



World Change Starts with Educated Children.®

**ROOM TO READ UK LIMITED**  
**REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

A company limited by shares

Charity number: 1125803

Company number: 06685456

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## CONTENTS

### Trustees' Report:

● Legal and Administrative Information	2
● Room to Read Overview	3
● Room to Read's Goals and Objectives	4
● Structure, Governance & Management	10
● Financial Review	15
● Statement of Trustees' (Directors') Responsibilities	17

Independent Auditors' Report to the Trustees of Room to Read UK Limited	18
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Statement of Financial Activities	21
-----------------------------------	----

Balance Sheet	22
---------------	----

Statement of Cash Flows	23
-------------------------	----

Notes to the Financial Statements	24
-----------------------------------	----

**ROOM TO READ UK LIMITED  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

The Trustees of Room to Read UK Limited, who are also directors of the charity for the purposes of the Companies Act, present their Trustees' report along with the audited financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out on pages 24 and 25 of the Accounts and comply with Financial Reporting Standard 102 applicable in the UK and Republic of Ireland (effective 1 January 2015) [SORP(FRS102)].

**LEGAL AND ADMINISTRATIVE INFORMATION**

**Trustees who served during the year:**

Dean Chan (Chair)  
Shari Freedman  
Martyn Gowar  
Douglas Hill (Treasurer)  
Laurie McMahon  
Heather Simpson

**Management Team**

Rocio Lopez, Development Director, UK

**Registered Office**

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Website: [www.roomtoread.org](http://www.roomtoread.org)

**Auditor:** McLachlan & Tiffin, Clifton House, Craigard Road, Crieff, PH7 4BN

**Bankers:** Barclays, Atlas House, 1-7 King Street, London, EC2V 8AU



## **ROOM TO READ OVERVIEW**

Room to Read UK Limited is a private limited company and UK registered charity whose shares are held by Room to Read, a global organization focused on literacy and gender equality in education with its head office in San Francisco, California, USA. In these accounts we use the term "Room to Read UK Limited" to mean the UK charity and "Room to Read" to describe the global organization of which Room to Read UK Limited is a part. Room to Read UK Limited shares the vision and mission of Room to Read.

### **Purposes and Aims**

Room to Read UK Limited's purpose, as set out in the objects contained in the company's Memorandum and Articles of Association, is:

The relief of poverty by the provision of educational programmes and facilities including books, schools, scholarships, training, capacity building and other goods, equipment and services calculated to relieve such needs, in cooperation with other Room to Read offices throughout the world.

### **Vision**

Room to Read believes that world change starts with educated children and envisions a world in which all children can pursue a quality education that enables them to reach their full potential and contribute to their community and the world.

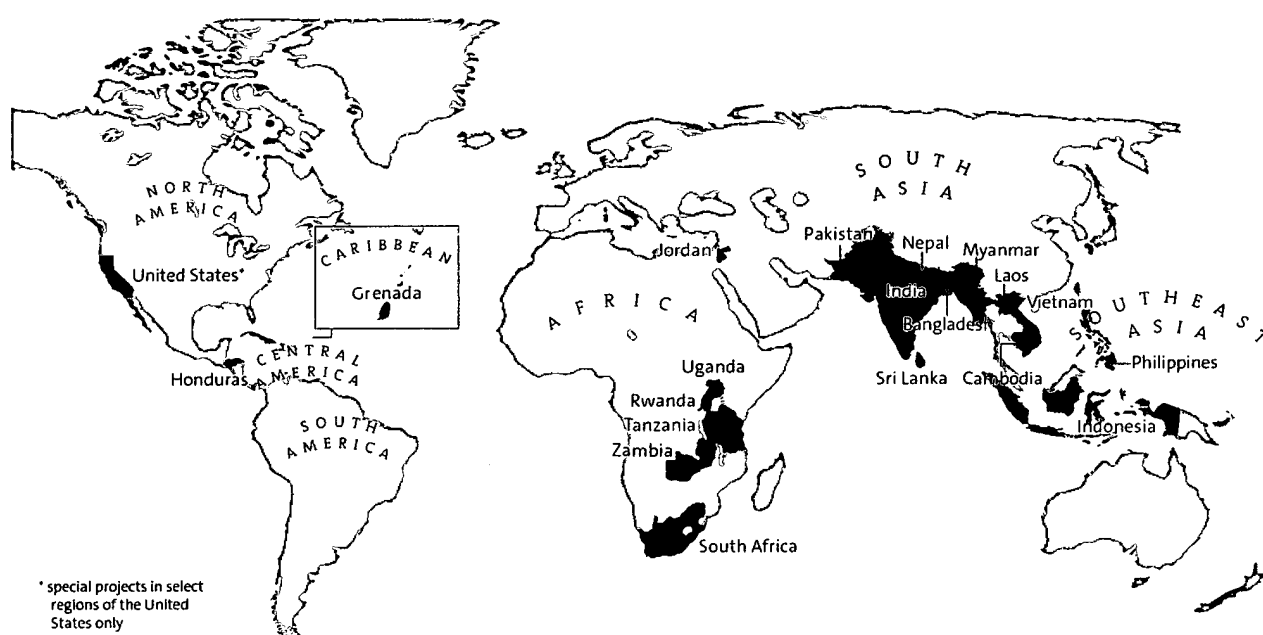
### **Mission**

Room to Read seeks to transform the lives of millions of children in low-income communities by focusing on literacy and gender equality in education. Working in collaboration with local communities, partner organizations and governments, we develop literacy skills and a habit of reading among primary school children, and support girls to complete secondary school with the relevant life skills to succeed in school and beyond.

## ROOM TO READ'S GOALS & OBJECTIVES

### Goals

Room to Read's goal is to be a trusted leader in the global movement to educate children across low-income communities everywhere. To date, Room to Read has reached 23 million children in over 40,700 communities across Bangladesh, Cambodia, Grenada, Honduras, India, Indonesia, Jordan, Laos, Myanmar, Nepal, Pakistan, Philippines, Rwanda, South Africa, Sri Lanka, Tanzania, Uganda, Vietnam and Zambia, and plans to benefit 40 million children by 2025.



## OUR REACH

**20 Million+**  
children benefited  
to date

**40,700+**  
Partner communities  
to date

**20**  
Countries benefited  
to date

### Programmes

Room to Read focuses on two areas where it believes it can have the greatest impact: literacy and gender equality in education.



Room to Read's Literacy Programme trains and coaches teachers, creates quality books and curricular materials and establishes libraries filled with diverse children's books in local languages that can be enjoyed at school or home.

This programme consistently shows a large and positive impact on students' reading skills in a variety of contexts. Our most recent two-year impact evaluations showed strong results, with students' reading skills in Room to Read schools outpacing their peers in comparison schools by two to three times after two years of intervention.

Because of these results, our Literacy Programme was recognized as "effective at scale" by the Center for Global Development's "Learning @ Scale" research initiative. Funded by the Bill and Melinda Gates Foundation, this research initiative identified early grade reading programmes operating at scale in developing countries with meaningful improvements in learning. The research team's worldwide search resulted in the selection of eight programmes, including Room to Read's Literacy Programme as implemented in India.

In 2020, we developed a global series of expository nonfiction books for young readers that highlight different issues such as climate change, peace and equality and Covid-19 around the world. We plan to adapt the books across geographic contexts, so children can learn how climate change affects different parts of the world.

In 2019, Room to Read began publishing Filipino language titles for the first time, creating 20 beautiful books. In 2020, we introduced these titles to more readers in two ways: 1. by printing and distributing 20,000 copies of the books to children in the Philippines and; 2. by creating 15-minute radio adaptations of the 20 Filipino titles to serve children in communities without (or with limited) access to the internet.

## Covid Response Initiatives: Literacy Programme

**Radio programming:** Without internet connectivity, radio is still the most commonly available and accessed technology across the globe; therefore, we have introduced literacy-themed radio programming.

- In Sri Lanka, we are partnering with regional broadcast services to provide content in both Tamil and Sinhala. The radio programmes focus on storytelling for children and literacy tips for parents on how best to support their children's reading development at home.

**Engagement via texting:** Room to Read is using texting to support students' families while they continue learning at home.

- In Cambodia, the literacy team is developing text and video guidance for parents. The content focuses on highlighting the most important literacy skills and providing advice and encouragement for parents.

**Using Worksheets to Develop Skills:** Hard copy resources, like worksheets and books, are also essential components to keep children learning during this time.

- Our team in India created an offline literacy package comprised of 60 worksheets for children in grades one and two who do not have access to digital platforms. These involve writing opportunities for children (both skill-based and creative writing).

**Access to Digital Books:** Literacy Cloud, Room to Read's digital children's book library and platform for teachers that we created thanks to the support of Google.org, played a key role in our success in 2020. Room to Read expanded the library significantly, in part to address the needs of children learning remotely during the COVID-19 pandemic. Literacy Cloud now holds nearly 1,600 book titles in 24 different languages. The website itself also operates in 15 different languages and has been accessed by 208,016 unique users from 143 countries in 2020.

Recognizing that children could benefit from books that reflect their experiences during these unusual times, Room to Read also created a COVID-19 book series. We organized a global workshop with book creators from 10 countries (spanning 12 languages and 11 time zones) to develop 20 book titles with themes related to the COVID-19 pandemic, as it is experienced by children.

### COVID-19 PANDEMIC RESPONSE BY THE NUMBERS - LITERACY

**387**  
ROOM TO READ  
PROGRAMS  
BROADCAST VIA TV

**1,178**  
ROOM TO READ  
PROGRAMS  
BROADCAST VIA RADIO

**615,400+**  
CHILDREN  
RECEIVING NON-  
DIGITAL MATERIALS

**25,900+**  
HRS OF VIRTUAL  
TRAINING TEACHERS,  
AUTHORS, ILLUSTRATORS

**18.4 M+**  
DIRECT MESSAGES  
SENT TO STUDENTS  
AND PARENTS



Room to Read Girls' Education Programme (GEP) helps girls build skills to succeed in secondary school and make key life decisions by providing life skills curriculum, opportunities for mentorship and peer support, and family and community engagement.

As we continue reaching secondary school girls in the coming years, we are expanding our capabilities in remote learning methods, including radio. We conducted a landscape analysis of key actors and best practices in radio programmes for girls' education and social norms change. The landscape analysis provided approaches for delivering radio programmes in remote, low-income settings, and recommendations for developing radio programming for secondary school girls. We also partnered with Population Media Center (PMC), a non-governmental organization that specializes in developing educational entertainment through serialized radio programming to integrate the use of radio into the delivery of our life skills education curriculum.

In 2020, we undertook a study in collaboration with Promundo and Gender and Development for Cambodia (GADC) to help inform our strategy to engage boys and create greater gender equality, through education. We administered our current life skills assessment to 90 Grade 7 boys to identify how we need to adapt our existing instruments to be relevant and reliable for boys and to understand how boys' life skills compared to those of girls in the same context. The data revealed that boys and girls both hold gender-inequitable attitudes, albeit with different emphases across domains.

In addition to the survey, we also piloted focus group discussions with boys, girls, and male and female caregivers. Based on the initial round of piloting, we refined key questions to strengthen the focus group discussion. The second round of field testing provided us with a deeper understanding of the gender dynamics in play to inform our programme and measurement designs. Findings from the focus group discussions revealed that in the abstract, males and females support concepts of gender equality; however, when probed about specific issues, respondents of all groups viewed gendered roles to be natural and desirable. For additional information on this work and other 2020 Research, Monitoring and Evaluation activities, please see the full report [here](#).



### **Covid Response Initiatives: Girls' Education Programme**

**Distance Mentoring:** Even while students are out of school, Room to Read staff are continuing to provide group and individual mentoring by phone to girls. They are using these mentoring sessions to support girls through the crisis and provide encouragement for continuing their academic study at home.

- Throughout 2020, our staff provided more than 265,400 individual remote mentoring sessions to our programme participants.

**Life Skills Videos:** Video has played an essential role in creatively teaching life skills to girls, as videos can be shared via phone and potentially via TV.

- In Bangladesh, Cambodia and Vietnam, each country has a series of videos based on sessions from our life skills curriculum. Topics covered include self-confidence, perseverance, empathy, communication, relationship building, financial education and more.

**Identifying and Supporting Girls Most at Risk:** Room to Read staff are including a brief risk survey into individual remote mentoring sessions to assess the risks girls are facing during school closures. We focus on three risk factors: whether girls were keeping up with their studies during school closures, whether anyone in their household had lost a job or income because of the pandemic, and whether they were concerned about their ability to return to school once open again.

- At the end of 2020 we assessed the percentage of GEP participants that had returned to school in countries where schools had reopened and remained open at the end of 2020. We saw high return rates including 91.5% in Cambodia, 93.7% in Vietnam, 95.7% in Sri Lanka, 96.5% in Laos and 98.9% in Tanzania.

#### **COVID-19 PANDEMIC RESPONSE BY THE NUMBERS - GIRLS' EDUCATION**

**265,400+**

REMOTE INDIVIDUAL  
MENTORING  
SESSIONS

**34,400+**

UNIQUE GIRLS  
RECEIVING INDIVIDUAL  
REMOTE MENTORING

**133**

ROOM TO READ  
PROGRAMS  
BROADCAST VIA RADIO

**10,600+**

GIRLS RECEIVING NON-  
DIGITAL MATERIALS

**26**

ROOM TO READ  
PROGRAMS  
BROADCAST VIA TV

## **Ensuring our Work Delivers our Aims**

Room to Read UK Limited reviews its work every year as part of a global annual planning process. A UK Regional Business Plan is developed annually. The UK annual budget and plans are approved by the Trustees and the Trustees have regard to the Charity Commission's general guidance on public benefit and prevention and relief of poverty for the public benefit. The Trustees always ensure that the programmes Room to Read undertake are in line with Room to Read UK Limited's charitable Aims, Vision, and Mission (as described on page 3).

One of the organizational priorities in our 2020-2024 strategic plan, Vision 2025: Ending the Impossible, is to strengthen our commitment to creating an ever more gender-sensitive organization. In 2020, we drafted a gender equality policy, created trainings and webinars for staff, and developed a global framework for considering gender in all areas of our operations. Our policy implementation will allow us to share baseline report results as well as progress with external stakeholders.

## **The Focus of Our Work in the UK**

Room to Read UK Limited supports the delivery of its objectives through the raising of funds and awareness in support of Room to Read's mission. Our main aims for the year were to:

1. Raise an agreed post-COVID target of USD 3.0m from UK donors

Room to Read operates on a global basis, thus all targets are set in USD, and many of Room to Read UK Limited's supporters are US expats or travel for business. Room to Read and Room to Read UK Limited enable supporters to make a gift to any of our fundraising offices globally e.g. the supporter may live in the UK but prefer to donate via the US if they are a US national. Room to Read UK Limited accounts purely for donations received in the UK charity.

To enable the Trustees to monitor the performance of the fundraising staff of Room to Read UK Limited, the Trustees are kept informed of monies raised by UK staff from donors based in the UK but physically donated via another Room to Read entity office.

2020 was a challenging fundraising year amidst Brexit uncertainty and the Covid pandemic. The total amount raised from UK donors was USD2.7m. Donations made directly to Room to Read UK Limited were GBP1.9m (USD2.4m).

For further detail please refer to page 15 (Financial Review of the Year)

2. Support the global strategic plan 'Vision 2025' by increasing fundraising from:

- Institutions, multi-laterals and corporates
- Annual fund
- Legacy gifts

We are grateful to all our supporters for their generosity and time in 2020. Several corporate partnerships were secured or extended in the year. In addition, companies and individuals launched fundraising campaigns in support of our global campaign, 'Active for Education'.

3. Develop and deliver a calendar of communications, PR and events for the UK market, targeting individual, retail and legacy giving.

All face-to-face events were cancelled due to the Covid pandemic. Events such as the summer party, the London's Fastest Executive race, TechBikers fundraising rides to Paris or the traditional Christmas Carol concert did not take place in 2020.

UK Donors were offered multiple virtual engagement opportunities during the year, including an Illustration Workshop, In-Conversation with Room to Read India Country Director and other virtual events, organised by Room to Read Marketing team in the US.

To mark Room to Read's 20<sup>th</sup> Anniversary, a virtual fundraising event was designed to celebrate this milestone and raise funds. A total number of 120 households joined the event and £1.1m was raised, including contributions from donors not based in the UK.

In addition, our volunteer London Chapter and supporters held a range of activities - such as a Christmas Challenge or sewing Covid masks - creating awareness and raising funds for Room to Read's programme work.

We would also like to thank the Financial Times for sharing their offices, free of charge, with Room to Read UK Limited (see Note 1, Notes to the Accounts).

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

Room to Read UK Limited works closely with Room to Read offices around the world to promote and advance Room to Read's vision. This work includes sharing fundraising strategies and resources for Room to Read programmes that further Room to Read's objectives, joint marketing and communications, creating opportunities for donors and media to learn about Room to Read's mission and visit Room to Read projects, and accessing Room to Read's global infrastructure and resources.

All income from Room to Read UK Limited, apart from that applied towards UK administrative support, governance and fundraising costs and that held on Reserve (as explained in the Reserves Policy on page 16), is directed towards programmes in the countries where Room to Read operates. Room to Read provides some operational support to Room to Read UK Limited which is covered under a Service Level Agreement. Under the terms of the Agreement, Room to Read provides human resources, IT, legal, finance, accounting, and fundraising support to Room to Read UK Limited.

Room to Read's operations are organised according to a tiered global structure that includes development offices, in-country offices and headquarters in the U.S. Room to Read is registered in the USA as a non-profit company and has a separate Board of Directors.

## **Governance Structure**

### **UK Board of Trustees**

Room to Read UK Limited operates under the laws of England and Wales and is governed by a Board of Trustees. The Trustees who held office during the financial year are as follows:

**UK Board of Trustees 2020**  
Dean Chan (Chair)  
Shari Freedman  
Martyn Gower  
Douglas Hill (Treasurer)  
Laurie McMahon (resigned 2020)  
Heather Simpson (appointed 2020)

The Memorandum and Articles of Association allows for not less than three and no more than seven Trustees to be appointed. Trustees hold office for a term of one year, following which they may be reappointed for any number of further terms. Trustees are appointed by ordinary resolution of the members. The Trustees receive no payment from Room to Read UK Limited and details of any Trustees' expenses, if any, are disclosed in the Notes to the Accounts. No expenses were paid to Trustees this year.

In 2020 there were three UK based Trustees and two Trustees at any one time (Laurie McMahon (resigned)/Heather Simpson (appointed) and Shari Freedman) who held staff roles for global Room to Read. Room to Read UK Limited Trustees who are global staff are selected on the basis of the relevance of their job function.

In the event of a UK based Trustee resigning, an open recruitment process would be held, and the existing Trustees would be responsible for leading that process. When a new Trustee is appointed, they meet with the existing Trustees and the Development Director who provide an overview of the organization and its internal processes, policies and procedures. They are also provided with new Trustee guidance information from the Charity Commission.

Trustees are required to meet no less than three times a year with a quorum. Additional meetings are held regularly to discuss operations and fundraising progress, review risks and receive updates on global Room to Read initiatives. The Trustees ensure that Room to Read UK Limited files annual returns with the Charity Commission and other regulatory bodies and engages independent auditors to review its financial statements. Other professional services may be engaged to ensure Room to Read UK Limited complies with all local tax, compliance and financial audit regulations.

## **Management Structure**

### **UK Office**

Room to Read UK Limited's office is in London and have five staff who primarily support UK and Global operations. During the year under review, the role of Development Director Europe & Africa changed to Development Director UK, to increase our focus on the UK market. Laurie McMahon,

Chief Development and Communications Officer moved temporarily from the US to the UK office. Due to Covid, no intern positions were possible in 2020

Our stakeholders include supporters such as donors, companies, foundations, the UK Regional Board and our volunteer Chapters and supporters. In addition, our development staff provides support to our many global donors. Room to Read UK Limited also works closely with development and programme teams in the global head office and other offices around the world to ensure that its operations are effective and efficient so that the charity is able to have a greater impact on the lives of children in the countries where Room to Read operates. More information about our global organization including consolidated audited financial statements can be found at [www.roomtoread.org](http://www.roomtoread.org) and [www.charitynavigator.org](http://www.charitynavigator.org).

#### Remuneration of Staff

Staff salaries are reviewed annually by management and HR following the annual performance review for all staff. The two Trustees with global Room to Read staff positions have management oversight of this process. Salaries are set taking into consideration performance, grade boundaries, changes in the cost of living and the salary of similar roles in the voluntary sector. The pay of key management personnel is benchmarked against equivalent positions in the voluntary sector and within Room to Read globally. Details of key management personnel is included within note 6 of the financial statements.

#### UK Regional Board

The UK Regional Board exists to support the promotion and fundraising activity of Room to Read UK Limited in the UK and in Europe. The UK Regional Board does not have a governance role. The UK Regional Board was chaired by Jerry del Missier and Elio Leoni Sceti. Andrew Balls, Sabine Chalmers and John Ridding are also members of Room to Read's global Board of Directors and John Ridding was Chair of the global Board of Directors during 2019.

#### **UK Regional Board 2020**

Richard and Sabine Chalmers

Craig Dawson and Raquel Dawson

Marisa Drew

Jerry del Missier (Chair, until Sept 2020)

Art Mbanefo

Björn Nilsson

John Ridding

Stuart and Joanna Riley (until Feb 2019)

Elio Leoni Sceti (Chair from Sept 2020) and Maria Leoni Sceti

Erica Wax and Andrew Balls

Randy Work (until July 2020)

The UK Regional Board continued to provide significant support and mentorship to the charity.

#### Chapters

Room to Read UK Limited has the volunteer support of the London Chapter in the UK. Chapters are teams of volunteers who are committed to the vision of Room to Read. These dedicated individuals

volunteer their valuable time to perform a variety of functions to support the organization such as organising fundraising events and awareness-building activities in support of Room to Read UK Limited and its mission.

### **Fundraising Disclosure**

Room to Read UK Limited is registered with the Fundraising Regulator. To date, no complaints have been notified to the Regulator. To help Room to Read UK Limited evaluate its ongoing responsibilities under GDPR legal advice was obtained via a probono partnership with Room to Read donor CAPCO. GDPR training and reviews of requirements continued throughout 2020 to increase knowledge among local and global staff of their responsibilities under this legislation.

Room to Read UK Limited did not retain any external professional fundraising agencies or bodies during 2020. All fundraising is undertaken by Room to Read UK Limited's own staff, and donations are also received from events and activities organised by volunteer chapters and other supporters. Guidance is provided to chapters and volunteers where possible to ensure best practice in terms of fundraising regulations.

In terms of protecting vulnerable persons in fundraising practices, Room to Read UK Limited did not carry out mass direct mail or telemarketing in 2020. Any donation in excess of £1,000 GBP is alerted to the Senior Development Director and a staff member is assigned as a relationship manager for any higher value giving. These steps would alert us if a supporter was making repeated or unexpectedly large gifts. All giving by frequent givers is reviewed by management. All expressions of intent to give a gift in a Will are notified to the Senior Development Director who joins or supports any such discussion. By these means, and by regular discussion in training, it is hoped that staff members would become aware of any giving patterns that might indicate a vulnerable person and appropriate measures could then be taken.

### **Risk Management**

The Trustees have identified the following as the principal risks and uncertainty:

- the cancellation or ineffectiveness of fundraising events or activities, or loss of funds for reasons related to Covid
- the inability to attract or retain qualified fundraising professionals;
- the BREXIT impact on donations;
- the effects of the changes in the regulatory requirements of GDPR;
- Child protection issues or other programme failure;
- Cyber Security Issues, increasingly a risk in the not for profit sector; and
- Safeguarding.

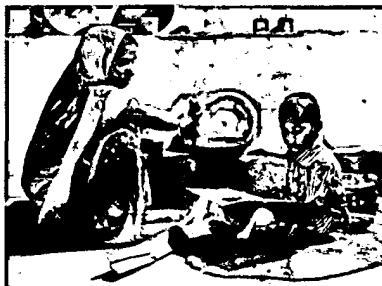
The Trustees review these risks on an on-going basis and satisfy themselves that adequate systems and procedures are in place to manage the risks identified. All significant activities that Room to Read UK Limited undertake are subject to a risk review as part of the initial project assessment and implementation. A formal risk register is managed by the staff and reviewed regularly by the Trustees.

In 2020 the significant events that affected the financial performance and position of Room to Read UK Limited included staffing transitions and economic uncertainty due to the changing deadlines for Brexit and the Covid-19 pandemic. The UK virtual gala took place a few weeks before Brexit was due to finalise and this impacted on donor confidence. Nonetheless, Room to Read UK Limited was fortunate to be supported generously by long term supporters and to attract new donors through its event and activities. Post the 2019 financial year end, the coronavirus pandemic has had an impact on Room to Read offices globally. The UK office staff worked from their homes and focus was on reassessing fundraising events and activities planned for 2020 and engaging with donors.

GDPR did have a significant effect on the number of donors who opted in to receive communications from the organization. Room to Read UK Limited adopted a cautious approach to donor contact by email. This strategy has resulted in no formal complaints and a positive response to end of year email appeals.

Room to Read UK Limited does not hold material financial investments. UK donations received are held initially in a Current Account, and on a monthly basis balances are transferred to an interest-bearing Business Savings account. Every quarter Room to Read UK Limited delivers the majority of the cash raised to Room to Read US for further funding to support programme country operations. The Trustees review the cash balances regularly to ensure that cash does not build up and will transfer funds accordingly. The Trustees review the financial budget proposal prior to submission and monitor financial performance regularly. A robust delegation of authority matrix with clearly defined levels of authorisation is in place for expenditure. Factors that are likely to affect the financial performance include significant turnover within the development staff, gain or loss of major donors, outcome of annual gala event and significant public relations. The Trustees review these risks on an on-going basis and satisfy themselves that adequate systems and procedures are in place to manage the risks identified.

Moreover, Room to Read UK Limited is part of Room to Read, a larger international NGO headquartered in the US. The parent organization has an enterprise risk management strategy that involves and engages the senior management team, along with the global board of directors in assessing potential operational, strategic, financial, compliance and reputation risks to the organization and its programme operations. Room to Read utilises key policies and procedures to reinforce management direction and internal controls to provide reasonable assurances regarding the achievement of operational objectives including effectiveness and efficiency of operations, accurate and reliable financial reports and compliance with applicable laws and regulations. Integral to the risk management strategy Room to Read utilises external financial audits, an internal audit team, an Audit Committee of the Board and a whistle-blower hotline, a line available to all staff globally to report any matters that do not comply with Room to Read's policies, such as child protection, corruption, anti-terrorism etc.



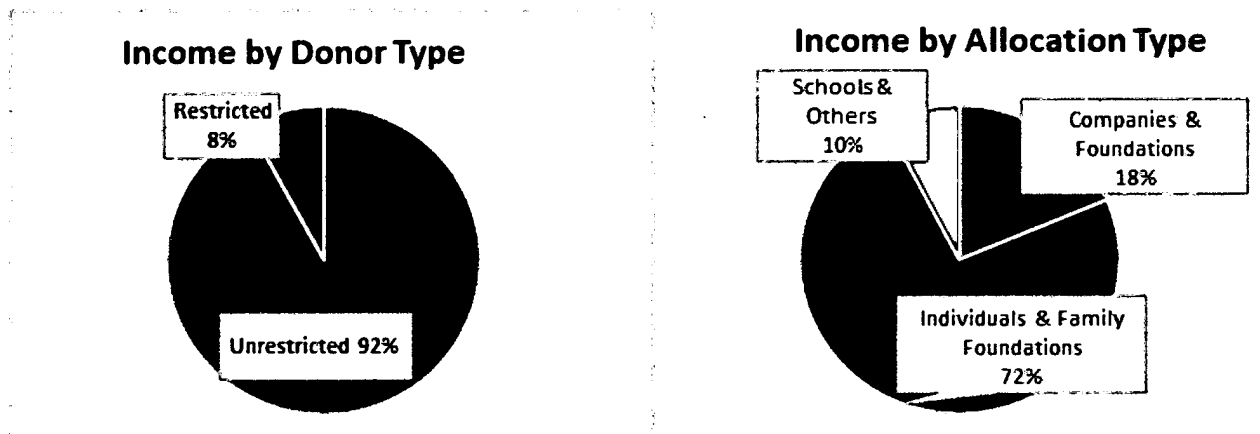
## FINANCIAL REVIEW

The Financial Statements have been prepared in accordance with the accounting policies set out on pages 24 and 25 of the attached financial statements and comply with the Companies Act 2006 and the Financial Reporting Standard 102 (Charities SORP (FRS 102)).

### Review of the Year

The charity's total income for the year, including interest and gifts in kind, decreased to £1.92M (2019: £3.18M).

For donations recognised by Room to Read UK Limited, of the total of £1.92M, unrestricted income accounted for 92% of income, up from 66% in the previous year. This increase was largely due to the change of the fundraising strategy due to Covid-19, meaning that traditional restricted projects were not available and consequently most funds were unrestricted in response to our Covid-19 appeal.



In 2020 donations from Individuals & Family Foundations accounted for 72% of all donations (2019: 74%). In 2020 office costs reduced to £382k (2019: £481k) due to reduced travel and event costs. Expenditure on Charitable Activities (i.e. UK funds raised which are then transferred to Global Head Office for allocation to Global projects) was £1.8M (2019: £2.7M).

The Trustees are satisfied with the financial performance and can confirm that the Charity has a secure financial base to continue its initiatives in 2021.

During the first four months of the 2020 calendar year, sufficient funds were raised in the UK to cover the annual costs of running the UK charity. At the global level, in light of the coronavirus pandemic, Room to Read has taken significant actions to ensure the financial sustainability of the overall organization including an acceleration in donations by committed donors that ordinarily give in the second half of the year, with a number of six-figure donations received during the first half of the year from core donors such as UK Regional Board members and other key supporters.



## **Reserves Policy**

The Trustees take a risk-based approach to reserves and recognise the need to have sufficient unrestricted funds held as a reserve in the event that the charity experiences a decline in income, increased costs, change in circumstances or needs to discharge salaries, costs and obligations in the event of winding-up. This reserve is in the region of three months' UK office costs (c.£96k for each three-month period based on annual office costs of c.£382k).

As at 31 December 2020 the charity had total funds of £436k (2019: £683k), comprising of £194k (2019: £213k) of restricted funds. The unrestricted reserves of £242k (2019: £470k) at year end was in the range of the level required by the reserves policy.

Based on a mutually agreed annual plan, Room to Read UK Limited transfers the majority of funds to Room to Read's headquarters in the US at the end of every calendar quarter unless there is a donor requirement to send the funds directly to our programme offices where we operate. The UK Trustees determine the amount of the transfer and retain the balance as a reserve in the UK account to ensure sufficient funding for salaries and other operating costs.

Funds transferred to Room to Read's headquarters are apportioned to in-country projects as soon as is reasonably possible. This process typically results in most funds being apportioned to in-country projects within three months of receipt. Given the high demand for funding in-country projects, Room to Read maintains the balance as working cash, and as such do not invest balances in other investment products in the UK.

## **Plans for Future Periods**

Room to Read UK Limited continues to monitor and assess its performance and to improve and innovate where it is advantageous to achieving our mission. The new strategic plan, Vision 2025 informed direction for 2020 – 2025 with the ambition of reaching 40 million children by 2025. The following three strategic priorities will be essential to achieving our goals:

- Design programmes to facilitate system-level integration
- Enhance operational excellence and digital transformation
- Leverage our brand to mobilize resources and strengthen influence

Room to Read UK Limited will continue to work in close partnership with its development offices and in-country programmatic offices to monitor and evaluate its success and ensure it is achieving maximum impact for the children it serves.

## STATEMENT OF TRUSTEES' (DIRECTORS') RESPONSIBILITIES

The trustees (who are also directors of Room to Read UK Limited for the purpose of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Trustees and signed on their behalf by

DocuSigned by:  
*Dean Chan*  
BB6487D095694FB...

Chair: Dean Chan

Date: 30-Jun-2021 | 1:27 AM PDT

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*Douglas Hill*  
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Treasurer: Douglas Hill

Date: 30-Jun-2021 | 1:31 AM PDT

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF  
ROOM TO READ UK LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**Opinion on financial statements**

We have audited the financial statements of Room to Read UK Limited for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**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 financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements 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**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' 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 directors' 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' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

### **Responsibilities of Trustees**

As explained more fully in the Trustees' Responsibilities in Relation to the Financial Statements set out on page 17, the Trustees 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 charity 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

**The extent to which the audit was considered capable of detecting irregularities including fraud**

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified and assessed the laws and regulations applicable to the charity through discussions with trustees
- we assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur by making enquiries of Trustees and considering the procedures and controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships
- tested journal entries to identify unusual transactions

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

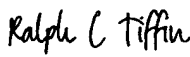
Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ralph C Tiffin (Senior Statutory Auditor)

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Edinburgh,

30-Jun-2021 | 7:36 AM PDT

For and on behalf of McLachlan + Tiffin, Statutory Auditor

Date

**ROOM TO READ UK LIMITED**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>Notes</b>	<b>Unrestricted Funds 2020 £</b>	<b>Restricted Funds 2020 £</b>	<b>Total Funds 2020 £</b>	<b>Unrestricted Funds 2019 £</b>	<b>Restricted Funds 2019 £</b>	<b>Total Funds 2019 £</b>
<b>Income and Endowments from:</b>							
Donations and Legacies	1	1,771,711	151,370	1,923,080	2,118,662	1,060,823	3,179,484
Income from Investments		290	0	290	344	0	344
Other income/(expense)	2	0	0	0	5,746	0	5,746
<b>Total income</b>		<b>1,772,001</b>	<b>151,370</b>	<b>1,923,370</b>	<b>2,124,751</b>	<b>1,060,823</b>	<b>3,185,574</b>
<b>Expenditure on:</b>							
Raising funds	3	351,336	30,273	381,610	319,888	161,311	481,200
Charitable activities	4	1,647,898	140,073	1,787,971	1,814,542	902,862	2,717,405
<b>Total resources expended</b>		<b>1,999,235</b>	<b>170,347</b>	<b>2,169,581</b>	<b>2,134,430</b>	<b>1,064,174</b>	<b>3,198,604</b>
Net Income/(Expenditure)		(227,234)	(18,977)	(246,211)	(9,679)	(3,351)	(13,030)
Total Funds Brought Forward		469,576	213,115	682,691	479,255	216,466	695,721
Total Funds Carried Forward		242,342	194,138	436,480	469,576	213,115	682,691

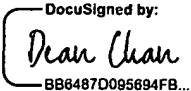
The notes on pages 24 to 31 form part of the financial statements.

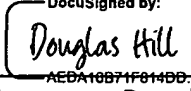
The net movement in funds for the year arise from the charity's continuing operations.

**ROOM TO READ UK LIMITED**  
**BALANCE SHEET**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

		2020		2019	
	Note s	£	£	£	£
<b>Current Assets</b>					
Debtors & prepayments	9	176,693		527,035	
Cash/bank balances		<u>281,861</u>		<u>177,004</u>	
		458,554		704,039	
<b>Creditors: amounts falling due</b>					
within one year	10	<u>(22,075)</u>		<u>(21,348)</u>	
<b>Net Current Assets</b>			436,479		682,690
<b>Net Assets</b>	11		<u>436,479</u>		<u>682,690</u>
<hr/>					
<b>The Funds of the Charity</b>					
Issued and fully paid share capital	13		1		1
Restricted funds	12		194,138		213,115
Unrestricted funds			242,342		469,576
<b>Total Funds</b>			<u>436,479</u>		<u>682,690</u>

Approved by the Trustees and signed on their behalf by

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 Chair: Dean Chan  
 Date: 30-Jun-2021 | 1:27 AM PDT

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 Treasurer: Douglas Hill  
 Date: 30-Jun-2021 | 1:31 AM PDT

**ROOM TO READ UK LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
<b>Cash flows from operating activities:</b>		
Net movement in total funds	(246,211)	(13,031)
Decrease/(increase) in debtors	350,342	(35,476)
(Decrease)/ increase in creditors	727	(4,769)
<b>Net cash (used by) operating activities</b>	<u>104,858</u>	<u>(53,276)</u>
<b>Cash flows from investing activities</b>	0	0
<b>Cash flows from financing activities</b>	0	0
<b>Increase/(decrease) in cash and cash equivalents in the year</b>	<u>104,858</u>	<u>(53,276)</u>
 Cash and cash equivalents at the beginning of the reporting period	 177,004	 230,280
Cash and cash equivalents at the end of the reporting period	281,862	177,004
<b>Movement in the year</b>	<u>104,858</u>	<u>(53,276)</u>



**ROOM TO READ UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**A. Accounting Policies**

The principal accounting policies, all of which have applied consistently throughout the year, are set out below.

**a. Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102 [Charities SORP (FRS 102)] and the Companies Act 2006.

Room to Read UK Limited meets the definition of a public benefit entity under FRS 102 and the Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are presented in sterling and rounded to the nearest pound.

**b. Preparation of the accounts on a going concern basis**

Having reviewed the actions taken by Room to Read and Room to Read UK Limited in response to the coronavirus pandemic, (see below), the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for at least twelve months from the date of signing these financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

**c. Company Status**

The charity is a company limited by shares. In the event of the company being wound up, the liability in respect of the shares is limited to £1, being the value of the Company's issued share capital.

**d. Fund accounting**

Unrestricted funds are general funds that are available for use at the Trustees' discretion in furtherance of the objectives of the charity and which have not been designated for other purposes. Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

**e. Income recognition**

Voluntary income, including donations, gifts, legacies and grants that provide core funding or are of a general nature, are recognised where there is entitlement to the funds and it is certain that the income will be received and the amount can be measured with sufficient reliability.

Pledges (or "promises to give") can be written or oral, however only those pledges which are unconditional and with verifiable documentation (name, address, telephone number, amount of promise, purpose – whether literacy, GEP or greatest need, due date and date promise was made) are recognised in these financial statements.

Gift In Kind (GIK) donations are recorded in the financial statements if a single donor's cumulative gift-in-kind contributions for any one financial year exceed the equivalent of USD 25k and the donation is for goods/services that the charity would have purchased on the open market. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised in the accounts however the Trustees' report provides information on their contribution.

Tax recovered from voluntary income received under Gift Aid is recognised when the related income is receivable and is allocated to the income category to which the income relates.

**f. Expenditure Recognition**

Expenditure is recognised when a liability is incurred and is classified under headings that aggregate all costs related to the category.

Fundraising costs are those costs incurred in attracting voluntary contributions.

Service Charge (SLA charge) is a charge paid to Room to Read's head office for finance, human resource, IT, development and administration services provided to Room to Read UK Limited.

Governance costs are those incurred in connection with the governance of the charity and are primarily associated with constitutional and statutory requirements.

Irrecoverable VAT is not separately analysed and is charged to the statement of financial activities when the expenditure to which it relates is incurred and is allocated as part of the expenditure to which it relates.

**g. Pensions**

Pension contributions made by the charity are charged to the Statement of Financial activities in the year in which they are incurred. Room to Read UK Limited matches employee contributions up to a ceiling of 6% gross equivalent and these employer contributions are charged to revenue in the period the associated salary relates.

**h. Foreign currencies**

Transactions in foreign currencies are recognised at the rate of exchange at the date of the transaction. Monetary assets and liabilities, not recorded in GBP, are translated into sterling at the exchange rate on the balance sheet date. All exchange differences are recognised through the statement of financial activities as other income/(loss). The charity does not own any nonmonetary assets abroad.

**i. Critical accounting estimates and areas of judgement**

There was no material judgement nor estimates required by the trustees or management in the preparation of the 2020 financial statements.

**B. Notes to the Financial Statements****1 Donations and Legacies**

During the year under review, donations were received from the following donor types:

	Unrestricted Funds	Restricted Funds	Total 2020
	£	£	£
Corporation/Foundation	267,050	80,697	347,746
Individuals and Family Foundation	1,318,411	56,892	1,375,303
Schools and Other	171,250	13,781	185,031
Gifts in Kind - Office space	15,000	0	15,000
<b>2020 Total Funds</b>	<b>1,771,711</b>	<b>151,370</b>	<b>1,923,080</b>

	Unrestricted Funds	Restricted Funds	Total 2019
	£	£	£
Corporation/Foundation	295,580	294,736	590,316
Individuals and Family Foundation	1,660,784	673,515	2,334,299
Schools and Other	147,297	92,572	239,869
Gifts in Kind - Office space	15,000	0	15,000
<b>2019 Total Funds</b>	<b>2,118,662</b>	<b>1,060,823</b>	<b>3,179,484</b>

Restricted income is identified on the basis of the donors' preferences. Income can be restricted by programme (Literacy and Girls Education) and/or specific countries. In 2020 programmes were implemented in the following countries: Nepal, India, Laos, Cambodia, South Africa and Tanzania.

Unrestricted income is used to support the general activities of Room to Read.

Room to Read UK Limited's restricted and unrestricted funds contributed 4.3% (2019: 7.44%) of total income of Room to Read in 2020. In Room to Read's 2020 accounts, global income is analysed by donor type and expenses by activity. A full analysis of global income and expenses can be found in Room to Read's 2020 accounts.

**2 Other Income /(Expense)**

In 2019, Other Income represented a refund of overcharged historical bank fees

**3 Fundraising costs**

	Unrestricted Funds	Restricted Funds	2020
	£	£	£
Costs of events, conferences, travel and marketing	12,068	1,040	13,108
Office costs	535	46	582
Salary Costs	268,815	23,163	291,978

Temporary Staff and Recruitment Cost	0	0	0
Donation Processing Fees and Bank charges	10,268	885	11,152
Other expenses	1,923	166	2,088
Service Level Charges	43,918	3,784	47,702
Gifts in Kind - Office space	13,810	1,190	15,000
<b>2020 Fundraising Costs</b>	<b>351,336</b>	<b>30,273</b>	<b>381,610</b>

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Costs of events, conferences, travel and marketing	45,794	23,093	68,886
Office costs	2,372	1,196	3,568
Salary Costs	175,459	88,480	263,939
Temporary Staff and Recruitment Cost	19,872	10,021	29,892
Donation Processing Fees and Bank charges	12,930	6,520	19,450
Other expenses	597	301	897
Service Level Charges	52,894	26,673	79,566
Gifts in Kind - Office space	9,972	5,028	15,000
<b>2019 Fundraising Costs</b>	<b>319,888</b>	<b>161,311</b>	<b>481,200</b>

Fundraising costs are allocated to restricted and unrestricted on a pro rata basis.

#### 4 Charitable activities

	<b>Girls Education Programme</b>	<b>Literacy Programme</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Transferred to Room to Read headquarters	466,499	1,313,055	1,779,554
Governance Costs (see note 5)	2,207	6,211	8,418
	<b>468,705</b>	<b>1,319,266</b>	<b>1,787,971</b>

	<b>Girls Education Programme</b>	<b>Literacy Programme</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Transferred to Room to Read headquarters	709,456	1,996,592	2,706,048
Governance Costs (see note 5)	2,977	8,379	11,357
	<b>712,433</b>	<b>2,004,971</b>	<b>2,717,405</b>

Expenditure on charitable activities includes £1,647,898 in respect of unrestricted funds (2019: £1,814,542) and £140,073 in respect of restricted funds (2019: £902,862)

**5 Governance Costs**

	Unrestricted Funds	Restricted Funds	2020
	£	£	£
Legal and Licensing Fees	2,000	0	2,000
Consultancy	382	0	382
Accounting & Company Secretarial	4,595	0	4,595
External Audit	1,440	0	1,440
	<u>8,418</u>	<u>0</u>	<u>8,418</u>

	Unrestricted Funds	Restricted Funds	2019
	£	£	£
Legal and Licensing Fees	800	0	800
Consultancy	0	0	0
Accounting & Company Secretarial	8,337	0	8,337
External Audit	2,220	0	2,220
	<u>11,357</u>	<u>0</u>	<u>11,357</u>

**6 Analysis of Staffing Costs**

	2020	2019
	£	£
	£000s	£000s
Wages & salaries	179,546	229,000
Termination payment	68,155	0
Social security costs	26,186	14,567
Employer's contributions to defined pension schemes	11,247	12,104
Employee benefits	3,085	5,247
Other staff costs	3,759	3,021
	<u>291,978</u>	<u>263,939</u>

At the end of 2020, there was one employee whose total employee benefits (excluding employer pension costs) exceeded £60k, and this fell within the £90k - £100k band.

	2020	2019
	Number	Number
Average monthly headcount	4	5
Average monthly full time equivalent (FTE) staff	4	5

Average staff numbers reduced by 1 FTE between 2020 and 2019.

During the year under review, the role of Development Director Europe & Africa changed to Development Director UK, with an exclusive focus on the UK Market.

The Development Director UK annual gross salary and benefits is £95k per annum.

The trustees and the Development Director UK are considered to be Key Management Personnel of Room to Read UK Limited. Two of the trustees, Shari Freedman and Heather Simpson, are employees of Room to Read US and hold senior management positions for the global organization.

As described in Note 7, the trustees received no employee benefits from Room to Read UK Limited in 2020.

## 7 Trustee Remuneration & Related Party Transactions

The trustees received no employee benefits from Room to Read UK Limited during the year (2019 - £nil).

Travel and subsistence costs re-imbursed to trustees during the year amounted to £nil (2019 - £nil)

No 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 (2019 - £nil).

Three of the trustees who held office during 2020, Shari Freeman, Laurie McMahon and Heather Simpson, are employees of Room to Read US and hold senior management positions for the global organization.

The relationship between Room to Read and Room to Read UK Limited is explained in detail on page 3 of this report.

## 8 Taxation

As a charity, Room to Read UK Limited is exempt from tax on income. No tax charges have arisen in the charity.

## 9 Debtors

	2020	2019
	£	£
Prepayments	0	0
Donations	176,693	527,035
	<u>176,693</u>	<u>527,035</u>

Donations receivable as at 31 December 2020 represents pledges made during 2020 which were not received at year end. The majority of this balance is a multi-year pledge, the discounted value of which has been included in the 2020 accounts

## 10 Creditors - amount falling due within one year

	2020	2019
	£	£
Creditors (Others)	12,422	9,635
Accruals	9,653	11,714
	<u>22,075</u>	<u>21,348</u>

**11 Net Assets by Fund**

	Unrestricted £	Restricted £	2020 Total £
Debtors & Prepayments	162,785	13,908	176,693
Cash/Bank Balances	259,676	22,186	281,861
	422,461	36,094	458,554
Creditors	(20,337)	(1,738)	(22,075)
<b>2020 Net Assets</b>	<b>402,123</b>	<b>34,356</b>	<b>436,479</b>

	Unrestricted £	Restricted £	2019 Total £
Debtors & Prepayments	350,358	176,677	527,035
Cash/Bank Balances	133,410	43,595	177,004
	483,768	220,272	704,039
Creditors	(14,192)	(7,157)	(21,348)
<b>2019 Net Assets</b>	<b>469,576</b>	<b>213,115</b>	<b>682,690</b>

**12 Restricted Funds**

Restricted funds arise when the donor stipulates how their donation must be spent. Income can be restricted by programme (Literacy and Girls' Education) and/or specific countries. Both of these programmes are described in detail in the Trustees' Report, Room to Read's Goals and Objectives on page 4

	At 1 January 2020 £	Income £	Expenditure £	At 31 December 2020 £
Literacy	171,178	112,667	(126,791)	157,053
Girls' Education	41,937	38,703	(43,555)	37,085
	213,115	151,370	(170,347)	194,138

	At 1 January 2019 £	Income £	Expenditure £	At 31 December 2019 £
Literacy	173,275	663,464	(665,742)	171,178
Girls' Education	43,191	397,177	(398,431)	41,937
	216,466	1,060,823	(1,064,174)	213,115

13	Share Capital	2020	2019
	1 issued and fully paid ordinary share of £1	£1	£1
	The share is held by Room to Read.		





## THANK YOU

for supporting Room to Read  
in our efforts to create world  
change through education.  
Your partnership has allowed  
us to improve the lives of  
more than 20 million children  
around the world!