681)	
Movement on funds and related items	(7,186,492)		711,842	
(Decrease) in provision	(1,928,892)		(1,219,544)	
		<u>(7,051,685)</u>		<u>(591,309)</u>
Cash from operations		825,746		66,242
Income tax paid		-		-
Net cash inflow on operating activities		<u>825,746</u>		<u>66,242</u>
Cash flow from investment activities				
Receipts from the sale of investments	9,344,304		12,150,963	
Payment to acquire investments	(9,515,710)		(12,023,232)	
Purchase of tangible assets	(20,393)		(19,189)	
Fixed interest	58,680		66,385	
Dividends	793,498		686,946	
(Decrease) / Increase on div accrued on invest's	(32,351)		8,683	
Increase / (Decrease) on accrued inc on invest's	23		(5,376)	
(Decrease) on bank interest accrual	(4,942)		(3,860)	
Net cash from investment activities		<u>623,109</u>		<u>861,320</u>
Cash flow from financing activities				
Interest paid		-		-
Net cash used in financing activities		<u>-</u>		<u>-</u>
Net increase in cash and cash equivalents		1,448,855		927,562
Cash and cash equivalents at the beginning of year		8,512,881		7,820,565
Cash and cash equivalents at end of year		<u>9,265,655</u>		<u>8,512,881</u>

The notes on pages 12 to 22 form part of these financial statements.

The Booksellers Association of the United Kingdom & Ireland Limited

Statement of Changes in Equity for the year ended 31 October 2021

Group	Profit & loss account £	Unrealised surplus on investments less deferred tax £	Total £
At 1 November 2019	15,453,283	4,583,349	20,036,632
Profit / (Loss) for the year	2,364,851	(1,549,818)	815,033
Deferred tax movement Corporation tax payable	(7,973) (173,475)	25,547 -	17,574 (173,475)
At 1 November 2020	17,636,686	3,059,078	20,695,764
Profit for the year	4,767,658	5,362,304	10,129,962
Deferred tax movement Corporation tax payable	(761) (703,409)	(1,540,105) -	(1,540,866) (703,409)
At 31 October 2021	21,700,174	6,881,277	28,581,451

Company	Profit & loss £	Unrealised surplus on investments less deferred tax £	Total £
At 1 November 2019	(225,442)	-	(225,442)
(Loss) for the year	(804,139)	-	(804,139)
Subsidiary dividends received in year	1,350,000	-	1,350,000
At 1 November 2020	320,419	-	320,419
(Loss) for the year	(1,235,587)	-	(1,235,587)
Subsidiary dividends received in year	950,000	-	950,000
At 31 October 2021	34,832	-	34,832

The notes on pages 12 to 22 form part of these financial statements.

The Booksellers Association of the United Kingdom & Ireland Limited

Consolidated Analysis of Net Debt for the year ended 31 October 2021

Group		Cash at Bank and in Hand	Other	Total
		£	£	£
	At 1 November 2020	6,512,881	-	6,512,881
	Cash Flows	752,774	-	752,774
	At 31 October 2021	<u>7,265,655</u>	<u>-</u>	<u>7,265,655</u>
Company	At 1 November 2020	425,390	0	425,390
	Cash Flows	(231,796)	0	(231,796)
	At 31 October 2021	<u>193,594</u>	<u>0</u>	<u>193,594</u>

The notes on pages 12 to 22 form part of these financial statements.

The Booksellers Association of the United Kingdom & Ireland Limited

Notes forming part of the financial statements for the year ended 31 October 2021

1 Accounting policies

1.1 General information

The Booksellers Association of the United Kingdom & Ireland Limited is a private limited company (Registered Number 03849680) incorporated and domiciled in England and Wales. The Registered office address is 6 Bell Yard London WC2A 2JR

1.2 Basis of consolidation

The consolidated financial statements incorporate the results of The Booksellers Association of the United Kingdom & Ireland Limited and all of its subsidiary undertakings as at 31 October 2021 using the acquisition method of accounting. Under the acquisition method, the results of subsidiary undertakings are included from the date of formation.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.3 Turnover and income recognition

Income from subscriptions in the Company is credited to the Statement of Comprehensive Income in the period to which it relates.

Income from catalogues and publications in the Company is only recognised once publication has taken place.

Turnover in Book Tokens Ltd is the total amount receivable by the company in the ordinary course of business for commissions earned on the sale and redemption of book token and record token vouchers and from other trading income relating to the sale of book token and record token vouchers. Commission is recognised by reference to the date on which vouchers are purchased from booksellers and record sellers and the date vouchers are exchanged for goods by booksellers and record sellers. Other trading income is recognised in the period to which it relates.

Main items in other operating income include 1. the transfer of amounts from current and historic voucher funds which are deemed no longer required or needed to be provided for due to various reasons of loss, accidental destruction etc. 2. Dividend and interest generated from investments these voucher funds are invested in 3. Net profit on the sale of these long term investments which are sold from time to time 4. Rental income from temporary sub-tenants in 6 Bell Yard.

Turnover includes sales to external customers at invoiced amounts less value added tax within Batch Ltd.

Income from the provision of services in Batch Ltd is recognised in the period in which the service is provided.

1.4 Investments

Investments are stated at fair value. Profit and loss on sale is calculated against opening fair value.

1.5 Depreciation

Depreciation is calculated to write off the cost of tangible fixed assets over their expected useful lives. It is calculated at the following annual rates:

Freehold buildings	-	2% straight line
Motor vehicles	-	25% straight line
Computer equipment	-	33% straight line
Office furniture and equipment	-	20%-33 1/3% straight line
Software	-	14% straight line

The Booksellers Association of the United Kingdom & Ireland Limited

Notes forming part of the financial statements
for the year ended 31 October 2021 (*Continued*)

1 Accounting policies (*Continued*)

1.6 Joint arrangements

In accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', a contractual arrangement under which the participants engage in joint activities that do not create an entity because it would not be carrying on a trade or business of its own is treated as a joint arrangement that is not an entity. The Company accounts for its agreed share of the joint arrangement's revenues and costs at the year end.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value.

1.8 Provision for unexchanged vouchers

The Group provides for its estimated liabilities from unredeemed book tokens and record tokens at each year end. Past experience has shown that a proportion of vouchers sold to the public are never subsequently exchanged. To allow for this fact, an estimated amount is transferred to the Statement of Comprehensive Income from the voucher fund provision in each accounting period. See note 5 for further details.

1.9 Foreign currency conversion

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate.

1.10 Deferred tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Group operate and generate income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The Booksellers Association of the United Kingdom & Ireland Limited

Notes forming part of the financial statements
for the year ended 31 October 2021 (*Continued*)

1 Accounting policies (*Continued*).

1.11 Pension costs

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

1.12 Debtors

Short term debtors are measured at transaction price, less any impairment.

1.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.15 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, and loans to related entities.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

1.16 Going Concern

The Directors have as in the previous year reviewed the Company's forecasts and considered the impact of the pandemic on a going concern and the availability of financial support from other group companies, concluding that the going concern basis remains an appropriate basis of preparation for these financial statement given the likely cash flows 12 months from the date of signing this report.

2 Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates.

2.1 Estimated useful life of fixed assets

The Group estimates the useful life and residual values of fixed assets and reviews these estimates at each financial year end. The Group also tests for impairment when a trigger event occurs, or annually, as appropriate.

The Booksellers Association of the United Kingdom & Ireland Limited

Notes forming part of the financial statements
for the year ended 31 October 2021 (Continued)

2 Judgments in applying accounting policies and key sources of estimation uncertainty (continued)

2.2 Treatment of investment income and gains as other income in Book Tokens Ltd

Book Tokens Ltd holds this money as passive funds (cash and investments) rather than using it as working capital, these funds generate additional income which is used to support its overall business activities, and therefore is considered to be part of the company's operations, hence its inclusion as other operating income.

2.3 Provision for unexchanged vouchers in Book Tokens Ltd

In calculating the provision Book Tokens Ltd estimates the release to income of historic vouchers sold but not redeemed and reviews these estimates at each financial year end. In making these estimates Book Tokens Ltd takes into account both historic patterns of redemption together with regulations connected with voucher protection currently in place, with its duty of care on protecting consumer funds with respect to guidance from BEIS and the law commission for the owners of vouchers unclaimed since 1934 and its historic agreement with HMRC over a minimum set level of write off to income on the sale of a voucher for direct tax purposes. Book Tokens Ltd operates voucher funds in both Sterling and Euros and in paper and electronic format.

3 Turnover

The Group's turnover and result for the year are both attributable to the principal activities as set out in the report of the directors.

The Group's turnover arose in the following markets:

	2021 £	2020 £
United Kingdom	1,366,848	985,040
Republic of Ireland	68,467	33,572
European Union	32,045	32,145
Rest of the World	144,157	238,503
	1,611,517	1,289,260
Subscriptions	261,142	165,129
Book Tokens Ltd	265,811	258,222
Batch Ltd	1,007,556	757,871
Other services to members	77,008	108,038
	1,611,517	1,289,260

4 Employees and directors

	2021 £	2020 £
Staff costs (including directors) consist of:		
Wages and salaries	1,707,846	1,655,605
Social security costs	190,738	181,650
Pension costs (see below)	139,724	133,111
Other staff benefits	35,175	30,089
	2,073,483	2,000,455

Pension costs represent contributions to money purchase pension schemes. The Group does not operate any final salary schemes.

	2021 Number	2020 Number
The average number of employees during the year was as follows:		
Full time	37	32
Part time	1	4
	38	36

The above figures exclude the 4 (2020 - 5) non-executive directors who held office during the period

The Booksellers Association of the United Kingdom & Ireland Limited

Notes forming part of the financial statements
for the year ended 31 October 2021 (Continued)

4 Employees and directors (Continued)

	2021 £	2020 £
Directors' emoluments consist of:		
Remuneration for management services	531,318	459,325
Pension contributions	38,800	35,880
	<u>570,118</u>	<u>495,205</u>

There are 5 (2020: 5) directors in the defined contribution pension scheme during the year. Directors remuneration above is considered to be the total remuneration paid to key management personnel.

The remuneration of directors presented above includes the following amounts attributable to the highest paid director:

	2021 £	2020 £
Remuneration	128,875	112,075
Pension cost	10,000	10,553
	<u>138,875</u>	<u>122,628</u>

5 Other operating income

	2021 £	2021 £	2020 £	2020 £
Transfers from stamp funds				
- United Kingdom	4,452,445		3,383,134	
- Republic of Ireland	610,175		527,092	
	<u>5,062,620</u>		<u>3,910,226</u>	
Current asset investments				
- Dividends and interest receivable	852,177		753,331	
- Net profit / (Loss) on sale of investments	1,261,192		(534,463)	
	<u>2,113,369</u>		<u>218,868</u>	
Exchange discounts		239,094		132,566
Rent income		-		673
Other non trading income		-		-
Other operating income	<u>7,415,083</u>		<u>4,262,333</u>	

6 Joint arrangement

The Group is involved in a joint arrangement to produce, market, and distribute Christmas catalogues.

The Group's share of operating revenue from this joint arrangement was £32,890 (2020 - £33,814) this does not include the indirect costs that the Group incurred in respect of this joint arrangement.

The Booksellers Association of the United Kingdom & Ireland Limited

Notes forming part of the financial statements
for the year ended 31 October 2021 (Continued)

7 Profit on ordinary activities before taxation	2021	2020
	£	£
This is arrived at after charging / (crediting):		
Depreciation	103,600	108,116
Exchange Loss / (Gain)	153,186	(164,298)
Auditors' remuneration		
- audit (company - £11,953 (2020 - £11,384))	36,456	34,721
- non-audit services - taxation	13,447	12,807
(Company - £4,409 (2020 - £ 4,199))		
8 Taxation on profit on ordinary activities	2021	2020
	£	£
Corporation tax		
Current tax for the period	704,698	173,475
Adjustment in respect of prior year	(1,289)	
Total current tax	703,409	173,475
Deferred tax		
Origination and reversal of timing differences	1,338,539	(95,540)
Effect of tax rate change on opening balances	202,327	77,500
Prior year adjustment	-	466
Total deferred tax	1,540,866	(17,574)
Taxation on profit on ordinary activities	2,244,275	155,901

Factors affecting tax charge for the period

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The differences are explained below:

	2021	2020
	£	£
Profit on ordinary activities before tax	10,121,706	813,452
Tax on profit on ordinary activities at standard CT rate of 19% (2020: 19%)	1,923,124	154,557
Effects of:		
Fixed asset differences	14,534	14,974
Expenses not deductible for tax purposes	1,474	111,670
Income not taxable for tax purposes	(1,667,163)	(130,520)
Timing difference not recognised in the computation	1,010,903	59,986
Adjustments to brought forward values	1,283	1,283
Chargeable gains / (losses)	459,226	(143,212)
Adjustment in respect of prior year	(1,289)	
Adjustment to the change in deferred tax rate	-	(17,968)
Deferred tax not recognised	502,183	104,665
Prior year adjustment - deferred tax	-	466
	2,244,275	155,901

Factors that may affect future tax charges

The Group has trading losses of £4,753,789 (2020 - £4,753,789) available to offset against future trading profits, subject to agreement with the HM Revenue and Customs.

Other than for tax losses of £102,049 (2020 - £102,049) no deferred tax asset has been recognised in respect of the taxable losses on the basis that it is not sufficiently certain whether any future economic benefit will arise.

The increase in the standard rate of corporation tax from April 2023 to 25% will affect future tax charges if the Group generates profits in excess of £50,000

The Booksellers Association of the United Kingdom & Ireland Limited

Notes forming part of the financial statements
for the year ended 31 October 2021 (Continued)

9 Tangible assets

Group	Freehold land and buildings £	Computer equipment £	Office furniture and equipment £	Software £	Total £
<i>Cost</i>					
At 1 November 2020	4,243,590	124,688	458,952	423,270	5,250,500
Additions	-	18,228	-	2,165	20,393
At 31 October 2021	4,243,590	142,916	458,952	425,435	5,270,893
<i>Depreciation</i>					
At 1 November 2020	545,425	111,935	415,059	417,779	1,490,198
Charge for the year	60,047	9,721	17,246	2,801	89,815
At 31 October 2021	605,472	121,656	432,305	420,580	1,580,013
<i>Net book value</i>					
At 31 October 2021	3,638,118	21,260	26,647	4,855	3,690,880
At 31 October 2020	3,698,165	12,753	43,893	5,491	3,760,302

Company	Computer equipment £	Office furniture and equipment £	Total £
<i>Cost</i>			
At 1 November 2020	88,482	15,105	103,587
Additions	13,636	-	13,636
At 31 October 2021	102,118	15,105	117,223
<i>Depreciation</i>			
At 1 November 2020	78,782	12,934	91,716
Charge for the year	7,800	1,464	9,264
At 31 October 2021	86,582	14,398	100,980
<i>Net book value</i>			
At 31 October 2021	15,536	707	16,243
At 31 October 2020	9,700	2,171	11,871

10 Intangible assets

	Software & development £	Total £
<i>Cost</i>		
At 1 November 2020	80,496	80,496
Additions	21,290	21,290
At 31 October 2021	101,786	101,786
<i>Depreciation</i>		
At 1 November 2020	4,343	4,343
Charge for the year	13,785	13,785
At 31 October 2021	18,128	18,128
<i>Net book value</i>		
At 31 October 2021	83,658	83,658
At 31 October 2020	76,153	76,153

The Booksellers Association of the United Kingdom & Ireland Limited

Notes forming part of the financial statements
for the year ended 31 October 2020 (Continued)

11 Investment in subsidiary undertakings

Company	2021 £	2020 £
Cost	<u>502</u>	<u>502</u>

The investment represents the cost on acquisition of 100% of the shares of Book Tokens Limited and Batch Limited.

The following were wholly owned subsidiary undertakings at the year end:

Proportion of voting rights and ordinary Name	Voting	Nature of business	Direct/Indirect
Batch Limited	100%	Electronic financial information and processing system	Direct
Book Tokens Limited	100%	Operator of the book tokens voucher scheme	Direct
Batch For Books Inc	100%	Electronic financial information and processing system	Indirect

The registered office of both companies is 6 Bell Yard, London, WC2A 2JR

The registered office of Batch for Books is in Delaware USA File No. 7088581

12 Investments at fair value

	Cost £	Fair Value Adjustment £	Fair Value £
Equity investment			
At 1 November 2020	26,856,477	3,798,403	30,654,880
Additions	8,283,380	1,256,574	9,539,954
Disposals	(5,942,321)	(1,351,227)	(7,293,548)
Current year revaluation	-	5,448,588	5,448,588
At 31 October 2021	<u>29,197,536</u>	<u>9,152,338</u>	<u>38,349,874</u>

Fixed interest

At 1 November 2020	3,188,790	(89,243)	3,099,547
Additions	1,232,330	2,302	1,234,632
Disposals	(846,589)	58,239	(788,350)
Current year revaluation	-	(52,172)	(52,172)
At 31 October 2021	<u>3,574,531</u>	<u>(80,874)</u>	<u>3,493,657</u>

At 31 October 2021

32,772,067 9,071,464 41,843,531

At 31 October 2020

30,045,267 3,709,160 33,754,427

13 Stock

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Goods for resale	<u>121,867</u>	<u>142,077</u>	<u>7,452</u>	<u>14,608</u>

In the opinion of the directors, the replacement cost of stocks is not materially different from the value shown above.

	Group 2021 £	Group 2020 £	Company 2020 £	Company 2020 £
Stock expensed during the year was	<u>222,753</u>	<u>227,321</u>	<u>69,083</u>	<u>45,746</u>

The Booksellers Association of the United Kingdom & Ireland Limited

Notes forming part of the financial statements
for the year ended 31 October 2021 (Continued)

14 Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	673,276	569,010	159,074	129,904
Other debtors	198,252	333,008	5,199	-
Taxation and social security	131,142	48,303	36,661	-
Sundry debtors and prepayments	195,764	201,171	117,814	151,944
Amounts owed from subsidiary undertaking	-	-	155	150,000
	1,198,434	1,151,492	318,903	431,848

All amounts shown under debtors fall due for payment in less than one year.

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Actual bad debt Charged / (Recovered) in the year was:	3,104	3,995	(134)	3,995

15 Cash at bank and in hand

Group cash balances at 31 October 2021 of £7,265,655 (2020: £6,512,881) include £98,818 (2020: £163,835) which is held on behalf of bookshops and is ring fenced in Batch Ltd, £48,189 (2020: £29,904) which is held on behalf of bookshops and is ring fenced in Batch for Books Inc, and £71,629 (2020: £34,317) of campaign money the Company is currently administering.

16 Creditors: amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade creditors	613,490	585,357	85,955	99,069
Deferred income	69,809	53,930	69,809	53,930
Other creditors and accruals	661,837	600,088	295,429	215,408
Corporation tax	603,409	173,475	-	-
Taxation and social security	80,241	44,687	50,669	41,355
Amounts owed to subsidiary undertaking	-	-	-	154,038
	2,028,786	1,457,537	501,862	563,800

The Booksellers Association of the United Kingdom & Ireland Limited has a BACS facility with HSBC which is secured by way of a fixed and floating charge and a composite guarantee between all of the group companies. Batch Ltd and Book Tokens Ltd have similar facilities which are covered by the composite guarantee.

The Booksellers Association of the United Kingdom & Ireland Limited

Notes forming part of the financial statements
for the year ended 31 October 2021 (Continued)

17 Provision for liabilities and charges

	2021- £	2020 £
Book tokens in circulation		
Balance at 1 November 2020	24,556,512	25,797,322
Add: Book tokens sold in the year	13,533,298	13,100,172
Less : Book tokens redeemed in the year and release of reserves for book tokens no longer required	(14,747,696)	(14,340,982)
Balance at 31 October 2021	<u>23,342,114</u>	<u>24,556,512</u>
Record tokens in circulation		
Balance at 1 November 2020	46,813	25,547
Add: Record tokens sold in the year	94,616	75,451
Less : Record tokens redeemed in the year and release of reserves for record tokens no longer required	(71,325)	(54,185)
Balance at 31 October 2021	<u>70,103</u>	<u>46,813</u>

18 Deferred taxation

Group	2021 £	2020 £
At 1 November 2020	640,706	658,280
Charge / (release) to the profit or loss	1,540,866	(17,574)
At 31 October 2021	<u>2,181,572</u>	<u>640,706</u>

The deferred taxation balance is made up as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Fixed asset timing differences	(2,344)	(10,847)	(9,083)	(9,947)
Short term timing differences	6,753	6,415	-	-
Tax losses carried forward	(1,188,447)	(903,220)	(1,162,935)	(883,831)
Unrealised investment gains	2,190,187	650,082	-	-
Deferred tax not recognised	1,175,423	898,276	1,172,018	893,778
	<u>2,181,572</u>	<u>640,706</u>	-	-

19 Profit for the financial year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The Group profit for the year includes a Loss after tax for the Company of £285,588 (2020 - Profit £545,861).

The Booksellers Association of the United Kingdom & Ireland Limited

Notes forming part of the financial statements for the year ended 31 October 2021 (Continued)

20 Related party transactions

The Company has taken advantage of the exemption allowed by Financial Reporting Standard 102, 'Related Party Transactions', not to disclose any transactions with entities that are included in these consolidated financial statements.

Transactions noted below are between corporate entities of which the individuals noted are a common director. None of the transactions are personal transactions.

During the year, the Company sold £1,179 net of VAT (2020 - £288 net) in relation to services provided to Mr B's Emporium of Reading Delights Ltd which N R Bottomley was a director. The Company owed £16 including VAT as at 31 October 2021 (2020 - owed £101).

During the year, the Company sold £587 net of VAT (2020 - £555 net) in relation to services provided to Rossiter books, of which A Rossiter was a director. The Company was owed £254 including VAT as at 31 October 2021 (2020 - was owed £316).

During the year, the Company sold £1,227 net of VAT (2020 - sold £636) in relation to services provided to Sevenoaks Bookshop Ltd, of which F Sinclair was a director. The Company was owed £297 including vat as at 31 October 2021 (2020 - was owed £244).

During the year, the Company sold £572 net of VAT (2020 - £1,376 net) to World Book Day (WBD), a charity of which H Broadfoot and M J Halls was a Trustee. The Company owed £nil as at 31 October 2021 (2020 - owed £nil).

During the year, The Company made a donation of £15,000 (2020 - £42,000) to the Book Trade charity a charity of which Mr P F Tanner was a Trustee. The Company owed £nil as at 31 October 2021 (2020 - £nil).

Transactions noted below are between the Company's subsidiary company, Book Tokens Ltd, and a corporate entity, of which the individuals noted are a common director. None of the transactions are personal transactions.

During the year Book Tokens Ltd sold £315 net of VAT, and had a net decrease in provision on book token funds of £12,112 (2020 - sold £225 decrease in provision of £3,819) in relation to services provided to Mr B's Emporium of Reading Delights Ltd which N Bottomley was a director. Book Tokens Ltd was owed £1,489 including VAT as at 31 October 2021 (2020 - was owed £752).

During the year Book Tokens Ltd sold £311 net of VAT, and had a net increase in provision on book token funds of £2,979 (2020 - sold £ 303 increase in provision of £5,398) in relation to services provided to Rossiter books, of which A Rossiter was a director. Book Tokens Ltd owed £1,219 including VAT as at 31 October 2021 (2020 - owed £47).

During the year, Book Tokens Ltd sold £443 net of VAT, and had a net increase in provision on book token funds of £3,952 (2020 - sold £935 net of vat, and increase in provision of £23,349) in relation to services provided to Sevenoaks Bookshop Ltd, of which F Sinclair was a director. Book Tokens Ltd was owed £311 including VAT as at 31 October 2021 (2020 - was owed £825).

During the year, Book Tokens Ltd paid £156,500 net of VAT (2020 - £206,500 net of VAT) to World Book Day (WBD), a charity of which H Broadfoot and M J Halls were Trustees. During the year, Book Tokens Ltd sold £935 net of VAT (2020 - £2,038 net of VAT) in relation to services provided to World Book Day (WBD). Book Tokens Ltd owed £490 with WBD as at 31 October 2021 (2020 - was owed £nil).

Transactions noted below are between the Company's subsidiary company, Batch Ltd, and a corporate entity, of which the individuals noted are a common director. None of the transactions are personal transactions.

During the year Batch Ltd sold £850 net of VAT, (2020 - sold £133) in relation to services provided to Mr B's Emporium of Reading Delights Ltd which N R Bottomley was a director. Batch Ltd was owed £nil including VAT as at 31 October 2021 (2020 - owed £nil).

During the year Batch Ltd sold £1,080 net of VAT, (2020 - sold £336) in relation to services provided to Rossiter books, of which A Rossiter was a director. Batch Ltd was owed £nil including VAT as at 31 October 2021 (2020 - was owed £404).

During the year, Batch Ltd sold £1,090 net of VAT, (2020 - £nil) in relation to services provided to Sevenoaks Bookshop Ltd, of which Fleur Sinclair was a director. Batch Ltd was owed £nil as at 31 October 2021 (2020 - £nil).

21 Ultimate controlling party

The directors consider there to be no ultimate controlling party