

**THE READING AGENCY  
FOR LIBRARIES  
A COMPANY LIMITED BY GUARANTEE  
TRUSTEES' REPORT &  
FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
31 MARCH 2007**

Registered Company No 3904882  
Registered Charity No 1085443

THURSDAY



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**THE READING AGENCY FOR LIBRARIES**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**PERIOD FROM 1 OCTOBER 2005 TO 31 MARCH 2007**

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**THE READING AGENCY FOR LIBRARIES**  
**LEGAL AND ADMINISTRATIVE INFORMATION**

<b>Charity name</b>	The Reading Agency for Libraries	
<b>Legal status</b>	Company limited by guarantee	
<b>Charity registration number</b>	1085443	
<b>Company number</b>	3904882 (England and Wales)	
<b>Registered Office</b>	Templars House Lulworth Close Chandlers Ford Hampshire SO53 3TL	
<b>Auditors</b>	CW Fellowes Limited Templars House Lulworth Close Chandlers Ford Hampshire SO53 3TL	
<b>Bankers</b>	Lloyds TSB plc High Street Winchester SO23 9DA	CAF Bank Ltd West Malling Kent ME19 4TA
<b>Solicitors</b>	Bates, Wells and Braithwaite Cheapside House 138 Cheapside London EC2V 6BB	
<b>Trustees / Directors</b>	S I Hawker H J Wilson-Fletcher M J Molloy V M Griffiths	N C Jones N Parker
<b>Company Secretary</b>	M Wright	
<b>Management team</b>		
<b>Director</b>	M McKearney	
<b>Director of Strategy &amp; Resources</b>	P Shapland	
<b>Director of Programmes</b>	E Dubber	
<b>Finance Director</b>	M McCulloch	

# **THE READING AGENCY FOR LIBRARIES**

## **TRUSTEES' REPORT**

**PERIOD FROM 1 OCTOBER 2005 TO 31 MARCH 2007**

The trustees, who are also directors of the company, are pleased to present their report together with the financial statements of the charity for the eighteen months ended 31 March 2007

The legal and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities

### **Governing document**

The Reading Agency for Libraries is a company limited by guarantee and a registered charity. It was formed in July 2002 from the merger of Launchpad, Well Worth Reading and the Reading Partnership

### **Organisation**

The board of The Reading Agency for Libraries consists of up to ten Trustees and a Company Secretary. An observer from the main funder – Arts Council England, South East - attends board meetings, which are held quarterly. An audit of board skills was undertaken during the period and steps have been taken to recruit to fill the gaps uncovered.

### **Induction of board members**

Potential board members are given a board induction pack containing the following information:

- The organisation at a glance – who we are and what we do
- An organisation chart and list of staff and consultants
- Board list – names and brief biographies
- Recent and forthcoming activities information
- Current business plan
- Latest annual report & audited accounts and last set of management accounts
- Roles and responsibilities of board members
- Memorandum and Articles of Association
- Policies and procedures
- Recent minutes of board meetings
- Complete set of last board papers

Potential trustees attend a board meeting to assess whether they would like to join the board. They meet with the Director of Resources and Strategic Operations before their first board meeting to discuss the information in the folder and clarify any questions about trusteeship and the organisation. If the trustee has a special role – e.g. finance, then they also meet with the relevant specialist employee to discuss this area.

### **Organisational structure and decision making**

The day to day running and forward planning of the organisation is the responsibility of the Director supported by the senior management team. They report to the board which meets quarterly and is responsible for ensuring that the organisation fulfils its charitable remit. The regular reporting covers the work plan and targets across many aspects – financial, operational, risk management and strategic development.

Board members are not involved in the management of the organisation as such but they volunteer expertise in their specialist areas when it is needed.

The Reading Agency had six full-time employees and seven part-time during the period. It also used the services of freelance consultants and project workers.

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**PERIOD FROM 1 OCTOBER 2005 TO 31 MARCH 2007**

**Objectives and activities**

The Reading Agency is founded on the principle that reading has infinite potential for making life richer and that libraries are the most democratic medium for bringing reading to people. The objectives of the charity are to promote and develop reading among all sectors of the community in support of education and lifelong learning and to improve the quality of individual and community life.

The Reading Agency provides a single point of entry into the library network for potential partners wanting to make use of the powerful, national expertise of the library service. The agency has built relationships with partners for work in libraries such as publishers and broadcasters, schools, prisons and young people's services, over the first five years of its existence.

**Achievements and performance**

Although TRA's activities continue to become more and more integrated, over the past eighteen months, they can still be broken into four areas of work.

**Nationally co-ordinated reading resources**

- to support and develop librarians' reading promotion activities across a wide range
  - for children the Summer Reading Challenge (over 650,000 children took part in 2006, reading books from a wide, diverse collection) and Chatterbooks (365 groups involving 5,000 children)
  - for teenagers, Manga Mania
  - for adults the RaW campaign in conjunction with the BBC and Quick Reads, First Choice, Five Minutes (to encourage fathers to read with their children), Banipal with the British Council (to increase access to Arabic literature)

**Creative industry partnerships to inject new life into libraries reading work**

- These include partnerships with Orange, the BBC, Channel Four's Richard & Judy Book Club, World Book Day, The Independent
- Partnership working with publishers – nine publishers support a Reading Partners post which is revolutionising the way adult publishers work with libraries. This year has seen a specialised BME focused skills sharing programme between librarians and publishers including master classes around BME writers and readers. This was funded by Arts & Business.
- TRA has a Service Level Agreement with the BBC to support the BBC Learning Campaigns in libraries for three years – so far RaW and Breathing Places.
- The Arts Council has funded a partnership with BBC Radio which has developed children's radio clubs and Listening Posts in libraries.

**Developing reading services for key target audiences**

- Creation and dissemination of best practice in the library services -
  - For children with TRF, on on-line training resource
  - For adult learners with Vital Link
  - For "hard to reach" young people with FtPThese projects are funded by MLA through the continuation of Framework for the Future. This funding agreement will last until March 2008. Negotiations for how to continue the work past

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## TRUSTEES' REPORT

PERIOD FROM 1 OCTOBER 2005 TO 31 MARCH 2007

this date are under way Some library authorities have already clubbed together to subscribe to run FtP projects in their regions

- Work with Prison services to support family reading – funded by Paul Hamlyn Foundation This is a three year project and will finish in 2008
- Work with socially excluded young people through the Partners for Change project funded by the Paul Hamlyn Foundation
- Work on social exclusion and adult literacy funded by DfES Skills for Life Unit This project builds on our earlier Reading for Pleasure work and links libraries with skills for life practitioners In 2007, part of this work involved linking libraries with children's centres, targeting families 29% of adult participants involved went on to sign up for adult learning courses
- Developing and delivering programme based training courses for librarians in all these areas

### Organisational development

Over the past two years, the board and management have undertaken an organisational review looking at structures, systems and development and have acted to implement the findings

- Sharpened vision, mission and values which all the organisation can share achieved through extensive discussion with stakeholders, board and staff
- Stakeholder review
- New systems for prioritising projects and ensuring that all we do fulfils the vision, meets the goals and maintains the high quality of the organisation's work
- Developing systems for internal communication and also for delegation of decision-making
- Setting up a training programme for staff and board on diversity and the opportunities of diversity through all the strands of our work
- Achieving our ideal support staff complement – set out three years ago as an aspiration – by recruiting IT expertise
- Introducing a new model for rolling risk management and ensured that we act to mitigate key risks
- Establishing a programme of Health & Safety training
- Using a number of different assessment methods to ensure that our goals are being met externally and internally
- The board have undertaken a board review and audit of skills and have recruited to fill the gaps

We are building on the work of the past two years by

- improving our back office systems – installing a new accounts system and database/CRM system which will allow us to use the web much more effectively for internal communication, through the establishment of a virtual office where home workers can share documents, contacts etc , communication with our partners and stakeholders (evaluation of results etc ) and sales
- developing a communications strategy in association with Oasis Media which is currently underway with a website audit
- re branding to mark our fifth birthday This builds on the work that has already been done in sharpening the vision

### Risk taking, partnerships, independence

One of the lessons learnt in the past year is that we have to ensure that we retain our “cutting edge” and that we do not shy away from taking necessary risks The board's decision to establish a designated fund to cover artistic risk arose from a long discussion of our mission and values and a growing realisation that we have to take (assessed and mitigated) risks to continue to be creative

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We have also had discussions about the ways in which we can be most effective in getting more reading to more people. We have realised that we need to concentrate on working through and in partnerships with other organisations (e.g. NYA, NLT, publishers, BBC) creating networks to achieve more than we can alone. This has been in the past and will be reflected in our work in the coming years. Our membership of the Freeword consortium of nine literature organisations reflects this partnership emphasis.

We have also agreed, from the organisational development work on sharpening vision and values, that TRA has to make sure that it retains an independent voice, as an advocate of reading – in all its forms – and this consideration has to inform decisions about future work.

### **Risk management and reserves policy**

In 2002 and 2003 the charity undertook a comprehensive review of the risks to which it might be exposed and developed a strategy to deal with the risks identified and continues to monitor the situation through regular reviews and discussion annually.

The risk management strategy comprises

- initial comprehensive review of risks across all areas of the organisation's activity,
- establishment of systems and procedures to mitigate the risks identified, and
- continued monitoring of potential risks regularly reported to the board

### **Financial strategy**

TRA has expanded very rapidly and we have had to develop policies and strategies to allow for this growth within a changing and sometimes politically difficult environment. The board has adopted a policy to fund our growth and cover our artistic risks from surpluses already made.

The board has designated some of the general funds to cover these areas of activity

- Office designated fund – this fund covers the cost of the office and some of the staff working there. It is replenished each year from general funds.
- Staff risk – this fund allows us to continue employing project staff and to maintain continuity in the work whilst negotiating the next tranche of funding.
- Chatterbooks – this is ring-fenced income from the sale of Chatterbooks packs which is being held to finance future printing of packs.
- Artistic and commercial risk – this allows us to invest in projects which carry a degree of risk – because we are moving into new areas for us, or because the idea is so innovative there is no precedent. We will use part of this fund to cover the set up costs of the young people's interactive website. The project is expected to be self-sufficient within four years.
- Research & development – this fund is for us to invest in research into reading, to organise discussions within and beyond the library sector about reading and current developments, to disseminate the findings, to raise the level of debate and act as advocates for reading across the public and cultural worlds. It will also pull together all the information we have available through our work and partnerships and disseminate this. It will also allow us to develop the ideas that arise from the research into viable projects. It is hoped that the function will become self-sufficient in two years.
- Computer systems – this fund is to cover developing our back office systems and a review and overhaul of the website.

# **THE READING AGENCY FOR LIBRARIES**

## **TRUSTEES' REPORT**

### **PERIOD FROM 1 OCTOBER 2005 TO 31 MARCH 2007**

- **Bridging fund for grant funded projects** This fund allows us to spend on activities that are funded by restricted grants once the grant is agreed but before it has been received. It is to cover short-term cashflow on grant funded activities supported by Arts & Business and the Big Lottery fund

The board continues the policy of holding six months running costs in general reserves. On our present level of activity the reserves required would be £300,000. The current level of the general reserve is £337,495.

Because of the policy of prudent growth and also spreading our income across commercial activities and grants from a number of different sources, TRA is currently financially stable and able to weather change whilst developing plans to continue to be effective into the future.

Bids for grant funding for project work with families, with reading and health, and with the Olympic consortium are currently in preparation. A bid with NLT for the National year of Reading has been successful. This work will start in August 2007 and the project will last for twenty months.

TRA is also investing its own resources in developing projects, such as the young people's web site, which will become self-financing in the medium term.

The agency's work, particularly in the restricted fund area, has expanded in response to Government led initiatives. The agency is careful to maintain a wide funding base with a mixture of grant funding from government, Arts Council, MLA and charitable trusts and income for print and services from library authorities, broadcast and publishing partners.

There are three restricted funds in deficit at the year end. Note 12, on page 20, details how a designated fund has been set-up to cover these balances.

The agency has adopted a policy of careful expansion based on reserves already secured.

#### **Trustees and their interests**

The Trustees who served during the year are listed below. All Trustees have a direct £1 guarantee.

S I Hawker	C R Johnson (resigned February 2007)
N McClelland (resigned December 2006)	N C Jones
H J Wilson-Fletcher	V M Griffiths
M J Molloy	N Parker (joined September 2006)

#### **Trustees' responsibilities**

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the period. In preparing those financial statements the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements, and



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- 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 accounting records which 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 Charities Act 1993. 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.

In so far as the Trustees are aware

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

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

Approved by the Trustees and signed on their behalf by

  
M J Molloy

Trustee

5 September 2007  
Date

**THE READING AGENCY FOR LIBRARIES**  
**REPORT OF THE AUDITORS TO THE MEMBERS OF**  
**THE READING AGENCY FOR LIBRARIES**  
**PERIOD ENDED 31 MARCH 2007**

We have audited the financial statements of The Reading Agency for Libraries for the period ended 31 March 2007 which are detailed on pages 10 to 23. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of the Trustees and auditors**

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards as set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the charity are not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**THE READING AGENCY FOR LIBRARIES**  
**REPORT OF THE AUDITORS TO THE MEMBERS OF**  
**THE READING AGENCY FOR LIBRARIES**

**PERIOD ENDED 31 MARCH 2007**

**Opinion**

In our opinion

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the charity's affairs as at 31 March 2007, and of its incoming resources and application of resources, including its income and expenditure, in the period then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985, and

the information given in the Trustees' Report is consistent with the financial statements

*CW Fellowes Limited*  
*CW Fellowes Limited*  
Registered Auditor

Templars House  
Lulworth Close  
Chandlers Ford  
SO53 3TL

Date *25th September 2007*

**THE READING AGENCY FOR LIBRARIES**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**

**PERIOD FROM 1 OCTOBER 2005 TO 31 MARCH 2007**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2007 18 months £	Total Funds 2005 12 months £
<b>Incoming Resources</b>					
Incoming resources from generated funds					
Voluntary income		322,938	-	322,938	157,888
Activities for generating funds		122,125	-	122,125	80,000
Investment Income		17,116	17,115	34,231	8,869
Incoming resources from charitable activities	3 (a)	1,695,492	771,631	2,467,123	1,469,890
<b>Total Incoming Resources</b>		<u>2,157,671</u>	<u>788,746</u>	<u>2,946,417</u>	<u>1,716,647</u>
<b>Resources Expended</b>					
Costs of generating funds					
Costs of generating voluntary income		7,386	-	7,386	2,481
Charitable Activities		1,773,552	706,311	2,479,863	1,348,923
Governance costs		76,893	-	76,893	32,787
<b>Total Resources Expended</b>	4 (a)	<u>1,857,831</u>	<u>706,311</u>	<u>2,564,142</u>	<u>1,384,191</u>
<b>Net Incoming Resources</b>		<b>299,840</b>	<b>82,435</b>	<b>382,275</b>	<b>332,456</b>
<b>Funds brought forward 1 October 2005</b>		<b>525,189</b>	<b>163,636</b>	<b>688,825</b>	<b>356,369</b>
<b>Funds carried forward 31 March 2007</b>	12/13	<u><b>825,029</b></u>	<u><b>246,071</b></u>	<u><b>1,071,100</b></u>	<u><b>688,825</b></u>

# THE READING AGENCY FOR LIBRARIES

## BALANCE SHEET

AS AT 31 MARCH 2007

		31 March 2007		30 September 2005	
	Note	£	£	£	£
<b>Tangible fixed assets</b>	7		26,451		3,893
<b>Current assets</b>					
Debtors	8	745,261		301,850	
Cash at bank and in hand		<u>810,573</u>		<u>655,298</u>	
			1,555,834		957,148
<b>Current liabilities</b>					
Amounts falling due within one year	9	<u>511,185</u>		<u>272,216</u>	
			(511,185)		(272,216)
<b>Net current assets</b>			1,044,649		684,932
<b>Net assets</b>			<u>1,071,100</u>		<u>688,825</u>
<b>Funds</b>					
Restricted funds	12		246,071		163,636
Designated funds	13		487,534		333,200
Unrestricted funds	13		<u>337,495</u>		<u>191,989</u>
			<u>1,071,100</u>		<u>688,825</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective January 2005)

These financial statements on pages 10 to 23 were approved by, and signed on behalf of the board of Trustees on

5th September 2007

Date

*Al. H. H. H. H. H.*

Trustee

# THE READING AGENCY FOR LIBRARIES

## NOTES TO THE ACCOUNTS

PERIOD FROM 1 OCTOBER 2005 TO 31 MARCH 2007

### 1 Accounting policies

The financial statements have been prepared under the historic cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), the Companies Act 1985 and follow the recommendations in 'Accounting and reporting by charities Statement of Recommended Practice' issued in March 2005

#### Fund accounting

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds. Included within unrestricted funds are designated funds which the Trustees have set aside for future specific purposes or projects.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

#### Incoming resources

Income, including grants, is recognised in full in the Statement of Financial Activities in the year in which it is receivable.

Incoming resources are allocated to the particular activity by staff value.

#### Resources expended

Resources expended are recognised in the period in which they are incurred. Resources expended exclude attributable VAT where it is recovered. Where VAT is irrecoverable it is included in the resources expended as part of the activity costs. Resources expended are allocated to the particular activity where the cost related directly to that activity. Management charges comprise of the cost of the overall direction and administration on each activity, including salary and overhead costs of the central function that are apportioned by deemed usage.

#### Investment income

Investment income consists of bank interest.

#### Fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Computer and office equipment - 33% straight line

Equipment purchased for restricted fund projects is written off to the project in the year of purchase.

#### Pensions

The company makes contributions to defined contribution schemes. Contributions are charged to the profit and loss account as they become payable.

*Continued on next page*

# THE READING AGENCY FOR LIBRARIES

## NOTES TO THE ACCOUNTS *continued*

PERIOD FROM 1 OCTOBER 2005 TO 31 MARCH 2007

### 1 Accounting policies continued .

#### Liabilities

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to expenditure

#### Deferred income

Income is deferred where the charity is not yet entitled to the use of the resources. When the pre-conditions for use are met then the income is released

### 2 Net incoming/ (outgoing) resources

Net outgoing resources are stated after charging / (crediting)

Depreciation (charged directly to restricted projects)  
Depreciation (charged to unrestricted funds generally)  
Auditors' remuneration (audit only)  
Auditors' remuneration (non audit)

2007	2005
18 months	12 months
£	£
-	-
10,092	465
4,500	2,500
2,350	2,000

### 3 (a) Income from Charitable Activities

	Designated	Unrestricted	Restricted	Total 2007 18 months
	£	£	£	£
<b>Sales</b>				
Nationally Co-ordinated Reading Resources	31,415	755,682	-	787,097
Creative Industry Partnerships	-	133,474	-	133,474
Developing Reading Services for Key Target Audiences	-	8,325	-	8,325
<b>Total</b>	<b>31,415</b>	<b>897,481</b>	<b>-</b>	<b>928,896</b>
<b>Services and Fees</b>				
Nationally Co-ordinated Reading Resources	-	110,237	-	110,237
Creative Industry Partnerships	-	224,454	-	224,454
Developing Reading Services for Key Target Audiences	-	431,905	-	431,905
<b>Total</b>	<b>-</b>	<b>766,596</b>	<b>-</b>	<b>766,596</b>
<b>Grants</b>				
Nationally Co-ordinated Reading Resources	-	-	10,000	10,000
Creative Industry Partnerships	-	-	139,178	139,178
Developing Reading Services for Key Target Audiences	-	-	609,953	609,953
Research & Development, Advocacy	-	-	12,500	12,500
<b>Total</b>	<b>-</b>	<b>-</b>	<b>771,631</b>	<b>771,631</b>
<b>Overall total</b>	<b>31,415</b>	<b>1,664,077</b>	<b>771,631</b>	<b>2,467,123</b>

#### Total Incoming Resources from Charitable Activities - Summary

Nationally Co-ordinated Reading Resources	31,415	865,919	10,000	907,334
Creative Industry Partnerships	-	357,928	139,178	497,106
Developing Reading Services for Key Target Audiences	-	440,230	609,953	1,050,183
Research & Development, Advocacy	-	-	12,500	12,500
<b>Totals</b>	<b>31,415</b>	<b>1,664,077</b>	<b>771,631</b>	<b>2,467,123</b>

# THE READING AGENCY FOR LIBRARIES

## NOTES TO THE ACCOUNTS *continued*

PERIOD FROM 1 OCTOBER 2005 TO 31 MARCH 2007

### 3 (b) Grants

	Unrestricted Fund	Restricted Fund	Total 2007 18 months	Total 2005 12 months
	£	£	£	£
Arts & Business New Partners	-	17,000	17,000	33,000
Arts Council England South East	315,938	-	315,938	155,888
Arts Council Project Grants	-	39,500	39,500	-
CILIP	-	-	-	20,000
Creative Partnerships	-	13,500	13,500	-
Big Lottery	-	25,000	25,000	-
Department for Culture, Media and Sport	-	-	-	25,000
Department for Education and Skills	-	-	-	-
Got Kids Get Reading	-	-	-	44,720
Hamlyn Foundation	-	79,842	79,842	110,000
Museums Libraries and Archives Council	-	-	-	-
Framework for the Future	-	426,438	426,438	285,250
Love Libraries	-	69,179	69,179	-
Research	-	12,500	12,500	12,500
Regional MLAs	-	78,672	78,672	-
Scottish Arts Council Reading Partners	-	-	-	5,000
Welsh Books Council	-	10,000	10,000	10,000
	315,938	771,631	1,087,569	701,358



**THE READING AGENCY FOR LIBRARIES**

**NOTES TO THE ACCOUNTS *continued***

**PERIOD FROM 1 OCTOBER 2005 TO 31 MARCH 2007**

**4 (a) Total resources expended**

<i>Costs Directly Allocated to Activities</i>	<i>Basis of allocation</i>	<i>Voluntary income</i>	<i>Nationally co-ordinated reading resources</i>	<i>Creative industry partnerships</i>	<i>Developing reading services</i>	<i>Research &amp; advocacy</i>	<i>Governance</i>	<i>Total 2007 18 months</i>
		£	£	£	£	£	£	£
Project staff costs	Direct	-	215,774	322,454	388,913	6,022	-	933,163
Project staff expenses	Direct	-	14,540	39,509	52,527	582	-	107,158
Print and material costs	Direct	-	496,840	46,524	53,359	-	-	596,723
Other operational costs	Direct	-	73,838	46,773	98,090	-	-	218,701
Distribution	Direct	-	78,641	8,739	1,618	-	-	88,998
Training costs	Direct	-	-	-	23,581	-	-	23,581
Marketing	Direct	-	11,892	4,000	-	-	-	15,892
Audit, legal and insurance	Direct	-	-	-	-	-	12,354	12,354
Board costs	Direct	-	-	-	-	-	9,244	9,244
Strategic planning and policy development	Direct	-	-	-	-	-	16,063	16,063
Research staff time	Direct	-	-	-	-	7,328	-	7,328
Research staff expenses	Direct	-	-	-	-	774	-	774
Indirect staff costs	Time on activities	6,658	82,905	140,786	144,320	5,305	35,716	415,690
Premises	Time on activities	728	9,078	13,431	15,490	581	2,068	41,376
IT	Time on activities	-	5,838	8,639	9,963	371	1,305	26,116
General administration	Time on activities	-	11,960	17,701	20,411	766	143	50,981
<b>TOTALS</b>		<b>7,386</b>	<b>1,001,306</b>	<b>648,556</b>	<b>808,272</b>	<b>21,729</b>	<b>76,893</b>	<b>2,564,142</b>
<b>Year ended 30 September 2005</b>		<b>2,481</b>	<b>656,849</b>	<b>204,424</b>	<b>459,908</b>	<b>27,742</b>	<b>32,787</b>	<b>1,384,191</b>

# THE READING AGENCY FOR LIBRARIES

## NOTES TO THE ACCOUNTS *continued*

PERIOD FROM 1 OCTOBER 2005 TO 31 MARCH 2007

4 (b) Support Costs by Fund	Unrestricted General	Designated	Restricted	Total 2007 18 months
	£	£	£	£
<b>Staff Costs</b>				
Voluntary Income Generation	6,156	502	-	6,658
Nationally Co-ordinated Reading Resources	77,412	5,493	-	82,905
Creative Industry Partnerships	129,058	8,128	3,600	140,786
Developing Reading Services for Key Target Audiences	73,214	9,374	61,732	144,320
Research & Development, Advocacy	4,953	352	-	5,305
Governance	34,461	1,255	-	35,716
<b>Total Staff Costs</b>	<b>325,254</b>	<b>25,104</b>	<b>65,332</b>	<b>415,690</b>
<b>Premises</b>				
Voluntary Income Generation	-	728	-	728
Nationally Co-ordinated Reading Resources	-	9,078	-	9,078
Creative Industry Partnerships	-	13,431	-	13,431
Developing Reading Services for Key Target Audiences	-	15,490	-	15,490
Research & Development, Advocacy	-	581	-	581
Governance	-	2,068	-	2,068
<b>Total Premises</b>	<b>-</b>	<b>41,376</b>	<b>-</b>	<b>41,376</b>
<b>IT</b>				
Voluntary Income Generation	-	-	-	-
Nationally Co-ordinated Reading Resources	5,838	-	-	5,838
Creative Industry Partnerships	8,639	-	-	8,639
Developing Reading Services for Key Target Audiences	9,963	-	-	9,963
Research & Development, Advocacy	371	-	-	371
Governance	1,305	-	-	1,305
<b>Total IT costs</b>	<b>26,116</b>	<b>-</b>	<b>-</b>	<b>26,116</b>
<b>General Administration</b>				
Voluntary Income Generation	-	-	-	-
Nationally Co-ordinated Reading Resources	11,960	-	-	11,960
Creative Industry Partnerships	17,701	-	-	17,701
Developing Reading Services for Key Target Audiences	20,411	-	-	20,411
Research & Development, Advocacy	766	-	-	766
Governance	143	-	-	143
<b>Total General Administration</b>	<b>50,981</b>	<b>-</b>	<b>-</b>	<b>50,981</b>
<b>Indirect Costs</b>				
Voluntary Income Generation	6,156	1,230	-	7,386
Nationally Co-ordinated Reading Resources	95,210	14,571	-	109,781
Creative Industry Partnerships	155,398	21,559	3,600	180,557
Developing Reading Services for Key Target Audiences	103,588	24,864	61,732	190,184
Research & Development, Advocacy	6,090	933	-	7,023
Governance	35,909	3,323	-	39,232
<b>Total Indirect Costs</b>	<b>402,351</b>	<b>66,480</b>	<b>65,332</b>	<b>534,163</b>

# THE READING AGENCY FOR LIBRARIES

## NOTES TO THE ACCOUNTS *continued*

PERIOD FROM 1 OCTOBER 2005 TO 31 MARCH 2007

### 5 Staff costs and numbers

The charity employed 9.5 (2005: 7) full time equivalent staff members on average during the period

	2007 18 months £	2005 12 months £
Staff salaries	564,856	229,376
Other staff costs	711,557	381,259
Social security costs	60,602	23,442
Pension costs	11,818	10,748
	<u>1,348,833</u>	<u>644,825</u>

One staff member (2005: one) received remuneration in excess of £50,000 per annum. Their remuneration fell within the £60,000 - £69,999 band (2005: £60,000 - £69,999). The staff member received pension contributions of £3,075.

The company operates a stakeholder pension scheme (through the Independent Theatre Council) in which participation is voluntary. The company contributes 5% of salary.

### 6 Trustee expenses payments

During the period Trustees' travel expenses were re-imbursed, amounting to £2,156 (2005: £1,196).

The Reading Agency for Libraries is operated on a trustee basis. All members of the board of Trustees act in an unpaid capacity.

The cost of indemnity insurance to the charity during the period was £2,993 (2005: £1,933).

# THE READING AGENCY FOR LIBRARIES

## NOTES TO THE ACCOUNTS *continued*

### PERIOD FROM 1 OCTOBER 2005 TO 31 MARCH 2007

<b>7 Fixed assets</b>	<b>Computer and Office Equipment £</b>
<b>Cost</b>	
At 1 October 2005	8,228
Additions	32,650
At 31 March 2007	<u>40,878</u>
<b>Depreciation</b>	
At 1 October 2005	4,335
Charge for the period	10,092
At 31 March 2007	<u>14,427</u>
<b>Net book value at 31 March 2007</b>	<u><b>26,451</b></u>
Net book value at 30 September 2005	<u>3,893</u>

<b>8 Debtors - amounts falling due within one year</b>	<b>31 March 2007 £</b>	<b>30 September 2005 £</b>
Trade debtors	481,452	209,094
Prepayments and accrued income	261,336	92,756
Other debtors	2,473	-
	<u><b>745,261</b></u>	<u><b>301,850</b></u>

<b>9 Creditors - amounts falling due within one year</b>	<b>31 March 2007 £</b>	<b>30 September 2005 £</b>
Trade creditors	176,176	136,988
Accruals	42,400	40,122
Taxation and social security	81,409	35,106
Deferred income	211,200	60,000
	<u><b>511,185</b></u>	<u><b>272,216</b></u>

Included within trade creditors is £13,453 (2005: £nil) in respect of taxation and social security

# THE READING AGENCY FOR LIBRARIES

## NOTES TO THE ACCOUNTS *continued*

PERIOD FROM 1 OCTOBER 2005 TO 31 MARCH 2007

	2007 18 months £
<b>10 Movements in deferred income</b>	
Deferred income brought forward at 1 October 2005	60,000
Released during the year	(60,000)
Deferred income received during the year	211,200
	<hr/>
Deferred income carried forward at 31 March 2007	<u>211,200</u>

## 11 Share capital

The Reading Agency for Libraries is a company limited by guarantee and does not have share capital

## 12 Restricted funds

		Balance 1 October 2005	Movement in Resources		Balance 31 March 2007
		£	Incoming	Outgoing	£
		£	£	£	£
A&B	Arts & Business New Partners	33,000	17,000	50,000	-
A&B	Arts & Business 2007	-	-	3,102	(3,102)
ACE	Creative Reading Seminars	-	13,500	1,350	12,150
ACE	Radio Partnership (ACE)	-	39,500	37,944	1,556
ACE	Creative Partnerships	7,300	-	11,299	(3,999)
Big Lottery	Book Bars	-	25,000	52,612	(27,612)
Hamlyn	Big Book Share	64,026	30,000	37,341	56,685
Hamlyn	Hamlyn Partners for Change	46,988	49,842	44,870	51,960
MLA	Framework for the Future	-	426,438	325,398	101,040
MLA	Love Libraries	-	69,179	69,179	-
MLA	MLA Research Funding	9,366	12,500	21,866	-
RMLA	FtP Regional Pilot Contributions (NW)	-	42,672	36,499	6,173
RMLA	FtP Regional Pilot Contributions (Yorkshire)	-	18,000	1,800	16,200
RMLA	TRF (Yorkshire MLAC)	-	6,000	1,375	4,625
RMLA	Partners for Change SWMLAC	-	12,000	1,371	10,629
WACE	Welsh Arts Council - SRC Welsh language	-	10,000	10,000	-
DfES	Got Kids Get Reading	-	-	305	(305)
Bank	Bank Interest	2,956	17,115	-	20,071
		<hr/>	<hr/>	<hr/>	<hr/>
		163,636	788,746	706,311	246,071

## **THE READING AGENCY FOR LIBRARIES**

### **NOTES TO THE ACCOUNTS *continued***

**PERIOD FROM 1 OCTOBER 2005 TO 31 MARCH 2007**

#### **12 Restricted funds continued...**

The negative balances on restricted funds comprise expenditure in advance of the grant being received. These grants had all been agreed at the balance sheet date and the Restricted Fund Bridging Designated Fund (see note 13) has been set up to cover the deficits.

##### **Arts & Business New Partners / Arts & Business 2007**

Arts and Business are matching a proportion of the funding provided for Creative Industry Partnerships from publishers.

##### **Arts Council**

###### **Creative Reading Seminars**

This grant is to support seminars on current developments in reading - reading as a creative activity, Web 2. One seminar took place in July, the other will take place in September.

##### **Radio Partnership**

This grant is to support TRA's work with broadcast partners.

##### **Creative Partnerships**

This grant supports TRA's work with publishing partners.

##### **Big Lottery**

###### **Book Bars**

The initial grant from the Big Lottery was for a feasibility study and to put together the final application for a grant to cover a three year project developing reading services for young people. The application was successful. The extra expenditure shown is expenditure in advance of the first tranche of the grant, received in May.

##### **Paul Hamlyn Foundation**

###### **Big Book Share**

This is funded by The Paul Hamlyn Foundation. It is a project for libraries to work with prisoners and their families to enable parents in prison to contribute to their children's reading development. It was started in 2002 with a pilot in Nottingham and is now being rolled out around the country.

###### **Partners for Change**

This is a project funded by The Paul Hamlyn Foundation. It is a project to work with young people at risk and engage them with their local library service and improve their literacy. It ran between September 2005 and July 2007. The partnership comprised The Reading Agency, South West Museum, Libraries and Archive Council, The National Youth Agency and library authorities in Dorset, Gloucestershire and Swindon. The Hamlyn Foundation agreed that the balance left of the grant could be carried forward to continue the project further into 2007 - 2008.

# **THE READING AGENCY FOR LIBRARIES**

## **NOTES TO THE ACCOUNTS *continued***

**PERIOD FROM 1 OCTOBER 2005 TO 31 MARCH 2007**

### **12 Restricted funds continued.**

#### **Museums Libraries and Archive Council**

##### **Framework for the Future (continuation)**

The Framework for the Future funding from MLA has funded a range of work that forms part of the action plan for the Framework for the Future (F4F). The work started in August 2003 and has taken place over the intervening years. The current funding period is a continuation of the first one and covers April 2006 - March 2008. The work includes the development of libraries' work with children, young people and adult learners through specific programmes but also workforce development through training and provision of tools specific to this work. TRA is developing a strategy for national based reading partnerships with publishers and broadcasters partly supported by these funds. TRA is developing a national programme for readers' groups supported by these funds.

#### **Love Libraries**

This grant was a contribution towards the costs of the Love Libraries campaign to engage broadcasters and publishers with the library services. The rest of the cost of the project was met from unrestricted funds.

#### **Research Funding**

This grant was to cover research into methods of evaluation and extent of information about the impact of libraries' work with readers in order to stimulate debate.

#### **Regional MLACs**

Regional MLACs have contributed to regional extensions of projects funded initially under F4F, or Hamlyn, specifically for their regions.

#### **Welsh Arts Council**

The Welsh Arts Council fund the translation of the Summer Reading Challenge materials into Welsh.

#### **DfES Got Kids Get Reading**

DfES funded work on family reading.

#### **Bank Interest**

Bank Interest is allocated to the restricted fund in proportion to the amounts held on deposit.

# THE READING AGENCY FOR LIBRARIES

## NOTES TO THE ACCOUNTS *continued*

PERIOD FROM 1 OCTOBER 2005 TO 31 MARCH 2007

13 Unrestricted funds	Balance 1 October 2005 £	Transfers in/(out) £	Movement in resources Incoming £	(Outgoing) £	Balance 31 March 2007 £
Unrestricted	191,989	(197,500)	2,126,256	(1,783,250)	337,495
Designated					
Office & infrastructure	180,000	50,000	-	(65,547)	164,453
Staff risk	60,000	-	-	-	60,000
Research & development	70,000	22,500	-	(9,034)	83,466
Chatterbooks packs	23,200	-	31,415	-	54,615
Artistic & commercial risk	-	75,000	-	-	75,000
Computer systems overhaul	-	25,000	-	-	25,000
Restricted fund bridge	-	25,000	-	-	25,000
	525,189	-	2,157,671	(1,857,831)	825,029

### Designated - Office and infrastructure

A transfer from the General Fund has been made to this fund to partially repay the costs of running the Tavistock Place office. This fund is being repaid from surpluses rather than run down because the lease on the current office will expire in December 2008 and TRA will probably move into new offices, with the Freeword consortium, which could be more expensive than our current premises.

### Designated - Staff risk

The fund is a specific reserve to allow the employment of project workers to be continued whilst funding is secured to cover the posts.

### Designated - Research & development

To cover the costs of setting up the R&D function over the next two years.

### Designated - Chatterbooks packs

The Chatterbooks fund is to cover the costs of printing Chatterbooks packs in the future.

### Designated - Artistic & commercial risk

This fund was established during the period to allow TRA to invest in developing innovative projects and products that may take a few years to become self-financing. It will underpin the development of a young people's website about reading which is currently being developed.

### Designated - Computer systems overhaul

This fund was established during the period to support the overhaul of back office systems and the central TRA website.

### Designated - Restricted fund bridge fund

This fund was set up at the end of the period to cover the short-term cash flow shortfall on some of the restricted funds where grants have been agreed but not received to cover expenditure before the period end.



# THE READING AGENCY FOR LIBRARIES

## NOTES TO THE ACCOUNTS *continued*

PERIOD FROM 1 OCTOBER 2005 TO 31 MARCH 2007

14 Assets and liabilities representing funds	Fixed assets £	Net current assets £	Total £
Restricted fund	-	246,071	246,071
Unrestricted fund	-	337,495	337,495
Designated fund	26,451	461,083	487,534
<b>Total</b>	<b>26,451</b>	<b>1,044,649</b>	<b>1,071,100</b>

## 15 Transfers between funds

£197,500 (2005 £123,200) was transferred from General to Designated Funds during the period Both are included within unrestricted reserves Further details are in note 13

## 16 Commitments under operating leases

At 31 March 2007 the charity had aggregate annual commitments under non-cancellable operating leases as set out below

	31 March 2007 £	30 September 2005 £
Operating leases which expire Within 2 - 5 years	<u>7,000</u>	<u>-</u>

## 17 Control

The ultimate controlling parties are the Trustees listed in the Trustees Report on page 6