

Charity No: 1026432
Company No: 2846227

**BAG BOOKS
REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2009**

BAG BOOKS
Year ended 31 December 2009
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

Charity Number

1026432

Company Number

2846227

BAG BOOKS
Year ended 31 December 2009
Reference and administrative information

Trustees and directors

Philip Wilson, Chair
James Roy, Treasurer
Sandra Allon
Terry Baker (resigned 15/09/09)
Stephen Burke (resigned 29/04/09)
Jonathan Walsh

Patrons

Prof. James Hogg BA(Hons) PhD FIASSID
Kay Hounsham MSc MBE
Michael Morpurgo
Dr Alison Salt MBBS MSc FRCPCH

Chief Executive

Dean Casswell

Company Secretary

Dean Casswell

Bankers

Lloyds TSB Bank plc, Clapham Branch, 2 South Side, London SW4 7AD
Unity Trust Bank plc, Nine Brindleyplace, Birmingham B1 2HB

Solicitors

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

Auditors

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

The Trustees and Directors present their report and the audited accounts for the year ended 31 December 2009.

The legal and administrative information set out on pages 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities (issued March 2005).

Objectives and activities

1. The charitable objects are stated on page 1. As part of the strategic review completed in the year, the Trustees adopted the following mission statement:
“To enhance the lives of children and adults with learning disabilities through the use of multi-sensory books.”

The Trustees also adopted the following aims:

- To develop the emotional perception of children and adults with learning disabilities.
- To motivate children and adults with learning disabilities to engage with objects and materials, and their peers.
- To develop the language, communication and motor skills of children and adults with learning disabilities.
- To enable professional workers and parent/carers in contact with people who have a learning disability to make use of tactile and multi-sensory books.
- To enable service users to be involved in story development and production.

The strategic review document is available in full on the charity's website <http://www.bagbooks.org/strategy.html>

Structure and governance

2. Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.
3. 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.
4. 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.
5. Previously, new Trustees have been recruited on the recommendation of current or retiring Trustees following a skills audit of the Board; others have been recruited through open advertisement and interview. The Board would seek to recruit by advertising or through trustee brokerage services when possible. We hope to recruit additional Trustees during the forthcoming year.

6. New Trustees are inducted into the workings of the charity through a tour of the workshop and informal discussions with staff. They are also offered the opportunity to observe story-telling 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." The Chair and Chief Executive are readily available to respond to any questions or for further information.
7. We currently have four trustees:
- Philip Wilson, *our Chair who is Director of Development at the British Science Association. Formerly the Director of Fundraising at The Prostate Cancer Charity. Philip has been a Trustee since 14/01/04.*
 - James Roy, *our Treasurer who is a retired Accountant with over 40 years' experience. James has been a Trustee since 27/01/09.*
 - Sandra Allon, *formerly the Merchandising Director for Europe for Aquascutum and a senior buyer at Harrods for 30 years. Sandra has been a Trustee since 27/01/09.*
 - Jonathan Walsh, *a solicitor. Jonathan has been a Trustee since 26/04/06.*

Statement of responsibilities of the trustees

8. 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 judgements 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; and
 - d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.
9. 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 1985. 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.

Statement of disclosure to auditors

10. 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.

Management

11. The trustees employ a full-time Chief Executive to manage the charity. The charity also employs a full-time Director of Services, Craft Workshop Manager, Deputy Workshop Manager and a Craft Artist. Part-time staff comprise a Finance Manager Corporate Fundraising Manager, a Story-Telling Co-ordinator and three more Craft Artists. The charity also has contracts with four freelance Storytellers and plans to increase that to nine Storytellers during the forthcoming year.
12. Our regular volunteers are invaluable to the production of story-packs: all knitted items for the stories and a considerable amount of hand sewing, has been supplied by volunteers. We are also grateful to the teams of corporate volunteers who join us for Craft Days. During the year we were assisted by teams from Linklaters, HSBC, Standard Chartered, Ashurst and Credit Suisse. We have also benefitted from the services of several volunteers on the administrative side of our work. Together, we estimate that our volunteers donated 186 days (2008: 80 days) to us during the year and the value to the charity of this work is £12,000.
14. Bag Books is affiliated to MENCAP and is a member of the British Institute of Learning Disabilities, the PMLD Network, the European Academy of Childhood Disability, the Society for Storytellers, the Independent Publishers Guild, the National Council of Voluntary Organisations, the ImpACT Coalition and the Fundraising Standards Board.
15. The Trustees have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity and its finances. The Trustees believe that by monitoring reserve levels, ensuring controls exist over key financial systems and by examining the operational and business risks faced by the charity, they have established systems to mitigate those risks.

Performance and Achievements

16. Bag Books is the only organisation in the world publishing multi-sensory stories for people with profound learning disabilities.
17. Our performance against the key aims and objectives stated in our last report was as follows:
 - To reach at least 15,000 people with stories. *During the year, 1,238 service users attended our storytelling sessions. In addition, over the past 5 years we have supplied our books to 688 different clients, over 90% of which are schools or libraries. Previous surveys have shown that in each location our books reach an average of 23 people with learning disabilities each year. The Trustees therefore estimate that this target was met.*
 - To deliver the Story-Go-Round project in the North West of England and the West Midlands, training at least 250 library staff. *The North West tour began in January and 129 library staff were trained; the West Midlands tour began in October and 107 library staff were trained. We therefore achieved 94% of our target. However we also trained a further 81 library staff in other locations during the year.*
 - To prepare for the production of our 10,000th story-pack later in the year. *We understand that the Secretary of State for Children, Schools and Families has asked the Prime Minister to consider a request for a reception at 10 Downing Street but we have no further information at present.*
 - To increase the use of volunteers within the charity. *As noted in paragraph 12 above, the number of volunteer days increased from 80 to 186.*
 - To complete our review of the strategic plan for the charity. *The review was completed and, as noted in paragraph 1 above, the document is available in full on the charity's website <http://www.bagbooks.org/strategy.html>*
 - To increase our financial reserves. *As noted in paragraph 32 below, our unrestricted reserves increased from 13 weeks to 25 weeks of annual expenditure.*
18. During the year we supplied 996 books, an 8% increase on the previous year. We began the year with outstanding orders for 365 books and received 47% of our annual orders during the first quarter of 2009. This resulted in a waiting time of around five months for much of the year which the Trustees wished to see lowered. However, by the end of the year the outstanding orders had fallen to 202, the equivalent of two and a half months' production.
19. This was the first full year for the charity in our new premises. As expected, the additional space led to economies of scale in terms of ordering and greater efficiency in terms of production together with room to accommodate additional volunteers.
20. During the year we ran 288 storytelling sessions (2008: 322 sessions) for a total of 1,238 people with learning disabilities (2008: 1,715 people). There were three Story-Go-Round tours in 2008 but administratively this was difficult to sustain so we cut down to two tours in 2009.

BAG BOOKS
Year Ended 31 December 2009
Trustees' Report

21. We received feedback forms from 32 of the 57 schools which took part in our two Story-Go-Round tours. All respondents thought that the children had enjoyed the storytelling sessions (2008: 97%) and all also thought that the children had benefitted from the sessions (2008: 94%).
22. In March, we were invited to attend the ACCESS Abu Dhabi Conference as guests of His Highness General Sheikh Mohammed bin Zayed Al Nahyan, the Abu Dhabi Crown Prince. The theme of the Conference was "Supporting Families to empower People with Disabilities." Our Workshop Manager, Sophie Baker, represented Bag Books at the three-day event and displayed a selection of our books.
23. Dame Tanni Grey-Thompson launched our first multi-sensory book to be translated into Welsh at the National Eisteddfod in August. Our story "The Little Princess" was translated by the charity Mudiad Ysgolion Meithrin to become "Y Dywysoges Fach".
24. We once again expanded the information on our website and it attracted 47,122 visits (a 68% increase on the previous year) and 89,097 page views (a 44% increase).

Fundraising performance

25. We invested £74,185 (2008: £101,436) in fundraising and this produced voluntary income of £333,136 (2008: £242,650) which is 84% (2008: 79%) of our total income. The fundraised income can be broken down as follows: 56% (2008: 86%) from Trusts and Foundations; 11% (2008: 5%) from corporate partners; 6% (2008: 9%) from individuals; and 27% (2008: 0%) from legacies.
26. We received three legacies during the year which is very exceptional given that we have never received a legacy in any of the preceding 16 years. One legacy was from our former volunteer Charles Walford who is sadly missed. The other two were discretionary legacies from the executors of Mrs F P Modi and Mr G H Warburton.
27. We were grateful to The Esmée Fairbairn Foundation and The Henry Smith Charity for agreeing to jointly fund the new full-time post of Director of Services for three years. The appointee joined us in January 2010.
28. We were also grateful to The Big Lottery Fund for awarding us a grant of £170,561 over two years for our England-wide Telling Tales project. This aims to build on our Story-Go-Round work and offers library staff a much more in-depth storytelling training and mentoring scheme.
29. The Trustees would like to thank all our donors including: HSBC Bank plc, The Wates Foundation, The Greendale Charitable Foundation, The John Lyon's Charity, The Stanley Thomas Johnson Foundation and The True Colours Trust.

BAG BOOKS
Year Ended 31 December 2009
Trustees' Report

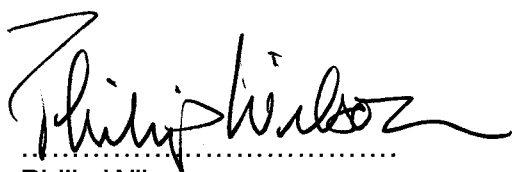
Financial review

30. Following the large deficit in 2008, our Chief Executive was tasked with reducing expenditure where possible without cutting back on services. He identified £46,000 worth of savings which were incorporated into the budget for 2009. However, the management accounts and projections at the end of the first quarter were worrying and some further cuts were made which resulted in the Chief Executive taking over the fundraising function on a temporary basis. In February 2010 we appointed a part-time Corporate Fundraising Manager to further develop that aspect of our fundraising.
31. The financial position improved dramatically during the last six months of the year and in total, income increased by 30% to £397,738 whilst expenditure decreased by 11% to £318,955. The resulting surplus is welcome but the Trustees are cautious due to the large proportion of legacy income which they feel is unlikely to be repeated in future years.
32. The surplus of £78,783 boosted our funds and at 31st December 2009 our unrestricted reserves of £153,425 (2008: £86,753) were equivalent to 25 weeks (2008: 13 weeks) of annual expenditure. Our reserves policy states "unrestricted reserves should be equivalent to at least 13 weeks of annual expenditure and ideally should be equivalent to 26 weeks." With the major grants outlined above, the budget for 2010 is to increase expenditure by 39% which will have the effect of reducing that reserves cover to 17 weeks.

Key aims and objectives for 2010

33. Our plans for 2010 are as follows:
- To reach at least 15,000 people with stories.
 - To conduct research into the ongoing use of our books within schools and libraries.
 - To further increase book production.
 - To deliver the Story-Go-Round project in the East Midlands and Scotland.
 - To deliver our new Big Lottery Fund funded Telling Tales project recruiting five more storytellers.
 - To achieve a three-fold increase in the number of storytelling sessions.
 - To further increase the use of volunteers within the charity.
 - To begin working towards the PQASSO quality standard.

On behalf of the Board



Philip Wilson
Chair of Trustees
20th April 2010

Independent Auditors Report to the members of Bag Books.

We have audited the financial statements of Bag Books for the year ended 31 December 2009 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charity's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

As described more fully in the Trustees' responsibilities statement on page 4, trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practice Board's Ethical Standard for Auditors.

Scope for the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its incoming resources 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 Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

BAG BOOKS
Year Ended 31 December 2009
Auditors' Report

Matters on which we are required to report by exception

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

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

K. Wyatt

K. Wyatt (Senior Statutory Auditor)
For and on behalf of
WYATTS
York House
1 Seagrave Road
London
SW6 1RP

20 April 2010

BAG BOOKS
Year Ended 31 December 2009
Statement of Financial Activities

	Notes	Unrestricted Funds £	Restricted Funds £	2009 Total £	2008 Total £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income		171,966	161,170	333,136	242,650
Investment income		27	–	27	3,417
Incoming resources from charitable activities					
Sale of books and training		<u>64,575</u>	<u>–</u>	<u>64,575</u>	<u>60,989</u>
Total Incoming Resources		<u>236,568</u>	<u>161,170</u>	<u>397,738</u>	<u>307,056</u>
RESOURCES EXPENDED					
Cost of generating funds		39,526	34,658	74,185	101,436
Charitable activities		126,774	111,160	237,933	248,106
Governance costs		<u>3,643</u>	<u>3,194</u>	<u>6,837</u>	<u>7,410</u>
Total resources expended	2, 3	<u>169,943</u>	<u>149,012</u>	<u>318,955</u>	<u>356,952</u>
Net incoming/(outgoing) resources for the year		66,625	12,158	78,783	(49,896)
Reconciliation of funds					
Funds at the start of the year		<u>86,800</u>	<u>27,496</u>	<u>114,296</u>	<u>164,145</u>
Funds at the end of the year		<u>153,425</u>	<u>39,654</u>	<u>193,079</u>	<u>114,249</u>

BAG BOOKS
Year Ended 31 December 2009
Balance Sheet

	Notes	Unrestricted Funds £	Restricted Funds £	2009 Total £	2008 Total £
Fixed Assets					
Tangible assets	5	<u>11,303</u>	—	<u>11,303</u>	<u>12,871</u>
Current Assets					
Stock		11,934	—	11,934	1,631
Trade debtors		8,180	—	8,180	9,019
Prepayments		11,193	—	11,193	9,586
Deposits		8,813	—	8,813	8,813
Cash at bank and in hand		<u>105,981</u>	<u>102,286</u>	<u>208,267</u>	<u>78,524</u>
		<u>146,100</u>	<u>102,286</u>	<u>248,386</u>	<u>107,573</u>
Creditors due within one year:					
Trade creditors		2,573	—	2,573	476
Tax and social security		—	—	—	5,382
Other creditors		1,406	—	1,406	0
Deferred income		—	<u>62,632</u>	<u>62,632</u>	<u>338</u>
		<u>3,979</u>	<u>62,632</u>	<u>66,611</u>	<u>6,197</u>
Net current assets		<u>142,121</u>	<u>39,654</u>	<u>181,775</u>	<u>101,378</u>
Net assets		<u>153,425</u>	<u>39,654</u>	<u>193,079</u>	<u>114,249</u>
FUNDS					
General funds	6	153,425	—	153,425	86,753
Restricted funds	7	—	<u>39,654</u>	<u>39,654</u>	<u>27,496</u>
		<u>153,425</u>	<u>39,654</u>	<u>193,079</u>	<u>114,249</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The accounts were approved by the Board on 20th April 2010 and signed on its behalf by


 Philip Wilson
 Chair of Trustees

1. Accounting policies

a) Accounting convention

The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005, the Companies Act 2006 and with applicable accounting standards.

b) Incoming Resources

Income represents grants received by the charity together with the proceeds from the sale of „Tactile Stories’ books. Income, which is received by way of donations, gifts, fund raising receipts and covenants, is included in the statement of financial activities on a receivable basis. The charity is exempt from value added tax.

c) Resources expended

Resources expended are accounted for on an accruals basis, inclusive of any VAT which cannot be recovered.

d) 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 bases:

Furniture, fittings and office equipment	25% reducing balance.
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e) Stocks

Stocks are valued at lower of cost and net realisable value. Cost is determined on a first in first out basis. Net realisable value represents estimated selling price less costs to complete and sell. Provision is made for slow moving, obsolete or damaged stock where the net realisable value is less than costs.

f) Fund accounting

Funds held by the charity are either:

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 set aside by the trustees for specific future purposes or projects.

BAG BOOKS
Year Ended 31 December 2009
Notes to the financial statements

2. Total resources expended

	Unrestricted Funds £	Restricted Funds £	2009 Total £	2008 Total £
Wages and salaries	106,606	93,476	200,082	209,141
Materials and consumables	14,503	12,716	27,219	50,264
Story Telling and training	8,741	7,665	16,407	19,932
Craft Workers/Volunteer Expenses	1,578	1,384	2,962	7,617
Direct Fundraising Costs	121	106	228	9,050
Rent and services	19,443	17,048	36,491	18,713
Utility Bills	1,640	1,438	3,078	4,612
Repairs and renewals	367	322	690	1,051
Telephone, Broadband and Computers	1,103	967	2,070	1,827
Postage and stationery	2,368	2,077	4,445	3,918
Distribution costs	2,226	1,952	4,178	4,377
Insurance	2,127	1,865	3,992	4,843
Advertising and promotion	1,573	1,380	2,953	5,756
Audit and accountancy	–	–	–	1,351
General expenses	5,134	4,502	9,635	9,735
Bank charges	404	354	758	475
Depreciation	<u>2,008</u>	<u>1,760</u>	<u>3,768</u>	<u>4,290</u>
Total Resources expended	<u>169,943</u>	<u>149,012</u>	<u>318,955</u>	<u>356,952</u>

3. Allocation of Support Costs

	Cost of Generating funds £	Charitable Activities £	Governance Costs £	2009 Total £
Proportion	35%	60%	5%	100%
Wages and salaries	25,870	44,349	3,696	73,915
Materials and consumables	–	–	–	–
Story Telling and training	–	–	–	–
Craft Workers/Volunteer Expenses	–	–	–	–
Direct Fundraising Costs	–	–	–	–
Rent and services	12,772	21,895	1,825	36,491
Utility Bills	1,077	1,847	154	3,078
Repairs and renewals	241	414	34	690
Telephone, Broadband and Computers	725	1,242	104	2,070
Postage and stationery	2,017	3,458	288	5,763
Distribution costs	–	–	–	–
Insurance	1,397	2,395	200	3,992
Advertising and promotion	–	–	–	–
Audit and accountancy	–	–	–	–
General expenses	2,177	3,731	311	6,218
Bank charges	265	455	38	758
Depreciation	<u>1,319</u>	<u>2,261</u>	<u>188</u>	<u>3,768</u>
Total Support Costs	<u>47,860</u>	<u>82,045</u>	<u>6,837</u>	<u>136,742</u>
Direct Costs	<u>26,325</u>	155,888	–	182,213
Total Costs	<u>74,185</u>	<u>237,933</u>	<u>6,837</u>	<u>318,955</u>

4. Trustees and employees information

Neither the trustees nor any other persons connected with them received any remuneration or reimbursement of expenses from the charity during the year.

The trustees have not yet taken out indemnity insurance.

Employee costs during the year were:

	2009	2008
	£	£
Salaries	181,181	154,393
Social security costs	<u>15,901</u>	<u>16,619</u>
	<u><u>£200,082</u></u>	<u><u>£171,011</u></u>

The average number of employees (full-time equivalent) during the year:

<u>7.2</u>	<u>7.7</u>
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5. Tangible Fixed Assets

Furniture Fittings and Equipment

£

Cost

At 1 January 2009	36,673
Additions	5,511
Disposals	<u>(14,542)</u>
At 31 December 2009	<u>27,642</u>

Depreciation

At 1 January 2009	23,802
Disposals	<u>(11,230)</u>
Charge for the year	<u>3,768</u>
At 31 December 2009	<u>16,339</u>

Net Book Value

At 31 December 2009	<u>11,303</u>
At 31 December 2008	<u>12,871</u>

6. Reconciliation of movements in general funds

	2009	2008
	£	£
Opening general funds	86,800	108,644
Surplus/(Deficit) for the year	<u>66,625</u>	<u>(21,891)</u>
Closing general funds	<u>153,425</u>	<u>86,753</u>

BAG BOOKS
Year Ended 31 December 2009
Notes to the financial statements

7. Restricted funds

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

	2009	2008
	£	£
Incoming resources	161,170	165,750
Resources expended	<u>149,012</u>	<u>(193,755)</u>
Net movement in resources	12,158	(28,005)
Opening restricted funds	<u>27,496</u>	<u>55,501</u>
Closing restricted funds	<u>39,654</u>	<u>27,496</u>
Closing restricted funds are analysed as follows:		
Book production – general	19,827	13,748
Administrative salary and traveling expenses	<u>19,827</u>	<u>13,748</u>
	<u>39,654</u>	<u>27,496</u>

8. Big Lottery Fund

The charity received a grant of £23,315 during the year.

9. Capital

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