

READ FOR GOOD
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

**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 CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2020**

Trustees Mr David Edwards (resigned 1 April 2020)
Ms Anne Everall
Mr Stephen Morgan
Mr Michael Walker
Ms Helen West
Ms Rachel Bolton (appointed 24 January 2020)

**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 2020**

The Trustees present their annual report together with the audited financial statements of the Charity for the 1 September 2019 to 31 August 2020. 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 Bulletins 1 and 2.

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 ACHIEVEMENTS

a. Policies and objectives

Reading for pleasure can transform a child's life. Read for Good motivates children to read for pleasure through tailor-made programmes in schools, hospitals and communities across the UK. We do this because countless studies show that a love of reading at an early age changes lives, from educational outcomes and attainment to social mobility and emotional well-being.

"Children who don't read for pleasure will be held back at every stage of their lives: they will struggle to do well at school or to find a job; when they become parents, they won't be able to support their own child's learning – creating a vicious cycle of deprivation."
National Literacy Trust, 2019

It has always been the case that 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.

Our schools reading initiatives, including Readathon which has been used by teachers and school librarians for over 35 years, are simple but effective tools that encourage pupils to put down their phones and Xbox controllers for a few minutes, to choose something fun to read.

For years now, we've witnessed the power of a book through our unique hospital programme, which provides brand new books and stories for children in hospital, one of the most distressing situations a child can be in. The books provide essential distraction, comfort, escapism and hope, helping to relieve anxiety at one of the most stressful times a child can experience, and help them to make sense of the world.

The Covid-19 pandemic and mitigation measures such as quarantine and school closures have had a devastating impact on the education and mental health of many children and young people in the UK, particularly those already disadvantaged for socio-economic and/or health reasons.

It is our belief that the founding principles of Read for Good - building a love of reading through choice, freedom and motivation - will play a vital role in helping our nation's children recover from the unquantified impact that Coronavirus is having on their education, their social development, their mental health and their overall well-being.

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 (PB)'.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

b. Activities for achieving objectives

Read for Good creates and runs tailor-made programmes for schools, hospitals and communities across the UK, designed to encourage children to read for pleasure.

Readathon has been running in schools since 1984, and works because it makes reading fun and purposeful because money raised by being sponsored to read helps buy books and storyteller visits for children in hospital. It's a simple, time-tested sponsored read, providing excellent resources for schools to run.

"It was really amazing to see the increase in borrowing figures and enthusiasm for reading right across the school."

School librarian, Liverpool

Usually around 2,000 schools request our Readathon kits each year, with many participating in Readathon as part of their World Book Day celebrations in March. We anticipated well over a quarter of a million children to be reading with Readathon during the month of March, however, that coincided with the pandemic taking a grip, resulting in the interruption, postponement or cancellation of hundreds of Readathons. Some schools took advantage of our online resources and successfully encouraged children to continue to read for pleasure at home, but few schools were able to complete their reading or fundraising challenge.

Our citywide Readathons in Leicester, Liverpool and Manchester, which galvanized whole swathes of children to get involved in reading over a fabulous two week period, were proving successful, but again were cut off in their prime this year.

And whilst we worked hard to maintain a supply of brand new books to children in hospital, our storyteller programme has had to go on hold, as hospitals do all they can to minimise infection risk.

Despite all this, during the year of Covid, our programmes delivered:

- An estimated 500 schools and 1 million children across the UK engaged in reading for pleasure through Readathon
- 30,000 children in the cities of Leicester and Liverpool taking part in our city-wide celebrations of reading for pleasure
- 20,000 brand new books delivered to 30 children's hospitals across the UK, reaching an estimated 70,000 children in hospital and their families
- We piloted our Brilliant Box of Books programme in support of school libraries, giving away 30 sets of carefully curated children's book titles worth £1,000 each, providing school libraries in need with the very best brand new books
- A further 1,500 books worth nearly £10,000 benefited 125 schools, 3 hospitals and 18 individuals throughout the year
- Following a trial of storytelling training for hospital staff, we followed up with Bristol Children's Hospital Play staff 9 months later to assess whether the skills learnt were still being utilised in every day work with children:
 - 80% said they told stories to children more often since the training
 - All respondents said that since the training they were more confident at telling stories to children
 - "I now use storytelling in anaesthetic rooms all the time! I start a story on the way down from their bed space and continue picking up ideas on the way and involving more objects and people on the way."
- We evaluated our campaign to give nearly 4,000 brand new books to 62 different medical and educational settings in need (including mental health units, hospices, pupil referral units and specialist children's hospital units), reaching an estimated 25,000 children
- Jointly with Scholastic Book Clubs, we provided schools with free book vouchers worth £20,470 over the course of the year as a reward for taking part in Readathon
- In addition, with thanks to National Book Tokens, we gave 504 schools £10 worth of National Book Tokens, to enable children to own their books

**READ FOR GOOD
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

We are very grateful to the many publishers, authors, illustrators and book distributors who have donated books to us over the years, enabling us to target wonderful brand new books to children who can really benefit from them.

In November 2019, we were delighted to have been one of only a handful of charities featured on BBC1's Children in Need flagship show, with millions of people seeing the impact our work has on the lives of children in hospital and their families. We took every advantage of the added exposure, ensuring all our stakeholders were aware and could take pride in the event. As a result, we grew our individual donors significantly.

Looking forward, while Readathon remains an effective tool that schools can use to encourage pupils to read for pleasure, the current demands on schools and teachers to ensure they are effectively helping children catch up with their education in a safe environment. We are working to tailor our offering to meet the changing needs of children, schools and communities in these very challenging times.

ACHIEVEMENTS AND PERFORMANCE

Major donations

For the last few years, we have actively pursued a strategy to diversify our sources of income, reducing reliance on Readathon sponsored read. This approach must continue, and at a faster pace.

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

Charitable Trusts and Foundations
Wooden Spoon, The Children's Charity of Rugby
BBC Children in Need
Scottish Children's Lottery
Lord Austin Charitable Trust
Kensington & Chelsea District Nursing Trust
The Hedley Foundation
Rowlands Trust
Oakdale Trust
Craig Charity for Children
Florence Turner Trust
Taylor Family Foundation
Westminster Amalgamated Charity
Sylvia & Colin Shepherd Charitable Trust
Peter Kershaw Charitable Trust
Miss Violet Murray Lessel's Trust
Alan Boswell Group Charitable Trust
Sir Robert Horton Charitable Trust
Enkalon Foundation
Edward Gostling Foundation
Paul Bassham Charitable Trust
The Light Fund
The 29th May 1961 Charitable Trust
Jessie Spencer Trust
GJW Turner Charitable Trust
Gyde Charity
Sovereign Health Care Community Programme
The Halbard Charitable Trust
Unwin Charitable Trust
The Sir James Roll Charitable Trust
The Siobhan Dowd Trust
The Stafford Trust
Doris Field Charitable Trust
The Michael Marsh Charitable Trust
The RS Brownless Charitable Trust

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Halifax Foundation for Northern Ireland
The Ratcliff Foundation
The Carmela and Ronnie Pignatelli Foundation
Van Neste Foundation
Hesslewood Children's Trust
JR & SA Brookes Charitable Trust
Simon Gibson Charitable Trust
Shanly Foundation
Lord Cozens Hardy Trust

Corporate

Charity Jobs
Kung Fu Accounting

Free book vouchers to the face value of £95,488 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 ongoing and generous support of Scholastic Book Clubs.

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 Readathon school that raised over £50 to reward their star pupils.

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 2020 were £659,369, of which free reserves (total reserves less intangible and tangible fixed assets) were £579,201. 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.

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.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

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.

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:

**READ FOR GOOD
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020**

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 TRUSTEES OF READ FOR GOOD

OPINION

We have audited the financial statements of Read for Good (the 'charity') for the year ended 31 August 2020 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 2020 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.

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES 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 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 TRUSTEES OF READ FOR GOOD (CONTINUED)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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

Date:

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

**READ FOR GOOD
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

| | Note | Restricted funds 2020 £ | Unrestricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|------------------------------------|------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| INCOME FROM: | | | | | |
| Donations and legacies | 2 | 199,817 | 467,542 | 667,359 | 863,233 |
| Investments | | - | 1,444 | 1,444 | 1,982 |
| TOTAL INCOME | | 199,817 | 468,986 | 668,803 | 865,215 |
| EXPENDITURE ON: | | | | | |
| Charitable activities | 3 | 199,817 | 611,703 | 811,520 | 978,470 |
| TOTAL EXPENDITURE | | 199,817 | 611,703 | 811,520 | 978,470 |
| Net (losses)/gains on investments | | - | (49,389) | (49,389) | 34,772 |
| NET MOVEMENT IN FUNDS | | - | (192,106) | (192,106) | (78,483) |
| RECONCILIATION OF FUNDS: | | | | | |
| Total funds brought forward | | - | 851,475 | 851,475 | 929,958 |
| Net movement in funds | | - | (192,106) | (192,106) | (78,483) |
| TOTAL FUNDS CARRIED FORWARD | | - | 659,369 | 659,369 | 851,475 |

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

The notes on pages 13 to 27 form part of these financial statements.

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

**BALANCE SHEET
AS AT 31 AUGUST 2020**

| | Note | 2020 £ | 2019 £ |
|--|------|------------------|----------------|
| FIXED ASSETS | | | |
| Intangible assets | 8 | - | 98,070 |
| Tangible assets | 9 | 80,168 | 95,731 |
| Investments | 10 | - | 353,030 |
| | | <u>80,168</u> | <u>546,831</u> |
| CURRENT ASSETS | | | |
| Debtors | 11 | 47,342 | 46,996 |
| Cash at bank and in hand | | 683,764 | 359,524 |
| | | <u>731,106</u> | <u>406,520</u> |
| Creditors: amounts falling due within one year | 12 | (151,905) | (101,876) |
| | | <u>579,201</u> | <u>304,644</u> |
| NET CURRENT ASSETS | | 579,201 | 304,644 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>659,369</u> | <u>851,475</u> |
| TOTAL NET ASSETS | | <u>659,369</u> | <u>851,475</u> |
| CHARITY FUNDS | | | |
| Restricted funds | 13 | - | - |
| Unrestricted funds | 13 | 659,369 | 851,475 |
| TOTAL FUNDS | | <u>659,369</u> | <u>851,475</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:

The notes on pages 13 to 27 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. The Trustees fully recognise the challenges of the current climate; however, given the charity's level of reserves and its robust budgeting and review processes, they are confident that 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.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. ACCOUNTING POLICIES (continued)

1.5 EXPENDITURE (CONTINUED)

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.

1.6 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 | - | 4-5 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. ACCOUNTING POLICIES (continued)

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.

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 OPERATING LEASES

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

1.14 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.

1.15 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. INCOME FROM DONATIONS AND LEGACIES

| | Restricted funds 2020 £ | Unrestricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|-------------------|--|--|---------------------------------------|---------------------------------------|
| Donations | 199,817 | 394,962 | 594,779 | 863,233 |
| Government grants | - | 72,580 | 72,580 | - |
| | <u>199,817</u> | <u>467,542</u> | <u>667,359</u> | <u>863,233</u> |
| TOTAL 2019 | <u>200,718</u> | <u>662,515</u> | <u>863,233</u> | |

3. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

| | Restricted funds 2020 £ | Unrestricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|-----------------------|--|--|---------------------------------------|---------------------------------------|
| Charitable activities | 199,817 | 611,703 | 811,520 | 978,470 |
| | <u>199,817</u> | <u>611,703</u> | <u>811,520</u> | <u>978,470</u> |
| TOTAL 2019 | <u>200,718</u> | <u>777,752</u> | <u>978,470</u> | |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

3. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)

Summary by expenditure type

| | Staff costs 2020 £ | Depreciation and amortisation 2020 £ | Other costs 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|-------------------|--------------------------|--|--------------------------|-----------------------------|-----------------------------|
| Promoting reading | 288,382 | 113,633 | 409,505 | 811,520 | 978,470 |
| TOTAL 2019 | 263,915 | 65,138 | 649,417 | 978,470 | |

4. ANALYSIS OF EXPENDITURE BY ACTIVITIES

| | Activities undertaken directly 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|-------------------|---|-----------------------------|-----------------------------|
| Promoting reading | 811,520 | 811,520 | 978,470 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of direct costs

| | Total funds 2020 £ | Total funds 2019 £ |
|----------------------------|-----------------------------|-----------------------------|
| Staff costs | 288,382 | 263,915 |
| Depreciation/amortisation | 113,633 | 65,138 |
| Hospital reading programme | 173,718 | 307,624 |
| Schools reading programme | 150,680 | 240,417 |
| Consultancy | 4,128 | 14,645 |
| Travel costs | 5,191 | 5,128 |
| Storage | 1,944 | 1,944 |
| Bank charges | 138 | 111 |
| Office costs | 40,791 | 43,896 |
| Direct costs | 26,424 | 28,823 |
| Auditors remuneration | 5,780 | 5,500 |
| Other governance costs | 711 | 343 |
| Office refurbishment | - | 986 |
| | <u>811,520</u> | <u>978,470</u> |

5. AUDITORS' REMUNERATION

| | 2020 £ | 2019 £ |
|--|--------------|--------------|
| Fees payable to the Charity's auditor for the audit of the Charity's annual accounts | <u>5,780</u> | <u>5,500</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

6. STAFF COSTS

| | 2020 £ | 2019 £ |
|--|----------------|----------------|
| Wages and salaries | 261,457 | 241,655 |
| Social security costs | 20,992 | 18,064 |
| Contribution to defined contribution pension schemes | 5,933 | 4,196 |
| | <u>288,382</u> | <u>263,915</u> |

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

| | 2020 No. | 2019 No. |
|--|-------------|-------------|
| | <u>10</u> | <u>10</u> |

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

7. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 August 2020, expenses totalling £711 were reimbursed or paid directly to 2 Trustees (2019 - £379 to 1 Trustee). The expenses reimbursed were mileage claims for Trustees attending Board meetings in both years.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. INTANGIBLE ASSETS

| | Trademarks £ |
|-----------------------|-----------------|
| COST | |
| At 1 September 2019 | 245,175 |
| At 31 August 2020 | <u>245,175</u> |
| AMORTISATION | |
| At 1 September 2019 | 147,105 |
| Charge for the year | 98,070 |
| At 31 August 2020 | <u>245,175</u> |
| NET BOOK VALUE | |
| At 31 August 2020 | <u>-</u> |
| At 31 August 2019 | <u>98,070</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. TANGIBLE FIXED ASSETS

| | Short-term leasehold property £ | Office equipment £ | Computer equipment £ | Total £ |
|-----------------------|--|--------------------------|----------------------------|----------------|
| COST | | | | |
| At 1 September 2019 | 156,799 | 4,059 | 8,183 | 169,041 |
| At 31 August 2020 | <u>156,799</u> | <u>4,059</u> | <u>8,183</u> | <u>169,041</u> |
| DEPRECIATION | | | | |
| At 1 September 2019 | 61,068 | 4,059 | 8,183 | 73,310 |
| Charge for the year | 15,563 | - | - | 15,563 |
| At 31 August 2020 | <u>76,631</u> | <u>4,059</u> | <u>8,183</u> | <u>88,873</u> |
| NET BOOK VALUE | | | | |
| At 31 August 2020 | <u>80,168</u> | - | - | <u>80,168</u> |
| At 31 August 2019 | <u>95,731</u> | - | - | <u>95,731</u> |

10. FIXED ASSET INVESTMENTS

| | |
|--------------------------|----------------------------|
| | Listed investments £ |
| At 1 September 2019 | 353,030 |
| Disposals | (303,641) |
| Revaluations | (49,389) |
| NET BOOK VALUE | |
| AT 31 AUGUST 2020 | <u>-</u> |
| <i>AT 31 AUGUST 2019</i> | <u>353,030</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

11. DEBTORS

| | 2020 | 2019 |
|--------------------------------|-----------------------------|----------------------|
| | £ | £ |
| DUE WITHIN ONE YEAR | | |
| Other debtors | 17,435 | 17,432 |
| Prepayments and accrued income | 29,907 | 29,564 |
| | <u>47,342</u> | <u>46,996</u> |
| | <u><u>47,342</u></u> | <u><u>46,996</u></u> |

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2020 | 2019 |
|------------------------------------|------------------------------|-----------------------|
| | £ | £ |
| Trade creditors | 30,898 | 27,375 |
| Other taxation and social security | 4,991 | 5,613 |
| Other creditors | 2,382 | 1,083 |
| Accruals and deferred income | 113,634 | 67,805 |
| | <u>151,905</u> | <u>101,876</u> |
| | <u><u>151,905</u></u> | <u><u>101,876</u></u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

13. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

| | Balance at 1 September 2019 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2020 £ |
|------------------------------------|--|-----------------------|-------------------------|--------------------------|-------------------------|--------------------------------------|
| UNRESTRICTED FUNDS | | | | | | |
| DESIGNATED FUNDS | | | | | | |
| Trademark | 98,070 | - | (98,070) | - | - | - |
| Fixed Assets | 95,731 | - | (15,563) | - | - | 80,168 |
| Projects | 150,000 | - | (20,000) | (86,000) | - | 44,000 |
| | <u>343,801</u> | <u>-</u> | <u>(133,633)</u> | <u>(86,000)</u> | <u>-</u> | <u>124,168</u> |
| GENERAL FUNDS | | | | | | |
| General Funds - all funds | 507,674 | 468,986 | (478,070) | 86,000 | (49,389) | 535,201 |
| Total Unrestricted funds | <u>851,475</u> | <u>468,986</u> | <u>(611,703)</u> | <u>-</u> | <u>(49,389)</u> | <u>659,369</u> |
| RESTRICTED FUNDS | | | | | | |
| Hospital programme - non-specified | - | 88,700 | (88,700) | - | - | - |
| Hospital programme - specified | - | 111,117 | (111,117) | - | - | - |
| Total Restricted funds | <u>-</u> | <u>199,817</u> | <u>(199,817)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total of funds | <u><u>851,475</u></u> | <u><u>668,803</u></u> | <u><u>(811,520)</u></u> | <u><u>-</u></u> | <u><u>(49,389)</u></u> | <u><u>659,369</u></u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

13. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR 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> |

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

£20,000 of Designated Funds were spent in 2019/20 to help fund the Charity's hospital programme.

In 2020/21, up to £44,000 will be required to:

1. Supplement income from grant-making trusts to fund the hospital programme up to the value of £32,000; and
2. Help fund the new digital reading programme up to the value of £12,000.

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 2020

14. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

| | Balance at 1 September 2019 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2020 £ |
|------------------|--|----------------|------------------|--------------------------|-------------------------|--------------------------------------|
| Designated funds | 343,801 | - | (133,633) | (86,000) | - | 124,168 |
| General funds | 507,674 | 468,986 | (478,070) | 86,000 | (49,389) | 535,201 |
| Restricted funds | - | 199,817 | (199,817) | - | - | - |
| | <u>851,475</u> | <u>668,803</u> | <u>(811,520)</u> | <u>-</u> | <u>(49,389)</u> | <u>659,369</u> |

SUMMARY OF FUNDS - PRIOR 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> |

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

| | 2020 £ | 2019 £ |
|---|------------------|-----------------|
| Net expenditure for the period (as per Statement of Financial Activities) | <u>(192,106)</u> | <u>(78,483)</u> |
| ADJUSTMENTS FOR: | | |
| Depreciation charges | 15,563 | 16,103 |
| Amortisation charges | 98,070 | 49,035 |
| (Gains)/losses on investments | 49,389 | (34,772) |
| Interest received | (1,444) | (1,982) |
| Increase in debtors | (346) | (13,134) |
| Increase in creditors | 50,029 | 28,681 |
| NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES | <u>19,155</u> | <u>(34,552)</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

16. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2020 £ | 2019 £ |
|--|----------------|----------------|
| Cash in hand | 683,764 | 359,524 |
| TOTAL CASH AND CASH EQUIVALENTS | 683,764 | 359,524 |

17. ANALYSIS OF CHANGES IN NET DEBT

| | At 1 September 2019 £ | Cash flows £ | At 31 August 2020 £ |
|--------------------------|--------------------------------|-----------------|---------------------------|
| Cash at bank and in hand | 359,524 | 324,240 | 683,764 |
| | 359,524 | 324,240 | 683,764 |

18. OPERATING LEASE COMMITMENTS

At 31 August 2020 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2020 £ | 2019 £ |
|--|----------------|----------------|
| Not later than 1 year | 15,794 | 15,004 |
| Later than 1 year and not later than 5 years | 58,736 | 57,088 |
| Later than 5 years | 36,869 | 51,141 |
| | 111,399 | 123,233 |

19. RELATED PARTY TRANSACTIONS

The Charity has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Charity at 31 August 2020.