

READ FOR GOOD
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

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

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**READ FOR GOOD
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2019**

Trustees Mr David Edwards
Ms Anne Everall (appointed 5 April 2019)
Mr Stephen Morgan
Mr Michael Walker
Ms Helen West (appointed 5 April 2019)
Dr Terri Passenger (resigned 5 April 2019)

**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 2019**

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 September 2018 to 31 August 2019. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable 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 (FRS102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective January 2015).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

Read for Good is a national charity with the mission to motivate and enable all children in the UK to develop a love of reading. Children who read for pleasure are more likely to flourish academically, socially, emotionally and career-wise throughout their 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. Read for Good aims to reach these children, including those living in poverty or in hospital, and those who need help to overcome reading barriers.

Read for Good's core programmes to encourage a love of reading are Readathon in schools, citywide reading campaigns and the regular supply of brand new books and resident storytellers in all of the UK's major children's hospitals.

Today, the founding principles of Readathon - building a love of reading through choice, freedom and motivation remain the same. Read for Good's 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.

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.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Objectives and activities (CONTINUED)

b. Activities for achieving objectives

Read for Good meets its aims through its core programmes, Readathon, the long standing sponsored read in schools, the free books for schools scheme and the unique hospital programme that provides books and storytellers for children in 30 UK hospitals. In addition, Read for Good provides books to schools and other medical settings in need and we are exploring ways to transform the most reluctant readers into readers.

Readathon is the UK's longest running reading challenge in schools and over the last 35 years has encouraged millions of children to read for pleasure and in the process, enabled Read for Good to support disadvantaged children throughout the UK. Readathon galvanises the whole school community by creating a buzz about reading, ensuring parents and school colleagues are fully supportive and pupils are motivated to get involved. 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 value the 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 Readathon are more likely to achieve better results, especially if they run the scheme year after year.

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. 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.

Now half way through the implementation of this strategic plan, many of the objectives have been fully met or are well on the way to completion.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Strategic report (CONTINUED)

Achievements and performance (CONTINUED)

b. Performance against objectives

Encouraging children to read for pleasure through our sponsored read

Readathon continues to engage hundreds of thousands of pupils in schools across the UK. The long established formula of allowing children freedom to choose what to read combined with the purposeful motivation to read, remains popular with schools, head teachers, teachers, school librarians, pupils and parents.

Based on the evaluation results from the National Literacy Trust's annual pupil survey in 2018, Readathon's success is evident:

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 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;

"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)

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. The free book voucher rewards programme reached a significant milestone in 2018/2019 with over £1 million worth of free book vouchers donated to school since the partnership with Scholastic Book Clubs started in 2010. School libraries across the UK have been boosted following their participation in Readathon at a time when many schools are having to cut school library budgets.

Uniting whole cities in reading for pleasure

Building on the success of the inaugural citywide Readathon in Liverpool in autumn 2017, a further two cities ran Readathons alongside Liverpool's second citywide Readathon. A citywide Readathon aims to engage as many schools as possible in a specific city over a two week period to take part in Readathon, creating synergy and wider engagement.

In 2018-2019 three cities with a focus on reading for pleasure, ran citywide Readathons to immerse the whole community in reading for pleasure:

- Leicester, working with Whatever It Takes, involving 78 schools and 31,135 pupils
- Liverpool, working with Liverpool Learning Partnership, involving 95 schools and 27,717 pupils
- Manchester, working with Read Manchester, involving 103 schools and 36,301 pupils

Read for Good provides the reading resources to all the schools involved, combined with ongoing

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Strategic report (CONTINUED)

Achievements and performance (CONTINUED)

communications and social media support to keep involvement high over the two week Readathon event. Each citywide Readathon culminated in a 'Drop Everything and Read' event inviting the wider community to take some time out of their normal day to read for pleasure.

To create even more excitement and engagement, special Readathon author/illustrator events were held in each of the cities, giving pupils from the most deprived areas of the city a chance to hear an author, meet them in person and get a book signed – all proven to increase a child's engagement in reading.

- Leicester: Tom Percival, Adam Baron
- Liverpool: Sarah McIntyre, Phil Earle
- Manchester: Tony Walsh, Thomas Taylor

Read for Good is very grateful to the support of these author/illustrators and their publishers for supporting the citywide events.

In addition to the citywide Readathons, two multi-academy trusts ran Readathon across their chains of schools – Redhill Academy involved 2,500 pupils and the Diocese of Gloucestershire Academy Trust ran their third trust-wide Readathon involving 3,000 pupils.

Providing books and stories to children in hospitals

Read for Good's service in hospitals continues to be highly valued and enjoyed 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. Read for Good's books and stories improve a child's emotional well-being, not only through access to a great story, which itself can reduce stress, but also by reducing a child's feeling of isolation in hospital through shared stories and shared experiences. 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.

"It was amazing! I loved the stories. It made me feel very happy when I am sad and want to go home." 10 year old

"This has really help me recover whilst being poorly in hospital."
8 year old

Read for Good's hospital service now reaches 150,000 of the UK's most seriously ill children across 30 hospitals, giving away 29,526 books (worth £195,246 RRP) and delivering over 221 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:

- 99% of children said the books cheered them up
- Of the children who saw the storyteller, 95% said the storyteller had cheered them up a lot or a bit
- 83% said the storyteller had taken their mind off being in hospital a lot
- Around 50% of parents thought the books and storytellers had reduced their child's anxiety
- 83% said the books had made their child feel happier.

"My son is in isolation and reading gave us things to talk about as well as made him happy."
Parent of a child in hospital

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Strategic report (CONTINUED)

Achievements and performance (CONTINUED)

"Ella has hardly spoken in 3 days, wasn't engaging with anyone apart from getting her meds done - the storyteller completely changed that; from a glazed constant glare into nothing - Ella started to join in with the singing, albeit quietly. A massive thank you for putting a smile on my little girl's face."

Parent of a child in hospital

In addition to making their hospital stay a little brighter the service also has a longer term impact with 85% of reluctant readers in hospital telling us that the books had encouraged them to read, and they would read more when they went home.

"My son came back to the ward telling me about the stories he'd heard. Thank you for spending time with him. He is currently reading his book to another child so you have made two children happy." Parent of a child in hospital

In research with 42 hospital staff earlier this year 88% said the Read for Good books and stories made children feel less isolated. 92% of the children who responded said they shared a book with either an adult or other child. Of those 85% shared a book with a parent, 19% with another adult, 13% with a sibling, 5% with a friend and 4% with another patient.

"Our oncology patients are in isolation and need new books as they are very vulnerable to infection. Books open a new world and encourage interaction with their care-givers to read to them instead of sitting in front of television."

Consultant Paediatrician

"Books can help parents bond with their infants and keep a sense of normal routine in an abnormal situation. Picture books also help break down communication and language barriers."

Consultant Paediatrician

In addition to the books and storytellers, best selling authors and illustrators give their time to inspire children in hospital to read and write stories and brighten up their day. In December 2018, author and poet Tony Walsh, visited children at the Manchester Children's Hospital, inspiring children, parents and hospital staff with his powerful poetry.

Broadening Read for Good's reach, targeting those most in need

The three year plan included the aim of broadening Read for Good's reach to a more diverse range of individuals and schools, and in particular target disadvantaged children and children at risk of adverse childhood experiences including those living in poverty, those living in hospital and those who need help to overcome their reading barriers.

With this in mind, a range of initiatives are in development:

Stories in Schools - an intervention for reluctant readers

Following an initial proof of concept in a secondary school in Brighton, this pilot was a structured, intensive intervention designed to break down barriers to reading for the most reluctant readers, challenging their own entrenched attitudes to reading and transforming their experience of reading for pleasure in their own time.

The pilot reached 400 children across 11 schools targeting pupils from Year 5 to Year 8 who are eligible for pupil premium, with a specific focus on reluctant readers and children with reading skills below the expected levels for their age. The programme delivered 33 structured storytelling days. It was fully and independently evaluated by the National Literacy Trust.

As a result of the workshops, pupils involved had been inspired to read and write more:- 79.7% of participating pupils said they now want to read more books. They are more likely to read daily at the end of the programme

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Strategic report (CONTINUED)

Achievements and performance (CONTINUED)

than their fellow reluctant readers in the comparison group and more likely to read for at least 10 minutes compared to their peers in the comparison group. The evaluation shows the programme actually reverses the trend of a decline in reading enjoyment among the 11-14 age group and that this effect is sustained over time.

The National Literacy Trust concluded "...these findings indicate that... this programme might help buffer the decline normally seen in [transition from primary to secondary school] age group..... and the programme had a positive and lasting impact on participating pupils' literacy."

"This is my book now, I'm over the moon with mine and I'm going to read it in detention."
Participating boy on receipt of his new book

Using books and authors to engage children in reading for pleasure

Through the generous donations of brand new books from publishers, book prize organisations, and the kind support of authors and illustrators, Read for Good has enabled thousands of additional children to access the very best brand new books and enjoy the chance to meet authors and illustrators:

- In addition to the regular supply of books to the UK's major children's hospitals, a further 2,310 books worth £23,100, were given to over 42 new medical settings including smaller hospitals, hospices, mental health units and adolescent settings. It is estimated that these books will reach a further 12,000 children over the next year.
- 2,369 comics and books were given to schools in need throughout the year.
- 13 storyteller visits took place in schools across the UK, reaching an estimated 3,000 children.
- Readathon Book Club: every half term, five to ten schools are invited to apply for a bundle of books, between one and 30 copies, for discussion and review with their pupils. This not only keeps teachers abreast of new authors and titles, it also prompts teachers to read and discuss new titles with their pupils.
- Tracey Corderoy visited a Gloucestershire school to celebrate their participation in the Diocese of Gloucestershire Academy Trust's Readathon.
- Tens of thousands of children have been inspired to read via video messages from authors and illustrators including Danny Wallace, Sir Tony Robinson, Bear Grylls, Cressida Cowell, Philip Reeve, Sarah McIntyre, Chris Riddell, Ben Faulkes and Liz Pichon.
- Read for Good continued the partnership with Listening Books to make audio books freely available to children in hospital. Read for Good facilitates Listening Books' service to provide the hardware and software for children to access a huge library of audio books in twenty hospitals, complementing the existing book service perfectly.

Leveraging the power of storytelling for children in hospital - a specialised training programme for hospital staff

- Read for Good piloted a training programme reaching 16 professional hospital staff in the art of storytelling, who in turn will reach an estimated 1,000 children each a year with the magic of a story at the moment of extreme anxiety.
- Early indications show that the training has boosted the health professionals' confidence to tell stories to children, extending our reach to leverage the power of stories to support a child's well-being in hospital.
- The pilot is continuing in Gloucester, Swansea and Evelina London and will be fully evaluated in 2020.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Strategic report (CONTINUED)

Achievements and performance (CONTINUED)

c. Major donations

Part of three-year plan was to diversify sources of income to reduce our reliance on Readathon income. Subsequently, resources behind trust and foundation fundraising have been increased, as well as expanding the team to include a Corporate and Partnerships Manager. This has been an important development that enables Read for Good to broaden and diversify its income sources

Read for Good acknowledges and thanks our larger donors who have supported us throughout the year including:

Austin and Hope Pilkington Trust	BBC Children in Need	Blackwood Engineering Trust
Coral Samuel Charitable Trust	D'Oyly Carte Charitable Trust	David Thomas Charitable Trust
Gerald Micklem Trust	GJW Turner Charitable Trust	Hadrian Trust
Harry Bottom Charitable Trust	Hesslewood Children's Trust	Hull and East Reading Charitable Trust
JN Derbyshire Trust	John Watson's Trust	JR and SA Brooks Charitable Trust
Kung Fu Accounting	Lawson Settlement	Lord Austin
Martin Connell Charitable Trust	Mary Potter Convent Hospital Trust	Michael Marsh
Millenium Stadium Charitable Trust	Monica Rabagliati Charitable Trust	Nancie Massey Charitable Trust
Norman Family Charitable Trust	Paul Bassham Charitable Trust	Peter and Teresa Harris Charitable Trust
Peter Kershaw	Raven Charitable Trust	Reading Dispensary Trust
Siobhan Dowd Trust	Sir George Martin Trust	Sir James Reckitt Charity
Sir Richard Davies Charitable Foundation	Sir Robert Horton Charitable Trust	Souter Charitable Trust
Sovereign Health Care Charitable Trust	Taylor Family Foundation	Tesco plc
29th May Charitable Trust 1961	Bellaleo Charitable Trust	Gyde Charity
Joicey Trust	Liz and Terry Bramall Foundation	Maud Elkington Trust
Rothley Trust	Shanly Foundation	Thomas Cook Children's Charity
Troutsdale Charitable Trust	Unwin Charitable Trust	Victoria Wood Foundation
Wade's Charity		

Free book vouchers to the face value of £39,915 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 over £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.

Read for Good has also been long supported by National Book Tokens, who provide £10 worth of National Book Tokens for each participating school that raises over £50, to reward pupils who take part in Readathon.

Read for Good is also enormously grateful for the ongoing support of many publishers, organisations, literary charities and a raft of authors and illustrators who have generously lent significant support over the year including:

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Strategic report (CONTINUED)

Achievements and performance (CONTINUED)

Scholastic Book Club	Liverpool Learning Partnership	Sir Tony Robinson
National Book Tokens	Read Manchester	Bear Grylls
World Book Day	Whatever It Takes	Chris Riddell
HarperCollins Children's	Oscar's Book Prize	Julia Donaldson
Walker Books	Beehive Illustrations	Axel Scheffler
Bonnier Zaffre	BookTrust	Sarah McIntyre
Bloomsbury	The Reading Agency	Cressida Cowell
Hachette Children's Group	National Literacy Trust	Danny Wallace
The Quarto Group	School Library Association	Philip Reeve
Carlton Books	The Publishers Association	Michael Rosen
Macmillan Children's Books	Listening Books	Tracey Corderoy
Simon and Schuster	UKLA	Tom Percival
Nosy Crow	University of Chichester	Ben Faulkes
Penguin Random House UK	Birmingham City University	Liz Pichon
Phoenix Comics	Diocese of Gloucester Academies Trust	Adam Baron
Barrington Stoke	Redhill Academy Trust	Phil Earle
Anderson Press	Reading Rocks	Tony Walsh
Laurence King	Reading Recovery	Thomas Taylor
Dorling Kindersley		

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

Total reserves at 31 August 2019 were £851,475, of which free reserves (total reserves less intangible and tangible fixed assets) were £657,674. 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.

c. 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.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Structure, governance and management

a. Constitution

Read for Good 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. Methods 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. Organisational structure and decision-making policies

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.

d. 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.

e. Financial 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.

Plans for future periods

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.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Mr Michael Walker
Trustee

Date: 3 February 2020

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees (who are also the directors of the Charity 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 Charity and of its incoming resources and application of resources, including its income and expenditure, 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 (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF READ FOR GOOD

OPINION

We have audited the financial statements of Read for Good (the 'charity') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 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 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 MEMBERS OF READ FOR GOOD (CONTINUED)

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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' 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 Companies Act 2006 and the Charities Accounts (Scotland) Regulations 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 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 Trustees' 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 MEMBERS OF READ FOR GOOD (CONTINUED)

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. 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

12 February 2020

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 2019**

	Note	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:					
Donations and legacies	2	200,718	662,515	863,233	778,132
Investments	3	-	1,982	1,982	1,985
TOTAL INCOME		200,718	664,497	865,215	780,117
EXPENDITURE ON:					
Charitable activities	4	200,718	777,752	978,470	867,534
TOTAL EXPENDITURE		200,718	777,752	978,470	867,534
Net gains on investments		-	34,772	34,772	4,721
NET MOVEMENT IN FUNDS		-	(78,483)	(78,483)	(82,696)
RECONCILIATION OF FUNDS:					
Total funds brought forward		-	929,958	929,958	1,012,654
Net movement in funds		-	(78,483)	(78,483)	(82,696)
TOTAL FUNDS CARRIED FORWARD		-	851,475	851,475	929,958

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

The notes on pages 19 to 33 form part of these financial statements.

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

**BALANCE SHEET
AS AT 31 AUGUST 2019**

	Note	2019 £	2018 £
FIXED ASSETS			
Intangible assets	9	98,070	147,105
Tangible assets	10	95,731	110,664
Investments	11	353,030	-
		<u>546,831</u>	<u>257,769</u>
CURRENT ASSETS			
Debtors	12	46,996	33,862
Cash at bank and in hand		359,524	711,522
		<u>406,520</u>	<u>745,384</u>
Creditors: amounts falling due within one year	13	(101,876)	(73,195)
		<u>304,644</u>	<u>672,189</u>
NET CURRENT ASSETS		304,644	672,189
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>851,475</u>	<u>929,958</u>
TOTAL NET ASSETS		<u>851,475</u>	<u>929,958</u>
CHARITY FUNDS			
Restricted funds	15	-	-
Unrestricted funds	15	851,475	929,958
TOTAL FUNDS		<u>851,475</u>	<u>929,958</u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

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

Mr Michael Walker
Trustee

Date: 3 February 2020

The notes on pages 19 to 33 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019**

	2019	2018
	£	£
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash used in operating activities	(34,552)	7,353
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,982	1,985
Purchase of tangible fixed assets	(1,170)	(85,480)
Proceeds from sale of investments	-	318,258
Purchase of investments	(318,258)	-
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES	(317,446)	234,763
CASH FLOWS FROM FINANCING ACTIVITIES		
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	-
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR	(351,998)	242,116
Cash and cash equivalents at the beginning of the year	711,522	469,406
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	359,524	711,522

The notes on pages 19 to 33 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 the Charities SORP (FRS 102) - 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), 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 company is incorporated in the United Kingdom and registered 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 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.

1.5 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.6 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 institution with whom the funds are deposited.

1.7 INTANGIBLE ASSETS AND AMORTISATION

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset over their expected useful lives on a straight-line basis.

The estimated useful lives are as follows:

Trademarks	- 5 years
------------	-----------

1.8 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £1,000 or more 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 a straight line basis.

The estimated useful lives are as follows:

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

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 the 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 presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

1.10 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.11 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.

1.12 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 in the Statement of Financial Activities as a finance cost.

1.13 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.

1.14 OPERATING LEASES

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

1.15 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.

1.16 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. INCOME FROM DONATIONS AND LEGACIES

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	200,718	662,515	863,233	778,132
TOTAL 2018	<u>115,768</u>	<u>662,364</u>	<u>778,132</u>	

3. INVESTMENT INCOME

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	1,982	1,982	1,985
	<u>1,982</u>	<u>1,982</u>	<u>1,985</u>

4. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Charitable activities	200,718	777,752	978,470	867,534
TOTAL 2018	<u>115,768</u>	<u>751,766</u>	<u>867,534</u>	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

4. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)

Summary by expenditure type

	Staff costs 2019 £	Depreciation and amortisation 2019 £	Other costs 2019 £	Total funds 2019 £	Total funds 2018 £
Promoting reading	263,915	65,138	649,417	978,470	867,534
TOTAL 2018	187,691	56,912	622,931	867,534	

5. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2019 £	Total funds 2019 £	Total funds 2018 £
Promoting reading	978,470	978,470	867,534
TOTAL 2018	867,534	867,534	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

5. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Staff costs	263,915	187,691
Depreciation/amortisation	65,138	56,912
Hospital reading programme	307,624	254,997
Schools reading programme	240,417	263,301
Consultancy	14,645	24,210
Travel costs	5,128	4,169
Storage	1,944	1,782
Bank charges	111	148
Office costs	43,896	36,338
Direct costs	28,823	25,695
Auditors remuneration	5,500	5,400
Other governance costs	343	598
Office refurbishment	986	6,293
	<u>978,470</u>	<u>867,534</u>

6. AUDITORS' REMUNERATION

	2019 £	2018 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	<u>5,500</u>	<u>5,400</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

7. STAFF COSTS

	2019 £	2018 £
Wages and salaries	241,655	170,165
Social security costs	18,064	15,730
Contribution to defined contribution pension schemes	4,196	1,796
	<u>263,915</u>	<u>187,691</u>

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

	2019 No.	2018 No.
	<u>10</u>	<u>7</u>

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

8. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2018 - £NIL).

During the year ended 31 August 2019, expenses totalling £379 were reimbursed or paid directly to 1 Trustee (2018 - £674 to 2 Trustees).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

9. INTANGIBLE ASSETS

	Trademarks £
COST	
At 1 September 2018	245,175
At 31 August 2019	<u>245,175</u>
AMORTISATION	
At 1 September 2018	98,070
Charge for the year	49,035
At 31 August 2019	<u>147,105</u>
NET BOOK VALUE	
At 31 August 2019	<u>98,070</u>
At 31 August 2018	<u>147,105</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. TANGIBLE FIXED ASSETS

	Short-term leasehold property £	Office equipment £	Computer equipment £	Total £
COST				
At 1 September 2018	155,629	4,059	8,183	167,871
Additions	1,170	-	-	1,170
At 31 August 2019	<u>156,799</u>	<u>4,059</u>	<u>8,183</u>	<u>169,041</u>
DEPRECIATION				
At 1 September 2018	45,505	4,059	7,643	57,207
Charge for the year	15,563	-	540	16,103
At 31 August 2019	<u>61,068</u>	<u>4,059</u>	<u>8,183</u>	<u>73,310</u>
NET BOOK VALUE				
At 31 August 2019	<u>95,731</u>	<u>-</u>	<u>-</u>	<u>95,731</u>
At 31 August 2018	<u>110,124</u>	<u>-</u>	<u>540</u>	<u>110,664</u>

11. FIXED ASSET INVESTMENTS

	Listed investments £
COST OR VALUATION	
Additions	318,258
Revaluations	34,772
AT 31 AUGUST 2019	<u>353,030</u>
NET BOOK VALUE	
AT 31 AUGUST 2019	<u>353,030</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

12. DEBTORS

	2019	2018
	£	£
DUE WITHIN ONE YEAR		
Other debtors	17,432	27,852
Prepayments and accrued income	29,564	6,010
	<u>46,996</u>	<u>33,862</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade creditors	27,375	29,748
Other taxation and social security	5,613	4,480
Other creditors	1,083	-
Accruals and deferred income	67,805	38,967
	<u>101,876</u>	<u>73,195</u>

14. FINANCIAL INSTRUMENTS

	2019	2018
	£	£
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	712,254	711,522
Financial assets that are debt instruments measured at amortised cost	31,203	27,852
	<u>743,457</u>	<u>739,374</u>
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	<u>(48,653)</u>	<u>(68,715)</u>

Financial assets measured at fair value through income and expenditure comprise investments and cash.

Financial assets that are debt instruments measured at amortised cost comprise other debtors and accrued income.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

15. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Trademark	147,105	-	(49,035)	-	-	98,070
Fixed Assets	110,664	-	(16,103)	1,170	-	95,731
Projects	170,000	-	(95,000)	75,000	-	150,000
	<u>427,769</u>	<u>-</u>	<u>(160,138)</u>	<u>76,170</u>	<u>-</u>	<u>343,801</u>
GENERAL FUNDS						
General Funds	502,189	664,497	(617,614)	(76,170)	34,772	507,674
Total Unrestricted funds	<u>929,958</u>	<u>664,497</u>	<u>(777,752)</u>	<u>-</u>	<u>34,772</u>	<u>851,475</u>
RESTRICTED FUNDS						
Hospital programme - non-specified	-	12,321	(12,321)	-	-	-
Hospital programme - specified	-	188,397	(188,397)	-	-	-
Total Restricted funds	<u>-</u>	<u>200,718</u>	<u>(200,718)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total of funds	<u>929,958</u>	<u>865,215</u>	<u>(978,470)</u>	<u>-</u>	<u>34,772</u>	<u>851,475</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

15. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
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>
GENERAL FUNDS						
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>
RESTRICTED FUNDS						
Hospital programme - non-specified	-	32,954	(32,954)	-	-	-
Hospital programme - specified	-	82,814	(82,814)	-	-	-
Total Restricted funds	<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>

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

£30,000 of Designated Funds were spent in 2018/19 on the following specific projects:

1. Storytelling in the schools programme for disadvantaged children (£25,000)
2. Expansion of the team to deliver Citywide Readathons (£5,000)

In addition, £65,000 of surplus funds were used to fund the Charity's hospital programme.

In 2019/20, up to £150,000 will be required to supplement income from grant-making trusts to fund the hospital programme.

RESTRICTED FUNDS

Hospital programme is an initiative started in 2010 which provides books and storytellers to children in hospital.

Grants received

Readathon in hospitals has received specific donations towards the cost of running Readathon in hospitals. Some of the donors are detailed in the Trustees' Report.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

16. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Designated funds	427,769	-	(160,138)	76,170	-	343,801
General funds	502,189	664,497	(617,614)	(76,170)	34,772	507,674
Restricted funds	-	200,718	(200,718)	-	-	-
	<u>929,958</u>	<u>865,215</u>	<u>(978,470)</u>	<u>-</u>	<u>34,772</u>	<u>851,475</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Designated funds	496,140	-	(140,808)	72,437	-	427,769
General funds	516,514	664,349	(610,958)	(72,437)	4,721	502,189
Restricted funds	-	115,768	(115,768)	-	-	-
	<u>1,012,654</u>	<u>780,117</u>	<u>(867,534)</u>	<u>-</u>	<u>4,721</u>	<u>929,958</u>

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

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	<u>(78,483)</u>	<u>(82,696)</u>
ADJUSTMENTS FOR:		
Depreciation charges	16,103	7,877
Amortisation charges	49,035	49,035
Gains on investments	(34,772)	(4,721)
Interest received	(1,982)	(1,985)
Increase in debtors	(13,134)	(43,934)
Increase in creditors	28,681	83,777
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	<u>(34,552)</u>	<u>7,353</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019	2018
	£	£
Cash in hand	359,524	711,522
TOTAL CASH AND CASH EQUIVALENTS	359,524	711,522

19. OPERATING LEASE COMMITMENTS

At 31 August 2019 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
	£	£
Not later than 1 year	15,004	15,736
Later than 1 year and not later than 5 years	57,088	57,820
Later than 5 years	51,141	65,413
	123,233	138,969

20. RELATED PARTY TRANSACTIONS

During the year, there were no related party transactions (2018: none).