

**READ FOR GOOD**  
(A COMPANY LIMITED BY GUARANTEE)

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**READ FOR GOOD  
(A COMPANY LIMITED BY GUARANTEE)**

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**READ FOR GOOD  
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**Trustees** Mrs Deborah Paproska-Cole (resigned 16 July 2018)  
Mr Stephen Morgan  
Dr Terri Passenger  
Mr Michael Walker  
Mr David Edwards (appointed 9 May 2018)

**Company registered  
number** 06895421

**Charity registered  
numbers** 1130309 and SC041036

**Registered office** Unit 26, Nailsworth Mills Estate  
Avening Road  
Nailsworth  
Stroud  
Gloucestershire  
GL6 0BS

**Chief Executive** Ms Justine Daniels

**Independent auditors** Bishop Fleming LLP  
Chartered Accountants  
Statutory Auditors  
16 Queen Square  
Bristol  
BS1 4NT

**Bankers** Co-Operative Bank  
1 Balloon Street  
Manchester  
M60 4EP

**READ FOR GOOD  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2018**

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The Trustees present their annual report together with the audited financial statements of the Company for the 1 September 2017 to 31 August 2018. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the Charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**a. CONSTITUTION**

The Charity is registered as a Charitable Company limited by guarantee and was set up by a Memorandum and Articles of Association on 5 May 2009, as amended by a special resolution on 11 June 2009.

The Charity registered with the Charity Commission on 24 June 2009 and with the Office of the Scottish Charity Regulator (OSCR) on 17 November 2009.

The name of the Charity was changed from Readathon to Read for Good by a resolution on 11 November 2010.

**b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES**

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

**c. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

The Board of Trustees constantly reviews the number of Trustees and recruits when required. Any new Trustees will have their responsibilities explained by the existing Trustees and other professional advisors as appropriate.

**d. ORGANISATIONAL STRUCTURE AND DECISION MAKING**

As previously stated, the business of the Charity is conducted by the Board of Trustees which has legal responsibility for the organisation. Decisions are made collectively by the Board of Trustees which meets at least four times per annum. The day-to-day management of the Charity is delegated to the Chief Executive Officer and through her, the members of the staff team. The team works to deliver Read for Good's agreed strategic plan and targets, which are aligned to its core aims and objectives ensuring its current activities have maximum relevance and impact.

**e. RISK MANAGEMENT**

The Trustees are satisfied that there are adequate control systems in place to provide reasonable assurance against misstatement or loss. These include a strategic business plan reviewed by the Trustees regularly, monthly reviews of performance against targets, monthly budget reconciliations, delegation of authority to spend within defined limits, and segregation of duties where appropriate. Other external risks to which the Charity may be exposed are identified and discussed at regular Trustee meetings and any appropriate actions implemented.

## **OBJECTIVES AND ACTIVITIES**

### **a. POLICIES AND OBJECTIVES**

Read for Good is a national charity with the mission to get kids reading for pleasure, because reading for pleasure changes lives.

For children living in poverty or at risk of adverse childhood experiences, reading can be a literal escape route: offering both immediate relief and alternative pathways.

For all children, reading for pleasure at a young age means they are more likely to be successful academically, professionally, socially and emotionally.

Our core activity to encourage and promote reading for pleasure is Readathon: the UK's longest-running reading challenge in schools. Launched before Comic Relief, before the National Curriculum, and before the Internet existed, over the last 35 years Readathon has got millions of children reading for pleasure and raised £28 million for others who are seriously ill.

Today, the founding principles of Readathon - building a love of reading through choice, freedom and motivation - remain the same. Our aim is to provide children with the desire and purpose to read, combined with the freedom to choose how they accomplish this. This enables them to discover their own love of reading. As well as our sponsored read in schools, we now also provide a service to 30 UK children's hospitals giving them a regular supply of brand new books and professional storyteller visits.

The Trustees review Read for Good's objectives and activities each year, to ensure they continue to reflect the aims of the Charity. In carrying out this review, the Trustees consider the Charity Commission's general guidance on public benefit.

### **b. ACTIVITIES FOR ACHIEVING OBJECTIVES**

Read for Good meets its aims through Readathon, our long-standing sponsored read in schools, our free books for schools scheme and our unique hospital programme that provides books and storytellers for children in 30 UK hospitals.

Readathon in schools aims to galvanise the whole school community. By creating a buzz about reading, ensuring parents and school colleagues are fully supportive, pupils are motivated to get involved. They especially enjoy the competitive element and uniting with their peers in a shared purpose.

Most importantly, pupils are motivated to read because they know the money they raise helps to provide brand new books and storyteller visits to children in hospital all over the UK, as well as buying books for their own school. These causes resonate with young people, providing purpose for their reading.

School leaders also love our sponsored read. They see classrooms full of readers, and they receive free books worth 20% of their school sponsorship total to boost their own libraries. Furthermore, independent research reveals that schools who run our sponsored read are more likely to achieve better results, especially if they run the scheme year after year. We provide a free kit to those schools who want to take part, packing it full of useful resources - sponsor cards, bookmarks for pupils, posters, a DVD to launch their sponsored read and much, much more.

In 30 UK hospitals, Read for Good provides a unique service that enables children in an infection-controlled environment to choose a book to borrow or take home from our specially designed, colourful mobile bookcase that can move right up to a child's bedside. Every six weeks we refill it with the very best new books for children and young adults, and we send in a professional storyteller to entertain and delight children and their exhausted families.

## **ACHIEVEMENTS AND PERFORMANCE**

### **a. OBJECTIVES**

In 2017/2018, we undertook a thorough strategic review of our plans and operations that resulted in a revised three-year business plan. This review encompassed an audit of the marketplace, the work and impact of other charities and organisations who have a reading for pleasure remit, our own impact and future development opportunities.

As a result of this review, we redefined our objects to:

*The advancement of education of children and young people in the UK, by the promotion of reading for pleasure and associated literacy skills; and the advancement of citizenship, and the provision of relief to disadvantaged children and young people in the UK.*

To this end, we identified new opportunities to ensure our work continues to be effective and relevant, including expanding the use of our storytellers to support reluctant readers in schools and creating new ways for Readathon to be accessible to the widest range of schools and pupils.

To improve our understanding of the impact of Readathon, we worked with the National Literacy Trust to include evaluation questions in their Annual Literacy Survey of 49,000 pupils.

### **b. PERFORMANCE AGAINST OBJECTIVES**

#### ***Encouraging children to read for pleasure through our sponsored read***

##### **Citywide Readathon**

As well as continuing to promote Readathon to all schools throughout the UK, Autumn 2017 saw our first ever citywide Readathon held across the city of Liverpool; working in partnership with Liverpool Learning Partnership, over 50 schools and 20,000 pupils took part in our mass Readathon during the same week in October. This proved to be a huge success, uniting the city's schools and children in reading for fun, and bringing together a wide variety of community groups, organisations and individuals to make the event even bigger.

As well as supporting our work in hospitals, including Liverpool's Alder Hey Children's Hospital, a percentage of the sponsorship funds raised was used by Liverpool Learning Partnership to support after-school reading for pleasure groups for vulnerable pupils. We are delighted that Liverpool is repeating its citywide Readathon in 2018/2019.

### **Enhancing the school experience**

Our online service to schools was enhanced further with the development and launch of a schools' portal enabling Readathon organisers to access their Readathon history online – seeing how much they have raised for their current Readathon as well as historical Readathon activity and linking to information about their local children's hospital.

### **Stories for Schools - an intervention for reluctant readers**

Having seen the effect our skilled storytellers have on very anxious children in hospital, we have explored ways to extend their reach in schools, specifically to inspire struggling or reluctant readers to want to give reading a go. We have tested a concept in one school and this has been developed into a ten school pilot that will be formally evaluated by the National Literacy Trust in 2018/2019.

### **Evaluating the impact**

During 2017-2018, Read for Good commissioned specific questions in the National Literacy Trust's (NLT) annual pupil survey to evaluate the impact of Readathon. The NLT surveyed over 49,047 UK pupils comparing reading behaviours and attitudes amongst pupils who had and had not participated in Readathon and the results are compelling:

One in 5 of all pupils surveyed had taken part in Readathon and *regardless of gender, age group or whether or not they received free school meals*, pupils who had taken part in Readathon:

- Enjoy reading more;
- Are more likely to read something in their free time daily;
- Read a wider variety of materials in their free time;
- Are more likely to agree that reading is cool;
- Are more likely to carry on reading even when they find it difficult;
- Are more likely to use the school library;
- Have higher life satisfaction scores - it is probable that helping other children makes them feel good about themselves;
- Almost half of children on free school meals said they read more often having taken part in Readathon; and
- 60% of all children surveyed said that pupils would read more if it raised money for children in hospital.

*"I don't normally read at home but knowing I was reading to help others made me want to get involved."* (Year 9 pupil)

*"Our primary school has taken part in two Read for Good Readathons. This sponsored read has proved a valuable tool in our drive to create lifelong readers. We firmly believe, and much research has shown, that instilling a reading habit from childhood produces successful, empathetic adults, and at the same time we are serving our community by raising money to provide great books for children in hospitals."* (Librarian running Readathon)

### **Providing free books for UK school libraries at a time when funding is squeezed**

Any school that takes part in Readathon has the option to receive free book vouchers worth 20% of their sponsorship total, which we provide in partnership with Scholastic Book Clubs. Since the scheme started in 2011, we have given away almost £1 million worth of free book vouchers, providing much-needed brand new books for the UK's school libraries.

***Providing books and stories to children in hospitals***

Our service in hospitals continues to be highly valued by all involved – the hospital staff, staff from the hospital's on-site school, parents, siblings and of course, children in hospital. The regular supply of new books and the 6-weekly storyteller visits provide a welcome distraction, comfort and entertainment at a difficult time in a challenging environment. Feedback reveals that not only are we providing children in hospital with access to the very best new books, these books and the storyteller visits can reduce the anxiety felt by young patients and their families.

*"This has really help me recover whilst being poorly in hospital."* (10 year old, Queen's Medical Centre Nottingham)

We now reach over 100,000 of the UK's most seriously ill children across 30 hospitals, giving away approximately 27,000 books and delivering over 224 storytelling days to children in hospital.

*"Thank you so much for coming to this hospital and a great big thanks to Michael [storyteller] for calming me with a great story when I woke up from anaesthetic."* (Young adult, Noah's Ark Hospital, Cardiff)

The impact of Read for Good's work in hospitals is assessed through parent, child and hospital staff questionnaires. Overwhelmingly responses are very positive. Of the 3,186 children who responded to our survey:

- 96% of children say that the books helped take their mind off being in hospital;
- 98% of the children who responded said the books and storytellers cheered them up.

Our service can also have a significant impact on the parents, siblings and wider family of a child in hospital. Parents confirmed the children's views with 75% of the 2,708 parents who responded to our survey, saying that the books and storytellers had made their child feel happier during their hospital stay.

In addition, our research reveals that most children are encouraged to read more when they get home as a result of enjoying our books and stories in hospitals. 76% of the children thought that they would read more when they left hospital.

*"This is a wonderful gift and a memorable way to get kids reading."* (Parent of a preschooler, Addenbrooke's Hospital Cambridge)

This year we have revised our evaluation tools and included additional questions about whether the storyteller visits increased children's interest in books. Of the smaller sample of 275 children who responded using the updated tools, 97% said that hearing the storytellers had made them want to read more.

*"My daughter does not normally read and it encouraged her to, so that was great in itself."* (Parent of a young adult, Truro Hospital, Cornwall)

*"When I am scared in hospital, Mummy and I sit and read the books. Reading helps me go to sleep."* (Young in-patient)

*"Thank you for bringing joy and escape to my little girl undergoing chemotherapy."* (Parent of child aged 4, Addenbrooke's Hospital, Cambridge)

In addition to the books and storytellers, we are also fortunate to occasionally have the support of best-selling authors who give their time free of charge to inspire children in hospital to read and write stories and brighten up their day. In March 2018, the then Children's Laureate, Chris Riddell, visited children at the London Evelina Children's Hospital, delighting children and hospital staff with his illustrations and stories.

Read for Good has given away approximately 26,760 books with a retail value of approximately £181,968 to children in hospital across the UK in 2017-18. In addition, we have received nearly 15,000 books worth approximately £75,000 generously donated by various suppliers which have been used for schools and hospitals.

**READ FOR GOOD  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**c. MAJOR DONATIONS**

We would like to acknowledge and thank some of our larger donors who have supported us throughout the year including:

<b>£1,000 up to £5,000</b>	<b>£5,000 up to £10,000</b>	<b>£10,000 and over</b>
Masonic Charitable Foundation	The Taylor Family Foundation	The Siobhan Dowd Trust
The Rothley Trust	The Gerald Micklem Trust	Tesco Stores Ltd
Anonymous Trust	The Shanly Foundation	The Basil Samuel Charitable Trust
Peter Kershaw Trust	The David Thomas Charitable Trust	
The Lord Austin Trust	The Childwick Trust	
The 29th May 1961 Charitable Trust		
GJW Turner Trust		
The Lord Cozens-Hardy Trust		
The Gyde Charity		
Sheffield Town Trust		
Eleanor Rathbone Charitable Trust		
Harry Bottom Charitable Trust		
The Mary Potter Convent Hospital Trust		
Sir James Knott Trust		
JR and SA Brooks Charitable Trust		
Souter Charitable Trust		
The Sir James Reckitt Charity		
James Weir Foundation		
The Barbour Foundation		
Esme Mitchell Trust		
The Thomas Farr Charity		

We were delighted to have been awarded a significant two-year grant from Children in Need in 2018, which is earmarked for work beginning September 2018.

We have also, for the second year, been Charity of the Year for Beehive Illustration agency in Cirencester, who have provided illustrations for a range of our materials throughout the year.

Free book vouchers to the face value of £42,211 were given to schools in the UK to spend on books. The cost of these vouchers was shared equally with Scholastic Book Clubs. Read for Good is grateful for the on-going and generous support of Scholastic Book Clubs. The vouchers issued this year to schools taking part in Readathon brings the grand total of free book vouchers issued to schools close to £1,000,000 - providing a tremendous boost to school libraries across the UK.

The value of this year's vouchers has been included in the Statement of Financial Activities as a donation in and out.

We appreciate the ongoing support of National Book Tokens who have provided free National Book Tokens to reward schools who take part in Readathon. Schools tend to give two £5 tokens to 'star' pupils who took part in Readathon. These free books enable us to thank and reward children directly.

**READ FOR GOOD  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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We are also enormously grateful for the ongoing support of many publishers, literary charities and a raft of authors and illustrators who have generously lent their support over the year including:

Bloomsbury Children's Books	Bath Children's Festival	Axel Scheffler
Bonnier Zaffre	Beehive Illustration	Bear Grylls
Dorling Kindersley	Bla Translation Agency	Chris Riddell
Hachette	BookTrust	Jamie Smart
Harpercollins Children's Books	Cheltenham Literature Festival	Julia Donaldson
The History Press	First News	Liz Pichon
Lincoln Children's Books	Hay Festival	Sarah McIntyre
Macmillan Children's Books	Lionsgate Films	Sir Tony Robinson
Natterjack Books Ltd	Listening Books	Tracey Corderoy
Nosy Crow	Liverpool Learning Partnership	
Penguin Random House	National Book Tokens	
Piccadilly Press	National Literacy Trust	
QED Publishing	Oscar's Book Prize	
Scholastic Book Clubs	SLA	
Scholastic UK	The Bookseller	
Simon and Schuster	The Phoenix Comics	
Usborne Children's Books	UKLA	
Walker Books	World Book Day	
	Youth Libraries Group	

**FINANCIAL REVIEW**

The accounts on pages 14 - 28 set out the details of the Statement of Financial Activities for the year ended 31 August 2018 and the balance sheet as at that date.

The Charity reported net expenditure for the year of £82,696, as part of a planned reduction of reserves.

**a. RESERVES POLICY**

Total reserves at 31 August 2018 were £929,958, of which free reserves (total reserves less intangible and tangible fixed assets) were £672,189. The trustees review the level of reserves at least annually and the current policy is to hold free reserves of £500,000. This level of reserves covers working capital requirements of approximately £300,000 and uncertainties due to the fluctuating nature of the Readathon income in the region of £200,000.

Up to £140,000 is required in 18/19 to supplement income from grant-making trusts to fund our hospital programme. The remaining surplus funds will be used to pursue and fundraise for the following development projects:

- Storytelling in the schools programme for disadvantaged children;
- Development of our digital offering;
- Expansion of the team to deliver citywide Readathons etc.

**b. PRINCIPAL FUNDING**

The principal funding source is voluntary income, primarily sponsorship from members of the public. Additional grant funding has been awarded to the hospital programme.

## **PLANS FOR FUTURE PERIODS**

### **a. FUTURE DEVELOPMENTS**

Reaching schools at a time when teachers and heads are facing an unprecedented amount of change continues to prove challenging. Read for Good has invested in the infrastructure to ensure it is equipped to tackle these challenges head on, and continues to thrive. In addition, Read for Good plans to diversify its sources of income to reduce the financial reliance on the sponsored read - this means a greater investment in trust, corporate and individual fundraising.

## **DISCLOSURE OF INFORMATION TO AUDITORS**

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

## **AUDITORS**

The auditors, Bishop Fleming LLP, year indicated the willingness to continue in office. The Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

This report was approved by the Trustees, on 14 January 2019 and signed on their behalf by:

**Mr Michael Walker**  
Trustee

**TRUSTEES' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2018**

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The Trustees (who are also directors of Read For Good for the purposes of company law) are responsible for preparing the Trustees' 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF READ FOR GOOD**

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**OPINION**

We have audited the financial statements of Read for Good (the 'Charitable Company') for the year ended 31 August 2018 which comprise the Statement of Financial Activities Incorporating the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 August 2018 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 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

**BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council'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 Charitable Company'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.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF READ FOR GOOD**

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**OTHER INFORMATION**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. 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.

**OPINION 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 Trustees' Report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- 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 our 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 Trustees' Report.

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

- adequate and proper 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a Strategic Report.

**RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Charitable Company for the purposes of company 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 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 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 Trustees either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF READ FOR GOOD**

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**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

We have been appointed as auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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

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

**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 trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members and trustees those matters we are required to state to them in an Auditors' 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 Charitable Company, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Joseph Scaife FCA DChA (Senior Statutory Auditor)  
for and on behalf of

**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
16 Queen Square  
Bristol  
BS1 4NT  
22 January 2019

Bishop Fleming LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

**READ FOR GOOD**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>INCOME FROM:</b>					
Donations and legacies	2	115,768	662,364	778,132	1,147,782
Investments	3	-	1,985	1,985	495
<b>TOTAL INCOME</b>		<b>115,768</b>	<b>664,349</b>	<b>780,117</b>	<b>1,148,277</b>
<b>EXPENDITURE ON:</b>					
Charitable activities		115,768	751,766	867,534	992,391
<b>TOTAL EXPENDITURE</b>	4	<b>115,768</b>	<b>751,766</b>	<b>867,534</b>	<b>992,391</b>
<b>NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS</b>					
Net gains on investments	10	-	(87,417)	(87,417)	155,886
		-	4,721	4,721	12,107
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>					
		-	(82,696)	(82,696)	167,993
<b>NET MOVEMENT IN FUNDS</b>		-	(82,696)	(82,696)	167,993
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		-	1,012,654	1,012,654	844,661
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>-</b>	<b>929,958</b>	<b>929,958</b>	<b>1,012,654</b>

The notes on pages 17 to 29 form part of these financial statements.

The Statement of Financial Activities includes all gains and losses recognised in the year.

All of the Charity's activities relate to continuing operations during the current and prior year.

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**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 06895421**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

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	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Intangible assets	8		<b>147,105</b>		196,140
Tangible assets	9		<b>110,664</b>		33,061
Investments	10,19		-		313,537
			<u><b>257,769</b></u>		<u>542,738</u>
<b>CURRENT ASSETS</b>					
Debtors	11	<b>33,862</b>		34,088	
Cash at bank and in hand	19	<b>711,522</b>		469,406	
		<u><b>745,384</b></u>		<u>503,494</u>	
<b>CREDITORS:</b> amounts falling due within one year	12	<b>(73,195)</b>		<b>(33,578)</b>	
			<u><b>672,189</b></u>		<u>469,916</u>
<b>NET CURRENT ASSETS</b>					469,916
<b>NET ASSETS</b>			<u><b>929,958</b></u>		<u>1,012,654</u>
<b>CHARITY FUNDS</b>					
Unrestricted funds	14		<u><b>929,958</b></u>		<u>1,012,654</u>
<b>TOTAL FUNDS</b>			<u><b>929,958</b></u>		<u>1,012,654</u>

The Charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 14 January 2019 and signed on their behalf, by:

**Mr Michael Walker**

**Trustee**

The notes on pages 17 to 29 form part of these financial statements.

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**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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	<b>Note</b>	<b>2018</b> <b>£</b>	<b>2017</b> <b>£</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	15	<u>7,353</u>	<u>136,190</u>
<b>Cash flows from investing activities:</b>			
Interest received		1,985	495
Purchase of tangible fixed assets		(85,480)	(1,620)
Purchase of intangible fixed assets		-	(245,175)
Proceeds from the sale of investments		<u>318,258</u>	<u>-</u>
<b>Net cash provided by/(used in) investing activities</b>		<u>234,763</u>	<u>(246,300)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>242,116</b>	<b>(110,110)</b>
Cash and cash equivalents brought forward		<u>469,406</u>	<u>579,516</u>
<b>Cash and cash equivalents carried forward</b>	16	<u><u>711,522</u></u>	<u><u>469,406</u></u>

The notes on pages 17 to 29 form part of these financial statements.

## **1. ACCOUNTING POLICIES**

### **1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Read for Good meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

### **1.2 COMPANY STATUS**

The Charity is a Company limited by guarantee. The members of the Charity are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity. The Charity is incorporated in England and Wales and its registered office is: Unit 26, Nailsworth Mills Estate, Avening Road, Nailsworth, Stroud, Gloucestershire, GL6 0BS.

### **1.3 GOING CONCERN**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

### **1.4 FUND ACCOUNTING**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

### **1.5 INCOME**

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.6 EXPENDITURE**

Raising funds costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Charitable activities and Governance costs are costs incurred on the Charity's charitable operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

Resources expended are recognised in the period in which they are incurred on an accruals basis. Resources expended (including irrecoverable VAT) are allocated to a particular activity where the cost relates directly to that activity.

**1.7 INTANGIBLE FIXED ASSETS AND AMORTISATION**

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Trademarks	-	5 years straight line
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**1.8 TANGIBLE FIXED ASSETS AND DEPRECIATION**

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. 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:

Short term leasehold property improvements	-	10 years straight line
Office equipment	-	3 years straight line
Computer equipment	-	3 years straight line

**1.9 INVESTMENTS**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities incorporating Income and Expenditure Account.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.10 OPERATING LEASES**

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**1.11 INTEREST RECEIVABLE**

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

**1.12 DEBTORS**

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

**1.13 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.

**1.14 LIABILITIES AND PROVISIONS**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.15 FINANCIAL INSTRUMENTS**

The Charity 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**1.16 PENSIONS**

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

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**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**2. INCOME FROM DONATIONS AND LEGACIES**

	<b>Restricted funds 2018 £</b>	<b>Unrestricted funds 2018 £</b>	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
Donations	<b>115,768</b>	<b>662,364</b>	<b>778,132</b>	1,147,782
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total 2017	90,580	1,057,202	1,147,782	
	<u>          </u>	<u>          </u>	<u>          </u>	

**3. INVESTMENT INCOME**

	<b>Restricted funds 2018 £</b>	<b>Unrestricted funds 2018 £</b>	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
Bank interest	-	<b>1,985</b>	<b>1,985</b>	495
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total 2017	-	495	495	
	<u>          </u>	<u>          </u>	<u>          </u>	

**4. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE**

	<b>Staff costs 2018 £</b>	<b>Depreciation 2018 £</b>	<b>Other costs 2018 £</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Promoting reading	<b>187,691</b>	<b>7,877</b>	<b>671,966</b>	<b>867,534</b>	992,391
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total 2017	139,635	8,973	843,783	992,391	
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**5. CHARITABLE ACTIVITIES**

	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Hospital reading programme	<b>254,997</b>	267,882
Schools reading programme	<b>263,301</b>	373,478
Consultancy	<b>24,210</b>	24,101
Royalty	-	25,689
Travel costs	<b>4,169</b>	4,712
Storage	<b>1,782</b>	1,762
Bank charges	<b>148</b>	744
Office costs	<b>36,338</b>	37,186
Direct costs	<b>25,695</b>	18,796
Legal fees	-	34,908
Auditors remuneration	<b>5,400</b>	5,400
Other governance costs	<b>598</b>	90
Office refurbishment	<b>6,293</b>	-
Amortisation	<b>49,035</b>	49,035
Wages and salaries	<b>170,165</b>	129,515
National insurance	<b>15,730</b>	9,127
Pension cost	<b>1,796</b>	993
Depreciation	<b>7,877</b>	8,973
	<b>867,534</b>	992,391
	<b>992,391</b>	
Total 2017		<b>992,391</b>

**6. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	<b>2018 £</b>	<b>2017 £</b>
Depreciation of tangible fixed assets: - owned by the Charity	<b>7,877</b>	8,973
Amortisation of intangible fixed assets	<b>49,035</b>	49,035
Auditors' remuneration - audit	<b>5,400</b>	5,400

During the year, no Trustees received any remuneration (2017: £NIL).

During the year, no Trustees received any benefits in kind (2017: £NIL).

2 Trustees received reimbursement of expenses amounting to £674 in the current year, (2017: 1 Trustee - £90).

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**7. STAFF COSTS**

Staff costs were as follows:

	<b>2018</b>	2017
	<b>£</b>	£
Wages and salaries	<b>170,165</b>	129,515
Social security costs	<b>15,730</b>	9,127
Other pension costs	<b>1,796</b>	993
	<u><b>187,691</b></u>	<u>139,635</u>

The average number of persons employed by the Charity during the year was as follows:

<b>2018</b>	2017
<b>No.</b>	No.
<b>7</b>	6

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

**8. INTANGIBLE FIXED ASSETS**

	<b>Trademarks</b>
	<b>£</b>
<b>COST</b>	
At 1 September 2017 and 31 August 2018	<u><b>245,175</b></u>
<b>AMORTISATION</b>	
At 1 September 2017	<b>49,035</b>
Charge for the year	<b>49,035</b>
At 31 August 2018	<u><b>98,070</b></u>
<b>CARRYING AMOUNT</b>	
At 31 August 2018	<u><b>147,105</b></u>
At 31 August 2017	<u><u>196,140</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**9. TANGIBLE FIXED ASSETS**

	Short Term Leasehold Property Improvement £	Office equipment £	Computer equipment £	Total £
<b>COST</b>				
At 1 September 2017	70,149	4,059	8,183	82,391
Additions	85,480	-	-	85,480
At 31 August 2018	<u>155,629</u>	<u>4,059</u>	<u>8,183</u>	<u>167,871</u>
<b>DEPRECIATION</b>				
At 1 September 2017	38,490	4,059	6,781	49,330
Charge for the year	7,015	-	862	7,877
At 31 August 2018	<u>45,505</u>	<u>4,059</u>	<u>7,643</u>	<u>57,207</u>
<b>NET BOOK VALUE</b>				
At 31 August 2018	<u>110,124</u>	<u>-</u>	<u>540</u>	<u>110,664</u>
At 31 August 2017	<u>31,659</u>	<u>-</u>	<u>1,402</u>	<u>33,061</u>

**10. FIXED ASSET INVESTMENTS**

	Listed securities £
<b>MARKET VALUE</b>	
At 1 September 2017	313,537
Gains	4,721
Disposals	(318,258)
At 31 August 2018	<u>-</u>
<b>HISTORICAL COST</b>	
	<u>250,000</u>

**11. DEBTORS**

	2018 £	2017 £
Other debtors	27,852	32,738
Prepayments and accrued income	6,010	1,350
	<u>33,862</u>	<u>34,088</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018

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12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	29,748	11,598
Other taxation and social security	4,480	2,023
Accruals	38,967	19,957
	<u>73,195</u>	<u>33,578</u>

13. FINANCIAL INSTRUMENTS

	2018 £	2017 £
Financial assets measured at amortised cost	<u>465,276</u>	<u>502,144</u>
Financial liabilities measured at amortised cost	<u>(112,527)</u>	<u>(31,238)</u>

Financial assets measured at amortised cost comprise other debtors, accrued income and cash at bank and in hand.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**14. STATEMENT OF FUNDS**

**STATEMENT OF FUNDS - CURRENT YEAR**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>DESIGNATED FUNDS</b>						
Trademark	196,140	-	(49,035)	-	-	147,105
Fixed Assets	-	-	-	110,664	-	110,664
Projects	300,000	-	(91,773)	(38,227)	-	170,000
	<u>496,140</u>	<u>-</u>	<u>(140,808)</u>	<u>72,437</u>	<u>-</u>	<u>427,769</u>
<b>GENERAL FUNDS</b>						
General Funds	516,514	664,349	(610,958)	(72,437)	4,721	502,189
Total Unrestricted funds	<u>1,012,654</u>	<u>664,349</u>	<u>(751,766)</u>	<u>-</u>	<u>4,721</u>	<u>929,958</u>
<b>RESTRICTED FUNDS</b>						
	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Readathon in hospitals - non-specified	-	32,954	(32,954)	-	-	-
Readathon in hospitals - specified	-	82,814	(82,814)	-	-	-
	<u>-</u>	<u>115,768</u>	<u>(115,768)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total of funds	<u><u>1,012,654</u></u>	<u><u>780,117</u></u>	<u><u>(867,534)</u></u>	<u><u>-</u></u>	<u><u>4,721</u></u>	<u><u>929,958</u></u>

**14. STATEMENT OF FUNDS (continued)**

**DESIGNATED FUNDS**

**Trademark**

Funds were designated for the purchase of the Readathon trademark. The trademark was purchased in May 2017 and the associated asset is recorded on the Balance Sheet as detailed in accounting policy 1.7. The designated fund is being utilised over the intangible assets useful economic life.

**Fixed assets**

Funds have been designated for the purchase of fixed assets which has now taken place. This designated fund represents the net book value of fixed assets and is reduced each year by the depreciation of those fixed assets.

**Projects**

Funds have been designated for specific projects as follows:

Up to £140,000 is required in 18/19 to supplement income from grant-making trusts to fund our hospital programme. The remaining surplus funds will be used to pursue and fundraise for the following development projects:

- Storytelling in the schools programme for disadvantaged children;
- Development of our digital offering;
- Expansion of the team to deliver citywide Readathons etc.

**RESTRICTED FUNDS**

Readathon in hospitals is a initiative started in 2010 which provides books and storytellers to children in hospital.

**Grants of £1,000 and above**

Readathon in hospitals has received specific donations towards the cost of running Readathon in hospitals from the following:

The Esme Mitchell Trust: Belfast hospital;  
The Lord Austin Trust: Birmingham hospital;  
The 29th May 1961 Charitable Trust: Birmingham hospital;  
GJW Turner Trust: Birmingham hospital;  
The Childwick Trust: Chelsea and Westminster & The Royal Free (London) hospitals;  
The Taylor Family Foundation: Evelina London Children's Hospital;  
The James Weir Foundation: Glasgow hospital;  
The Gyde Charity: Gloucester hospital;  
The David Thomas Charitable Trust: Gloucester hospital;  
JR and SA Brooks Charitable Trust: Gloucester hospital;  
The Siobhan Dowd Trust: Hull and Swansea hospitals;  
The Sir James Reckitt Charity: Hull hospital;  
Eleanor Rathbone Charitable Trust: Liverpool hospital;  
Masonic Charitable Foundation: London hospitals;  
Peter Kershaw Trust: Manchester hospital;  
The Rothley Trust: Newcastle hospital;  
The Sir James Knott Trust: Newcastle hospital;  
The Barbour Foundation: Newcastle hospital;  
The Lord Cozens-Hardy Trust: Norwich hospital;  
The Mary Potter Convent Hospital Trust: Nottingham hospital;  
Thomas Farr Charity: Nottingham hospital;  
The Shanly Foundation: Oxford and Reading hospitals;

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**14. STATEMENT OF FUNDS (continued)**

The Harry Bottom Charitable Trust: Sheffield hospital;  
 Sheffield Town Trust: Sheffield hospital;  
 The Gerald Micklem Charitable Trust: Southampton hospital;  
 Souter Charitable Trust: Aberdeen, Edinburgh and Glasgow hospitals.

Readathon in hospitals has received significant donations not restricted to a specific hospital from Tesco Stores Ltd and the Basil Samuel Charitable Trust.

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>DESIGNATED FUNDS</b>						
Trademark	-	-	(49,035)	245,175	-	196,140
Fixed Assets	-	-	-	300,000	-	300,000
	<u>-</u>	<u>-</u>	<u>(49,035)</u>	<u>545,175</u>	<u>-</u>	<u>496,140</u>
<b>GENERAL FUNDS</b>						
General funds	839,661	1,057,697	(847,776)	(545,175)	12,107	516,514
Total Unrestricted funds	<u>839,661</u>	<u>1,057,697</u>	<u>(896,811)</u>	<u>-</u>	<u>12,107</u>	<u>1,012,654</u>
<b>RESTRICTED FUNDS</b>						
	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Readathon in residence	5,000	-	(5,000)	-	-	-
Readathon in hospitals - non-specified	-	17,540	(17,540)	-	-	-
Readathon in hospitals - specified	-	73,040	(73,040)	-	-	-
	<u>5,000</u>	<u>90,580</u>	<u>(95,580)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total of funds	<u>844,661</u>	<u>1,148,277</u>	<u>(992,391)</u>	<u>-</u>	<u>12,107</u>	<u>1,012,654</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**15. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2018 £	2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	<b>(82,696)</b>	167,993
<b>Adjustment for:</b>		
Gain on investments	<b>(4,721)</b>	(12,107)
Interest received	<b>(1,985)</b>	(495)
Depreciation	<b>7,877</b>	8,973
Amortisation	<b>49,035</b>	49,035
(Increase)/decrease in debtors	<b>(43,934)</b>	47,463
Increase/(decrease) in creditors	<b>83,777</b>	(124,672)
<b>Net cash provided by operating activities</b>	<b>7,353</b>	136,190

**16. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2018 £	2017 £
Cash in hand	<b>711,522</b>	469,406
Total	<b>711,522</b>	469,406

**17. OPERATING LEASE COMMITMENTS**

At 31 August 2018 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	<b>Land and buildings</b>		<b>Other</b>	
	2018	2017	2018 £	2017 £
<b>AMOUNTS PAYABLE:</b>				
Within 1 year	<b>14,272</b>	10,800	<b>1,464</b>	1,464
Between 1 and 5 years	<b>57,088</b>	29,700	<b>732</b>	2,196
After more than 5 years	<b>65,413</b>	-	<b>-</b>	-
Total	<b>136,773</b>	40,500	<b>2,196</b>	3,660

**18. RELATED PARTY TRANSACTIONS**

During the year there were no related party transactions (2017: none).

**19. POST BALANCE SHEET EVENTS**

On 29 August 2018 the charity realised its investment portfolio of £318,258 and then reinvested the same amount on 7 September 2018 with another investment manager. Consequently at the balance sheet date no investments were held and the bank and cash balances were much higher but this was only for a 9 day period.