

**FLORIS BOOKS TRUST LIMITED**  
(A Company Limited by Guarantee)

**DIRECTOR'S REPORT  
AND  
FINANCIAL STATEMENTS**

**for the year ended 31 December 2021**

**FLORIS BOOKS TRUST LIMITED**

<b>Directors (Trustees)</b>	:	Jane Grant Peter Holman Tom Ravetz Lesley Taylor
<b>Senior Management Team:</b>	:	Katy Lockwood-Holmes – Chief Executive Christian Maclean
<b>Auditors</b>	:	Geoghegans Chartered Accountants 6 St Colme Street Edinburgh EH3 6AD
<b>Bankers</b>	:	Bank of Scotland 8 Morningside Road Edinburgh EH10 4DD  Triodos Bank 24 Hanover Street Edinburgh EH2 2EN  Aldermore Bank 100 West Regent Street Glasgow GU2 2QD
<b>Solicitors</b>	:	Balfour & Manson 54-66 Frederick Street Edinburgh EH2 1LS
<b>Registered Office</b>	:	22 Baylie Street Stourbridge West Midlands DY8 1AZ
<b>Principal Office</b>	:	Canal Court 40 Craiglockhart Avenue Edinburgh EH14 1LT
<b>Company Registration Number</b>	:	02398655
<b>Charity Commission Registration Number</b>	:	801790
<b>OSCR Registration Number</b>	:	SC041837

## **FLORIS BOOKS TRUST LIMITED**

### **DIRECTORS' REPORT**

The directors, who are also trustees for the purposes of charity law, submit their report and the audited financial statements of the charitable company for the year ended 31 December 2021.

#### **Objectives and Activities**

The principal activities of the charitable company are producing books relating to its charitable objectives which are to propagate Christian principles, the ideas of anthroposophy, and wholesome spiritual and ethical values for children for the benefit of the public anywhere in the world, and to advance the work of The Christian Community in Great Britain.

To achieve these objectives, the books published are a balance between those relating directly to the aims, and those which are in harmony with the aims. For some publications grants are sought either from individuals, public bodies, or from other trusts.

#### **How Our Activities Deliver Public Benefit**

The books relating to the Christian religion and anthroposophy help give readers meaning and purpose in their lives and contribute to their spiritual well-being, and provide a moral or ethical framework to live by.

The books for children help children to experience and adopt wholesome spiritual and ethical values which offer meaning and purpose in their childhood and future adult life, ultimately contributing to their spiritual well-being, and providing a moral or ethical framework to live by.

Promoting an understanding of the human being as a spiritual being contributes towards a better society by promoting social cohesion and recognition of the worth of every individual.

The directors have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. In setting the prices of books the directors give careful consideration to those on low incomes, and also give consideration to the lower cost of books in some foreign countries by appropriate discounts to distributors and bookshops in those countries.

#### **Achievements & Performance**

During the year, 52 (2020: 47) new books were published, including *Before Birth and Beyond Death*, *Biodynamic Wine Growing*, *Complete New Testament Studies*, and *Eurythmy and Rudolf Steiner*, which are of fundamental importance to the Christian Community or help propagate the ideas of anthroposophy; and *Autumn and Winter Nature Activities*, *Home of the Wild*, *Sam and the Gnome's Red Hat*, and *Physical Education in Waldorf Schools*, which help propagate wholesome values for children.

2021 continued to be a challenging trading year due to the ongoing effects of the global Covid pandemic, rising commodity prices and issues with logistics. The Floris office was closed with all staff working from home.

## **FLORIS BOOKS TRUST LIMITED**

### **DIRECTORS' REPORT (Continued)**

#### **Financial Review**

The surplus for the year was £154,987 (2020: £136,773).

The charitable company's funds are raised through the sale of books and are used to fund further publications of religious books. The directors continue to explore ways of directly targeting readers including use of the internet and direct mail.

#### *Reserves policy*

The directors' reserves policy is to retain sufficient funds within the charitable company for working capital together with a contingency to cover either unexpected expenditure or the cash flow problems a change in market conditions would produce. The directors have therefore established a policy whereby the unrestricted funds not designated or invested in tangible fixed assets ("the free reserves") held by the charitable company should be between 12 and 15 months of resources expended in addition to the costs of investing in new premises and staff as part of the expansion of the charitable company's activities. The directors have adopted a prudent approach to the related risks of that expansion.

Total reserves at 31 December 2021 were £2,171,059 (2020: £2,016,072). The unrestricted funds less those invested in tangible fixed assets ("the free reserves") were £2,148,547 (2020: £1,987,437) which represents around 12.5 months of the normal annual expenditure of the charitable company. The directors regularly review the level of free reserves and are satisfied that the present level is acceptable.

#### **Plans for Future Periods**

Trading in Q1 of 2022 is being bolstered by online and international sales, with ongoing weakness in the UK book trade, especially due to the effects of reduced international tourism. However, the board is confident that our healthy level of reserves will enable the organisation to continue to trade past the current challenges.

#### **Structure, Governance, Management**

##### *Governing Document*

Floris Books Trust Limited is a charitable company limited by guarantee. The charitable company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. Each member has undertaken to contribute an amount not exceeding £1 to the assets of the company in the event of its being wound up. As at 31 December 2021 there were 31 members (2020: 31).

##### *Recruitment and appointment of directors (trustees)*

The current directors of the charitable company, and those in office throughout the year, are listed on page 1. The directors, defined as Trustees in the Articles of Association, are all members of the charitable company. Under the requirements of the Memorandum and Articles of Association one third of the directors retire each year, and are eligible for re-election, at the AGM.

## **FLORIS BOOKS TRUST LIMITED**

### **DIRECTORS' REPORT (Continued)**

#### **Structure, Governance, Management (continued)**

##### *Organisation & structure*

The directors meet once a year, while the finance committee made up of Lesley Taylor, Jane Grant, Christian Maclean and Katy Lockwood-Holmes aim to meet quarterly. The day to day operations of the charitable company are the responsibility of Katy Lockwood-Holmes as delegated by the board of directors.

##### *Director induction and training*

All directors appointed are already familiar with the practical work of the charitable company and their responsibilities as directors of the company, and as trustees of the charitable company. They all have the main documents of the charitable company including the Memorandum and Articles of Association, and receive regular accounts and papers on the financial situation of the company.

##### *Key management personnel*

The Board consider that they, together with the Chief Executive, Editor and the Office Manager comprise the key management personnel. The directors give their time freely and the pay and remuneration of the key management personnel is set by the Finance Group and is kept under annual review.

##### *Risk management*

The directors continue to assess the major risks to which the charitable company is exposed, in particular those related to operations and finance, and are satisfied that systems are in place to mitigate the charitable company's exposure to those risks.

The main risks that the directors have identified and plans to manage these risks are:

- general downturn in sales
- bad debt of major customer

##### *Related parties and co-operation with other organisations*

Katy Lockwood-Holmes is a director of Scottish Book Source Limited during the year. Scottish Book Source is one of Floris Books Trust Limited main distributors of publications and considered to be a key organisation with which it co-operates in pursuit of its charitable objectives.

## **FLORIS BOOKS TRUST LIMITED**

### **DIRECTORS' REPORT (Continued)**

#### **Directors' Responsibility Statement**

The directors (who are also trustees of Floris Books Trust Limited for the purpose of charity law) are responsible for preparing the Director's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material differences disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

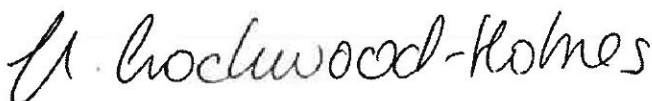
The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors have taken all relevant steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By Order of the Board



**Katy Lockwood-Holmes**  
Company Secretary

7 April 2022

## **INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS OF FLORIS BOOKS TRUST LIMITED**

### **Opinion**

We have audited the financial statements of Floris Books Trust Limited ("the charitable company") for the year ended 31 December 2021 which comprise the Statement of Financial Activities (including Income and Expenditure Account), the Balance Sheet, the Statement of Cashflows and the related notes. 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 charitable company's affairs as at 31 December 2021, 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Act 2011 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### **Basis for opinion**

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

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the 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 directors' report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the directors report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

## **INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS OF FLORIS BOOKS TRUST LIMITED (Continued)**

### **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 has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005, the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- 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 take advantage of the small companies exemption from the requirements to prepare a strategic report.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors (who are also the trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, the Charities Act 2011 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS OF FLORIS BOOKS TRUST LIMITED  
(Continued)**

**Auditor's responsibilities for the audit of the financial statements (continued)**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures to respond to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

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

- The nature of the industry, control environment and performance of the charitable company
- The results of our enquires with the directors about their own identification and assessment of the risks of irregularities
- The matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we consider the opportunities and incentives that may exist within the charitable company for fraud. In common with all audits under ISAs (UK), we perform specific procedures to respond to the risk of management override and inappropriate income recognition.

We also obtain an understanding of the legal and regulatory environment in which the charitable company operates, focusing on those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements and those which may be fundamental to the charitable company's ability to operate. The key laws and regulations we considered in this context included the Companies Act 2006, the Statement of Recommended Practice: Accounting for Charities FRS 102 (2019), Charities and Trustee Investment (Scotland) Act 2005, the Charities Act 2011 and Charities Accounts (Scotland) Regulations 2006 (as amended).

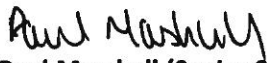
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS OF FLORIS BOOKS TRUST LIMITED  
(Continued)**

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's directors, as a body, in accordance with section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005, the Charities Act 2011 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and its directors 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, the company's members as a body, and its directors as a body for our audit work, for this report, or for the opinions we have formed.



**Paul Marshall (Senior Statutory Auditor)**  
For and on behalf of Geoghegans, Statutory Auditor

**7 April 2022**

6 St Colme Street  
Edinburgh  
EH3 6AD

*Geoghegans is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.*

**FLORIS BOOKS TRUST LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES  
(Incorporating Income and Expenditure Account)  
for the year ended 31 December 2021**

	Notes	Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
		£	£	£	£
<b>Income from:</b>					
Charitable activities	2	2,193,547	21,303	2,214,850	2,063,481
Grants – COVID 19	3	5,514	-	5,514	39,434
Donations and legacies	4	3,551	-	3,551	1,184
Other trading activities	5	2,500	-	2,500	2,500
Investments	6	3,837	-	3,837	8,719
<b>Total income</b>		<u>2,208,949</u>	<u>21,303</u>	<u>2,230,252</u>	<u>2,115,318</u>
<b>Expenditure on:</b>					
Charitable activities	7	(2,053,962)	(21,303)	(2,075,265)	(1,978,545)
<b>Total expenditure</b>		<u>(2,053,962)</u>	<u>(21,303)</u>	<u>(2,075,265)</u>	<u>(1,978,545)</u>
<b>Net income and movement in funds</b>	10	154,987	-	154,987	136,773
<b>Reconciliation of funds:</b>					
Total funds brought forward		<u>2,016,072</u>	<u>-</u>	<u>2,016,072</u>	<u>1,879,299</u>
<b>Total funds carried forward</b>	18	<u>2,171,059</u>	<u>-</u>	<u>2,171,059</u>	<u>2,016,072</u>

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


All income and expenditure is derived from continuing operations.

**FLORIS BOOKS TRUST LIMITED****BALANCE SHEET  
at 31 December 2021**

	Notes	2021	2020
		£	£
<b>Fixed Assets</b>			
Tangible assets	12	22,512	28,635
Investments	13	<u>5,000</u>	<u>5,000</u>
		<u>27,512</u>	<u>33,635</u>
<b>Current Assets</b>			
Stocks	14	680,483	610,493
Debtors	15	873,628	1,173,040
Cash at bank and in hand		<u>1,066,272</u>	<u>714,097</u>
		2,620,383	2,497,630
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	16	<u>(446,160)</u>	<u>(484,517)</u>
<b>Net Current Assets</b>			
		<u>2,174,223</u>	<u>2,013,113</u>
<b>Total assets less current liabilities</b>			
		2,201,735	2,046,748
Provisions for liabilities	17	<u>(30,676)</u>	<u>(30,676)</u>
<b>Net Assets</b>			
		<u>2,171,059</u>	<u>2,016,072</u>
<b>The funds of the charity:</b>			
General Funds - unrestricted	18	2,171,059	2,016,072
Restricted Funds	18	<u>-</u>	<u>-</u>
		<u>2,171,059</u>	<u>2,016,072</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the charitable company.

These financial statements were approved and authorised for issue by the directors on 7 April 2022 and are signed on their behalf by:

  
**Lesley Taylor**  
Director

**Company Registration Number: 02398655**

**FLORIS BOOKS TRUST LIMITED**

**RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES  
for the year ended 31 December 2021**

	2021 £	2020 £
<b><i>Net income for the reporting period (as per the SOFA)</i></b>	154,987	136,773
<b>Adjustments for:</b>		
Depreciation	6,123	8,348
Interest from investments	(3,837)	(8,719)
(Increase) in stocks	(69,990)	(95,368)
Decrease/(Increase) in debtors	299,412	(138,773)
(Decrease)/Increase in creditors	(38,357)	92,520
Increase in provisions	-	5,676
	<u>348,338</u>	<u>457</u>
<b><i>Net cash provided by operating activities</i></b>	<u>348,338</u>	<u>457</u>

**STATEMENT OF CASH FLOWS  
for the year ended 31 December 2021**

	2021 £	2020 £
<b>Cash flows from operating activities:</b>		
<i>Net cash provided by operating activities</i>	<u>348,338</u>	<u>457</u>
<b>Cash flows from investing activities:</b>		
Interest from investments	3,837	8,719
Purchase of tangible fixed assets	-	(30,676)
	<u>3,837</u>	<u>(21,957)</u>
<b><i>Net cash flow provided by/(used in) investing activities</i></b>	<u>3,837</u>	<u>(21,957)</u>
<b><i>Change in cash and cash equivalents in the year</i></b>	352,175	(21,500)
Cash and cash equivalents at the beginning of the year	<u>714,097</u>	<u>735,597</u>
Cash and cash equivalents at the end of the year	<u>1,066,272</u>	<u>714,097</u>

## FLORIS BOOKS TRUST LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

#### 1 Accounting policies

The charitable company's principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period.

##### a) *Company status*

Floris Books Trust is a charitable company limited by guarantee, incorporated in England. The address of the registered office is given in the charity information on page 1 of these financial statements.

##### b) *Basis of accounting*

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

Floris Books Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless stated in the relevant accounting policy note.

The directors consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. In their assessment of going concern, the directors have considered the impact of the Covid-19 pandemic on the financial position and future performance of the charitable company, and are satisfied that it is appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

##### c) *Income recognition*

Income is recognised when the charitable company is entitled to the income, any performance conditions attached have been met, it is probable that the income will be received and the amount can be quantified with reasonable accuracy.

Income from grants and donations, including government grants, is recognised when the charitable company has entitlement to the funds, any performance conditions attached to the grant or donation have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the Bank.

## FLORIS BOOKS TRUST LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 December 2021

#### 1 Accounting policies (continued)

##### d) *Expenditure*

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and includes any irrecoverable VAT.

Charitable expenditure comprises those costs incurred by the charitable company in the delivery of its activities and services. It includes both costs which can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charitable company and include the audit fees and costs linked to the strategic management of the charitable company.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, while others are apportioned on an appropriate basis as set out in notes 7-9.

##### e) *Tangible fixed assets*

All assets costing more than £1,000 are capitalised.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each assets evenly over its expected useful life as follows:

Tenants improvements	- over the term of the lease
Fixtures and fittings	- over 4 years

##### f) *Investments*

The investment is viewed as a programme related investment held to further the charitable objectives and its fair value is deemed to relate to its cost.

##### g) *Stocks*

Finished goods and work in progress have been valued at the lower of cost and net realisable value. Provision is made for obsolete, slow moving and defective stock with the cost of a new publication written off evenly over 50 months.

##### h) *Debtors*

Trade debtors are recognised at settlement amount due after any discounts offered. Prepayments are valued at the amount prepaid net of any discounts due.

##### i) *Cash at bank and in hand*

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

## FLORIS BOOKS TRUST LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 December 2021

#### 1 Accounting policies (continued)

##### j) *Creditors and provisions*

Creditors and provisions are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement date after allowing for any discounts due.

##### k) *Financial instruments*

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

##### l) *Foreign exchange*

Assets and liabilities denoted in foreign currencies are translated into sterling at the rate applicable to the balance sheet date. Exchange gains or losses are taken to the Statement of Financial Activities.

##### m) *Pensions*

The charitable company operates a defined contribution pension scheme held personally by staff. Contributions are charged to the Statement of Financial Activities as they become payable.

##### n) *Operating leases*

Rental charges are charged on a straight-line basis over the term of the lease.

##### o) *Fund accounting*

Unrestricted funds are available for use at the discretion of the directors in furtherance of the general objectives of the charitable company. Restricted funds are to be used for specific purposes as laid down by the donor.

##### p) *Taxation*

Floris Books Trust Limited has been accorded charitable status for tax purposes. For the year ended 31 December 2020 it is considered the company's activities were within the scope of the charitable status and accordingly no provision for taxation is necessary.

**FLORIS BOOKS TRUST LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Continued)  
for the year ended 31 December 2021****2 Charitable activities**

	2021 £	2020 £
Books and incidental sales income	2,193,547	2,055,581
Grants	<u>21,303</u>	<u>7,900</u>
	<u>2,214,850</u>	<u>2,063,481</u>

The income from charitable activities was £2,214,850 (2020: £2,063,481) of which £2,193,547 was unrestricted (2020: £2,055,581) and £21,303 was restricted (2020: £7,900).

**3 Grants – COVID 19**

	2021 £	2020 £
HMRC – CJRS grant	<u>5,514</u>	<u>39,434</u>

All grants received in the year due to COVID 19 were unrestricted.

**4 Donations and legacies**

	2021 £	2020 £
Contribution received from landlord for Tenant's improvements	<u>3,551</u>	<u>1,184</u>

All donations received in the year were unrestricted.

**5 Other trading activities**

	2021 £	2020 £
Consulting income	<u>2,500</u>	<u>2,500</u>

Income from other trading activities was unrestricted in both the current and prior year.

**6 Investment income**

	2021 £	2020 £
Interest received	<u>3,837</u>	<u>8,719</u>

Income from investments was unrestricted in both the current and prior year.

**FLORIS BOOKS TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)  
for the year ended 31 December 2021**

**7 Analysis of expenditure on charitable activities**

	2021 £	2020 £
Cost of books sold	947,902	847,598
Distribution and advertising	506,974	464,145
Travel and book fairs	1,696	1,842
Trade subscriptions	980	1,494
Foreign exchange gain	(24,767)	(440)
Donations and grants	10,000	10,000
Support costs (see note 8)	616,262	637,265
Governance costs (see note 9)	16,218	16,641
	<u>2,075,265</u>	<u>1,978,545</u>

Expenditure on charitable activities was £2,075,265 (2020: £1,978,545) of which £2,053,962 was unrestricted (2020: £1,970,645) and £21,303 was restricted (2020: £7,900).

<b>8 Support costs</b>	2021 £	2020 £
Salaries and consultancy	533,202	541,470
Postage and stationery	12,245	8,876
Depreciation	6,123	8,348
Property expenses and insurances	60,939	73,692
Professional fees	-	860
Sundry expenses	3,753	4,019
	<u>616,262</u>	<u>637,265</u>

<b>9 Governance costs</b>	2021 £	2020 £
Audit and accounting fees	6,505	6,580
Board expenses	9	-
Salaries and consultancy	9,704	10,061
	<u>16,218</u>	<u>16,641</u>

**FLORIS BOOKS TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)  
for the year ended 31 December 2021**

<b>10</b>	<b>Net income for the year</b>	<b>2021</b>	<b>2020</b>
		£	£
	<i>Stated after charging/(crediting):</i>		
	Depreciation of fixed assets	6,123	8,348
	Auditors' remuneration	4,206	4,084
	- audit		
	- other services	2,299	2,496
	Operating lease payments	11,377	11,061
	Foreign exchange (gain)	<u>(24,767)</u>	<u>(440)</u>
<b>11</b>	<b>Employee information</b>	<b>2021</b>	<b>2020</b>
		£	£
	<i>Staff costs during the year amounted to:</i>		
	Wages and salaries	427,847	432,739
	Social security costs	35,536	34,194
	Employer pension costs	<u>79,523</u>	<u>80,348</u>
		<u>542,906</u>	<u>547,281</u>

The average monthly number of employees on a FTE basis, excluding directors, during the year was 16 (2020: 18).

The total amount of employee benefits received by key management personnel is £86,524 (2020: £106,197). The key management personnel comprise the Chief Executive and Editor (2020: Chief Executive, Editor and Office Manager (to 31 July)).

No employee received remuneration amounting to more than £60,000 in either year.

No travel expenses were reimbursed to any directors during the year (2020: £Nil).

FLORIS BOOKS TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
for the year ended 31 December 2021

12 Tangible fixed assets	Tenants Improvements £	Fixtures & Fittings £	Total £
<b>Cost</b>			
At 1 January 2021	30,676	18,342	49,018
Disposals	-	(5,727)	(5,727)
	<u>30,676</u>	<u>12,615</u>	<u>43,291</u>
At 31 December 2021			
<b>Depreciation</b>			
At 1 January 2021	2,041	18,342	20,383
Charge for year	6,123	-	6,123
Disposals	-	(5,727)	(5,727)
	<u>8,164</u>	<u>12,615</u>	<u>20,779</u>
At 31 December 2021			
<b>Net Book Value</b>			
At 31 December 2021	<u>22,512</u>	-	<u>22,512</u>
At 31 December 2020	<u>28,635</u>	-	<u>28,635</u>

13 Investments

5,000 ordinary shares of £1 each are held in Scottish Book Source. Scottish Book Source are contracted to act as agents and book distributors for the company. These are reported at cost in the financial statements at £5,000 (2020: £5,000).

14 Stocks	2021 £	2020 £
Work in progress	56,654	58,374
Publications for resale	<u>623,829</u>	<u>552,119</u>
	<u>680,483</u>	<u>610,493</u>

**FLORIS BOOKS TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**at 31 December 2021**

<b>15 Debtors</b>	2021	2020
	£	£
Trade debtors	812,485	823,460
Other debtors	61,143	49,580
The Christian Community in GB loan	-	300,000
	<u>873,628</u>	<u>1,173,040</u>

The loan to The Christian Community in GB Ltd was extended by 6 months to 30 June 2021, by way of a written agreement in January 2021, with a facility to be recalled in part, or in full, with three months written notice. The balance was fully received in June 2021.

Interest was charged at 2% above the Bank of England base rate per annum and the loan was secured by a guarantee from the Foundation The Christian Community (International).

<b>16 Creditors: Amounts falling due within one year</b>	2021	2020
	£	£
Trade creditors	409,586	444,745
Accruals	22,055	14,606
Deferred income	1,500	8,596
Other creditors	13,019	16,570
	<u>446,160</u>	<u>484,517</u>

***Deferred Income 2021***

	Balance 1 January 2021 £	Deferred in year £	Released in year £	Balance 31 December 2021 £
Frieling grant	6,596	-	(6,596)	-
Kovacs – ‘Michael letters’ publication	2,000	-	(2,000)	-
Go Digital grant	-	1,500	-	1,500
	<u>8,596</u>	<u>1,500</u>	<u>8,596</u>	<u>1,500</u>

The above amounts have been deferred on the basis that these are to be carried over for the purpose of digital development work in 2022.

**FLORIS BOOKS TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**at 31 December 2021**

**16 Creditors: Amounts falling due within one year (continued)**

***Deferred Income 2020***

	Balance 1 January 2020 £	Deferred in year £	Released in year £	Balance 31 December 2020 £
Frieling grant	-	6,596	-	6,596
Kovacs – ‘Michael letters’ publication	2,000	-	-	2,000
Australia trip 2020	300	-	(300)	-
	<u>2,300</u>	<u>6,596</u>	<u>(300)</u>	<u>8,596</u>

The above amounts have been deferred on the basis that these are to be carried over for the purpose of publications of 2021 novels.

<b>17 Provisions for liabilities</b>	2021 £	2020 £
Dilapidation charge	<u>30,676</u>	<u>30,676</u>

The provision for lease dilapidation is in respect of ensuring the premises are returned to their original condition. A new provision was introduced in the prior year following the move to new premises in the year and will come into effect on the termination of this lease.

<b>18 Funds 2021</b>	Balance at 1 January 2021 £	Income £	Expenditure £	Balance at 31 December 2021 £
<b>Unrestricted funds:</b>				
General	<u>2,016,072</u>	<u>2,208,949</u>	<u>(2,053,962)</u>	<u>2,171,059</u>
<b>Restricted funds:</b>				
<i>Book publication grants</i>				
Christian Community	-	7,800	(7,800)	-
Other	-	13,503	(13,503)	-
	<u>-</u>	<u>21,303</u>	<u>(21,303)</u>	<u>-</u>
<b>Total funds</b>	<u>2,016,072</u>	<u>2,230,252</u>	<u>2,075,265</u>	<u>2,171,059</u>

**FLORIS BOOKS TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**at 31 December 2021**

18 Funds 2020	Balance at 1 January 2020 £	Income £	Expenditure £	Balance at 31 December 2020 £
<b>Unrestricted funds:</b>				
General	1,879,299	2,107,418	(1,970,645)	2,016,072
<b>Restricted funds:</b>				
<i>Book publication grants</i>				
Christian Community	-	5,000	(5,000)	-
Other	-	2,900	(2,900)	-
	-	7,900	(7,900)	-
<b>Total funds</b>	<b>1,879,299</b>	<b>2,115,318</b>	<b>(1,978,545)</b>	<b>2,016,072</b>
19 Analysis of net funds		Unrestricted £	Restricted £	Total £
Fixed assets		27,512	-	27,512
Net current assets		2,174,223	-	2,174,223
Provisions for liabilities		(30,676)	-	(30,676)
<b>Net assets at 31 December 2021</b>		<b>2,171,059</b>	<b>-</b>	<b>2,171,059</b>
Fixed assets		33,635	-	33,635
Net Current assets		2,013,113	-	2,013,113
Provisions for liabilities		(30,676)	-	(30,676)
<b>Net assets at 31 December 2020</b>		<b>2,016,072</b>	<b>-</b>	<b>2,016,072</b>

## FLORIS BOOKS TRUST LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (Continued) at 31 December 2021

#### 20 Financial commitments

At the year end the charitable company had minimum future commitment under non-cancellable operating leases as follows:

	2021 Buildings £	2020 Buildings £
Not later than one year	35,108	35,108
Between two and five years	<u>94,263</u>	<u>129,371</u>
	<u>129,371</u>	<u>164,479</u>

#### 21 Analysis of changes in net funds

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	<u>714,097</u>	<u>352,175</u>	<u>1,066,272</u>

#### 22 Related parties

During the year the charitable company paid charges relating to the distribution of publications amounting to £178,609 (2020: £168,342) to Scottish Book Source Limited, a company in which K Lockwood-Holmes is a director. Income was also received by the charitable company of £1,062,842 (2020: £1,026,540) from the sale of publications by Scottish Book Source Limited. There was a bad debt write off of £415 (2020: £7,500) during the year and there was a balance of £350,028 (2020: £419,499) due from Scottish Book Source Limited to Floris Books at 31 December 2021.

A loan of £300,000 was made to The Christian Community in Great Britain Ltd during 2019, at a market rate of return of interest 2% per annum above the Bank of England base rate. This is a charitable trust in which C Maclean and T Ravetz are directors of the parent company, The Christian Community Trustees Limited. Interest of £2,831 (2020: £6,643) was received during the year. The loan was fully repaid to Floris Books Trust Limited in June 2021.

Total donations of £10,000 (2020: £10,000) were also made in the year to the Christian Community in Great Britain. Of this amount donations of £10,000 (2020: £10,000) were in connection with the Christian Community Book Fund. There was a balance of £Nil outstanding at the year-end (2020: £Nil).