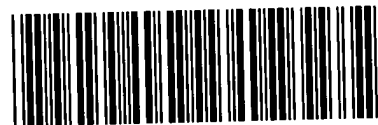


Charity Registration No. 1085443

Company Registration No. 3904882 (England and Wales)

**READ - THE READING AGENCY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

TUESDAY



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## LEGAL AND ADMINISTRATIVE INFORMATION

|  |   |  |
|--|---|--|
| <b>Trustees</b>                                  | M Littleford, Chair<br>A Durcan, Vice Chair<br>A Langley<br>D O'Gara<br>T Moody-Stuart<br>P Cocozza<br>J Fildes<br>S Hall<br>S Hariff-Khan<br>P Kelly<br>M Lentini<br>P Moyes<br>H Telfer | (Appointed 18 September 2018)<br>(Appointed 18 September 2018)<br>(Appointed 18 September 2018)<br>(Appointed 18 September 2018)<br>(Appointed 26 June 2018)<br>(Appointed 18 September 2018)<br>(Appointed 26 June 2018)<br>(Appointed 18 September 2018) |
| <b>CEO</b>                                       | S Wilkinson   | (Retired 31 July 2019)   |
| <b>Finance, Commercial and Business Director</b> | D Giwa  |  |
| <b>Creative Director</b>                         | D Hicks   |  |
| <b>Charity number</b>                            | 1085443   |  |
| <b>Company number</b>                            | 3904882   |  |
| <b>Registered office</b>                         | 60 Farringdon Road<br>London<br>EC1R 3GA  |  |
| <b>Auditors</b>                                  | M J Bushell Ltd<br>8 High Street<br>Brentwood<br>Essex<br>CM14 4AB  |  |
| <b>Bankers</b>                                   | Lloyds Bank plc<br>High Street<br>Winchester<br>SO23 9DA  |  |
| <b>Solicitors</b>                                | Bates, Wells and Braithwaite<br>Cheapside House<br>138 Cheapside<br>London<br>EC2V 6BB  |  |

# **READ - THE READING AGENCY**

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# READ - THE READING AGENCY

## CHAIR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2019

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I am delighted to be able to report and reflect on the progress of 2018/19 that builds steadily and strongly on our key achievements from 2017/18.

This year we set ourselves the challenging target of involving 1.4 million people in our programmes, despite knowing the impact that library closures and reduced Local Authority (and by extension library) budgets could have on our partnership programmes. Our end of year figures show that we managed to surpass that target, as we actually reached 1,489,602 million people. Hitting that number is testament to the team's dedication and hard work.

In addition, we maintained delivery of all our programmes except for Reading Hack, which came to an end in the summer of 2018. Furthermore, we also managed to secure funding for the continuation of Quick Reads, which we're delighted about. Bestselling novelist and journalist Jo Jo Moyes, who has joined The Reading Agency as one of our Trustees, kindly offered to fund the scheme for a further three years ensuring its continuation.

This year also saw us spend time working on our new mission, vision and values. Our staff and trustees have all actively been involved in their development, and we have had some great sessions talking about who we are, what we stand for, and where we want to be in the future. It has been a creative, thought-provoking and inspiring process that has seen high levels of team engagement; and we're thrilled with the results.

2018-19 has also seen us recruit a number of new trustees to the Board – they come from an array of sectors and bring a wealth of experience and knowledge to the table. They join an already passionate, insightful and switched on group of people, who are at the top of their collective games.

We said goodbye to Sue Wilkinson, our CEO, who retired after five years in post – she was inspiring, dedicated and brilliantly talented, and The Reading Agency is in a much better place because of her. And we will shortly be saying 'hello and welcome' to Karen Napier, our new CEO, who is an experienced leader in the arts, cultural and education sectors, and has spent the last few years as Chief Executive at Wac Arts. I think she's going to be a great addition to the organisation

I would like to take this opportunity to congratulate, trustees (both past and present), the senior management team, and staff on what has been a successful year, despite challenges around sustainability. Everyone has worked incredibly hard to get us to where we are. We are not complacent however and acknowledge that there is work to be done – and we can't wait to get started on it. The Reading Agency ends the year well placed to fulfil its vision and deliver a comprehensive set of programmes to tackle life's big challenges through the proven power of reading.



M Littleford, Chair

Dated: 24/09/19

# READ - THE READING AGENCY

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

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The Trustees are pleased to present their annual report and the accounts of the charity for the year ended 31 March 2019, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The accounts have been prepared in accordance with the accounting policies set out in Note 1 to the Accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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)".

#### Objectives and activities

Our new mission, vision and values which will shape all that we do moving forwards.

**Our vision is for a world where everyone is reading their way to a better life**

**Our mission is tackling life's big challenges through the proven power of reading**

#### OUR VALUES

Create possibilities

Be purposeful

Nurture relationships

Raise the bar

We endeavour to create a world where no one is left behind; where everyone can read, enjoys reading and can use it to realise their ambitions for themselves, their families, friends, and their communities. Our goal is to work with these partners and with the people who take part in our reading programmes to tackle the three big societal challenges we have identified as priorities are life skills and learning (which is linked to social mobility), health and well-being and isolation and loneliness.

#### Highlights of Performance

Our 2017-22 business plan sets out our ambitions for the reach and impact of our programmes. It outlines our belief in the transformative power of reading and its ability to help tackle societal challenges like poor literacy, loneliness, isolation and mental health; and our continued commitment to the reading journey model and the co-creation/co-production which underpins it.

#### Our strategic priorities for 2017-22:

- Involve 1.4 million people a year in reading activities as part of their lifelong reading journey
- Work with our target audiences to design, develop, deliver and evaluate reading programmes which meet their diverse needs
- Work with new and existing partners, especially public libraries, to sustain and scale up our work around reading
- Promote the role reading experiences play in creating a literate, healthy, happy, prosperous and engaged society
- Continue to challenge our business models with the goal of ensuring that we are a financially resilient, commercially viable, diverse and sustainable organisation.

# READ - THE READING AGENCY

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)(CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

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#### National reading programmes

In 2018/19 we continued to work with a range of delivery partners, in particular with our public library partners, to expand the impact and reach of our national reading programmes. 1.4 million people of all ages and across the whole of the UK took part in these this year and evaluation has shown the difference participation has made to their skills, confidence and wellbeing.

#### Children

The Summer Reading Challenge remains the country's biggest reading for pleasure programme; We had a very successful launch of the 2018 Challenge, which was delivered in partnership with the Beano. 699,076 children took part across the UK in 96% of local authorities (197/205). Of these 28,074 children were under 4. 45% of Challenge participants were boys which, given other research shows that only 1 in 4 boys read outside the classroom, is an amazing result. 390,8289 children completed the Challenge and received their medals and certificates and 83,410 children joined the library as new users of the service.

Whilst library services maintained their investment in the programme, participation dropped by 8.1%, part of a trend which has seen total UK participation drop from a high of 777,973 in 2013 to 699,076 in 2018. Library colleagues have referenced the timing of budget cuts and the impact of these issues on their ability to both promote the challenge and to deliver it.

We had lots of good press, PR and feedback from partners about the theme with coverage public press. We did another Winter Mini Challenge in partnership with Nosy Crow's *There's a Yeti in the Playground* by Pamela Butchart. A3 and A4 promotional posters were available in English and Welsh. Nosy Crow produced a range of resources to support participation including certificates (available in English and Welsh), social media images, a virtual badge to reward children completing the challenge online, activity sheets, a short video from Pamela to encourage children to take part, and a list of recommended reads.

2018-19 has seen us complete the review of the Summer Reading Challenge and we now have an executive summary of the research available on our website. What the research showed is the sector support for and commitment to the Challenge and their ambitions for the future. It prioritised the need for external evaluation of the Challenge to help us make the case for investment.

We bid successfully to Arts Council England for funding to commission external evaluation of the impact of participation. We hope that the research will provide us with robust evidence of the impact of participation on children's enjoyment of, and engagement with, reading. We are also taking this opportunity to test whether participation helps to tackle the "summer reading dip". We will, if this proves to be the case, be using the findings to help us market the Challenge more effectively in the future.

#### Children's Reading Partners

We set ourselves the goal of having a formal partnership in place with 18 children's publishers aimed at helping us to create 40 creative reading experiences for 21,284 children to engage with authors. This year we worked with 18 publisher partners (plus a further three who have a joint adult/children's subscription but who we count in the adult figure) and with Puffin who schedule numerous one-off activities. This year has seen 46,060 children involved in activities and 2,505 books being sent to children and young people's reading groups (up from 1,025). We have also had 1,449 children attending author events. Two of our larger promotions have been the anniversary of 10 Little Fingers and 10 Little Toes where 1000 copies of the book were gifted to libraries, and Elmer Day 2018. This year 8,000 children took part. We had a reading Partners Roadshow in May 2018 which was attended by 14 publishers and 21 librarians. These events are designed to promote discussion about how libraries and publishers can work together to promote reading; evaluation of the event was 100% positive.

# **READ - THE READING AGENCY**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)(CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2019**

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#### **Young people (13-24)**

Funding for Reading Hack ended in June 2018. We had a celebration event which had speakers from participating authorities, Paul Hamlyn and from young people who had taken part in the programme. We had a small underspend which funders Paul Hamlyn allowed us to use to make a promotional film showing young people volunteering in libraries this summer, and to commission ASCEL to look at how learning from the programme can be embedded in a young people's promise. All of this is about ensuring that there is a sustainable legacy for this programme. Our on-going commitment to a volunteering offer for young people has seen 7,500 young people volunteering in libraries this summer to help deliver the Challenge. In addition, we are continuing to support skills development for this age group via Reading Ahead.

**Reading Well for young people (Shelf Help)** has been part of the Read Manchester campaign this year. Read Manchester bought materials for 12 schools in Manchester and Manchester Council also created bookmarks to promote the scheme. We are also continuing to promote the list as part of the well-being in school's agenda.

#### **Adults (24+)**

2018-19 has seen work start on developing our adult offer as a way of bringing together all the work we do with adults with low literacy levels and positioning the Reading Agency as a thought leader in the world of adult reading. All the work we have done on our brand during the year has identified this as one of our key USPs.

#### **Reading Ahead and Quick Reads**

2018-19 has seen us invest in a new design for Reading Ahead print materials, last re-design was 2015. We have had a very positive response to these with sales holding steady throughout the year. This programme runs on the college calendar year cycle and from September 2017 to September 2018. 38,500 people participated in the programme with 18,500 coming through 100 learning providers, 12,000 in 112 prisons, 6,500 in 66 public libraries and 1,500 in 30 workplaces. 19 organisations have recorded 150 plus completers. All ten prisons earmarked by the Ministry of Justice on 17th August for special measures to reduce drug use and violence have been running Reading Ahead in 2018/19 with six of them recording 50 or more completers. Bestselling crime writer Ann Cleeves launched Reading Ahead 2018/19 in September at an event we co-hosted with UNISON which was attended by 60 stakeholders. We completed and evaluated Year 2 of the Bell Foundation funded ESOL project in prisons and have bid successfully for a third and final year of funding for 2019-20. As part of our prisons' work, we had two successful author events in women's prisons. Jojo Moyes visited Bronzefield prison and Martina Coles visited Eastwood Park.

#### **World Book Night**

This year saw the new model for World Book Night in action and the start of a shift towards this event being as much about a celebration of reading as it is about getting books into the hands of those who might not normally read. 41,000 publisher-gifted books were given away in 354 institutions including prisons, homeless centres, hospitals, colleges, and public libraries. We had great press coverage this year using research which looked at the "book block" people sometimes suffer from and which can prevent them from reading. We had 2 national broadcast items, 13 regional broadcast items, 15 pieces of national print and on-line coverage.

#### **Adults with health issues (Reading Well: Books on Prescription)**

Our work around health and well-being is delivered in partnership with Libraries Connected (LC) as part of the Universal offers. We each invest £60,000 a year in this programme and have a 4-year shared commitment around this offer.

The new Reading Well for mental health booklist launched on 5th June 2018. The launch was attended by key 2018-19 has also seen us launch a new mood boosting book list which we have done with internal resource.

In addition to creating the new list, 2018-19 has seen us partnering with Public Health England (PHE) on their new mental health campaign which has been piloted in the Midlands from October and which will be launched nationally in 2019. PHE will signpost to Reading Well as part of the resources for the campaign, and the team is brokering PHE providing resources and events in public libraries as part of campaign delivery. This year has also seen our four Reading Well schemes promoted during Health Information Week (2-8 July) in partnership with Health Education England and The Reading Agency becoming an official partner of the Coalition for Collaborative Care.

# **READ - THE READING AGENCY**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)(CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2019**

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#### **Reading Well Wales**

2018-19 has seen us secure 2 years of funding from the Welsh Government to roll out Reading Well in Wales where the scheme first began. Reading Well Books on Prescription for Dementia in Wales launched on 11th July 2018 at the EAHIL conference in Cardiff. Given we were only commissioned to do this work in January 2018 and had to recruit the team needed to deliver it, this has been a major achievement. Speakers included Alzheimer's Society Wales and people with lived experience of dementia. Stand Agency and Mari Waddington achieved 21 pieces of press coverage for the programme: 2 national broadcasts, 3 regional broadcasts, 4 Welsh language, 9 national online/print, 4 regional online/print and 3 industry/trade. We also reached 615,240 users via social media, in English and Welsh, across launch week using #readingwellwales. Welsh Books Council successfully translated and published three books in time for the launch, which was a huge achievement. The other 21 books on the dementia list have been translated over the course of the rest of this year. Bilingual materials are now in every library authority and are also distributed to each Welsh health board; the latter being a new initiative supported by Welsh Government. Welsh Government has been very positive and complimentary about our work on this programme.

2018-19 has seen us secure a partnership with Boots Pharmacies in Wales which will see every chemist displaying posters and providing leaflets, all of which should greatly increase the reach of the scheme and, we hope, start the process of building a relationship which could extend in the longer term into England.

#### **Adults who are isolated and lonely**

The test phase for Reading Friends ended in August 2018. An independent evaluation report was commissioned, which found that the projects had reached 624 Reading Friends and 104 volunteers, exceeding the test-year targets agreed with the Big Lottery Fund (600 Reading Friends and 100 volunteers). The results were extremely positive with 90% of participants saying that they would recommend the programme to others and that they are planning to continue to be involved in events - sentiments shared with 100% of the volunteers. We used the learning from this to plan the pilot phase which has seen five of the current projects being expanded and one new project in West Sussex Library Service starting.

We had a highly successful launch event at the British Film Institute on 30th October which included a film highlighting the stories of four project participants. Authors Vaseem Khan, Veronica Henry, Ian McMillan and Ifor ap Iwan wrote stories inspired by the life of participants in the programme and the film showed both the process of creating these and the impact seeing their personal story brought to life in the film had on the participants.

A key piece of work this year has been the commissioning of the DEMOS report which was launched in the Autumn of 2019. DEMOS were commissioned to review the role reading can play in helping to tackle life's big challenges and to identify the investment/activity needed to achieve this goal. We see the report as having a 2-3-year lifespan for the organisation and it is already helping us to develop the case for support around the programme.

#### **Adult reading partners**

2018-19 has seen us working with 23 adult publishers creating reading-based events and activities. 890 adults were involved in creative reading experiences and 48,160 adults took part in World Book Night. In addition to publisher specific campaigns we also offer reading groups the opportunity to be involved in shadowing and discussing some of the major prizes we work on like Man Booker, the Women's Prize for Fiction and the Wellcome prize. 2018-19 has also seen us forge a new partnership with the Wilbur-Niso-Smith Foundation.

We now have 4,703 adult reading groups registered on our website and 3,267 packs were downloaded from our website to help support their discussions and activities.

#### **Partnerships**

One of the strengths of our partnership-based approach is the reach it gives to our programmes and the quality assurance that it brings to them. The work we have been doing on the new brand has reaffirmed our commitment to this approach with one of our values focused on nurturing relationships.



# READ - THE READING AGENCY

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)(CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

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### Organisational Development

#### Communications

We identified a need over the lifetime of our four-year-plan to get better at communicating our reach, scale and impact; we said we would use 2018-19 to review both how we communicate what we do and the digital platforms and tools that we use to achieve this goal. The first half of this year saw us working with a couple of agencies to review our mission, vision and values. All staff and the Chair of Trustees and Board were involved in this process.

We are now putting place a communications strategy and action plan aimed at embedding and using these new messages in a way that will help us to make the case for investment more effectively. In order to deliver these ambitions, we have used 2018-19 to expand the team which now has 3 full time members of staff rather than the 1 we had a year ago.

2018-19 has seen us, for the first time, able to commission a think piece around reading. The DEMOS report, A Society of Readers set out a dystopian vision of where we will be as a society in 2030 if no action is taken. As outlined on their website Demos was commissioned to assess "the potential impact of reading on several great challenges of our time: loneliness, mental health problems, dementia and social (im)mobility". Their report argues that, if left unchecked, "these challenges will grow into insurmountable problems". They estimate that "the loneliness epidemic will reach 7 million people in the over-60 age group alone" and that "two million may expect to see their lifespans shortened by loneliness." The report argues that "the nation's perception of reading must change. It should become a strategic social objective for us all – state, market and civil society, to work towards becoming "a society of readers". Reading may not seem like a radical solution to solving some of the biggest issues of this generation, however this report proves that reading can train our brains and hold off dementia, help us foster connections with other people and alleviate loneliness and depression."

#### Sustainability of the organisation

We started 2018-19 with a commitment to ending the year in a very different place from where we started. We wanted to build our reserves, to ensure that all committed costs are funded by secured income and to get to a point where we can be fundraising for business development and innovation rather than for survival. Some of the actions needed in 2018-19 to help us achieve this goal involved bringing programmes to an end or changing them quite radically. In Quarter 1 the Reading Hack programme came to an end and we said goodbye to the 2 colleagues who had set up and run this programme.

We also decided to manage World Book Night, fundraising, IT and sales support differently with implications for the staff working on these. The result was a further 4 redundancies, a review of posts, investment and activity and the decision not to fill some posts or to recruit in different ways as they became vacant. As outlined earlier we also started the year by announcing that, having failed to secure a sponsor, we would not be continuing to run Quick Reads. The generous gift of 3 years of funding from Jojo Moyes has meant that we were able to start commissioning a new list in 2018-19 and to develop an adult reading offer which has these books at its heart.

#### Future Plans

Our long-term goal is to tackle and overcome "life's big challenges" through the proven power of reading. Outlined here are the objectives we are setting for 2019-20.

##### • Objective One: Tackling Life's Big Challenges

- o life skills and learning (linked to social mobility)
- o health and well-being
- o connecting communities.

Reading is a highly creative act, it builds empathy, enhances people's ability to understand other perspectives and is linked to mental and physical health, social and cultural participation, self-expression and self-esteem. Our goal is to involve more people in our creative reading activities and to work with them to showcase the difference participation has made to their lives. We want to create the "society of readers" envisaged in our DEMOS report because we know that if we can do this, we are going to be building a happier, fairer, more prosperous and more creative world.

# READ - THE READING AGENCY

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)(CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

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• **Objective Two: Working with a diverse range of participants and partners to create “a society of readers” who will help us achieve this goal**

We are ambitious for our programmes; we have seen the impact of participation and we want to make sure that everyone has access to the creative benefits of reading. We therefore want to understand more about barriers to involvement and to work with local partners to overcome these. This requires further investment in audience research, building new partnerships and creating different and more varied opportunities for sharing and showcasing thoughts, experiences, and ideas around reading. Our ambition is to continue to develop opportunities for digital as well as in-person engagement so that we can build participation and engagement and involve people who, for whatever reason, either think reading isn't for them or who have not been able to take part in our programmes.

• **Objective Three: Promoting the need for and impact of our work more widely and more effectively**

We know there is room for improvement in our ability to communicate the need for our work and its scale and impact. This will enable us to deliver our vision for the future, extend the reach of our programmes and secure the investment we need for development and innovation. We have used 2018 to strengthen our communications team and we now have new trustees whose expertise in this area will help us to refine our messaging, develop an effective communications strategy and identify the channels we should be using to achieve our goals.

• **Objective Four: Ensuring that we are a financially resilient, commercially viable, diverse and sustainable organisation**

This has been the key priority for the last 18 months. The drive to build reserves, have a minimum of at least 2 years funding in place for our programmes and develop a more commercial approach to commissioning, tendering and delivering has meant that we are now in a much stronger place financially and have the capacity to invest in business development as well as in fundraising and communications. Nevertheless, we are very aware that there is a lot more to do. We remain very dependent on the sale of paper materials to help fund core programmes like the Summer Reading Challenge and Reading Ahead. In a digital age this makes us financially vulnerable, but it may also limit our ability to reach the audiences we want to work with.

### **Reach and Engagement**

We believe that the work we do impacts lives as much as the work of our partner organisations – particularly in supporting participants to tackle life's big challenges. We have set ourselves an overall target of 1.4million reading engagements with our programmes and inspire people to read and share their love of reading.

### **Measuring success**

We have an externally validated outcomes framework, which we will use to measure success and drive improvement. We will continue to commission external evaluation, but our goal is to link this much more effectively to our communications strategy so that we get better at demonstrating the need for and impact of our work.

### **Risk review**

The key risks we have identified in developing and delivering our future plans are as follows:

- Our vulnerable business model with its dependency on library investment at a time when libraries budgets are being reduced
- Our heavy programme reliance on print-based materials in a digital world
- The need to secure the ongoing investment we need to continue to deliver our high quality, high impact programmes
- Staff capacity and skills for future thinking and business development
- Fundraising climate getting more and more challenging

# **READ - THE READING AGENCY**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)(CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019**

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### **Achievements and performance**

#### **Financial review and strategy**

Income for the year was £3,165,764 (2018: £2,733,932). Of this income, 32% was generated through the creation and sale of materials designed to promote reading (2018: 38%), while a further 58% came from grants and donations from other organisations (2018: 51%). The balance of 10% (2018:11%) was generated from other partnerships and fees.

The Reading Agency was designated as a National Portfolio Organisation for the period 2012/13 to 2017/18 (and this status has been confirmed for the period 2018/19 to 2021/22) by Arts Council England, which contributed £475,394 towards core funds (2018: £475,394). This figure includes income previously granted from the Museums Libraries and Archives Council now consolidated into the Arts Council England grant. Total expenditure amounted to £2,849,575 (2018: £2,604,342). Net incoming resources were £316,189 (2018: £129,590).

The Reading Agency business plan covering the period 2018/19 to 2021/22 (which incorporates the agreed National Portfolio Organisation submission to Arts Council England), outlines the charity's plans to maintain existing and develop new programmes for promoting reading, literacy and engagement, under the umbrella of the "Reading Journey" which has been developed as a way of providing clarity around what we are trying to achieve. It describes the way in which everything we do is designed to support and keep people reading at all stages of their lives – it is the route through which we will achieve our vision.

#### **Reserves Policy**

It is the charity's policy to maintain unrestricted funds, at a sufficient level to maintain a positive cash balance at all times and to ensure the prudent day-to-day financial management of the charity.

At 31 March 2019 total reserves amounted to £881,157 (2018: £564,968) of which unrestricted reserves amounted to £406,914 (2018: £276,841). The trustees have reviewed the reserves position and consider that adequate resources continue to be available to fund the activities of the charity for the foreseeable future. The trustees are of the view that the organisation is a going concern. The charity's aim is to increase unrestricted reserves over the next 3 years.

# READ - THE READING AGENCY

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)(CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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### Structure, governance and management

#### **Governing Document**

Read - The Reading Agency is a company limited by guarantee governed by its Memorandum and Articles of Association of Well Worth Reading incorporated on 11 January 2000. In July 2002 Well Worth Reading merged with Launchpad and the Reading Partnership forming Reading Agency for Libraries Limited. In November 2007 the organisation changed its name to Read – The Reading Agency Limited.

#### **Trustees**

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

M Littleford, Chair

A Durcan, Vice Chair

A Langley

J Marriott

(Resigned 4 December 2018)

D O'Gara

M Seaman

(Resigned 26 June 2018)

T Moody-Stuart

S J Mears

(Resigned 26 June 2018)

P Cocozza

(Appointed 18 September 2018)

J Fildes

(Appointed 18 September 2018)

S Hall

(Appointed 18 September 2018)

S Hariff-Khan

(Appointed 18 September 2018)

P Kelly

(Appointed 26 June 2018)

M Lentini

(Appointed 18 September 2018)

P Moyes

(Appointed 26 June 2018)

H Telfer

(Appointed 18 September 2018)

#### **Trustee Recruitment, Election, Induction and Training**

The Board of Trustees appoints new trustees from time to time, to fill a vacancy or as an addition to the existing trustees.

In accordance with the company's Memorandum and Articles of Association, a new trustee may be appointed by nomination from any of the existing trustees. The nomination must take place, and be seconded, at a Board meeting (other than the Annual General Meeting).

At every Annual General Meeting, the longest-serving third of the trustees retire from office. Trustees retiring in this manner are eligible for re-election.

Potential trustees are invited to attend a Board meeting to assess whether they would like to join the Board. They are provided with a Board induction pack containing legal, financial and structural policy and planning information, and they meet with the Senior Management Team before their first Board meeting to discuss the information in the pack and clarify any questions about trusteeship and the organisation. If the trustee has a special role then they may also meet with the relevant specialist employee to discuss this area.

# **READ - THE READING AGENCY**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)(CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2019**

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### **Organisational Structure**

The Board of Trustees, of which there should be a minimum of at least six members, agrees the strategic direction of the charity, measures success against agreed objectives and oversees the administration of the charity. The Board meets quarterly, and an observer from Arts Council England has a standing invitation to attend these Board meetings.

New trustees are provided with a Board induction pack containing legal, financial and structural policy and planning information, and they meet with the Senior Management Team before their first Board meeting to discuss the information in the pack and clarify any questions about trusteeship and the organisation. If the trustee has a special role then they may also meet with the relevant specialist employee to discuss this area.

The day to day running and forward planning of the organisation is the responsibility of the Senior Management Team. To ensure the organisation meets its charitable remit, the Senior Management Team reports to the Board regularly on finance, employment, risk management and strategic development.

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees as at 31 March 2019 was thirteen.

### **Risk management**

The Board recognises the importance of risk management and the current most significant risk being financial associated with fundraising and our partner impact of local government spending cuts. To mitigate this risk the board have made income diversification and fundraising a key priority.

The charity has a developed risk management strategy. This strategy comprises:

- Frequent comprehensive review of risks across all areas of the organisation's activity;
- Establishment and implementation of systems and procedures to mitigate the risks identified;
- Continued monitoring of potential risks through quarterly reviews highlighting any new risks, risks to be removed or change in level of existing risks. The status of a risk cannot be amended unless reviewed and agreed by the board; and
- Setting a reserves policy that is regularly reviewed by the board and Finance Sub Committee.

### **Public Benefit**

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit: "Charities and Public Benefit".

Our charitable purpose dictates all that The Reading Agency does.

The purpose and aims of The Reading Agency are for the greater public good; i.e. the charity produces creative reading and writing experiences for many public audiences and works with delivery partners to drive up participation in reading and literature. The charity further supports reader development for the public through helping national and community organisations develop their skills and benefit from increased partnership working.

## READ - THE READING AGENCY

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)(CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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#### Statement of Trustees' responsibilities

The Trustees, who are also the directors of Read - The Reading Agency for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts 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.

#### Auditor

The auditor, M J Bushell Ltd, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Approved by the Trustees and signed on their behalf by:



M Littleford, Chair

Dated: 24/09/19

# **READ - THE READING AGENCY**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF READ - THE READING AGENCY**

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#### **Opinion**

We have audited the financial statements of Read - The Reading Agency (the 'charity') for the year ended 31 March 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, 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 March 2019 and of its incoming resources and application of resources, 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.

#### **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 Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC'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 charity'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.

#### **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 auditor's 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.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

# READ - THE READING AGENCY

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF READ - THE READING AGENCY

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#### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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

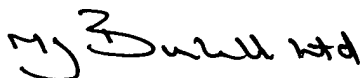
As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal 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 charity'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.

#### Auditor's 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 auditor's 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



Ian Warwick ACA FCCA (Senior Statutory Auditor)  
for and on behalf of M J Bushell Ltd

30-10-2019

Chartered Accountants  
Statutory Auditor

8 High Street  
Brentwood  
Essex  
CM14 4AB



## READ - THE READING AGENCY

### STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019

|   | Notes | Unrestricted funds<br>£ | Restricted funds<br>£ | Total<br>2019<br>£ | Total<br>2018<br>£ |
|---|-------|-------------------------|-----------------------|--------------------|--------------------|
| <b><u>Income from:</u></b>                                |       |                         |                       |                    |                    |
| Donations and legacies                                    | 3     | 487,669                 | -                     | 487,669            | 489,162            |
| Charitable activities                                     | 4     | 1,335,692               | 1,341,822             | 2,677,514          | 2,244,690          |
| Investments   | 5     | 581                     | -                     | 581                | 80                 |
| <b>Total income</b>                                       |       | <b>1,823,942</b>        | <b>1,341,822</b>      | <b>3,165,764</b>   | <b>2,733,932</b>   |
| <b><u>Expenditure on:</u></b>                             |       |                         |                       |                    |                    |
| Raising funds   | 6     | 127,561                 | -                     | 127,561            | 137,359            |
| Charitable activities                                     | 7     | 1,566,308               | 1,155,706             | 2,722,014          | 2,466,983          |
| <b>Total resources expended</b>                           |       | <b>1,693,869</b>        | <b>1,155,706</b>      | <b>2,849,575</b>   | <b>2,604,342</b>   |
| <b>Net income for the year/<br/>Net movement in funds</b> |       | <b>130,073</b>          | <b>186,116</b>        | <b>316,189</b>     | <b>129,590</b>     |
| Fund balances at 1 April 2018                             |       | 276,841                 | 288,127               | 564,968            | 435,378            |
| <b>Fund balances at 31 March 2019</b>                     |       | <b>406,914</b>          | <b>474,243</b>        | <b>881,157</b>     | <b>564,968</b>     |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# READ - THE READING AGENCY

## BALANCE SHEET

AS AT 31 MARCH 2019

|   | Notes | £         | 2019<br>£ | £         | 2018<br>£ |
|---|-------|-----------|-----------|-----------|-----------|
| <b>Fixed assets</b>                                   |       |           |           |           |           |
| Tangible assets                                       | 13    |           | 2,613     |           | 2,899     |
| <b>Current assets</b>                                 |       |           |           |           |           |
| Debtors   | 15    | 628,607   |           | 633,283   |           |
| Cash at bank and in hand                              |       | 1,055,772 |           | 690,276   |           |
|   |       | 1,684,379 |           | 1,323,559 |           |
| <b>Creditors: amounts falling due within one year</b> | 16    | (805,835) |           | (761,490) |           |
| Net current assets                                    |       |           | 878,544   |           | 562,069   |
| <b>Total assets less current liabilities</b>          |       |           | 881,157   |           | 564,968   |
| <b>Income funds</b>                                   |       |           |           |           |           |
| Restricted funds                                      | 19    |           | 474,243   |           | 288,127   |
| Unrestricted funds                                    |       |           | 406,914   |           | 276,841   |
|   |       |           | 881,157   |           | 564,968   |

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

The accounts were approved by the Trustees and authorised for issue on 24 Sept '19 and are signed on their behalf by:



M Littleford, Chair  
Trustee

Company Registration No. 3904882

# **READ - THE READING AGENCY**

## **STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 MARCH 2019**

|   | Notes | £       | 2019             | £ | £  | 2018           | £ |
|---|-------|---------|------------------|---|----|----------------|---|
| <b>Cash flows from operating activities</b>                   |       |         |                  |   |    |                |   |
| Cash generated from operations                                | 23    |         | 366,907          |   |    | 106,664        |   |
| <b>Investing activities</b>                                   |       |         |                  |   |    |                |   |
| Purchase of tangible fixed assets                             |       | (1,992) |                  |   | -  |                |   |
| Interest received   |       | 581     |                  |   | 80 |                |   |
| <b>Net cash (used in)/generated from investing activities</b> |       |         | (1,411)          |   |    | 80             |   |
| <b>Net cash used in financing activities</b>                  |       |         | -                |   |    | -              |   |
| <b>Net increase in cash and cash equivalents</b>              |       |         | 365,496          |   |    | 106,744        |   |
| Cash and cash equivalents at beginning of year                |       |         | 690,276          |   |    | 583,532        |   |
| <b>Cash and cash equivalents at end of year</b>               |       |         | <u>1,055,772</u> |   |    | <u>690,276</u> |   |

# **READ - THE READING AGENCY**

## **NOTES TO THE ACCOUNTS**

### **FOR THE YEAR ENDED 31 MARCH 2019**

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#### **1 Accounting policies**

##### **Company information**

Read - The Reading Agency is a private company limited by guarantee incorporated in England and Wales. The registered office is 60 Farringdon Road, London, EC1R 3GA.

##### **1.1 Accounting convention**

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 as applicable to companies subject to the small companies regime and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view. The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The accounts are prepared in sterling, which is the functional currency of the company. Monetary amounts in these accounts are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### **1.2 Going concern**

At the time of approving the accounts, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the accounts.

##### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

##### **1.4 Incoming resources**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received. Where the income relates to charitable trading activities, it is shown net of VAT.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income from government and other grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

# READ - THE READING AGENCY

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

---

### 1 Accounting policies

(Continued)

#### 1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure excludes attributable VAT where it is recovered.

Where VAT on programme costs is irrecoverable, it is included in the programme costs. Where VAT on support costs is irrecoverable it is included within support costs.

Expenditure is allocated to particular activities where the cost relates directly to that activity. Support costs comprise costs relating to the overall direction and administration on each activity, including salary, and overhead and governance costs of the central function. Support costs are apportioned to activities on the basis of usage.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                               |                   |
|-------------------------------|-------------------|
| Computer and office equipment | 33% straight line |
|-------------------------------|-------------------|

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

#### 1.8 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

#### 1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.10 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

# READ - THE READING AGENCY

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Donations and legacies

|  | 2019<br>£      | 2018<br>£      |
|--|----------------|----------------|
| Donations and gifts                              | 12,275         | 13,768         |
| Grants receivable for core activities            | 475,394        | 475,394        |
|  | <u>487,669</u> | <u>489,162</u> |
| <br><b>Grants receivable for core activities</b> |                |                |
| Arts Council England                             | 475,394        | 475,394        |
|  | <u>475,394</u> | <u>475,394</u> |

# READ - THE READING AGENCY

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

#### 4 Charitable activities

|   | Reading<br>Programmes | Partnerships   | Library Research and<br>Strategy New Thinking | Other            | Total<br>2019 | Total<br>2018    |
|---|-----------------------|----------------|---|------------------|---------------|------------------|
|   | £                     | £              | £   | £                | £             | £                |
| Sales within charitable activities      | 1,091,067             | 191,584        | 50  | 51,244           | 1,697         | 1,335,642        |
| Performance related grants              | 246,705               | -              | -   | 1,095,167        | -             | 1,341,872        |
|   | <u>1,337,772</u>      | <u>191,584</u> | <u>50</u>                                     | <u>1,146,411</u> | <u>1,697</u>  | <u>2,677,514</u> |
| <b>Analysis by fund</b>                 |                       |                |   |                  |               |                  |
| Unrestricted funds                      | 1,091,067             | 191,584        | 50  | 51,294           | 1,697         | 1,335,692        |
| Restricted funds                        | 246,705               | -              | -   | 1,095,117        | -             | 1,341,822        |
|   | <u>1,337,772</u>      | <u>191,584</u> | <u>50</u>                                     | <u>1,146,411</u> | <u>1,697</u>  | <u>2,677,514</u> |
| <b>For the year ended 31 March 2018</b> |                       |                |   |                  |               |                  |
| Unrestricted funds                      | 1,057,098             | 202,712        | 246   | 64,590           | 388           | 1,325,034        |
| Restricted funds                        | 269,525               | 1,500          | -   | 648,631          | -             | 919,656          |
|   | <u>1,326,623</u>      | <u>204,212</u> | <u>246</u>                                    | <u>713,221</u>   | <u>388</u>    | <u>2,244,690</u> |

# READ - THE READING AGENCY

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 4 Charitable activities

(Continued)

|   | Reading<br>Programmes | Partnerships | Library Research and<br>Strategy New Thinking |                  | Other    | Total<br>2019    | Total<br>2018  |
|---|-----------------------|--------------|---|------------------|----------|------------------|----------------|
|   | £                     | £            | £   | £                | £        | £                | £              |
| <b>Performance related grants</b>               |                       |              |   |                  |          |                  |                |
| Arts Council England<br>(Grants for the Arts)   | 12,049                | -            | -   | -                | -        | 12,049           | 9,500          |
| Balcombe Trust                                  | 17,500                | -            | -   | -                | -        | 17,500           | 15,000         |
| Batchworth Trust                                | -                     | -            | -   | -                | -        | -                | 10,000         |
| Beatrice Laing Trust                            | -                     | -            | -   | -                | -        | -                | 10,000         |
| Bell Foundation                                 | 46,571                | -            | -   | -                | -        | 46,571           | 45,948         |
| Bromley Trust                                   | 10,000                | -            | -   | -                | -        | 10,000           | 15,000         |
| Esmee Fairbairn<br>Foundation                   | 1,000                 | -            | -   | -                | -        | 1,000            | 1,500          |
| Gisela Graham Trust                             | -                     | -            | -   | -                | -        | -                | 1,000          |
| Libraries Connected                             | -                     | -            | -   | 25,000           | -        | 25,000           | -              |
| National Literacy Trust                         | 500                   | -            | -   | -                | -        | 500              | -              |
| National Lottery Fund<br>(formerly Big Lottery) | -                     | -            | -   | 710,117          | -        | 710,117          | 516,553        |
| Paul Hamlyn<br>Foundation<br>anniversary gift   | -                     | -            | -   | -                | -        | -                | 62,000         |
| Peter Sowerby<br>Charitable Foundation          | -                     | -            | -   | -                | -        | -                | 15,078         |
| Peter Storrs Trust                              | -                     | -            | -   | -                | -        | -                | 2,000          |
| Society of Chief<br>Librarians                  | -                     | -            | -   | -                | -        | -                | 60,000         |
| The Prince's Trust                              | -                     | -            | -   | -                | -        | -                | 17,983         |
| Wellcome Foundation                             | -                     | -            | -   | -                | -        | -                | 60,000         |
| Welsh Books Council                             | 14,585                | -            | -   | -                | -        | 14,585           | 14,533         |
| Welsh Government                                | -                     | -            | -   | 350,000          | -        | 350,000          | -              |
| Gifts and donations                             | 144,500               | -            | -   | 10,050           | -        | 154,550          | 63,561         |
|   | <u>246,705</u>        | <u>-</u>     | <u>-</u>                                      | <u>1,095,167</u> | <u>-</u> | <u>1,341,872</u> | <u>919,656</u> |



# READ - THE READING AGENCY

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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### 5 Investments

|                     | 2019<br>£  | 2018<br>£ |
|---------------------|------------|-----------|
| Interest receivable | 581        | 80        |
|                     | <u>581</u> | <u>80</u> |

### 6 Raising funds

|                                     | 2019<br>£      | 2018<br>£      |
|-------------------------------------|----------------|----------------|
| <u>Fundraising and publicity</u>    |                |                |
| Staff costs                         | 89,873         | 109,395        |
| Other fundraising costs             | 25,429         | 14,501         |
| Share of support costs (see note 8) | 12,259         | 13,463         |
|                                     | <u>127,561</u> | <u>137,359</u> |

# READ - THE READING AGENCY

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 7 Charitable activities

|   | Reading<br>Programmes<br>£ | Partnerships<br>£ | Library<br>Strategy<br>£ | Research and<br>New Thinking<br>£ | Total<br>2019<br>£ | Total<br>2018<br>£ |
|---|----------------------------|-------------------|--------------------------|-----------------------------------|--------------------|--------------------|
| Staff costs                                       | 382,658                    | 130,603           | -                        | 458,561                           | 971,822            | 1,146,150          |
| Programme materials<br>including distribution     | 675,901                    | -                 | 58                       | 105,324                           | 781,283            | 750,533            |
| Website development                               | 9,612                      | 85                | -                        | 49,118                            | 58,815             | 19,763             |
| Activities, events and<br>other operational costs | 97,882                     | 3,806             | -                        | 508,856                           | 610,544            | 295,880            |
|   | <u>1,166,053</u>           | <u>134,494</u>    | <u>58</u>                | <u>1,121,859</u>                  | <u>2,422,464</u>   | <u>2,212,326</u>   |
| Share of support costs<br>(see note 8)            | 107,151                    | 40,775            | -                        | 136,481                           | 284,407            | 239,119            |
| Share of governance<br>costs (see note 8)         | 7,572                      | 1,060             | -                        | 6,511                             | 15,143             | 15,538             |
|   | <u>1,280,776</u>           | <u>176,329</u>    | <u>58</u>                | <u>1,264,851</u>                  | <u>2,722,014</u>   | <u>2,466,983</u>   |
| <b>Analysis by fund</b>                           |                            |                   |                          |                                   |                    |                    |
| Unrestricted funds                                | 1,089,795                  | 174,829           | 58                       | 301,626                           | 1,566,308          |                    |
| Restricted funds                                  | 190,981                    | 1,500             | -                        | 963,225                           | 1,155,706          |                    |
|   | <u>1,280,776</u>           | <u>176,329</u>    | <u>58</u>                | <u>1,264,851</u>                  | <u>2,722,014</u>   |                    |
| <b>For the year ended<br/>31 March 2018</b>       |                            |                   |                          |                                   |                    |                    |
| Unrestricted funds                                | 1,203,818                  | 128,462           | 38                       | 259,511                           |                    | 1,591,829          |
| Restricted funds                                  | 238,786                    | -                 | -                        | 636,368                           |                    | 875,154            |
|   | <u>1,442,604</u>           | <u>128,462</u>    | <u>38</u>                | <u>895,879</u>                    |                    | <u>2,466,983</u>   |

# READ - THE READING AGENCY

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 8 Support costs

|                                | Support costs<br>£ | Governance costs<br>£ | Total<br>2019<br>£ | Total<br>2018<br>£ | Basis of allocation |
|--------------------------------|--------------------|-----------------------|--------------------|--------------------|---------------------|
| Staff costs                    | 11,944             | 8,500                 | 20,444             | 11,882             | Time on activities  |
| Depreciation                   | 2,278              | -                     | 2,278              | 1,097              | Time on activities  |
| Premises costs                 | 90,323             | -                     | 90,323             | 79,336             | Time on activities  |
| Communications and PR          | 49,036             | -                     | 49,036             | 65,045             | Time on activities  |
| Irrecoverable VAT              | 19,158             | -                     | 19,158             | 20,397             | Time on activities  |
| Office and other support costs | 123,927            | -                     | 123,927            | 84,323             | Time on activities  |
| Audit fees                     | -                  | 5,300                 | 5,300              | 5,200              | Governance          |
| Accountancy                    | -                  | 1,343                 | 1,343              | 840                | Governance          |
|                                | <u>296,666</u>     | <u>15,143</u>         | <u>311,809</u>     | <u>268,120</u>     |                     |
| <b>Analysed between:</b>       |                    |                       |                    |                    |                     |
| Fundraising                    | 12,259             | -                     | 12,259             | 13,463             |                     |
| Charitable activities          | 284,407            | 15,143                | 299,550            | 254,657            |                     |
|                                | <u>296,666</u>     | <u>15,143</u>         | <u>311,809</u>     | <u>268,120</u>     |                     |

### 9 Net income

|  | 2019<br>£     | 2018<br>£     |
|--|---------------|---------------|
| Net income is stated after charging/(crediting): |               |               |
| Depreciation of owned tangible fixed assets      | 2,278         | 2,883         |
| Loss on disposal of tangible fixed assets        | -             | 212           |
| Operating lease charges                          | <u>85,528</u> | <u>76,371</u> |

### 10 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

During the year travel expenses of £33 were reimbursed to Matthew Littleford and of £228 to Subnum Hariff (2018: £nil).

# READ - THE READING AGENCY

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

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### 11 Auditors' remuneration

The analysis of auditor's remuneration is as follows:

|  | 2019<br>£      | 2018<br>£      |
|--|----------------|----------------|
| Fees payable to the company's auditor for the audit of the company's annual accounts | 5,300<br>===== | 5,200<br>===== |
| All other non-audit services   | 1,343<br>===== | 1,320<br>===== |

# READ - THE READING AGENCY

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

#### 12 Employees

##### Number of employees

The average monthly number employees during the year was:

|                             | 2019<br>Number | 2018<br>Number |
|-----------------------------|----------------|----------------|
| Voluntary income generation | 2              | 2              |
| Reading programmes          | 6              | 10             |
| Partnerships                | 5              | 5              |
| Library strategy            | 2              | 1              |
| Research and new thinking   | 7              | 4              |
| Governance                  | 2              | 1              |
|                             | <u>24</u>      | <u>23</u>      |

##### Employment costs

|                       | 2019<br>£        | 2018<br>£        |
|-----------------------|------------------|------------------|
| Wages and salaries    | 859,653          | 913,791          |
| Other staff costs     | 98,657           | 224,394          |
| Social security costs | 85,062           | 88,060           |
| Other pension costs   | 38,767           | 41,182           |
|                       | <u>1,082,139</u> | <u>1,267,427</u> |

The number of employees whose annual remuneration was £60,000 or more were:

|                             | 2019<br>Number | 2018<br>Number |
|-----------------------------|----------------|----------------|
| Between £60,000 and £70,000 | 1              | 1              |
| Between £70,000 and £80,000 | 1              | -              |
| Between £80,000 and £90,000 | 1              | 1              |

Contributions totalling £9,825 (2018: £7,200) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

# **READ - THE READING AGENCY**

## **NOTES TO THE ACCOUNTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2019**

#### **13 Tangible fixed assets**

|                                    | <b>Computer and office equipment</b> |
|------------------------------------|--------------------------------------|
|                                    | <b>£</b>                             |
| <b>Cost</b>                        |                                      |
| At 1 April 2018                    | 29,959                               |
| Additions                          | 1,992                                |
|                                    | <u>31,951</u>                        |
| At 31 March 2019                   | <u>31,951</u>                        |
| <b>Depreciation and impairment</b> |                                      |
| At 1 April 2018                    | 27,060                               |
| Depreciation charged in the year   | 2,278                                |
|                                    | <u>29,338</u>                        |
| At 31 March 2019                   | <u>29,338</u>                        |
| <b>Carrying amount</b>             |                                      |
| At 31 March 2019                   | <u>2,613</u>                         |
| At 31 March 2018                   | <u>2,899</u>                         |

#### **14 Financial instruments**

|   | <b>2019</b>    | <b>2018</b>    |
|---|----------------|----------------|
|   | <b>£</b>       | <b>£</b>       |
| <b>Carrying amount of financial assets</b>      |                |                |
| Debt instruments measured at amortised cost     | 345,065        | 291,866        |
|   | <u>345,065</u> | <u>291,866</u> |
| <b>Carrying amount of financial liabilities</b> |                |                |
| Measured at amortised cost                      | 280,083        | 362,645        |
|   | <u>280,083</u> | <u>362,645</u> |

#### **15 Debtors**

|   | <b>2019</b>    | <b>2018</b>    |
|---|----------------|----------------|
|   | <b>£</b>       | <b>£</b>       |
| <b>Amounts falling due within one year:</b> |                |                |
| Trade debtors                               | 344,065        | 289,566        |
| Other debtors                               | 1,000          | 2,300          |
| Prepayments and accrued income              | 283,542        | 341,417        |
|   | <u>628,607</u> | <u>633,283</u> |

# READ - THE READING AGENCY

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 16 Creditors: amounts falling due within one year

|                                    | Notes | 2019<br>£      | 2018<br>£      |
|------------------------------------|-------|----------------|----------------|
| Other taxation and social security |       | 50,222         | 40,794         |
| Deferred income                    | 17    | 475,530        | 358,051        |
| Trade creditors                    |       | 225,740        | 279,026        |
| Accruals and deferred income       |       | 54,343         | 83,619         |
|                                    |       | <u>805,835</u> | <u>761,490</u> |

### 17 Deferred income

|                  | Other<br>deferred<br>income<br>£ |
|------------------|----------------------------------|
| At 1 April 2018  | 358,051                          |
| Released in year | (358,051)                        |
| Deferred in year | 475,530                          |
|                  | <u>475,530</u>                   |
| At 31 March 2019 | <u>475,530</u>                   |

The deferred income relates to income for projects taking place in the next period where the charity is not yet entitled to the use of the resources. All of the above carried forward deferred income relates to the 2019 Summer Reading Challenge.

### 18 Retirement benefit schemes

#### Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to expenditure in respect of defined contribution schemes was £38,767 (2018: £41,182).

Contributions of £4,813 (2018: £5,326) were payable to defined contribution schemes at the year end.

# READ - THE READING AGENCY

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

#### 19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

|   | Balance at 1<br>April 2018 | Movement in funds     |                       | Balance at 31<br>March 2019 |
|---|----------------------------|-----------------------|-----------------------|-----------------------------|
|   | £                          | Incoming<br>resources | Resources<br>expended | £                           |
| Arts Council England: Grants for the Arts | -                          | 12,049                | (12,049)              | -                           |
| Balcombe Trust                            | -                          | 17,500                | (17,500)              | -                           |
| Batchworth Trust                          | -                          | 10,000                | (10,000)              | -                           |
| Beatrice Laing Trust                      | 5,000                      | -                     | (5,000)               | -                           |
| Bell Foundation                           | -                          | 46,571                | (15,869)              | 30,702                      |
| Bromley Trust                             | 5,000                      | -                     | (5,000)               | -                           |
| Esmee Fairbairn Foundation                | 1,500                      | -                     | (1,500)               | -                           |
| Gisela Graham                             | -                          | 1,000                 | (1,000)               | -                           |
| Libraries Connected                       | -                          | 25,000                | (25,000)              | -                           |
| National Literacy Trust                   | -                          | 500                   | (500)                 | -                           |
| National Lottery Fund                     | 171,099                    | 710,117               | (590,411)             | 290,805                     |
| Paul Hamlyn Foundation                    | 64,545                     | -                     | (64,545)              | -                           |
| Prince's Trust                            | 10,433                     | -                     | (10,433)              | -                           |
| Society of Chief Librarians               | 13,747                     | -                     | (13,747)              | -                           |
| Wellcome Trust                            | 16,803                     | -                     | (16,803)              | -                           |
| Welsh Books Council                       | -                          | 14,585                | (14,585)              | -                           |
| Welsh Government                          | -                          | 350,000               | (317,264)             | 32,736                      |
| Donations                                 | -                          | 154,500               | (34,500)              | 120,000                     |
|   | 288,127                    | 1,341,822             | (1,155,706)           | 474,243                     |

#### Arts Council England: Investment Funds (SRC Review)

We have been awarded a grant by ACE to allow us to commission an external evaluation of the 2019 Summer Reading Challenge to explore the impact of participation in the SRC on children's reading skills, attitudes and engagement.

#### Balcombe Charitable Trust: Reading Ahead in Prisons

This grant contributed to our use of Reading Ahead with women in prison across the UK, enabling us to support prison library and education staff to deliver the programme effectively in this important part of the prison estate.

#### Batchworth Trust: Reading Ahead in Prisons

This grant contributed to our work using Reading Ahead with priority groups in prisons and young offender institutions across the UK where it helps to support skills development in preparation for release and employment.

#### Beatrice Laing Trust: Reading Ahead in Women's Prisons

This grant (the second year of a two-year extension of the previous three-year grant) contributed to our use of Reading Ahead with women in prison across the UK, enabling us to support prison library and education staff to deliver the programme effectively in this important part of the prison estate.



# READ - THE READING AGENCY

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

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#### 19 Restricted funds

(Continued)

##### **Bell Foundation: Reading Ahead for Prisoners with ESOL**

This grant (the second year of a proposed three-year programme) is enabling us to support the use of Reading Ahead with prisoners with English as a Second Language (ESOL) in order to reduce the language barrier to their rehabilitation. We are piloting this approach in a range of prisons and developing extra tools including a recommended reading list for prisoners with ESOL and a model for creative writing activity.

##### **Bromley Trust: Reading Ahead in Prisons**

This grant (the third year of an extension of the previous three-year grant) contributed to our work using Reading Ahead with priority groups in prisons and young offender institutions across the UK where it helps to support skills development in preparation for release and employment.

##### **Gisela Graham Foundation: Reading Well in Prisons**

This grant contributed to our work using Reading Ahead with priority groups in prisons and young offender institutions across the UK where it helps to support skills development in preparation for release and employment.

##### **Libraries Connected: Reading Well**

In 2018/19 Libraries Connected, with a grant from Arts Council England, funded The Reading Agency to undertake research and development of a new Reading Well for Children and Families mental health reading list, delivered through English public libraries. The scheme will support children and families to access an accredited reading list of helpful books to support mental health and wellbeing, available free from local libraries.

##### **National Literacy Trust**

This donation was in return for input into the set up and implementation of the School for Writers ACE-funded programme.

##### **National Lottery Fund: Accelerating Ideas (Reading Friends)**

In 2016 The National Lottery Community Fund awarded The Reading Agency £2.1m over four years to develop the Reading Friends programme. Reading Friends aims to tackle loneliness and connect older people by starting conversations through reading. Reading Friends reaches some of the most vulnerable members of our society, including older people, people with dementia and carers. It is powered by volunteers of all ages and delivered locally by public libraries and community and voluntary organisations. The programme has been developed in partnership with older people, with the first two years focusing on development and testing in six sites in England, Scotland and Wales. The pilot phase began in September 2018 and has seen the programme expand to cover the whole of the UK through 20 projects, including one new project in Northern Ireland. The roll out phase will begin in September 2019 and will see further expansion to new sites, as well as the development and testing of sustainable models for the future.

##### **Welsh Books Council: Support for production of Welsh language materials for SRC and Reading Ahead**

We received a grant of £12,533 as a contribution towards the cost of producing bilingual materials to enable the Summer Reading Challenge to run in Wales and of £2,000 to support the production of bilingual Reading Ahead materials.

# READ - THE READING AGENCY

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 19 Restricted funds

(Continued)

#### Welsh Government: Reading Well in Wales

In 2018/19 Welsh Government funded The Reading Agency to launch Reading Well Books on Prescription for dementia in all Welsh public library authorities. Funding included: commissioning Welsh Books Council to translate all supporting materials into Welsh and 20 of the titles on the booklist into Welsh; all Welsh library authorities being provided with two collections of the booklist in English and Welsh, together with supporting materials; and promotion of the scheme to the Welsh health sector. The scheme supports people living with dementia, and their carers, to access an accredited reading list of helpful books to support living with dementia, available free from local libraries.

### 20 Analysis of net assets between funds

|  | Unrestricted<br>funds | Restricted<br>funds | Total          |
|--|-----------------------|---------------------|----------------|
|  | £                     | £                   | £              |
| Fund balances at 31 March 2019 are represented by: |                       |                     |                |
| Tangible assets                                    | 2,613                 | -                   | 2,613          |
| Current assets/(liabilities)                       | 404,301               | 474,243             | 878,544        |
|  | <u>406,914</u>        | <u>474,243</u>      | <u>881,157</u> |

### 21 Operating lease commitments

#### Lessee

The charity has entered into an operating lease agreement for the rental of its offices.

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

|                            | 2019<br>£     | 2018<br>£      |
|----------------------------|---------------|----------------|
| Within one year            | 82,338        | 78,198         |
| Between two and five years | 13,768        | 175,112        |
|                            | <u>96,106</u> | <u>253,310</u> |

# READ - THE READING AGENCY

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 22 Related party transactions

#### Remuneration of key management personnel

Key management personnel have been identified as the Chief Executive Officer, the Commercial and Business Director and the Creative Director.

The remuneration of key management personnel is as follows:

|                        | 2019<br>£ | 2018<br>£ |
|------------------------|-----------|-----------|
| Aggregate compensation | 228,056   | 199,133   |

#### Transactions with related parties

During the year the charity entered into the following transactions with related parties:

Tony Durcan, a trustee of the charity, was also Assistant Director of Newcastle City Council. During the year, Newcastle City Council purchased goods to the value of £2,874 (2018: £3,578) from the charity.

No other trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2018: £nil).

No guarantees have been given or received.

### 23 Cash generated from operations

|   | 2019<br>£      | 2018<br>£      |
|---|----------------|----------------|
| Surplus for the year  | 316,189        | 129,590        |
| Adjustments for:  |                |                |
| Investment income recognised in statement of financial activities | (581)          | (80)           |
| (Gain)/loss on disposal of tangible fixed assets                  | -              | 212            |
| Depreciation and impairment of tangible fixed assets              | 2,278          | 2,883          |
| Movements in working capital:                                     |                |                |
| Decrease/(increase) in debtors                                    | 4,676          | (26,699)       |
| (Decrease) in creditors   | (73,134)       | (31,445)       |
| Increase in deferred income                                       | 117,479        | 32,203         |
| <b>Cash generated from operations</b>                             | <b>366,907</b> | <b>106,664</b> |