

BAG BOOKS

**REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2024**

Charity No: 1026432
Company No: 2846227

BAG BOOKS
Year Ended 31 December 2024
Trustees' Report

Reference and administrative information

Status

The organisation is a charitable company limited by guarantee, incorporated on 19 August 1993 and registered as a charity on 24 September 1993.

Governing Document

The company was established under a Memorandum of Association which established the objects and powers of the charitable company. The objects are:

“to promote the recreation and education of children and adults with special learning difficulties and/or physical disabilities in particular through the use of tactile books and related material in the interests of social welfare and with the object of improving their conditions of life.”

The charitable company is governed under its Articles of Association.

The Trustees have referred to the Charity Commission’s general guidance on public benefit and believe that the charity meets the requirements of public benefit with regard to its aims and objectives and in planning its future activities. In particular, the Trustees have considered how the planned activities will contribute to the aims and objectives they have set.

Summary of investment powers

The trustees may invest the moneys of the company not immediately required for its own purposes in or upon such investments, securities, or property as may be thought fit.

Business Address and Registered Office

1 Stewart’s Court, 218-220 Stewart’s Road, London SW8 4UB

Contact details

Tel: 020 7627 0444

email: office@bagbooks.org

web: www.bagbooks.org

Charity Number

1026432

Company Number

02846227

VAT Number

GB 994 0287 86

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Trustees' Report

Trustees and directors

Jonathan Walsh, Chair
Rachel Tyson, Treasurer
Karl Massey
Catherine Pearson
Natasha Theobald

Patrons

Kay Hounsham MSc MBE
Sir Michael Morpurgo OBE FRSL FKC DL
Dr Alison Salt MBBS FRCPC FRACP MSc

Senior Management Team

Lucy Barrett, Chief Executive
Nina Martinez, Storytelling Manager
Sophie Baker, Craft Workshop Manager
Marion Mason, Finance Officer

Company Secretary

Lucy Barrett

Bankers

Unity Trust Bank plc, Four Brindleyplace, Birmingham B1 2JB

Solicitors

Bates, Wells & Braithwaite, Cheapside House, 138 Cheapside, London EC2V 6BB

Auditors

Wyatts, Chartered Accountants, York House, 1 Seagrave Road, London SW6 1RP

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The Trustees are pleased to present their annual report together with the financial statements of Bag Books for the year ended 31 December 2024, which also serve as the Directors' Report for the purposes of company law.

The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the Charities SORP (FRS 102) applicable in the UK and Republic of Ireland.

Further information about our work is available at www.bagbooks.org.

Bag Books exists to enrich the lives of children and adults with severe or profound learning disabilities through multi-sensory books and storytelling. We believe that everyone, regardless of ability, should have the opportunity to experience the joy, connection, and creativity that storytelling brings.

Our mission is to ensure that individuals with complex learning disabilities—many of whom are non-verbal, physically disabled, and cognitively impaired—can access meaningful, inclusive experiences that stimulate communication, social interaction, and emotional wellbeing.

We are the only organisation in the world solely dedicated to the design, production, and delivery of multi-sensory books for this audience. Our core activities include:

- Designing and handcrafting multi-sensory books that engage the senses of sight, sound, touch, smell, and motion.
- Delivering immersive storytelling sessions, led by trained specialists in special schools, day centres, libraries, and hospices across the UK.
- Training others—including teachers, carers, librarians, and families—in Multi-Sensory Storytelling Techniques (MSST) to extend the reach and sustainability of our work.

Each book is designed to be accessible regardless of comprehension level and is tailored to support a wide range of complex needs, including individuals with profound and multiple learning disabilities (PMLD), typically functioning at a developmental age below 18 months; those with severe learning disabilities (SLD), up to around the age of six; and people with severe autism spectrum disorder (ASD), as well as others who benefit from highly sensory, accessible storytelling experiences.

Our stories are experienced collaboratively. A large-print storyboard of 6–12 simple lines is paired with handcrafted sensory objects that bring the narrative to life. Storytellers use hand-over-hand support to guide participants through each element—ensuring full, active engagement.

At the heart of our work is a belief that storytelling builds bridges: between people, across communities, and between individuals and the world around them.

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Executive Summary

2024 was a year of both challenge and progress for Bag Books. Like many small charities, we faced rising costs and an increasingly competitive funding environment, ending the year with a deficit largely driven by pressure on core costs and a decline in income from trusts and corporate donors. Despite this, demand for our work remained strong, and we took significant steps to strengthen our delivery and future resilience.

Our book sales held firm, even as special school budgets tightened, demonstrating the enduring value of our multi-sensory stories to frontline educators and care providers. Our Sensory Stories in Schools programme continued to grow, and we secured National Lottery Awards for All funding to develop a new range of wipe-clean stories for hospices and other clinical settings.

We also strengthened our national reach through long-standing and new partnerships. Our third year of collaboration with the World Book Day charity saw our sensory resources distributed to every school in the UK. We also developed a bespoke commissioned story, *Riley and the Magic River*, for the North York Moors National Park's *Ryevitalise* programme, accompanied by inclusive storytelling training for local staff.

Alongside programme delivery, we laid key foundations for long-term impact. We completed a brand refresh in 2024 and are preparing to launch a new website and digital resource hub in 2025, enabling easier access to our books, guidance, and training across the UK and beyond.

We are also pleased to formally acknowledge a grant of £20,000 from The Foyle Foundation, awarded in late 2023. This vital core funding made a significant contribution to our work in 2024.

Throughout the year, we prioritised financial stewardship and funder engagement. These efforts were rewarded in early 2025 with the confirmation of multi-year support from both the National Lottery Community Fund and the City Bridge Foundation, critical to sustaining and scaling our work.

While 2024 brought challenges, it also brought renewed momentum. With secured funding, a growing national profile, new stories, and a revitalised digital presence, Bag Books enters 2025 with confidence, ready to continue creating joyful, inclusive storytelling experiences for people with the most complex needs.

Structure, governance and management

1. Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.
2. Trustees are elected by the Members at the Annual General Meeting, and at each meeting, a third retire by rotation. Trustees can be appointed during the year but must then be elected at the subsequent Annual General Meeting.

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3. The Trustees meet quarterly and have been selected on the basis of experience and knowledge of severe and profound intellectual and physical disabilities and/or specialist skills in law, business and fundraising.
4. Any Trustee vacancies are openly advertised, and new Trustees are inducted into the workings of the charity through a tour of the craft workshop, informal discussions with staff and volunteers and the opportunity to observe storytelling sessions with beneficiaries. An induction pack is provided, which includes copies of the Memorandum and Articles of Association, the most recent Audited Accounts, minutes of the last two Board meetings and the Charity Commission's booklet "The Essential Trustee."
5. At the end of 2024, Bag Books had five Trustees in post:
 - **Jonathan Walsh** – A solicitor, Jonathan has served as a Trustee since 26 April 2006 and was appointed Chair in April 2022.
 - **Rachel Tyson** – A qualified accountant currently working for a private entrepreneur and philanthropist. Rachel has been a Trustee and Treasurer since 6 November 2012.
 - **Karl Massey** – With a career in financial markets since 1988, Karl is a Member of the Development Board of the Physics Department at the University of Oxford, a Member of the Institute of Physics, a Fellow of the Royal Society of Arts, and sits on the Investment Committee of the Athenaeum Club, London. He has been a Trustee since 31 October 2017.
 - **Catherine Pearson** – Formerly Team Leader of the Early Years Special Educational Needs Team for the Borough of Lambeth, Catherine is now Manager of Childcare Services at the University of Cambridge. She has worked with children with autism and other needs since 2007. Catherine has been a Trustee since 30 January 2018.
 - **Natasha Theobald** – A charity marketing professional with over 20 years' experience. Natasha has served as a Trustee since 20 July 2010.
6. While three Trustees have served for more than ten years, the Board has reviewed this and agreed that their experience continues to be of significant benefit to the charity. There is a reasonable balance of tenure across the Board, with the average time served currently standing at 10.4 years.

We will be actively recruiting new Trustees in 2025 to support renewal and strengthen the Board's skills and diversity. We are pleased to welcome Michael Davis to the Board in early 2025 and continue to seek additional Trustees to further broaden our expertise and representation.

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7. The Trustees employ a Chief Executive to manage the charity alongside a Storytelling Manager, Craft Workshop Manager, and a Finance Officer. The charity also employs a Storytelling Co-Ordinator, a Senior Craft Artist and two Craft Artists. The remuneration of all staff members is reviewed annually when the Trustees set the budget for the forthcoming year. In addition, the charity has contracts with 5 freelance Storytellers who are based throughout the UK.

8. Volunteers remain vital to our work, contributing all knitted items and much of the hand sewing and woodwork involved in our multi-sensory books. We are also grateful to corporate teams who joined us for Craft Days, which were well attended throughout the year. In 2024, we hosted groups from Salesforce, Innocent Smoothies, and AND Digital.

In total, volunteers donated 132 days to Bag Books during the year, with an estimated value of £11,083. While this figure is not included in the financial statements, their time and dedication are deeply appreciated.

9. Bag Books is a member of the PMLD Network, and the National Council of Voluntary Organisations (NCVO). The charity is also registered with the Fundraising Regulator. The Chief Executive is a member of the Association of Chief Executives of Voluntary Organisations (ACEVO). The Storytelling Manager is a member of the Epilepsy Society and the National Autistic Society.

10. Risk management policy

The Trustees regularly review the major risks facing the charity. These are recorded in a central risk register, which is reviewed and updated at each Trustee meeting. Oversight is provided by the Board, with day-to-day monitoring and mitigation managed by the Senior Leadership Team.

Key risks identified include:

- Funding concentration – Over-reliance on a small number of funders remains a risk. We continue to monitor reserve levels and prioritise efforts to diversify income.
- Staffing and key personnel – Recruitment and retention of skilled staff is essential to our work. We mitigate this by offering flexible working, a positive organisational culture, and ongoing review of pay benchmarking and wellbeing support.
- Safeguarding – Safeguarding remains a core priority in our work with vulnerable children and adults. Our policy was updated in 2024, with annual reviews and mandatory training for all relevant staff and volunteers. Oversight is led by our Safeguarding Trustee, Catherine Pearson.
- Premises – Our lease has been extended until 2026, giving short-term security, but we are actively seeking alternative premises to ensure future sustainability and space for growth.

We also maintain regular scenario planning, cash flow forecasting, and strong internal controls to monitor the impact of external pressures such as inflation and funding volatility.

11. Objectives, activities, achievements, and performance.

Bag Books is the only organisation in the world solely dedicated to publishing and delivering multi-sensory stories for people with severe or profound and multiple learning disabilities (PMLD and SLD). Our charitable objects are listed on page 2.

The Trustees' strategic aim is: **“To enhance the lives of children and adults with learning disabilities through the use of multi-sensory books.”**

Our 2023–2028 Strategy builds on this aim, adapting our delivery to strengthen resilience, broaden reach, and improve access to our resources and training across the UK.

12. As part of their strategy, the Trustees have set out the following aims to drive Bag Books' mission:

- Use stories to spark curiosity, interaction, and connection through hands-on sensory engagement.
- Support communication, language, and motor development in a way that's accessible, meaningful, and enjoyable.
- Foster emotional expression and build confidence through creative, immersive storytelling.
- Equip carers, educators, and families with the tools and training to deliver multi-sensory stories effectively.
- Champion co-creation by involving people with learning disabilities in shaping the stories that represent and reflect their lives.

13. Delivering on Our Purpose: Review of 2024

Bag Books exists to bring joy, connection, and creativity to people with complex learning disabilities through multi-sensory storytelling. In 2024, our work continued to be driven by five key objectives, embedded across everything we do:

- Promote multi-sensory storytelling in schools, libraries, day centres, and community spaces.
- Design and produce inclusive books for people with profound and multiple learning disabilities.
- Train carers, educators, and families to become confident sensory storytellers.

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- Involve people with learning disabilities in creating stories through accessible craft experiences.
- Build long-term organisational resilience through strong governance, partnerships, and infrastructure.

Each of the following sections shows how we put these objectives into action in 2024, and where we're heading next.

14. **Bringing Stories to Life, Nationwide**

Charitable Objective 1: To promote multi-sensory storytelling across education, health and community settings.

As part of our Sensory Stories project, our multi-sensory storytelling sessions took place in 62 special schools across the UK, reaching over 1,760 children with severe or profound learning disabilities. Every child experienced interactive storytelling with handcrafted objects and received a book to keep.

"The storytelling was magical. The props brought the story to life in a way nothing else could. The pupils were completely absorbed."
Special School Teacher, East Midlands

We also ran sessions in hospices, day centres, and libraries, with over 2,000 people reached in person. Our continued partnership with World Book Day ensured our sensory storytelling resources were distributed to every school in the UK.

Looking ahead, secured National Lottery funding for 2025 will allow us to expand our Lend A Story project, connecting libraries and adults with complex needs through inclusive storytelling experiences.

15. **Creating Stories That Matter**

Charitable Objective 2: To develop and produce appropriate multi-sensory literature for people with severe and profound learning disabilities.

In 2024, we handcrafted 677 books, ranging from bespoke commissions to new wipe-clean titles designed for hospice and healthcare environments. Fresh releases included *Yolande's Swim*, *The Magic Show*, and DIY stories like *Sam's First Day at School*, *Remembering Grandad*, and *Logan's Visit to Hospital*.

A standout project was our collaboration with the North York Moors National Park. As part of their Ryevitalise programme, we created and delivered a commissioned story, *Riley and the Magic River*, alongside tailored training for staff.

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Meanwhile, demand for our free downloadable stories soared. With over 8,000 DIY story downloads - up 256% from 2023 - we're reaching more educators, families, and carers than ever before.

"I use Bag Books with children who have profound disabilities and can't access conventional books. These are the only books they can truly experience."

Specialist SEN Teacher

16. Training and Empowering Others

Charitable Objective 3: To train carers, professionals and families in multi-sensory storytelling techniques.

In 2024, we trained over 370 people - teachers, carers, librarians, and parents- to deliver immersive storytelling sessions with confidence.

This included 62 special schools, 51 libraries, and a growing number of day centres and community settings. Our training helps build long-term impact by equipping others to use our books meaningfully every day.

We also piloted our online *Introduction to Multi-Sensory Storytelling* course, which received excellent feedback and will become part of our new video training hub launching in 2025.

"The training has transformed how I share books with my class. It's given me a new way to reach them." Early Years Educator, Newcastle

17. Inclusive Creativity in Action

Charitable Objective 4: To provide inclusive story production experiences for people with learning disabilities.

From craft sessions in schools and day centres to new collaborations with groups like Mencap Bexley, 2024 saw creative co-creation come to life.

In one of our proudest moments, we helped Kingston Libraries develop a sensory story collection for adults living with dementia – widening access beyond our traditional audience.

"Watching participants take pride in the story they helped make was incredibly powerful. Everyone felt included and valued." - Day Centre Manager

18. Strengthening Our Foundation

Organisational Objectives: To ensure long-term financial stability and strengthen governance, infrastructure and volunteer engagement.

2024 marked a pivotal year of recovery and consolidation. Book sales held strong, training income grew, and our funding pipeline was strengthened thanks to a range of new funders from the Foyle Foundation received at the end of 2023 and Arts Council England in 2024. These built momentum towards the confirmation of major multi-year awards from the National Lottery and City Bridge Foundation in early 2025. We continued to diversify income and reach through bespoke commissions, including a creative collaboration with the North York Moors National Park, combining story production and staff training.

We benefited from 132 days of volunteer support, valued at over £11,000, and hosted popular corporate Craft Days with teams from Salesforce, Innocent and AND Digital. Our year-long partnership with AND Digital also delivered strategic digital support, adding real value to our transformation journey.

Michael Davies was recruited to join our board at the end of year, and we extended our lease to May 2026 while actively searching for new premises. We also completed a full brand refresh. Our new visual identity and website – launching in 2025 – will make it easier for families, carers and professionals to access our stories, training and free resources.

- Expand storytelling delivery across the UK through our Sensory Stories and Lend A Story project
- Deepen community partnerships and co-creation work – piloting craft-based workshops in mainstream and special schools, as well as adult day centres, to

19. Looking Ahead

In 2025, we aim to:

- Launch our new website and training video hub
- Release new stories and free downloads for families and professionals
- Expand storytelling delivery across the UK through our Sensory Stories and Lend A Story project
- Deepen community partnerships and co-creation work – piloting craft-based workshops in mainstream and special schools, as well as adult day centres, to build connection through shared creativity
- Secure long-term premises to support future growth

Every story we tell opens a door to connection, joy, and inclusion. We remain proud to be the only organisation in the world solely dedicated to multi-sensory books for those with the most complex needs and determined to reach even more people in the years ahead.

20. Our goal in 2024 was to reach over 20,000 children and adults with learning disabilities through our stories and training. With in-person storytelling sessions delivered across 62 schools, as well as in hospices, day centres and libraries, and with thousands more engaging with our books, training, and free online resources, we are confident this target was met.

Bag Books titles are designed to last, and we offer affordable replacement parts to extend their use. Over the past five years, our books have been used in more than 1,100 schools, libraries, hospices, and day centres across the UK. Based on historic survey data, each book reaches an average of 30-40 individuals per year, helping ensure our stories make a long-lasting impact.

Financial review

21. Income for 2024 totaled £241,142, representing a 7% decrease on the previous year (2023: £258,389). As forecast, it was a challenging year for many in the sector, with the cost-of-living crisis and inflation placing pressure on core costs. While income from trusts and foundations declined by 28%, we were heartened to see strong growth in individual donations (up 67%) and in-kind support. Careful financial management, combined with longstanding relationships with key funders, enabled us to maintain stability. Looking ahead, the confirmation of major multi-year grants in early 2025 has significantly strengthened our financial outlook.
22. Part of our risk management approach throughout 2024 was to maintain tight control over expenditure to protect the charity during what remained a challenging financial climate. Our total expenditure for the year was £329,824, a modest increase from £319,000 in 2023. We closely monitored spending throughout the year, ensuring that all costs remained proportionate to our delivery goals and aligned with our strategic priorities.
23. This resulted in our net resources standing at -£88,683 (2023: -£60,611). Our Restricted Funds increased to £109,424 (2023: £32,248), while Unrestricted Funds stood at £131,717 (2023: £226,141).

Encouragingly, book sales rose to £58,338 (2023: £42,327), highlighting sustained demand for our stories. The most significant drop was in income from trusts and foundations, reflecting national trends and increased competition for limited funds.

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Although 2024 closed with a deficit, we remained proactive in managing pressures. Careful oversight and timely decision-making helped us weather the year, and the confirmation of major multi-year grants in early 2025 has since substantially strengthened our position and outlook for the year ahead.

Budget for 2025

24. The Trustees have approved a 2025 budget with a projected income of £368,927 (2024: £360,540), of which £114,712 was secured at the start of the year. Forecasted expenditure stands at £361,720 (2024: £358,012).

In line with our ongoing financial risk management, we have adopted a prudent and flexible approach to budgeting, with regular review points built in to respond to the evolving funding landscape.

Reserves policy

25. In 2024, we made a planned and strategic use of reserves to sustain delivery and protect our team. This decision was underpinned by our financial risk assessment process, which regularly reviews projected income, expenditure, and reserve levels. As a result, unrestricted reserves at year-end stood at £70,864 (2023: £218,874). While lower, this remains within the parameters of our Reserves Policy.

We begin 2025 with multi-year funding secured, a balanced and carefully considered budget, and strong systems in place to monitor our financial performance and ensure continued resilience.

26. Given the volatility of much of our income, the Trustees will continue to monitor reserves closely throughout the year, ensuring any surplus is directed towards charitable activity.

Staff pension arrangements

27. We joined the National Employment Savings Trust (NEST) pension scheme, and the charity has agreed to match employees' contributions up to 3% of their salary. A breakdown of staffing costs, including pension payments, appears in Note 4.

Trustee indemnity insurance

28. Our insurance policy automatically includes Trustee indemnity insurance.

Fundraising performance

29. Direct fundraising costs were £450 (2023: £300), representing just 0.14% of total expenditure. Including allocated support costs, we invested a total of £52,309 in fundraising (2023: £53,614), which equates to 15.9% of our total expenditure for the

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year. This generated voluntary income of £167,606 (2023: £203,465), accounting for 70% of our total income.

Income from corporate partners reached £5,021 (2023: £17,859), a decrease of 72%. This reflects the wider economic climate, with many companies reducing or refocusing charitable contributions in line with tightened budgets, a pattern broadly consistent with national trends.

Income from individuals grew to £19,361 (2023: £11,557), an increase of 67%, demonstrating the strength of public support for our work. Gifts in Kind remained stable, with £9,531 received in 2024 (2023: £9,352).

While 2024 remained challenging, our strong pipeline, confirmed multi-year funding, and planned fundraising activity provide a positive outlook for 2025.

30. The Trustees would like to thank all our donors for their support. The Trustees are also grateful to all the companies and organisations which provide goods and services free of charge. This support is recognised under "Gifts in Kind". One of the main items within this is the audit which has been kindly provided on a pro-bono basis by Wyatts for several years.

Statement of responsibilities of the trustees

31. The Trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including the net income or

expenditure, for the period. In preparing those financial statements the Trustees are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgments and estimates that are reasonable and prudent;
- c) state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;

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

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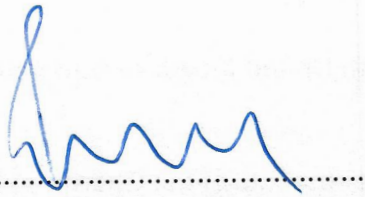
Statement of disclosure to auditors

33. As far as the Trustees are aware there is no relevant audit information of which charity's auditors are unaware. Additionally, the Trustees have taken all steps they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

34. A resolution to confirm the reappointment of Wyatts as the company auditor will be proposed at the Annual General Meeting on 28th October 2025.

Approved by the Board of Trustees on 1st September and signed on its behalf:



.....
Jonathan Walsh, Chair

10th September 2025

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Opinion

We have audited the financial statements of BAG BOOKS (the 'charity') for the year ended 31 December 2024 which comprise the statement of financial activities, statement of financial position, statement of cash flows 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 December 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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- 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.

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:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; 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 the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the

preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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

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:

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

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, together with Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provision of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the charity's operations were employment legislation, taxation legislation and General Data Protection Regulations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

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

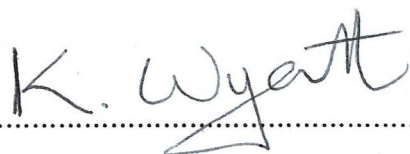
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to
- those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 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.

BAG BOOKS
Year Ended 31 December 2024
Auditors' Report

Use of our report

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....

K WYATT (Senior Statutory Auditor)

For and on behalf of
Wyatts
Chartered accountants & statutory auditor
York House
1 Seagrave Road
London
SW6 1RP

10th September 2025

BAG BOOKS
Year Ended 31 December 2024
Financial Statements

Statement of Financial Activities

	Notes	Unrestricted Funds		Restricted Funds		Total	
		£	£	£	£	£	£
		2024	2023	2024	2023	2024	2023
INCOME							
Donations & legacies		58,182	171,217	109,424	32,248	167,606	203,465
Charitable activities							
Book Production		58,338	42,328		0	58,338	42,328
Storytelling & Training		5,467	3,035		0	5,467	3,035
Investments		199	209		0	199	209
Other							
Gifts in kind		9,531	9,352		0	9,531	9,352
TOTAL INCOME		131,717	226,141	109,424	32,248	241,141	258,389
EXPENDITURE							
Raising funds		61,639	71,997		0	61,639	71,997
Charitable activities							
Book Production		147,471	127,603	33,876	48,423	181,347	176,026
Storytelling & Training		70,617	51,452	16,221	19,525	86,838	70,977
TOTAL EXPENDITURE	2, 3	279,727	251,052	50,097	67,948	329,824	319,000
OPERATING SURPLUS / (DEFICIT)		(148,010)	(24,911)	59,327	0	(88,683)	(60,611)
Net gains / (losses) on investments			4,733		0	0	4,733
Net income / (expenditure)		(148,010)	(20,178)	59,327	(35,700)	(88,683)	(55,878)
Reconciliation of funds							
Total funds brought forward		218,874	239,052	23,500	59,200	242,374	298,252
Total funds carried forward		70,864	218,874	82,827	23,500	153,691	242,374

All activities relate to continuing operations.

The notes on pages 21 to 26 form part of these financial statements.

The statement of financial activities includes all gains and losses recognised in the year.

BAG BOOKS
Year Ended 31 December 2024
Financial Statements

Balance Sheet

	Notes	2024 Total £	2023 Total £
Fixed Assets			
Tangible assets	5	<u>991</u>	<u>1,409</u>
Current Assets			
Stock		31,237	32,787
Trade debtors		4,654	3,302
Prepayments		1,009	1,020
Other Debtors		29,933	5,200
VAT repayable		0	596
Cash at bank and in hand		<u>99,040</u>	<u>210,634</u>
Total Current Assets		<u>165,873</u>	<u>253,539</u>
Creditors due within one year:			
Trade creditors		130	653
Tax and social security		7,586	7,690
Other creditors		5,271	4,231
VAT Liability		186	0
Deferred income		0	0
Total Current Liabilities		<u>13,173</u>	<u>12,574</u>
Net current assets		<u>152,700</u>	<u>240,965</u>
Net assets		153,691	242,374
FUNDS			
General funds	7	70,864	218,874
Restricted funds	8	<u>82,827</u>	<u>23,500</u>
Total Funds		<u>153,691</u>	<u>242,374</u>

The financial statements were approved by the Board of Trustees on 10th September 2025 and signed on its behalf by

.....
 Jonathan Walsh, Chair

The notes on pages 23 to 29 form part of these financial statements.

BAG BOOKS
Year Ended 31 December 2024
Financial Statements

Cash Flow Statement

	Notes	2024 Total £	2023 Total £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	9	(111,007)	33,493
Cash flows from investing activities			
Dividends, interest and rents from investments		(199)	(209)
Proceeds from sale of property, plant and equipment		0	0
Purchase of property, plant and equipment		(388)	0
Proceeds from sale of investments		0	4,733
Net cash provided by (used in) investing activities		(587)	4,524
Cash flows from financing activities		0	0
Net cash provided by (used in) financing activities		(111,594)	38,017
Change in cash and cash equivalents in the reporting period		(111,594)	38,017
Cash and cash equivalents at the beginning of the reporting period		210,634	253,153
Cash and cash equivalents at the end of the reporting period		99,040	210,634

1. Accounting policies

- a) **Accounting convention.** The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2016) and Financial Reporting Standard 102 and the Companies Act 2006.
- b) **Going concern.** The accounts have been prepared on a going concern basis. Having carried out a detailed review of the Charity's resources and the challenges presented by the current economic climate, the trustees are satisfied that the Charity has sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of approval of the accounts.
- c) **Incoming Resources.** These are included in the Statement of Financial Activities (SoFA) when:
- The charity becomes entitled to the resources;
 - The trustees think it probable or more likely than not that they will receive the resources; and
 - The monetary value can be measured with sufficient reliability.

Legacies are included in the SoFA as an incoming resource in the year in which the charity is notified and when the entitlement, measurement and their receipt is probable.

Incoming resources from tax reclaims are included in the SoFA at the same time as the gift to which they relate.

Gifts in kind are accounted for at a reasonable estimate of their value to the charity or the amount actually realised. Gifts in kind for sale or distribution are included in the accounts as gifts only when sold or distributed by the charity. Gifts in kind for use by the charity are included in the SoFA as incoming resources when receivable. The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

Investment income is included in the accounts when receivable.

- d) **Resources expended.** Resources expended are accounted for on an accruals basis, inclusive of any VAT which cannot be recovered. The charity became registered for VAT on 1st October 2010 and is able to partially recover VAT.
- e) **Tangible fixed assets and depreciation.** Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:
- Furniture, fittings and office equipment - 25% straight line.
- f) **Stocks.** Stocks are valued at lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items.
- g) **Fund accounting.** Funds held by the charity are either:

BAG BOOKS

Year Ended 31 December 2024

Financial Statements

- *Unrestricted funds.* These are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
 - *Restricted funds.* These are funds that are to be used in accordance with specific restrictions imposed by donors or that have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund.
- h) **Investments.** Investments are included at market value at the balance sheet date.
- i) **Investment income.** This includes any gains or loss on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.
- j) **Taxation.** Bag Books is a registered charity which renders its income exempt from UK income tax.
- k) **Pension costs.** The charity has joined the National Employment Savings Trust (NEST) pension scheme and has agreed to match employees' contributions into that scheme up to 3% of salary. The costs to the charity are recognised as they are incurred.

2. Total resources expended	Unrestricted	Restricted	2024	2023
	Funds	Funds	Total	Total
	£	£	£	£
Wages and salaries	195,887	26,963	222,850	215,226
Materials and consumables	23,620	3,251	26,871	25,049
Storytelling and training	0	12,150	12,150	8,586
Craft Workers/Volunteer Expenses	1,054	145	1,199	462
Direct Fundraising Costs	396	54	450	300
Rent and services	28,696	3,950	32,646	32,634
Utility Bills	4,320	595	4,915	11,263
Repairs and renewals	1,108	153	1,261	963
Telephone, Broadband and Computers	4,503	620	5,123	4,855
Distribution costs	3,189	439	3,628	2,623
Insurance	2,914	401	3,315	3,246
Advertising and promotion	6,083	837	6,920	5,102
Governance (Audit)	4,045	0	4,045	3,990
General expenses	2,503	344	2,847	3,003
Bank charges	701	97	798	793
Depreciation	708	98	806	905
Total Resources expended	279,727	50,097	329,824	319,000

BAG BOOKS
Year Ended 31 December 2024
Financial Statements

3. Allocation of Support Costs	Raising funds	Charitable Activities	2023 Total	2023 Total
	£	£	£	£
Proportion				
Wages and salaries	30,999	60,174	91,173	90,934
Rent and services	11,100	21,546	32,646	32,634
Utility Bills	1,671	3,244	4,915	11,263
Repairs and renewals	429	832	1,261	963
Telephone, Broadband and Computers	1,742	3,381	5,123	4,855
Insurance	1,127	2,188	3,315	3,246
Advertising and promotion	2,353	4,567	6,920	5,102
Governance (Audit)	1,375	2,670	4,045	3,990
General expenses	968	1,879	2,847	3,003
Bank charges	271	527	798	793
Depreciation	274	532	806	905
Total Support Costs	52,309	101,540	153,849	157,688
Direct Costs	9,330	166,645	175,975	161,312
Total Costs	61,639	268,185	329,824	319,000

4. Trustees and employees information

None of the Trustees (nor any other persons connected with them) received any remuneration, benefits or reimbursement of expenses from the charity during the year (2022: Nil). The insurance package for the charity automatically includes Trustee Indemnity Insurance.

Employee costs during the year were:

	2023	2023
	£	£
Salaries	205,331	197,372
Social security costs	12,337	12,634
Employer's contribution to NEST pension scheme	5,182	5,220
Total costs	222,850	215,226

The average number of employees during the year	8	8
The average number of employees (full-time equivalent) during the year	5.18	5.5
Total employee benefits to the key management personnel listed on page 2	145,975	144,838
The average number of key management personnel (full-time equivalent)	2.6	2.6

No employees received remuneration exceeding £60,000 (2023: Nil)

BAG BOOKS
Year Ended 31 December 2024
Financial Statements

5. Tangible Fixed Assets	£
Cost	
At 1 January 2024	42,686
Additions	388
Disposals	<u>0</u>
At 31 December 2024	<u>43,074</u>
Depreciation	
At 1 January 2024	41,227
Disposals	0
Charge for the year	806
At 31 December 2024	<u>42,083</u>
Net Book Value	
At 31 December 2024	<u>991</u>
At 31 December 2023	<u>1,409</u>

6. Analysis of funds

Summary of fund movements are as follows

	1 Jan 2024	Income	Expenditure	31 December 2024
	£	£	£	£
Unrestricted Funds	218,874	131,717	(279,727)	70,864
Restricted Funds	23,500	109,424	(50,097)	82,827
Total all Funds	242,374	241,141	(329,824)	153,691

The composition and changes of the individual funds are as follows:

7. Unrestricted Funds

The composition of Unrestricted Funds at the year end and the changes during the year are as follows:

	Opening Balance	Net Movement	31 December 2024	31 December 2023
	£	£	£	£
General Funds				
Fixed assets	1,409	(418)	991	1,409
Net current assets	217,465	(147,592)	69,873	217,465
Total unrestricted funds	218,874	(148,010)	70,864	218,874

BAG BOOKS

Year Ended 31 December 2024

Financial Statements

8. Restricted Funds

The composition of restricted Funds at the year end and the changes during the year are as follows:

	Opening Balance £	Net Movement £	31 December 2024 £	31 December 2023 £
Restricted Funds				
Fixed assets	-	-	-	-
Net current assets	23,500	59,327	82,827	23,500
Total restricted funds	23,500	59,327	82,827	23,500

Restricted funds represent amounts received from donors who have specified the use of those funds as a condition for making the donation.

Donor	At the start of the year £	Incoming Resources £	Outgoing Resources £	At the end of the year £
Pilkington	£5,000.00		£5,000.00	£0.00
The 29 May Charitable Trust	£2,000.00		£2,000.00	£0.00
The Barbara Ward Childrens Foundation	£5,000.00		£5,000.00	£0.00
The Clare Milne Trust	£5,000.00		£5,000.00	£0.00
Sir John Eastwood Foundation	£1,000.00		£1,000.00	£0.00
Harmony Energy/Pillswood	£1,500.00		£1,500.00	£0.00
Worshipful Company of Makers of Playing Cards	£3,000.00		£3,000.00	£0.00
Millichope Foundation	£1,000.00	1,000	£1,000.00	£0.00
Barnwood Trust		£6,846.00	£6,846.00	£0.00
The Hugh Fraser Foundation		£5,000.00		£5,000.00
The Mulberry Trust		£2,222.00	£2,222.00	£0.00
The Austin Bailey Foundation		£1,140.00	£1,140.00	£0.00
Worshipful Company of Makers of Playing Cards		£3,000.00		£3,000.00
The Alchemy Foundation		£1,000.00		£1,000.00
The Barbara Ward Children's Foundation		£5,000.00	£1,000.00	£4,000.00
The 29 May 1961 Charitable Trust		£2,000.00		£2,000.00
National Lottery- Awards For All		£18,469.00	£9,825.00	£8,644.00
Sir John Eastwood Foundation		£1,000.00	£1,000.00	£0.00
Charities Aid Foundation - Clifford Chance		£6,840.00		£6,840.00
Charles French Charitable Trust		£4,564.00	£4,564.00	£0.00
North York Moors National Park Authority				
The Eveson Charitable Trust		£11,410.00		£11,410.00
Chalk Cliff Trust		£5,000.00		£5,000.00
The G C Gibson Charitable Trust		£5,000.00		£5,000.00
Arts Council		£29,933.00		£29,933.00
TOTALS	£23,500.00	£109,424.00	£50,097.00	£82,827.00

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Year Ended 31 December 2024
Financial Statements

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

	2024	2023
	£	£
Net income/(expenditure) for the reporting period	(88,683)	(55,878)
Adjustments for:		
Depreciation charges	806	905
(Gains)/losses on investments	0	(4,733)
Dividends, interest and rents from investments	199	209
Loss/(Profit) on the sale of fixed assets		
(Increase)/decrease in stocks	1,550	7,178
(Increase)/decrease in debtors	(25,478)	86,119
Increase/(decrease) in creditors	599	(307)
Net cash provided by (used in) operating activities	<u>(111,007)</u>	<u>33,493</u>

10. Capital

The company is limited by guarantee and has no issued share capital.