

ROOM TO READ UK LIMITED

England & Wales · Charity number 1125803

Details

Status	Registered
Legal form	Charitable company
Company number	06685456
Registered	2008-09-10
Register	View on the Charity Commission register

Contact

Address Room to Read UK Limited
Bracken House
1 Friday Street
London
EC4M 9BT

Phone 02078733603

Email Europe@roomtoread.org

Website www.roomtoread.org

Activities

Objects: THE RELIEF OF POVERTY BY THE PROVISION OF EDUCATIONAL PROGRAMS 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 ('THE OBJECTS').

Activities: Room to Read's goal is to create a world free from illiteracy and gender inequality. We help children in low-income communities develop literacy skills and a habit of reading, and support girls to build skills to succeed in school and negotiate key life decisions. We have benefitted more than 50 million children across 28 countries.

Classification

- **How:** Provides Services, Other Charitable Activities
- **What:** Education/training, The Prevention Or Relief Of Poverty
- **Who:** Children/young People

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, OVERSEAS.
- Bangladesh
- Burma
- Cambodia
- Grenada
- Honduras
- India
- Indonesia
- Jordan
- Kenya
- Laos
- Lebanon
- Malawi
- Nepal
- Nigeria
- Pakistan
- Philippines
- Rwanda
- South Africa
- Sri Lanka
- Tanzania
- Uganda
- United States
- Vietnam
- Zambia

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,183,202	£1,899,144	£2,099,074	2
2023-12-31	£2,132,122	£1,695,444	£2,878,720	3
2022-12-31	£3,838,215	£1,501,302	£2,495,546	3
2021-12-31	£929,081	£1,206,929	£158,632	3
2020-12-31	£1,923,370	£2,169,581	£436,479	4

Trustees

Name	Role	Appointed
DEAN HOWARD CHAN	Chair	
DOUGLAS HILL		
Heather Simpson		2020-08-28
MR MARTYN CHRISTOPHER GOWAR		2011-11-02
Shari Lynn Freedman		2014-08-21

ROOM TO READ UK LIMITED

England & Wales - Charity number 1125803

Accounts



World Change Starts with Educated Children.®

ROOM TO READ UK LIMITED

ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2024

Charity registration number 1125803 (England and Wales)

Company registration number 06685456

ROOM TO READ UK LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	H Simpson D Chan S Freedman M Gowar D Hill
Charity number (England and Wales)	1125803
Company number	06685456
Registered office	Bracken House 1 Friday Street London EC4M 9BT
Auditor	Warner Wilde Limited 4 Marigold Drive Bisley Woking Surrey GU24 9SF

ROOM TO READ UK LIMITED

CONTENTS

	Page
Trustees' report	1 - 11
Statement of Trustees' responsibilities	12
Independent auditor's report	13 - 14
Statement of financial activities	17
Balance sheet	18
Statement of cash flows	19
Notes to the financial statements	20 - 29

ROOM TO READ UK LIMITED

REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

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 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)".

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 organisation creating a world free from illiteracy and gender inequality. 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 organisation 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 Goals

Room to Read UK Limited's purpose, as set out in the objects contained in the company's Governing Document, 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.

Objectives and Activities

Founded in 2000 on the belief that World Change Starts with Educated Children®, Room to Read develops children's foundational literacy skills, as well as life skills that promote gender equality. We nurture these essential skills in children by training and coaching educators, creating quality learning materials and spaces, strengthening education systems, and delivering programs directly and with partners – all while honoring the dignity of every child. Room to Read envisions a world free from illiteracy and gender inequality, where all children have room to read, learn and grow.

Throughout 2024, Room to Read's programming around the world continued to serve as an essential support and resource to students, educators, communities and entire nations, with each activity designed to promote positive literacy and life skills development for children and adolescents. 2024 marked the final year of Room to Read's previous five-year strategy, which paved the way for a new chapter to accelerate the rate at which Room to Read and our partners can benefit **more children, more quickly. As of the end of 2024, Room to Read has benefited more than 50 million children worldwide** and increased the number of **girls benefited to 4 million through the Gender Equality Programme and broader gender portfolio**. This exponential growth in the global benefit driven by Room to Read's programs represents an achievement of over 125% and 110% against our Vision 2025 goals for cumulative children benefited and girls benefited through the Gender Equality Programme, respectively.

Room to Read has transformed the lives of children in 28 countries through education, increasing our work in high-need regions around the globe. Over the course of the 2020-2024 strategic period alone, Room to Read reached 12 new countries, expanding our work to transform the lives of children in China (Hong Kong SAR), Italy, Lebanon, Maldives, Pakistan, Philippines, Uganda, United States and launching partnerships to begin work in Canada, Kenya, Malawi, and Palestine.

Room to Read has helped to develop, adapt or translate books to 55+ languages, including 18 new languages over the last five years, while expanding content in existing languages. As Room to Read's global presence has grown, we have helped to widen children's access to quality reading materials in languages they can understand, diversifying available content and cultivating more print-reach learning environments.

ROOM TO READ UK LIMITED

REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

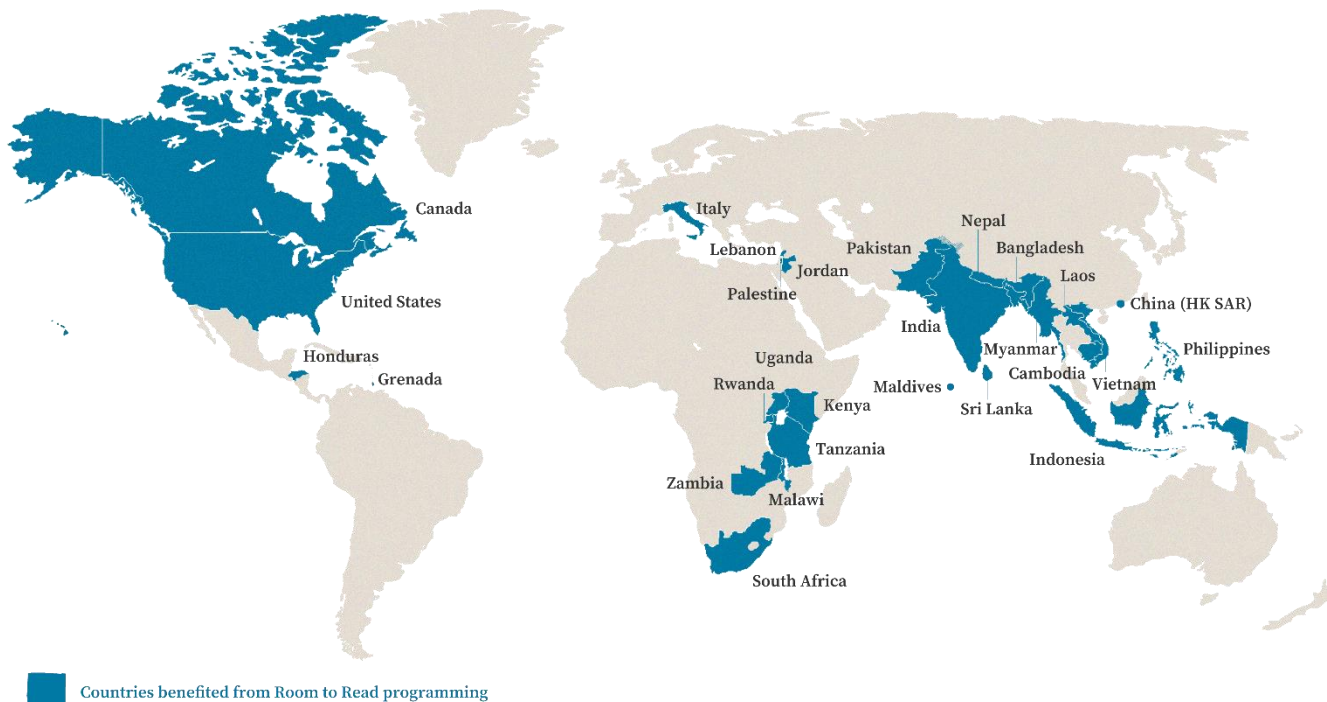
Vision 2025 Success Metrics Results:

<p>Benefit at least 40 million children <i>(Goal: 21MM New)</i></p> <p>29 million new and 50 million cumulative children ✓ Goal Exceeded</p>	<p>Integrate at least 1 program element into government <i>(in core RtR countries, with country offices)</i></p> <p>9 Countries with system integration ✓ Goal Achieved</p>
<p>Transform the lives of children in at least 10 new countries</p> <p>12 New Countries</p> <p>China (Hong Kong SAR), Italy, Lebanon, Maldives, Pakistan, Philippines, Uganda, United States, Canada, Kenya, Malawi, and Palestine).</p> <p>✓ Goal Exceeded</p>	<p>Create children's books in at least 5 new languages</p> <p>18 New Languages</p> <p>Cebuano, Chinese-simplified, Chinese-traditional, Dari, Filipino, Garifuna, Haitian Kreyól, Hiligaynon, Italian, Jarai, Luganda, Miskito, Pashto, Punjabi, Runyankore- Rukiga, Saraiki, Sindhi and Spanish</p> <p>✓ Goal Exceeded</p>

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

All countries where Room to Read has supported children's education to date:



Our Programmes

ROOM TO READ UK LIMITED

At the heart of what we do is our unwavering focus on creating a world free of illiteracy and gender inequality through the programmes described below.

Literacy Programme

Room to Read's literacy programming supports children as they develop literacy skills with a love of reading – enabling them to pursue lifelong learning and make informed decisions. Our Literacy Programme trains and coaches cohorts of 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. We combine the science of learning to read with the magic of loving to read to sustain children's reading skills development. Over the last five years, Grade 2 children in Room to Read project schools read on average more than twice as many correct words per minute and correctly answered twice as many comprehension questions compared to their peers in comparison schools. Room to Read partners with local publishers, authors, and illustrators to create and distribute local language children's books that early readers can access and enjoy. Room to Read has published more than 4,600 original and adapted children's books in 57 local languages and distributed more than 42 million books. Additionally, Literacy Cloud, Room to Read's online digital library, hosts more than 3,000 children's book titles in 41 languages.



Key highlights of 2024 include:

Widespread Book Distribution of Room to Read Titles in Indonesia: The Ministry of Education in Indonesia distributed 2.15 million Room to Read books to 35,700 primary schools nationwide, reaching nearly 430,000 students. These books, developed in collaboration with the Ministry, are now part of the reading curriculum and available through Room to Read's online Literacy Cloud platform. By leveraging digital access on Literacy Cloud and working closely with government partners, we are helping to ensure that culturally relevant, high-quality books continue to reach children across Indonesia, supporting their reading skills and educational journeys for the long term.

Learning Support to Communities in Moments of Crisis: Around the globe, children and their families are experiencing displacement due to instability caused by conflict, climate catastrophes and economic turmoil, among other challenges. To keep children learning, Room to Read deepened our work in several non-traditional educational settings, notably in learning settings in Lebanon and Palestine. After establishing 15 libraries in non-formal education (NFE) centers alongside the Lebanese Organization for Studies and Training (LOST), in 2024 Room to Read expanded the reach of our work to more educational spaces by developing a step-by-step guide for other NFE centers. The guide, supplemented by video resources and virtual trainings, has so far helped 125 additional NFE centers establish reading spaces, benefiting an estimated 64,000 children. Similarly, as the conflict in Gaza has caused widespread hardships for Palestinians, Room to Read partnered with Anera to distribute educational relief packs, which will include resources such as colored pencils, sharpeners, sketch books and five of Room to Read's Modern Standard Arabic (MSA) storybooks.

New Government Literacy Initiative in South Africa: In 2024, Room to Read South Africa was among a select group of organizations invited to join the Department of Basic Education's new initiative, The Literacy Promotion Collective. This initiative is designed to bring together experienced organizations to advance reading development rooted in African languages and culturally relevant practices. Through this Collective, Room to Read can share our multi-layered approach to literacy, spanning instructional support to teachers, curricular materials to schools, library management guidance and quality local language book development, which will further scale best practices among likeminded education leaders across South Africa.

ROOM TO READ UK LIMITED

REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024



Gender Equality Programme

Room to Read's gender equality programming ensures that all adolescents, particularly girls, develop life skills that promote gender equality – enabling them to pursue lifelong learning and make informed decisions. Our Gender Equality Programme supports girls as they develop their power as positive change agents by providing critical knowledge, life skills classes, mentorship, peer support, and family and community engagement. Through the programme, girls are supported with role models and resources to self-advocate and chart a successful life path that they choose for themselves. Room to Read has supported more than 3.7 million girls across 10 countries to date. Room to Read recognizes the role that boys and men play in promoting a more gender-equitable world. The programme goes further by supporting young people of all genders to build the knowledge and skills to create a gender-equal world and tackle some of the world's most pressing challenges, from climate change to poverty and financial instability. Room to Read helps governments and other education systems deliver similar programs at scale.

Key Gender Equality highlights of 2024 include:

Career Guidance and Mentoring Pilot in Sri Lanka: In collaboration with the Ministry of Education in Sri Lanka, Room to Read began piloting a new Handbook of Career Guidance and Counseling – which has been adapted for Sinhala and Tamil languages – in 50 secondary schools. Room to Read co-developed the handbook with the Ministry to strengthen Sri Lanka's psycho-social facilitation and counseling support in schools. Through this partnership, Room to Read aims to equip government school counseling teachers with essential guidelines and technical expertise in life skills and mentoring provided by the Gender Equality Programme, extending the impact of the programme to both male and female students nationwide. Schools participating in the pilot are located across the Southern, Eastern, Central, Sabaragamuwa and Western provinces, serving more than 92,000 students and 100 educators.

New Partnerships in Kenya and Malawi: Following a remarkable global launch of She Creates Change (SCC) in the first half of 2024, Room to Read continued exploring opportunities to integrate the multimodal materials and valuable life skills lessons that comprise SCC into more settings with more partners. After a thorough selection process, Room to Read is excited to be launching She Creates Change in Kenya and Malawi alongside three local partner organizations. In Kenya, Room to Read will work alongside Polycom Girls, and in Malawi we will be partnering with the Creative Center for Community Mobilization (CRECCOM) and Girls' Activist Youth Organisation (GAYO). Room to Read will collaborate with each organization to pilot the implementation of the videos in their programs, adapt the videos into local languages, create lesson plans, and train programme facilitators to discuss the stories with adolescents.

Initial Engagement with the Revised Life Skills Curriculum: As a learning organization, Room to Read is committed to testing our assumptions and improving our programme offerings. Most recently for the Gender Equality Programme, that meant over two years of reviewing and revising our life skills education (LSE) curriculum to ensure that it is designed and delivered with stronger gender equality and intersectionality lenses and that the content of the curriculum matches the unique needs and challenges of adolescents today. As of the end of 2024, nearly all programme countries had completed contextualization of the revised curriculum, and half of programme countries had begun implementing the newly contextualized curriculum with some secondary grades. For example, in Vietnam, Room to Read began implementing the revised life skills curriculum for Grades 6 – 8 in the Tuyen Quang province. The revised curriculum has been well-received by Social Mobilizers and Programme participants, with Social Mobilizers expressing an appreciation that the structure of the sessions better match school schedules, and participants appreciating the refreshed and new content, such as the financial literacy workshops. The full roll-out of the revised curriculum will continue through 2025 and beyond, until it is reflected across all Room to Read Gender Equality Programme countries.

ROOM TO READ UK LIMITED

REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Recognition in 2024

We were honoured to receive several prestigious awards, including:

- Charity Navigator 4-Star Charity (17th recognition)
- Astrid Lindgren Memorial Award, Nominee, 2024
- HundrED's Global Collection, Top 100 Global Collection, 2024
- Ezra Jack Keats Award, Award Honors, "Dancing Hands," United States, 2024
- Schneider Family Book Award, Honor Book for Young Children, "Dancing Hands," United States, 2024
- Honours for She Creates Change
 - London Short Film Festival 2024, Official Selection – Trang
 - SXSW EDU Film Programme 2024, Official Selection
 - San Francisco International Film Festival 2024, Official Selection
 - PR Daily Content Marketing Awards 2024, Video Series Finalist

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. 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. For further detail please refer to page 9 (Financial Review of the Year) We would also like to thank the Financial Times for sharing their offices, free of charge, with Room to Read UK Limited (see Note 3, Notes to the Financial Statements page 22)

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

Achievements and performance

In 2024, Room to Read UK partnered with a significant number of new funders, such as the Barzilai Foundation, secured multiyear commitments from our top anonymous donors, and renewed corporate partnerships such as with CVC, in addition to starting relationships with a number of individual donors.

London Gala

On 16th October, Room to Read's UK Regional Board hosted the return of our prestigious annual gala dinner at the London Library for an inspiring evening exploring the transformative power of education in creating change for millions of children. Special guest speakers were: Dr Geetha Murali, CEO, Poornima Garg, India Country Director, Elio Leoni Sceti, UK Regional Board Chair, and John Ridding, Financial Times CEO and UK Regional Board member. Guests enjoyed a cocktail reception, live auction, programme appeal and live musical performance by West African drumming group Jahdiafolila. The event was a fantastic success, raising over \$500,000.



ROOM TO READ UK LIMITED

REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Structure, Governance and Management

The charity is a company limited by guarantee. 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 9), 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 the global offices including in the U.S, India, Nepal, Sri Lanka, Vietnam, etc. Room to Read is registered in the United States of America as a non-profit company and has a separate Board of Directors.

Governance Structure

Room to Read UK Limited operates under the laws of England and Wales and is governed by a Board of Trustees. The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

D Chan (Chair)

S Freedman

M Gowar

D Hill (Treasurer)

H Simpson

Recruitment and appointment of trustees

Shari Freedman and Heather Simpson both hold staff roles for global Room to Read. They have been selected to be Room to Read UK Trustees on the basis of the relevance of their job function. 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. None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up. Details of any Trustees' expenses, if any, are disclosed in the Notes to the Accounts. No expenses were paid to Trustees this year. There were no changes made to the Room to Read UK Board of Trustees in 2024. 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. At the end of 2024, there were 09 global Room to Read staff based in the UK offices. Their payroll costs are recharged to their global office and therefore do not form part of Room to Read UK Limited's payroll costs.

ROOM TO READ UK LIMITED

REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

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 office and other offices around the world to ensure that its operations are effective and efficient so that the charity is able to have greater benefit in the lives of children in the countries where Room to Read operates. More information about our global organisation, Room to Read (a company registered in the State of Washington USA, Unique Business Identifier 601 968 301, and registered address 465 California St Suite 1000, San Francisco, CA, 94104, United States of America), including consolidated audited financial statements can be found at www.roomtoread.org and 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 UK voluntary sector and within Room to Read globally.

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 is chaired by Elio Leoni Sceti. Andrew Balls, Sabine Chalmers and John Ridding are also members of Room to Read's global Board of Directors.

UK Regional Board 2024

Carmen Alonso and Matthew Strassberg

Christopher and Cynthia Bake

Vinni Bhandari

Richard and Sabine Chalmers Conor

and Joanna Davis

Craig Dawson and Raquel Dawson Marisa

Drew

Jerry del Missier

Elio Leoni Sceti and Maria Leoni Sceti

Björn Nilsson

John Ridding and Lizzie Ridding

Pete Rosenbauer

Erica Wax and Andrew Balls Dagny

and Ryad Yousuf

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

Fundraising Disclosure

Room to Read UK Limited is registered with the Fundraising Regulator. To date, no complaints have been notified to the Regulator.

All fundraising is undertaken by Room to Read UK Limited's own staff, and donations are also received from events and activities organised by volunteers and other supporters. Guidance is provided to chapters and volunteers where possible to ensure best practice in terms of fundraising regulations.

ROOM TO READ UK LIMITED

REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

In terms of protecting vulnerable persons in fundraising practices, Room to Read UK Limited did not carry out mass direct mail or telemarketing in 2024. Any donation in excess of £1,000 GBP is alerted to the Development Director EMEA and, if appropriate, 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 Development Director EMEA 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:

- Recruitment/retention risk: inability to attract/retain qualified Dev professionals.
- Fundraising shortfall: due to staff turnover, shift to domestic causes, and economic outlook.
- Cybersecurity.
- Safeguarding (child and adult).
- Donor risk (reputational): actions by donors impact our reputation e.g. 'reputation washing'.

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.

Room to Read UK Limited does not hold material financial investments. UK donations received are held in a Current Account and Savings account. Periodically Room to Read UK Limited transfers the cash raised to the Room to Read global office to support our programmes. In 2024, funds have been transferred to support Literacy and Gender Equality Programs in Sri Lanka, Tanzania, Vietnam and South Africa. The details of the resources expended in both the programs are given in Note 18 - Restricted Funds. The Trustees review the cash balances regularly to ensure that cash does not build up and will transfer funds accordingly. The anticipated quarterly expenses are considered to maintain the minimum balance and further transfers thereof. 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 organisation 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 organisation 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.

ROOM TO READ UK LIMITED

REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Financial review

The Financial Statements have been prepared in accordance with the accounting policies set out on note 1 of the attached financial statements and comply with the Companies Act 2006 and Charities SORP (FRS 102): Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective 1 January 2019).

Review of the Year

The charity's total income for the year, including royalty and interest, was £1,183,202 (2023: £2,132,122). For donations recognised by Room to Read UK Limited, unrestricted income accounted for 57% of income (2023: 34%).

Donor Type	Unrestricted	Restricted	Total
Corporation / Foundations	364,625	365,312	729,937
Individuals and Family Foundation	258,915	143,942	402,857
Schools and Others	35,071	30	35,101
Gifts - in Kind - Office Space	15,000	-	15,000
Total	673,611	509,284	1,182,895

In 2024 donations from Individuals & Family Foundations accounted for 34% (2023: 14%) of donations income, corporations and foundations represented 62% (2023: 85%).

Total costs have increased by 12% to £1,899,144 with fundraising costs comprising 8% of total costs. Expenditure on Charitable Activities (i.e. UK funds raised which are then transferred to Global Head Office for allocation to Global projects) was £1,740,428 (2023: £1,349,140).

The Trustees are satisfied with the financial performance and can confirm that the Charity has a secure financial base to continue its initiatives in 2025.

Reserves Policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year. 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.£125k for each three-month period based on annual office costs of c.£500k).

As at 31 December 2024 the charity had total funds of £2,099,074 (2023: £2,878,720), comprising of £1,542,539 (2023: £1,843,258) restricted funds. The unrestricted reserves of £ 556,534 (2023: £1,035,462) meet the required reserves to cover at least three months of UK office costs.

Based on a mutually agreed annual plan, Room to Read UK Limited transfers the majority of funds to Room to Read's global office in the U.S. periodically in every calendar year, 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 global office 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.

ROOM TO READ UK LIMITED

REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

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, 3-Year Outlook, informed direction by the end of 2027 with the ambition of double the number of **active children benefiting** from Room to Read's materials and approaches, growing to at least 20 million children annually. The following three strategic priorities will be essential to achieving our goals:

- Room to Read is a leading implementer and a valuable partner of choice – benefiting more children, more quickly, with relevant and effective programming across diverse contexts.
- Room to Read curates opportunities for our staff and volunteers to create and be a part of impactful, joyful and inspiring experiences – making the organization a valuable partner of choice for those contributing their talents to our mission.
- Room to Read is a trusted brand that mobilizes diverse people and revenue streams in pursuit of our mission – making the organization a premier choice for supporters to invest their time and resources. Design programmes to facilitate system-level integration

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 benefit for the children it serves.

ROOM TO READ UK LIMITED

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

FOR THE YEAR ENDED 31 DECEMBER 2024

Auditor

In accordance with the company's articles, a resolution proposing that Warner Wilde Limited be reappointed as auditor of the company will be put at a General Meeting.

The Trustees' report was approved by the Board of Trustees.

Dean Chan

Dean Chan (Jul 31, 2025 10:25:53 GMT+1)

D Chan

Trustee

Date: 04/08/2025

Douglas Hill

Douglas Hill (Aug 4, 2025 22:15:20 GMT+1)

D Hill

Trustee

ROOM TO READ UK LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees, who are also the 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 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 financial statements, 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; and
- prepare the financial statements 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 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.

ROOM TO READ UK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF ROOM TO READ UK LIMITED

Opinion

We have audited the financial statements of Room to Read UK Limited (the 'charity') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 December 2024 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 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 charity'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 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 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.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

ROOM TO READ UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF ROOM TO READ UK LIMITED

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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- 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.
- Enquiry of management, those charged with governance to identify and assess the laws and regulations applicable to the charity.
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

ROOM TO READ UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF ROOM TO READ UK LIMITED



Frances Wilde (Aug 5, 2025 11:18:29 GMT+1)

FJ Wilde (Senior Statutory Auditor)

Chartered Certified Accountant

For and on behalf of Warner Wilde Limited, Statutory Auditor Bisley

Woking

Surrey GU24

9SF

Date: 05/08/2025

Warner Wilde Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

ROOM TO READ UK LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Income and endowments from:							
Donations and legacies	3	673,611	509,284	1,182,895	727,332	1,404,194	2,131,526
Investments	4	162	-	162	14	-	14
Other income	5	145	-	145	582	-	582
Total income		<u>673,918</u>	<u>509,284</u>	<u>1,183,202</u>	<u>727,928</u>	<u>1,404,194</u>	<u>2,132,122</u>
Expenditure on:							
Raising funds	6	107,661	51,055	158,716	105,516	240,788	346,304
Charitable activities	7	981,480	758,948	1,740,428	412,132	937,008	1,349,140
Total expenditure		<u>1,089,141</u>	<u>810,003</u>	<u>1,899,144</u>	<u>517,648</u>	<u>1,177,796</u>	<u>1,695,444</u>
Net income/(expenditure)		(415,223)	(300,719)	(715,942)	210,280	226,398	436,678
Other recognised gains and losses:							
Other losses	13	(63,704)	-	(63,704)	(53,505)	-	(53,505)
Net movement in funds	9	(478,927)	(300,719)	(779,646)	156,775	226,398	383,173
Reconciliation of funds:							
Fund balances at 1 January 2024		<u>1,035,462</u>	<u>1,843,258</u>	<u>2,878,720</u>	<u>878,687</u>	<u>1,616,860</u>	<u>2,495,547</u>
Fund balances at 31 December 2024		<u>556,535</u>	<u>1,542,539</u>	<u>2,099,074</u>	<u>1,035,462</u>	<u>1,843,258</u>	<u>2,878,720</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

ROOM TO READ UK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Current assets					
Debtors falling due after one year	14	193,525		1,330,460	
Debtors falling due within one year	14	1,129,829		1,161,526	
Cash at bank and in hand		818,245		508,703	
		<u>2,141,599</u>		<u>3,000,689</u>	
Creditors: amounts falling due within one year	15	<u>(42,525)</u>		<u>(121,969)</u>	
Net current assets			<u>2,099,074</u>		<u>2,878,720</u>
The funds of the charity					
Share capital	17		1		1
Restricted income funds	18		1,542,539		1,843,258
Unrestricted funds	19		556,534		1,035,461
			<u>2,099,074</u>		<u>2,878,720</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2024.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

Company registration number 06685456 (England and Wales)

The financial statements were approved by the trustees on 04/08/2025

Dean Chan
Dean Chan (UK) 31.12.2025 10:25:53 GMT+1
D Chan
Trustee

Douglas Hill
Douglas Hill (UK) 4. 2025 22:15:20 GMT+1
D Hill
Trustee

ROOM TO READ UK LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	22		309,380		(10,633)
Investing activities					
Investment income received		162		14	
Net cash generated from investing activities			162		14
Net cash generated from financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			309,542		(10,619)
Cash and cash equivalents at beginning of year			508,703		519,321
Cash and cash equivalents at end of year			<u>818,245</u>		<u>508,703</u>

ROOM TO READ UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Charity information

Room to Read UK Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Bracken House, 1 Friday Street, London, EC4M 9BT.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, 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 financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors 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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

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.

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.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

ROOM TO READ UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

ROOM TO READ UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.8 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.

1.9 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

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 Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	658,611	509,284	1,167,895	712,332	1,404,194	2,116,526
Donated goods and services	15,000	-	15,000	15,000	-	15,000
	<u>673,611</u>	<u>509,284</u>	<u>1,182,895</u>	<u>727,332</u>	<u>1,404,194</u>	<u>2,131,526</u>

4 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Interest receivable	<u>162</u>	<u>14</u>

ROOM TO READ UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

5 Other income

	Unrestricted funds 2024	Unrestricted funds 2023
	£	£
Royalties	145	582

6 Expenditure on raising funds

	Unrestricted funds 2024	Restricted funds 2024	Total 2024	Unrestricted funds 2023	Restricted funds 2023	Total 2023
	£	£	£	£	£	£
Fundraising and publicity						
Donation processing and bank fees	3,218	2,489	5,707	3,103	6,114	9,217
Costs of events, conferences, travel and marketing	16,077	12,431	28,508	15,474	30,502	45,976
Service level charges	26,637	-	26,637	17,948	35,381	53,329
Other fundraising costs	2,894	2,238	5,132	1,395	2,728	4,123
Staff costs	43,177	33,388	76,565	52,198	165,290	217,488
	<u>92,003</u>	<u>50,546</u>	<u>142,549</u>	<u>90,118</u>	<u>240,015</u>	<u>330,133</u>
Administration costs						
Office costs	658	509	1,167	398	773	1,171
Gift in kind - office costs	15,000	-	15,000	15,000	-	15,000
	<u>15,658</u>	<u>509</u>	<u>16,167</u>	<u>15,398</u>	<u>773</u>	<u>16,171</u>
Total costs	<u>107,661</u>	<u>51,055</u>	<u>158,716</u>	<u>105,516</u>	<u>240,788</u>	<u>346,304</u>

ROOM TO READ UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

7 Expenditure on charitable activities

	Gender Equality Programme 2024	Literacy Programme 2024	Total 2024	Gender Equality Programme 2023	Literacy Programme 2023	Total 2023
	£	£	£	£	£	£
Direct costs						
Grant funding of activities	397,968	1,332,326	1,730,294	347,062	987,792	1,334,854
Share of support and governance costs (see note 8)						
Governance	2,331	7,803	10,134	3,714	10,572	14,286
	<u>400,299</u>	<u>1,340,129</u>	<u>1,740,428</u>	<u>350,776</u>	<u>998,364</u>	<u>1,349,140</u>
Analysis by fund						
Unrestricted funds - general	225,741	755,739	981,480	107,154	304,978	412,132
Restricted funds	174,558	584,390	758,948	243,622	693,386	937,008
	<u>400,299</u>	<u>1,340,129</u>	<u>1,740,428</u>	<u>350,776</u>	<u>998,364</u>	<u>1,349,140</u>

8 Support costs allocated to activities

	2024 £	2023 £
Governance costs	<u>10,134</u>	<u>14,286</u>
Analysed between:		
Gender Equality Programme	2,331	3,714
Literacy Programme	7,803	10,572
	<u>10,134</u>	<u>14,286</u>

9 Net movement in funds

	2024 £	2023 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	<u>8,034</u>	<u>9,240</u>

10 Trustees

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

ROOM TO READ UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

11 Employees

The average monthly number of employees during the year was:

2024 Number	2023 Number
2	3

Employment costs

	2024 £	2023 £
Wages and salaries	66,456	189,098
Social security costs	6,623	18,544
Other pension costs	3,486	9,846
	<u>76,565</u>	<u>217,488</u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2024 Number	2023 Number
£60,001 - £70,000	-	2

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2024 £	2023 £
Aggregate compensation	-	73,045

12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

13 Other gains and losses

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Gains/(losses) upon:		
Foreign exchange	<u>63,704</u>	<u>53,505</u>

ROOM TO READ UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

14 Debtors

	2024	2023
	£	£
Amounts falling due within one year:		
Amount owed by parent undertaking	-	100,813
Amounts owed by fellow group undertakings	-	86,590
Other debtors	1,129,779	974,099
Prepayments and accrued income	50	24
	<u>1,129,829</u>	<u>1,161,526</u>
	2024	2023
	£	£
Amounts falling due after more than one year:		
Other debtors	<u>193,525</u>	<u>1,330,460</u>
Total debtors	<u><u>1,323,354</u></u>	<u><u>2,491,986</u></u>

15 Creditors: amounts falling due within one year

	2024	2023
	£	£
Other taxation and social security	29,008	27,456
Amount owed to parent undertaking	-	82,500
Other creditors	-	3,265
Accruals and deferred income	13,517	8,748
	<u>42,525</u>	<u>121,969</u>

16 Retirement benefit schemes

	2024	2023
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>3,486</u>	<u>9,846</u>

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.

ROOM TO READ UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

17	Share capital	2024	2023
		£	£
	Ordinary share capital Authorised		
	100 Ordinary share of 1 each	100	100
		<hr/>	<hr/>
	Issued and fully paid		
	1 Ordinary share of 1 each	1	1
		<hr/>	<hr/>

18 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2024	Incoming resources	Resources expended	At 31 December 2024
	£	£	£	£
Literacy Programme	1,493,946	307,267	(623,702)	1,177,511
Gender Equality Programme	349,312	202,017	(186,301)	365,028
	<hr/>	<hr/>	<hr/>	<hr/>
	1,843,258	509,284	(810,003)	1,542,539
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Previous year:	At 1 January 2023	Incoming resources	Resources expended	At 31 December 2023
	£	£	£	£
Literacy Programme	1,326,411	1,039,104	(871,569)	1,493,946
Gender Equality Programme	290,449	365,090	(306,227)	349,312
	<hr/>	<hr/>	<hr/>	<hr/>
	1,616,860	1,404,194	(1,177,796)	1,843,258
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Literacy Programme

The Organisation's Literacy Portfolio supports children in developing literacy skills and a love of reading by training and coaching educators, creating quality curriculum and children's book content in local languages, and enriching learning spaces that enable children to become independent readers.

Gender Equality Programme

The Organisation's Gender Equality Portfolio supports all adolescents, particularly girls, to develop life skills that promote gender equality with curriculum that focuses on collaboration, resilience, leadership, decision-making and critical thinking.

ROOM TO READ UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

19 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2024	Incoming resources	Resources expended	Gains and losses	At 31 December 2024
	£	£	£	£	£
General funds	1,035,461	673,918	(1,089,141)	(63,704)	556,534
	<u>1,035,461</u>	<u>673,918</u>	<u>(1,089,141)</u>	<u>(63,704)</u>	<u>556,534</u>
Previous year:	At 1 January 2023	Incoming resources	Resources expended	Gains and losses	At 31 December 2023
	£	£	£	£	£
General funds	878,686	727,928	(517,648)	(53,505)	1,035,461
	<u>878,686</u>	<u>727,928</u>	<u>(517,648)</u>	<u>(53,505)</u>	<u>1,035,461</u>

20 Analysis of net assets between funds

	Unrestricted funds 2024	Restricted funds 2024	Total 2024
	£	£	£
At 31 December 2024:			
Current assets/(liabilities)	556,535	1,542,539	2,099,074
	<u>556,535</u>	<u>1,542,539</u>	<u>2,099,074</u>
	Unrestricted funds 2023	Restricted funds 2023	Total 2023
	£	£	£
At 31 December 2023:			
Current assets/(liabilities)	1,035,462	1,843,258	2,878,720
	<u>1,035,462</u>	<u>1,843,258</u>	<u>2,878,720</u>

21 Related party transactions

There were no disclosable related party transactions during the year (2023 - none).

ROOM TO READ UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

22	Cash generated from/(absorbed by) operations	2024 £	2023 £
	(Deficit)/surplus for the year	(715,942)	436,678
	Adjustments for:		
	Investment income recognised in statement of financial activities	(162)	(14)
	Foreign exchange differences	(63,704)	(53,505)
	Movements in working capital:		
	Decrease/(increase) in debtors	1,168,632	(462,209)
	(Decrease)/increase in creditors	(79,444)	68,417
	Cash generated from/(absorbed by) operations	<u>309,380</u>	<u>(10,633)</u>

23 Analysis of changes in net funds

The charity had no material debt during the year.












2024+accounts+for+approval+1807v1

Final Audit Report

2025-08-05

Created:	2025-07-31
By:	Frances Wilde (frances@warnerwilde.co.uk)
Status:	Signed
Transaction ID:	CBJCHBCAABAAjIU3Hv7jdNGvc7sVgUEXd4QkNF0WaW3

"2024+accounts+for+approval+1807v1" History

-  Document created by Frances Wilde (frances@warnerwilde.co.uk)
2025-07-31 - 08:40:39 GMT - IP address: 20.162.202.158
-  Document emailed to dean.chan@savethechildren.org for signature
2025-07-31 - 08:40:48 GMT
-  Email viewed by dean.chan@savethechildren.org
2025-07-31 - 09:24:37 GMT - IP address: 52.102.17.85
-  Signer dean.chan@savethechildren.org entered name at signing as Dean Chan
2025-07-31 - 09:25:51 GMT - IP address: 165.225.81.77
-  Document e-signed by Dean Chan (dean.chan@savethechildren.org)
Signature Date: 2025-07-31 - 09:25:53 GMT - Time Source: server- IP address: 165.225.81.77
-  Document emailed to douglas.hill@hotmail.co.uk for signature
2025-07-31 - 09:25:55 GMT
-  Frances Wilde (frances@warnerwilde.co.uk) replaced signer douglas.hill@hotmail.co.uk with Douglas Hill (Douglas_hill@hotmail.co.uk)
2025-08-04 - 16:10:59 GMT - IP address: 20.162.202.158
-  Document emailed to Douglas Hill (Douglas_hill@hotmail.co.uk) for signature
2025-08-04 - 16:11:00 GMT
-  Email viewed by Douglas Hill (Douglas_hill@hotmail.co.uk)
2025-08-04 - 16:27:34 GMT - IP address: 172.224.226.14
-  Document e-signed by Douglas Hill (Douglas_hill@hotmail.co.uk)
Signature Date: 2025-08-04 - 21:15:20 GMT - Time Source: server- IP address: 86.159.120.55
-  Document emailed to Frances Wilde (frances@warnerwilde.co.uk) for signature
2025-08-04 - 21:15:22 GMT

 Email viewed by Frances Wilde (frances@warnerswilde.co.uk)

2025-08-05 - 10:12:55 GMT - IP address: 104.47.51.254

 Document e-signed by Frances Wilde (frances@warnerswilde.co.uk)

Signature Date: 2025-08-05 - 10:18:29 GMT - Time Source: server- IP address: 20.162.202.158

 Agreement completed.

2025-08-05 - 10:18:29 GMT

ROOM TO READ UK LIMITED

England & Wales - Charity number 1125803

Accounts



World Change Starts with Educated Children.®

ROOM TO READ UK LIMITED

REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

A company limited by shares

Charity number: 1125803

Company number: 06685456

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees who served during the year:

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

Management Team

Sotonye Oye-Somefun, Development Director, UK

Registered Office

Room to Read UK Limited
Bracken House
1 Friday Street
London
EC4M 9BT

Telephone: +44 (0)207 873 3603

Email: uk@roomtoread.org

Website: www.roomtoread.org

Company number: 06685456

Charity number: 1125803

Auditor: F J Wilde FCCA MBA DChA, Warner Wilde, 4 Marigold Drive, Bisley, Surrey, GU24 9SF

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

CONTENTS

TRUSTEES' REPORT FOR YEAR ENDED DECEMBER 2023	4
ROOM TO READ OVERVIEW	4
STRUCTURE, GOVERNANCE AND MANAGEMENT	13
FINANCIAL REVIEW	17
STATEMENT OF TRUSTEES' (DIRECTORS') RESPONSIBILITIES	19
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF ROOM TO READ UK LTD	20
STATEMENT OF FINANCIAL ACTIVITIES	23
BALANCE SHEET	24
STATEMENT OF CASH FLOWS	25
NOTES TO THE FINANCIAL STATEMENTS	26

ROOM TO READ UK LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, 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 2019).

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 organisation creating a world free from illiteracy and gender inequality. 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 organisation 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 Goals

Room to Read UK Limited's purpose, as set out in the objects contained in the company's Governing Document, 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 envisions a world in which all children can pursue a quality education that prepares them to lead fulfilled lives and make positive change — in their families, communities and the world.

Mission

Room to Read transforms the lives of millions of children through education, creating a world free from illiteracy and gender inequality.

ROOM TO READ'S OBJECTIVES & ACTIVITIES

Objectives

Room to Read is creating a world free from illiteracy and gender inequality. We are achieving this goal by helping children in historically low-income communities develop literacy skills and a habit of reading, and by supporting girls as they build skills to succeed in school and negotiate key life decisions. We collaborate with governments and other partner organisations to deliver positive outcomes for children at scale.

Activities

Throughout 2023, Room to Read delivered key activities central to its two flagship programs, the Literacy Program and Girls’ Education Program, working closely with local governments, communities and other education organizations to address critical gaps and gender barriers in education systems.

With a growing global footprint that has now reached 23 countries, Room to Read took every opportunity in the past year to further demonstrate the success of its programming and prepare local communities and governments for broader scale of its interventions. Room to Read also continues to leverage its expertise to support children in a range of learning environments and develop adaptable solutions that can equip students with the knowledge and skills needed to thrive, creating a wide array of student success stories that underscore that World Change Starts with Educated Children.®

2023 Global Achievements

3.6 million

New children benefited from Room to Read programs in 2023

6.8 million

Total children benefited from Room to Read programs in 2023

56,000+

Teachers and librarians trained

2.1 million

New books distributed

786,000+

Adolescents benefited from the Girls’ Education Program in 2023

4,900+

Girls’ Education Program participants graduated secondary school in 2023

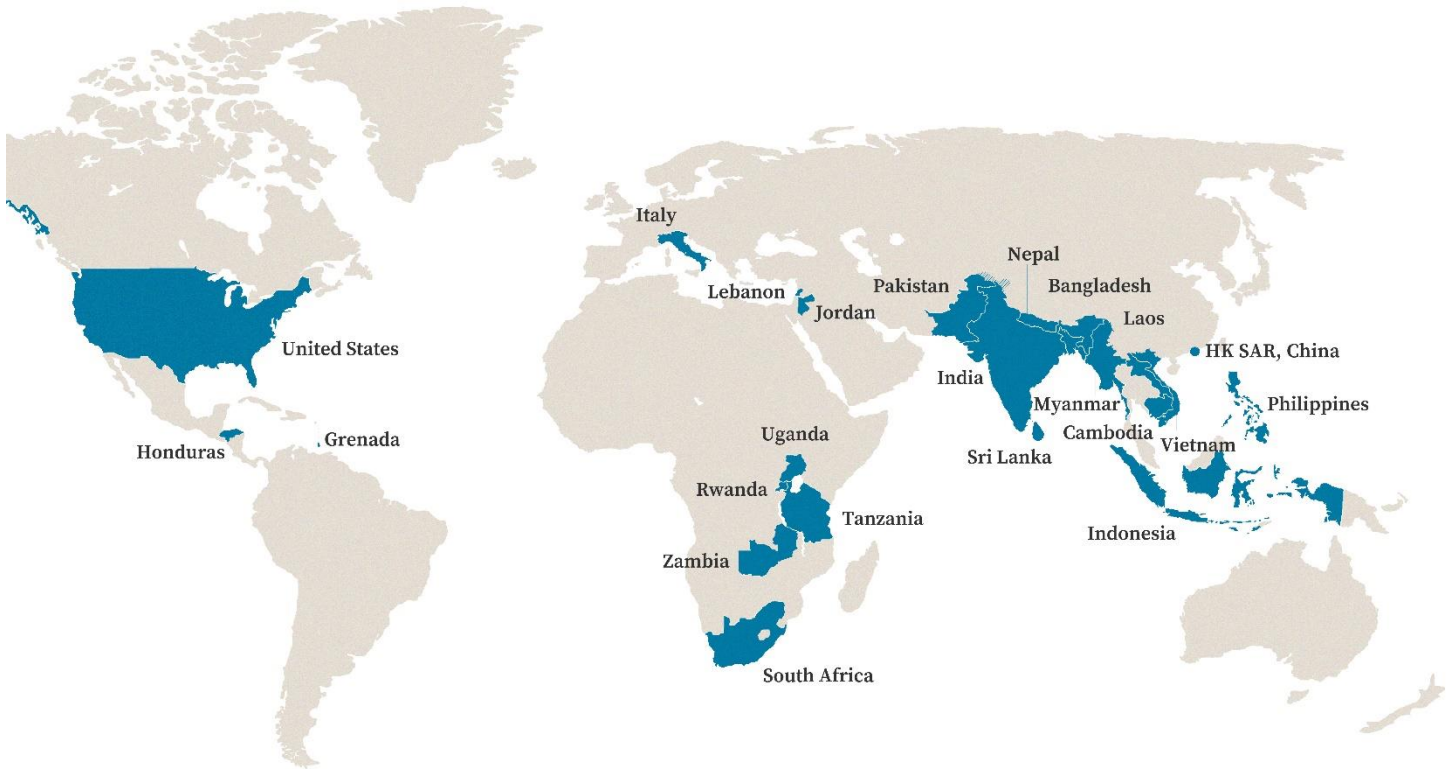
Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

>55,000 ACTIVE PARTNER COMMUNITIES

23 COUNTRIES BENEFITTED

WHERE WE HAVE WORKED



OUR PROGRAMMES

At the heart of what we do is our unwavering focus on creating a world free of illiteracy and gender inequality through the programmes described on the next page.



LITERACY PROGRAMME

We support children to become independent readers and lifelong learners. Our Literacy Programme trains teachers, creates books and materials, and establishes libraries filled with children’s books in local languages. We partner with communities, governments and the publishing industry to test and implement innovative models that help children succeed and develop a love of reading. We integrate practices into education systems to achieve outcomes at scale. As education systems grapple with the enduring effects of challenges to learning, including COVID-19 school closures, geopolitical instability, economic turmoil and climate crises, Room to Read remains focused on addressing and overcoming learning losses. Throughout 2023, Room to Read made key strides in expanding programming in schools to benefit more children and partnering with governments to instill curriculum revisions that will support children’s education for years to come.

Key highlights of 2023 include:

SCALING INTERVENTIONS THAT WORK

In Tanzania, Room to Read was invited by the government to participate in the next phase of the National Curriculum Review process, which will include the development of refreshed learning materials informed by Room to Read’s model. This is estimated to benefit 2 million learners in the initial stages of rollout beginning in January 2024. In another exciting step toward scale in Bangladesh, Room to Read’s “productive letter order” (letter order that supports children to begin decoding early in their literacy learning) has been integrated into the national textbook.

SUPPORTING ONGOING LEARNING FOR CHILDREN EXPERIENCING DISPLACEMENT

Many families are forced to make difficult decisions when faced with risks – often resulting in migration and displacement. In Lebanon, Room to Read launched its first cohort of 15 libraries at non-formal education centers in August and September 2023. With a still-growing number of Afghan refugees migrating to Pakistan in recent years, Room to Read developed and translated a suite of books with characters and storylines that are representative of the experiences of these communities. As of 2023, Room to Read has established 34 libraries in the Punjab province in Pakistan, directly benefiting a total of 12,520 children, and adapted and translated children’s books in Urdu, Dari, Pashto and Sindhi. To date, Room to Read has distributed a total of 655,425 books to schools, which has helped fill each of the 34 libraries with quality books. To ensure the sustainability of this project, Room to Read trained 447 educators and government officials in establishing and maintaining quality libraries.

EXPANDING ACCESS TO MORE STORIES IN MORE LANGUAGES

Room to Read continued to publish a diverse range of books for children and adolescents around the world to gain access to engaging stories written in their local language, and reflective of their local culture. In the past year, Room to Read added new titles, languages and collections so that Room to Read’s digital library platform, Literacy Cloud, now offers more than 2,700 unique titles available in 37 languages. This diverse network was accessed by users from more than 130 countries in 2023. Due to a lack of Haitian Creole children’s books, Room to Read collaborated with Educa Vision Inc. to publish a bilingual Haitian Creole and English storybook series. More than 100,000 copies of the two-title collection will be distributed to children in underserved communities in Tennessee, West Virginia, and Kentucky. Additionally, 12 new storybooks are being

finalized following field testing in Hong Kong. The books are bilingual (Cantonese and Hindi/Urdu/Filipino) and will be made available for children from immigrant backgrounds.

IMPROVING EDUCATORS' AND CREATORS' SKILLS TO TRANSFORM HOW CHILDREN LEARN

Recognizing one of the most crucial shortcomings in many education systems, governments are increasingly focused on improving teachers' skills and techniques to systemically improve how children learn. In 2023, Room to Read partnered with the Luang Prabang Teacher Training College in Laos to develop and facilitate a two-week course on its library model. In 2023 in South Africa, Room to Read partnered with the University of Johannesburg (UJ) and University of Pretoria (UP) and delivered several lectures to university students pursuing Bachelor of Education degrees. In Cambodia, Room to Read was nominated to join a National Technical Working Group to design and develop a library subject syllabus and curriculum for Provincial Teacher Training Colleges (PTTCs). In Indonesia, Room to Read is also training book creators within the publishing industry to improve national practices. To date, Room to Read and local book creators have co-published 46 books titles to help fill school libraries.



GIRLS' EDUCATION PROGRAMME

Our Girls' Education Programme ensures that girls build skills to succeed in school and make key life decisions. We prepare girls to make positive change by providing life skills, mentorship and peer support, and family and community engagement. Our work goes further by supporting young people to build knowledge and skills with which they can create a gender equal world. We help governments deliver similar programs through their education systems. Adolescent girls around the world experience disproportionate obstacles that undermine the value of their education and challenge their autonomy. Recent data finds that, while an estimated 50 million more girls around the world have been enrolled in school since 2015, the world needs to deeply commit to supporting girls' education, so that the remaining more than 120 million girls still out of school are able to obtain a quality education by 2030. With a program that works — 97% of participants in the Girls' Education Program advance to the next grade level — Room to Read continues to prioritize keeping girls in school and equipping them with the knowledge and skills to succeed.

GENERATING GLOBAL ATTENTION THROUGH SHE CREATES CHANGE

The 2023 launch of She Creates Change made waves around the world. A first of its kind multimedia initiative, She Creates Change includes animated and live-action films, books and audio stories featuring six courageous young women from Room to Read's Girls' Education Program who have overcome incredible obstacles to build better lives for themselves. Dewmini's story — following her family's struggle and Dewmini's creative problem-solving amid food scarcity in Sri Lanka — directed by Siqi Song at Nexus Studios, was awarded the top prize in the Short Films for Children category at the Manchester Animation Festival.

BROADENING OFFERINGS OF THE GIRLS' EDUCATION PROGRAM

Room to Read is piloting the Life Skills for Equality Project (LSEP) in Cambodia. More than 1,000 boys in Cambodia have benefitted from this pilot, and initial feedback from instructors, participants and their families has been positive. In Vietnam and Nepal, Room to Read is field testing an innovative climate justice. In the second half of 2023, Room to Read officially launched the climate justice initiative in 12 schools in Nepal and two schools in Vietnam in an after-school, voluntary school club format. In Italy, Room to Read completed the publishing and development of three more graphic novels in partnership with Editrice il Castoro, Italy's first independent children's book publisher. In total, 40,000 copies of the three new books (13,333 of each book) have been delivered to schools throughout Palermo and Naples so far, and commercial editions of the books are available in 2024. Since the project in Italy began in 2021, more than 250 students participated in school workshops.

ELEVATING LIFE SKILLS AND GENDER EQUALITY TO NATIONAL AGENDAS

In Cambodia, Room to Read's life skills curriculum was officially adopted by the Ministry of Education, Youth and Sport. In the second half of 2023, more than 2,000 copies of the new life skills curriculum were distributed to government partners and an initial set of teachers. Cambodia will be the first country to integrate the life skills curriculum at a national level. Room to Read was invited by the State Council of Educational Research and Training (SCERT) in India to participate in a 5-day workshop in Telangana as a knowledge partner on life skills instruction. In Sri Lanka, Room to Read is working with the Ministry of Education to establish a school psycho-social facilitation and counseling unit in schools, applying lessons learned from mentoring sessions and encouraging a gender-sensitive approach to youth counseling. Several workshops were conducted in 2023.

Recognition in 2023

We were honoured to have received several prestigious awards, including:

- **Cambodia’s Ministry of Education** awarded Room to Read the Royal Medal of Munisaraphorn Mahasereyvat in appreciation for our efforts in advancing early-grade learning and literacy systems in the country, where Room to Read’s programs have benefitted more than 2 million children.
- #1 ranking for impact and scalability by **HundrED**, a Helsinki-based organisation that identifies, amplifies and facilitates the implementation of impactful and scalable education innovations from around the world. Out of 3,448 education-focused organisations, Room to Read ranked first.
- Another “exceptional” rating by the largest independent evaluator of charities in the United States, **Charity Navigator**. This is the 17th year that Room to Read has been awarded a four-star rating, with a score of 100% — something very few organisations can claim. A 4-star rating, termed “great,” describes a highly effective organization that exceeds industry standards, signaling to donors that they can give with confidence. Only 33% of all organizations rated by Charity Navigator hold a 4-Star rating.
- One of **OnCon Icon Awards’ Top 10 Finance Teams**, recognising the top finance teams in the entire world.

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. 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. For further detail please refer to page 17 (Financial Review of the Year) We would also like to thank the Financial Times for sharing their offices, free of charge, with Room to Read UK Limited (see Note 3, Notes to the Financial Statements page 28)

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

Achievements and performance

In 2023, Room to Read UK secured a significant number of new donors such as London Stock Exchange, secured multiyear commitments from our top anonymous donors, renewed corporate partners such as Swarovski, in addition to starting relationships with a number of family offices. Room to Read UK also hosted or participated in several notable activities and events in the UK, including:

Citi ‘E for Education’ virtual event

Craig Dawson and Conor Davis from the UK Regional Board represented Room to Read at a Citi ‘e for education’ virtual event on 17th October. With Conor in the moderator’s chair, the panel featured Luke Manning from the London Stock Exchange Group Foundation, Anita McBain, Head of

ESG at Citi, and Craig Dawson representing PIMCO, along with Room to Read's Chief Development and Communications Officer Laurie McMahon.

Celebration of Changemakers – BAFTA Screening

On 8th June, Room to Read hosted a Director's Cut Cocktail at BAFTA in London where we celebrated the next generation of changemakers. The event started off with a cocktail reception, followed by a surprise performance of the Primrose Hill Children's Choir and a movie screening, where we showed the story of Keya from Bangladesh. Throughout the screening, guests also enjoyed speaker presentations from Room to Read's Tanzania Country Director, Juvenalius Kuruletera, Room to Read UK Regional Board member Erica Wax as well as Room to Read UK Regional Board Chair Elio Leoni Sceti. One of the highlights of the evening included the panel discussion with chief development and communications officer Room to Read Laurie McMahon, Financial Times CEO & Room to Read Global Emeritus Board Chair John Ridding, She Creates Change movie director Siqi Song as well as actress, producer and activist Charithra Chandran. The event concluded with a vibrant after-party, hosted by DJ Cinde Rella.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity is a company limited by guarantee. 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 18), 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 the global office in the U.S. Room to Read is registered in the United States of America as a non-profit company and has a separate Board of Directors.

Governance Structure

Room to Read UK Limited operates under the laws of England and Wales and is governed by a Board of Trustees. The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

D Chan (Chair)

S Freedman

M Gowar

D Hill (Treasurer)

H Simpson

Recruitment and appointment of trustees

Shari Freedman and Heather Simpson both hold staff roles for global Room to Read. They have been selected to be Room to Read UK Trustees on the basis of the relevance of their job function. 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. None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up. Details of any Trustees' expenses, if any, are disclosed in the Notes to the Accounts. No expenses were paid to Trustees this year. There were no changes made to the Room to Read UK Board of Trustees in 2023. 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 we had two staff members in 2023 who primarily support UK and global operations: Mahalia Carrol, Development Manager, and Sotonye Oye-Somefun, Development Director UK. Also, at the end of 2023, there were 10 global Room to Read staff based in the UK offices. Their payroll costs are recharged to their global office and therefore do not form part of Room to Read UK Limited's payroll costs. Room to Read UK Limited did hire a consultant to cover the maternity leave of the new Development Director UK.

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 office and other offices around the world to ensure that its operations are effective and efficient so that the charity is able to have greater benefit in the lives of children in the countries where Room to Read operates. More information about our global organisation, Room to Read (a company registered in the State of Washington USA, Unique Business Identifier 601 968 301, and registered address 465 California St Suite 1000, San Francisco, CA, 94104-1824, United States of America), including consolidated audited financial statements can be found at www.roomtoread.org and 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 UK voluntary sector and within Room to Read globally. Details of key management personnel is included within note 5 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 is chaired by Elio Leoni Sceti. Andrew Balls, Sabine Chalmers and John Ridding are also members of Room to Read's global Board of Directors. We welcomed six new Regional Board members in 2023; Vinni Bhandari, Conor and Joanna Davis, Pete Rosenbauer, and Dagny and Ryad Yousuf.

UK Regional Board 2023

Carmen Alonso and Matthew Strassberg

Christopher and Cynthia Bake

Vinni Bhandari

Richard and Sabine Chalmers

Conor and Joanna Davis

Craig Dawson and Raquel Dawson

Marisa Drew

Jerry del Missier

Elio Leoni Sceti (Chair) and Maria Leoni Sceti

Björn Nilsson

John Ridding

Pete Rosenbauer

Erica Wax and Andrew Balls

Dagny and Ryad Yousuf

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

Fundraising Disclosure

Room to Read UK Limited is registered with the Fundraising Regulator. To date, no complaints have been notified to the Regulator.

All fundraising is undertaken by Room to Read UK Limited's own staff, and donations are also received from events and activities organised by volunteers 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 2023. Any donation in excess of £1,000 GBP is alerted to the Development Director UK and, if appropriate, 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 Development Director UK 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:

- Recruitment/retention risk: inability to attract/retain qualified Dev professionals.
- Fundraising shortfall: due to staff turnover, Brexit, Covid-19 aftermath, shift to domestic causes, and economic outlook.
- Cybersecurity.
- Safeguarding (child and adult).
- Donor risk (reputational): actions by donors impact our reputation e.g. 'reputation washing'.

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.

Room to Read UK Limited does not hold material financial investments. UK donations received are held in a Current Account and Savings account. Periodically Room to Read UK Limited transfers the cash raised to the Room to Read global office to support our programmes. In 2023, funds have been transferred to support Literacy and Girl's Education Programs in Cambodia, Laos, Tanzania, Vietnam and South Africa. The details of the resources expended in both the programs are given in Note 19- Restricted Funds. The Trustees review the cash balances regularly to ensure that cash does not build up and will transfer funds accordingly. The anticipated quarterly expenses are considered to maintain the minimum balance and further transfers thereof. 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 organisation 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 organisation 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 note 1 of the attached financial statements and comply with the Companies Act 2006 and Charities SORP (FRS 102): Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective 1 January 2019).

Review of the Year

The charity's total income for the year, including interest, was £2,132,122 (2022: £3,838,215).

For donations recognised by Room to Read UK Limited, unrestricted income accounted for 34% of income (2022: 36%).

Donor Type	Unrestricted	Restricted	Total
Corporation / Foundations	460,147	1,350,753	1,810,899
Individuals and Family Foundation	243,431	50,691	294,123
Schools and Others	8,754	2,750	11,504
Gifts - in Kind - Office Space	15,000		15,000
Total (not including interest)	727,332	1,404,194	2,131,525

In 2023 donations from Individuals & Family Foundations accounted for 14% (2022: 22%) of donations income, corporations and foundations represented 85% (2022: 78%).

Total costs have increased by 13% to £1,695,444 with fundraising costs comprising 20% of total costs. Expenditure on Charitable Activities (i.e. UK funds raised which are then transferred to Global Head Office for allocation to Global projects) was £1,349,140 (2022: £1,001,659).

The Trustees are satisfied with the financial performance and can confirm that the Charity has a secure financial base to continue its initiatives in 2024.

Reserves Policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year. 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.£125k for each three-month period based on annual office costs of c.£500k).

As at 31 December 2023 the charity had total funds of £2,878,720 (2022: £2,495,546), comprising of £1,843,258 (2022: £1,616,860) restricted funds. The unrestricted reserves of £1,035,462 (2022: £878,686) meet the required reserves to cover at least three months of UK office costs.

Based on a mutually agreed annual plan, Room to Read UK Limited transfers the majority of funds to Room to Read's global office in the U.S. at the end of every calendar year 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 global office 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 benefiting 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 mobilise 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 benefit 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 adequate 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.

Auditor

In accordance with the company's articles, a resolution proposing that F J Wilde FCCA MBA DChA be reappointed as auditor of the company will be put at a General Meeting. The report was approved by the Board of Trustees and signed on their behalf by:

Chair: Dean Chan *Dean Chan*

Treasurer: Douglas Hill *D. Hill*

Date: 17-Sep-2024

Date: 17-Sep-2024

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF ROOM TO READ UK LIMITED FOR THE YEAR ENDED 31 DECEMBER 2023

Opinion

We have audited the financial statements of Room to Read UK Limited (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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).

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 December 2023 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 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 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 charity'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 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 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.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the report; or
- sufficient accounting records have not been kept; or the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of 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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [https:// www.frc.org.uk/auditorsresponsibilities](https://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 company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

F J Wilde FCCA MBA DChA

**Chartered Certified Accountant
Statutory Auditor**

Frances Wilde

20th September 2024

.....

Warner Wilde
4 Marigold Drive
Bisley
Surrey
GU24 9SF

F J Wilde FCCA MBA DChA is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

ROOM TO READ UK LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
Income and endowments from:							
Donations and legacies	3	727,332	1,404,194	2,131,526	1,359,268	2,473,296	3,832,564
Investments	4	14	-	14	25	-	25
Other income	5	582	-	582	5,626	-	5,626
Total income		727,928	1,404,194	2,132,122	1,364,919	2,473,296	3,838,215
Expenditure on:							
Raising funds	6	105,516	240,788	346,304	175,937	323,706	499,643
Charitable activities	7	412,132	937,008	1,349,140	359,884	641,775	1,001,659
Total expenditure		517,648	1,177,796	1,695,444	535,821	965,481	1,501,302
Net income		210,280	226,398	436,678	829,098	1,507,815	2,336,913
Other recognised gains and losses:							
Other losses	14	(53,505)	-	(53,505)	-	-	-
Net movement in funds	10	156,775	226,398	383,173	829,098	1,507,815	2,336,913
Reconciliation of funds:							
Fund balances at 1 January 2023		878,687	1,616,860	2,495,547	49,588	109,045	158,633
Fund balances at 31 December 2023		1,035,462	1,843,258	2,878,720	878,686	1,616,860	2,495,546

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

ROOM TO READ UK LIMITED
BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023		2022	
		£	£	£	£
Current assets					
Debtors	15	2,491,986		2,029,777	
Cash at bank and in hand		508,703		519,321	
		<u>3,000,689</u>		<u>2,549,098</u>	
Creditors: amounts falling due within one year	16	(121,969)		(53,552)	
Net current assets			<u>2,878,720</u>		<u>2,495,546</u>
The funds of the charity					
Share capital	18		1		1
Restricted income funds	19	1,843,258		1,616,860	
Unrestricted funds	20	1,035,461		878,685	
			<u>2,878,720</u>		<u>2,495,546</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

Company registration number 06685456 (England and Wales).

The financial statements were approved by the trustees:

Chair: Dean Chan
 Date: Dean Chan
 17-Sep-2024

Treasurer: Douglas Hill
 Date: D. Hill
 17-Sep-2024

ROOM TO READ UK LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023		2022	
		£	£	£	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	23		(10,633)		350,502
Investing activities					
Investment income received		14		25	
Net cash generated from investing activities			14		25
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(10,619)		350,527
Cash and cash equivalents at beginning of year			519,321		168,794
Cash and cash equivalents at end of year			<u>508,703</u>		<u>519,321</u>

ROOM TO READ UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

Room to Read UK Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Bracken House, 1 Friday Street, London, EC4M 9BT.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, 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 financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors 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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

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.

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.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.8 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.

1.9 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

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 Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Donations and gifts	712,332	1,404,194	2,116,526	1,344,268	2,473,296	3,817,564
Donated goods and services	15,000	-	15,000	15,000	-	15,000
	<u>727,332</u>	<u>1,404,194</u>	<u>2,131,526</u>	<u>1,359,268</u>	<u>2,473,296</u>	<u>3,832,564</u>

4 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Interest receivable	14	25

5 Other income

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Royalties	582	5,626

6 Expenditure on raising funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fundraising and publicity						
Costs of events, conferences, travel and marketing	15,474	30,502	45,976	28,167	51,826	79,993
Service level charges	17,948	35,381	53,329	33,656	61,924	95,580
Other fundraising costs	1,395	2,728	4,123	7,022	12,921	19,943
Staff costs	52,198	165,290	217,488	102,600	188,772	291,372
	<u>87,015</u>	<u>233,901</u>	<u>320,916</u>	<u>171,445</u>	<u>315,443</u>	<u>486,888</u>
Trading costs						
Office costs	398	773	1,171	237	435	672
Gift in kind - office costs	15,000	-	15,000	-	-	-
Donation processing and bank fees	3,103	6,114	9,217	4,255	7,828	12,083
	<u>18,501</u>	<u>6,887</u>	<u>25,388</u>	<u>4,492</u>	<u>8,263</u>	<u>12,755</u>
Total costs	<u>105,516</u>	<u>240,788</u>	<u>346,304</u>	<u>175,937</u>	<u>323,706</u>	<u>499,643</u>

7 Expenditure on charitable activities

	Girls Education Program	Literacy	Total	Girls Education Program	Literacy	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Direct costs						
Grant funding of activities (see note 8)	347,062	987,792	1,334,854	206,895	787,587	994,482
Share of support and governance costs (see note 9)						
Governance	3,714	10,572	14,286	1,493	5,684	7,177
	<u>350,776</u>	<u>998,364</u>	<u>1,349,140</u>	<u>208,388</u>	<u>793,271</u>	<u>1,001,659</u>
Analysis by fund						
Unrestricted funds - general	107,154	304,978	412,132	74,871	285,013	359,884
Restricted funds	243,622	693,386	937,008	133,517	508,258	641,775
	<u>350,776</u>	<u>998,364</u>	<u>1,349,140</u>	<u>208,388</u>	<u>793,271</u>	<u>1,001,659</u>

8 Grants payable

	Girls Education Program	Literacy	Total	Girls Education Program	Literacy	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Grants to institutions: Other	347,062	987,792	1,334,854	206,895	787,587	994,482
	<u>347,062</u>	<u>987,792</u>	<u>1,334,854</u>	<u>206,895</u>	<u>787,587</u>	<u>994,482</u>

-

9 Support costs allocated to activities

	2023	2022
	£	£
Governance costs	14,286	7,177
	<u>14,286</u>	<u>7,177</u>
Analysed between:		
Girls Education Program	3,714	1,493
Literacy	10,572	5,684
	<u>14,286</u>	<u>7,177</u>

10	Net movement in funds	2023	2022
		£	£

The net movement in funds is stated after charging/(crediting):

Fees payable for the audit of the charity's financial statements	9,240	1,440
	<u> </u>	<u> </u>

11 Trustees

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

12 Employees

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
	3	3
	<u> </u>	<u> </u>

Employment costs

	2023	2022
	£	£
Wages and salaries	189,098	250,954
Social security costs	18,544	27,707
Other pension costs	9,846	12,711
	<u> </u>	<u> </u>
	<u>217,488</u>	<u>291,372</u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023	2022
	Number	Number
£60,001 - £70,000	2	-
£90,001 - £100,000	-	1
£100,001 - £110,000	-	1
	<u> </u>	<u> </u>

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2023	2022
	£	£
Aggregate compensation	73,045	-
	<u> </u>	<u> </u>

13 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

14 Other gains and losses

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Gains/(losses) upon:		
Foreign exchange	53,505	-
	<u>53,505</u>	<u>-</u>
15 Debtors		
	2023	2022
Amounts falling due within one year:	£	£
Amount owed by parent undertaking	100,813	-
Amounts owed by fellow group undertakings	86,590	-
Other debtors	974,099	353,881
Prepayments and accrued income	24	-
	<u>1,161,526</u>	<u>353,881</u>
	2023	2022
Amounts falling due after more than one year:	£	£
Other debtors	1,330,460	1,675,896
	<u>1,330,460</u>	<u>1,675,896</u>
Total debtors	2,491,986	2,029,777
	<u>2,491,986</u>	<u>2,029,777</u>
16 Creditors: amounts falling due within one year		
	2023	2022
	£	£
Other taxation and social security	27,456	33,484
Amount owed to parent undertaking	82,500	-
Other creditors	3,265	8,681
Accruals and deferred income	8,748	11,387
	<u>121,969</u>	<u>53,552</u>
17 Retirement benefit schemes		
	2023	2022
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	9,846	12,711
	<u>9,846</u>	<u>12,711</u>

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.

18 Share capital	2023	2022
	£	£
Ordinary share capital		
Authorised		
100 Ordinary share of 1 each	100	100
	<u> </u>	<u> </u>
Issued and fully paid		
1 Ordinary share of 1 each	1	1
	<u> </u>	<u> </u>

19 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2023	Incoming resources	Resources expended	At 31 December 2023
	£	£	£	£
Literacy	1,326,411	1,039,104	(871,569)	1,493,946
Girl's Education	290,449	365,090	(306,227)	349,312
	<u>1,616,860</u>	<u>1,404,194</u>	<u>(1,177,796)</u>	<u>1,843,258</u>
Previous year:	At 1 January 2022	Incoming resources	Resources expended	At 31 December 2022
	£	£	£	£
Literacy	132,288	1,958,743	(764,619)	1,326,412
Girls Education	(23,243)	514,553	(200,862)	290,448
	<u>109,045</u>	<u>2,473,296</u>	<u>965,481</u>	<u>1,616,860</u>

20 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2023	Incoming resources	Resources expended	Gains and losses	At 31 December 2023
	£	£	£	£	£
General funds	878,686	727,928	(517,648)	(53,505)	1,035,461
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

20 Unrestricted funds (Continued)

Previous year:	At 1 January 2022	Incoming resources	Resources expended	Gains and losses	At 31 December 2022
	£	£	£	£	£
General funds	49,587	1,364,919	(535,821)	-	878,685

21 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
At 31 December 2023:			
Current assets/(liabilities)	1,035,462	1,843,258	2,878,720
	1,035,462	1,843,258	2,878,720
	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
At 31 December 2022:			
Current assets/(liabilities)	878,686	1,616,860	2,495,546
	878,686	1,616,860	2,495,546

22 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

23 Cash generated from operations

	2023 £	2022 £
Surplus for the year	436,678	2,336,913
Adjustments for:		
Investment income recognised in statement of financial activities	(14)	(25)
Foreign exchange differences	(53,505)	-
Movements in working capital:		
(Increase) in debtors	(462,209)	(1,998,285)
Increase in creditors	68,417	11,899
Cash (absorbed by)/generated from operations	(10,633)	360,663

24 Analysis of changes in net funds

The charity had no material debt during the year.



THANK YOU

Together we will end the impossible and create a world in which all children can pursue a quality education that prepares them to be fulfilled and make positive change — in their families, communities and the world.

ROOM TO READ UK LIMITED

England & Wales - Charity number 1125803

Accounts



World Change Starts with Educated Children.®

ROOM TO READ UK LIMITED

REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

A company limited by shares

Charity number: 1125803

Company number: 06685456

CONTENTS

TRUSTEES' REPORT FOR YEAR ENDED DECEMBER 2022	3
LEGAL AND ADMINISTRATIVE INFORMATION	3
ROOM TO READ OVERVIEW	4
STRUCTURE, GOVERNANCE AND MANAGEMENT	10
FINANCIAL REVIEW	14
STATEMENT OF TRUSTEES' (DIRECTORS') RESPONSIBILITIES	17
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF ROOM TO READ LTD	18
STATEMENT OF FINANCIAL ACTIVITIES	22
BALANCE SHEET	23
STATEMENT OF CASH FLOWS	24
NOTES TO THE FINANCIAL STATEMENTS	25

ROOM TO READ UK LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022.

The financial statements have been prepared in accordance with the accounting policies set out on pages 26 to 28 of the Accounts and comply with the Charities SORP (FRS 102): Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective 1 January 2019).

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees who served during the year:

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

Management Team

Sotonye Oye-Somefun, Development Director, UK

Registered Office

Room to Read UK Limited
Bracken House
1 Friday Street
London
EC4M 9BT

Telephone: +44 (0)207 873 3603

Email: uk@roomtoread.org

Website: 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 organisation creating a world free from illiteracy and gender inequality. 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 organisation 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 Goals

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 envisions a world in which all children can pursue a quality education that prepares them to lead fulfilled lives and make positive change — in their families, communities and the world.

Mission

Room to Read transforms the lives of millions of children through education, creating a world free from illiteracy and gender inequality.

ROOM TO READ’S GOALS & OBJECTIVES

Goals

Room to Read is creating a world free from illiteracy and gender inequality. We are achieving this goal by helping children in historically low-income communities develop literacy skills and a habit of reading, and by supporting girls as they build skills to succeed in school and negotiate key life decisions. We collaborate with governments and other partner organisations to deliver positive outcomes for children at scale.

OUR RESULTS

38.4 MILLION+ CHILDREN BENEFITTED

>55,000 ACTIVE PARTNER COMMUNITIES

23 COUNTRIES BENEFITTED

WHERE WE WORK



OUR PROGRAMMES

At the heart of what we do is our unwavering focus on creating a world free of illiteracy and gender inequality through the programmes described on the next page.



LITERACY PROGRAMME

Through our Literacy Portfolio, we support children to become independent readers and lifelong learners. Our Literacy Programme trains and coaches teachers, creates quality books and curricular materials, and establishes libraries filled with children's books in local languages that can be enjoyed at school or home. We partner with local communities, governments and the publishing industry to test and implement innovative models that help children succeed in school and develop a love of reading. We also integrate our literacy practices into public education systems to achieve literacy outcomes at scale.

In 2022, Room to Read continued to partner with governments to compensate for learning loss resulting from school closures in previous years. Financial turmoil – including skyrocketing inflation – presented challenges for many countries and increased the pressure on girls to drop out of school or marry early. Room to Read responded to these challenges by continuing to innovate, delivering our program in new and inventive formats and partnering closely with governments to scale our efforts.

Key highlights of 2022 include:

MEASURING THE IMPACT OF OUR WORK DURING THE PANDEMIC

We had to adapt quickly during the pandemic, using a variety of different methods to ensure that children still had access to quality education. Whilst we were pleased with the number of children we were able to reach we wanted to verify that these new methods were still as effective. We completed a two-year impact evaluation of our literacy programme in Tanzania, comparing outcomes between 50 Room to Read schools and 50 control schools. The study found that students in Room to Read schools outperformed their peers, even with a transition to mostly virtual learning during the pandemic.

CONTINUED SUPPORT IN THE AFTERMATH OF THE PANDEMIC

The pandemic continues to have a detrimental effect on children in historically low-income communities around the world – including Bangladesh. In 2022 our team in Bangladesh established Community Reading Forums in the town Cox's Bazar to address pandemic-related learning loss and encourage children to develop a habit of reading.

We also launched a two-year project in Lebanon to strengthen children's literacy skills and reading habits and support the transition of out-of-school children into the formal school system.

ENGAGING WITH SOUTH AFRICAN LEADERS

Our team in South Africa participated in a 2030 Reading Panel composed of 18 prominent South African leaders to evaluate progress and provide long-term leadership for improving literacy in the country.

TACKLING CLIMATE CHANGE

We released the Folklore & Environment Book Collection, which uses ancestral narratives from across the globe to tell stories about climate change and encourage reflection on the future of the natural world.

U.S. STORYBOOKS

We introduced a new U.S.-based collection of storybooks, the STEAM-Powered Careers Book Collection, to inspire children from groups underrepresented in Science, Technology, Education, Arts, and Mathematics (STEAM) fields and provide access to diverse career paths.



GIRLS' EDUCATION PROGRAMME

Our Girls' Education Programme ensures that girls build the skills to succeed in school and make key life decisions. We prepare girls to make positive change by providing life skills curriculum, opportunities for mentorship and peer support, and family and community engagement. Our work goes further by supporting young people of all genders to build knowledge and skills with which they can create a gender equal world. We help governments deliver similar programs through their own education systems.

In 2022, we continued the implementation of innovative programming that combines remote and in-person activities, we continued to provide vital support to girls around the world, many of whom are facing unprecedented pressure to drop out of school due to early marriage or economic constraints. In 2022, **we benefitted approximately 400,000 new girls and welcomed 1,919 girls to our growing group of 13,355 secondary school graduates.**

In addition, through distance learning methods, including radio and television programming, we were able to benefit girls outside of our programme and provide life skills lessons to help them stay in school and advocate for themselves. Through these initiatives, we have benefitted 3 million new girls since the start of the pandemic. The following are additional Girls' Education Programme (GEP) highlights from 2022.

SHE CREATES CHANGE

We partnered with [Rebel Girls](#), a global girl empowerment brand, to publish “She Creates Change”: 25 Stories of Courageous Young Women and Their Heroes, a book featuring 12 inspiring stories of girls from Room to Read's Girls' Education Programme who have used their life skills to create positive change in their lives and the lives of others. Building on the stories featured in the books and podcasts, we are now finalising the video portion of She Creates Change, which will be released on October 11th, 2023 for International Day of the Girl.

ROAD TO EQUALITY

In Nepal, we launched a “Road to Equality” radio drama series. More than 60 radio stations in Nepal partnered with Room to Read to pilot the series, allowing households across the country to access important messages about gender norms and equality, gender-specific discrimination in the classroom and the critical role of girls' education.

SAFETY ASSESSMENTS OF LOCAL SCHOOLS IN INDIA

Thousands of Girls' Education Programme participants across India conducted safety assessments of local schools, documenting accessibility issues and thinking critically about what makes a space safe and welcoming for girls trying to continue their education. More than 179,000 Girls' Education Programme students and a group of more than 40,000 educators, caregivers, community leaders and government officials across nine states in India went on to advocate for the implementation of national laws and policies to support child protection in educational settings, with an emphasis on the importance of creating spaces for girls to flourish.

ADOLESCENT LIFE SKILLS ASSESSMENT

At Room to Read, we are committed to high-quality programme measurement, including the development of new measurement approaches where needed. We're also committed to sharing those approaches and our findings with the global education community so that we can all learn from each other's experiences. In that collaborative spirit, we published our Adolescent Life Skills Assessment (ALSA) with an accompanying in-depth technical report chronicling five years of development, testing and adaptation in seven countries.

The ALSA for Girls represents the culmination of years of development, testing and refinement — from our initial project scoping in 2015 to extensive piloting with thousands of adolescent girls across seven countries.

GRAPHIC NOVELS

We released a series of graphic novels and accompanying curriculum in Italy in collaboration with local book creators to support girls' future education and employability.

In 2022 we supported 83,502 new Girls' Education Programme participants, bringing the total number of girls benefitted to 3.4 million.

Recognition in 2022

We were honoured to have received several prestigious awards, including:

- The [2022 UNESCO Prize for Girls' and Women's Education](#) for our Girls' Education Programme in Cambodia. The prize honours outstanding and innovative contributions made to improve and promote educational prospects of girls and women and, in turn, the quality of their lives.
- #1 ranking for impact and scalability by **HundrED**, a Helsinki-based organisation that identifies, amplifies and facilitates the implementation of impactful and scalable education innovations from around the world. Out of 3,448 education-focused organisations, Room to Read ranked first.
- Another "exceptional" rating by the largest independent evaluator of charities in the United States, **Charity Navigator**. This is the 16th year that Room to Read has been awarded a four-star rating — something very few organisations can claim.

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 goals for the year were to:

1. Raise an agreed USD 4.5m from UK donors

Room to Read operates on a global basis, thus all goals are set in USD, and many of Room to Read UK Limited's supporters are 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.

2022 was a challenging fundraising year amidst the global cost of living crisis and the continued impact from the outcomes of the COVID-19 pandemic and Brexit. Many donors continued to focus on giving to domestic causes and to divert their international funding to focus on supporting

Ukraine. Nonetheless, we were able to increase income by 400%. The total amount raised from UK donors was GBP 3,817,564.

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:

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

We are grateful to all our supporters for their generosity and time in 2022. We were thrilled to receive significant support from new individual and corporate donors.

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

In 2022 we held several face-to-face events including, the summer party and the gala. Donors were still getting reaccustomed to going to events and some remained reluctant due to the COVID-19 pandemic. We were pleased to restart the TechBikers fundraising rides.

Along with our offering of in-person events, we continued to offer UK donors virtual engagement opportunities during the year, including our online legacy event, encouraging donors to consider leaving a gift in their Will to Room to Read.

In addition, our volunteer London Chapter and supporters held a range of small-scale activities creating awareness and raising funds for Room to Read's programme of 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 3, Notes to the Financial Statements pg 30)

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 the global office in the U.S. Room to Read is registered in the United States of America as a non-profit company and has a separate Board of Directors.

Governance Structure

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 2022

Dean Chan (Chair)

Shari Freedman

Martyn Gowar

Douglas Hill (Treasurer)

Heather Simpson

Shari Freedman and Heather Simpson both hold staff roles for global Room to Read. They have been selected to be Room to Read UK Trustees on the basis of the relevance of their job function. 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. There were no changes made to the Room to Read UK Board of Trustees in 2022.

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 we have two staff members who primarily support UK and global operations. Rocio Lopez, the Development Director UK and Europe was promoted to Room to Read Development Director for EMEA and we welcomed our new Director of Development UK, Sotonye Oye-Somefun in February 2022. We were also pleased to be able to host an intern again for 4 weeks.

Also, at the end of 2022, there were 10 global Room to Read staff based in the UK offices. Their payroll costs are recharged to their global office and therefore do not form part of Room to Read UK Limited's payroll costs.

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 office and other offices around the world to ensure that its operations are effective and efficient so that the charity is able to have greater benefit in the lives of children in the countries where Room to Read operates. More information about our global organisation, Room to Read (a company registered in the State of Washington USA, Unique Business Identifier 601 968 301, and registered address 465 California St Suite 1000, San Francisco, CA, 94104-1824, United States of America), including consolidated audited financial statements can be found at www.roomtoread.org and 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 UK voluntary sector and within Room to Read globally. Details of key management personnel is included within note 5 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 is chaired by Elio Leoni Sceti. Andrew Balls, Sabine Chalmers and John Ridding are also members of Room to Read's global Board of Directors. We welcomed four new Regional Board members in 2022; Carmen Alonso, Matthew Strassberg, Christopher and Cynthia Bake.

UK Regional Board 2022

Carmen Alonso and Matthew Strassberg
Christopher and Cynthia Bake
Richard and Sabine Chalmers
Craig Dawson and Raquel Dawson
Marisa Drew
Jerry del Missier
Elio Leoni Sceti (Chair) and Maria Leoni Sceti
Björn Nilsson
John Ridding
Erica Wax and Andrew Balls

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 organisation 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.

Room to Read UK Limited did hire a consultant to cover the maternity leave of the new Development Director UK. 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 2022. Any donation in excess of £1,000 GBP is alerted to the Development Director UK and, if appropriate, 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 Development Director UK 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-19
- The shift towards donors prioritising the funding of domestic causes instead of international causes
- 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 2022, fundraising continued to be negatively affected by the aftermath of Brexit, the COVID-19 pandemic and the cost of living crisis. Donors continued to be more conservative in their giving.

The UK gala raised significantly less than anticipated as we struggled to get attendance. Nonetheless, Room to Read UK Limited was fortunate to be supported generously by long term supporters and to acquire new significant corporate donors. The UK office staff have fully transitioned to working in a hybrid model, attending the office 1-2 days a week and working remotely for the remaining days.

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 the Room to Read global office 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 organisation 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 organisation 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 26 to 28 of the attached financial statements and comply with the Companies Act 2006 and Charities SORP (FRS 102): Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective 1 January 2019).

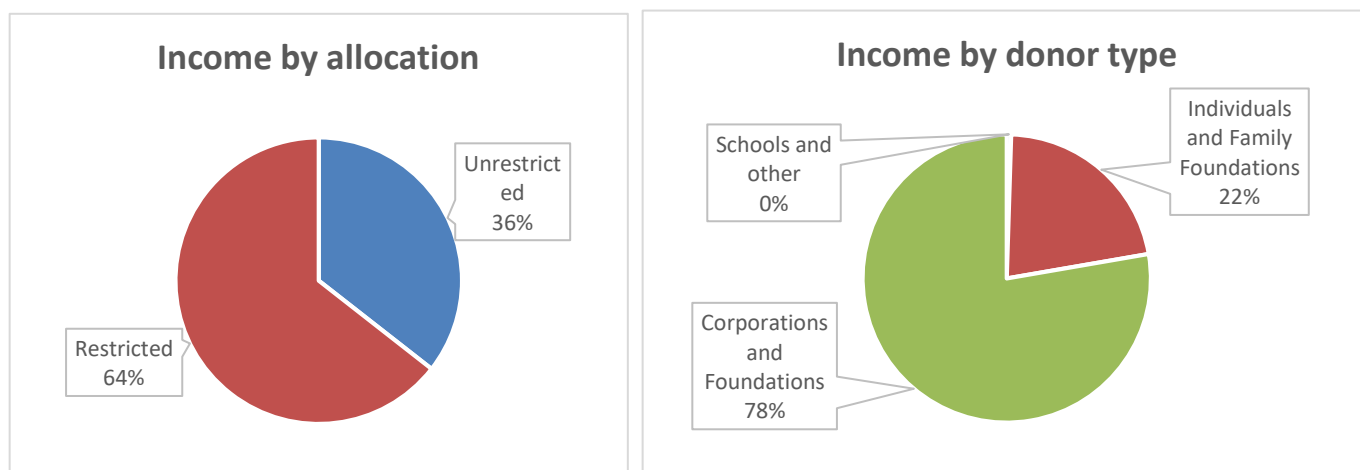
Review of the Year

The charity's total income for the year, including interest and gifts in kind, increased by over £2.9million to £3,838,215 (2021: £929,081). This increase was due to significant funding received from new corporate donors and some gifts anticipated in 2021 made later.

We have seen a shift in our income, with the majority of voluntary income received from corporations and foundations as opposed to from individuals and family foundations which is where

we would have historically received most of our income from. This is a by-product of the COVID-19 restrictions and staff turnover, which resulted in many lost relationships which will take time to revive.

For donations recognised by Room to Read UK Limited, of the total of £3,838,215, unrestricted income accounted for 36 percent of income, down from 69 percent in the previous year. This reduction reflects the change in donor type, with corporations and foundations typically offering restricted donations.



In 2022 donations from Individuals & Family Foundations accounted for 22 percent of all donations (2021: 51 percent). In 2022 fundraising costs were £500k (2021: £273k) due to increased staffing, 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 £1,002k (2021: £934k).

The Trustees are satisfied with the financial performance and can confirm that the Charity has a secure financial base to continue its initiatives in 2023.

At the global level, in light of the economic uncertainty, Room to Read continues to take significant actions to ensure the financial sustainability of the overall organisation including encouraging earlier 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 2022 from core donors such as UK Regional Board members and other key supporters.

In 2021, Room to Read global received a \$25 million gift from MacKenzie Scott and Dan Jewett – the largest donation to date. This generous gift continues to help Room to Read mitigate the risks posed by the cost-of-living crisis, thereby ensuring that education endures for millions of children.

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.£125k for each three-month period based on annual office costs of c.£500k).

As at 31 December 2022 the charity had total funds of £2,495k (2021: £159k), comprising of £1,617k (2021: £109k) of restricted funds. The unrestricted reserves of £ 879k (2021: £50k) meet the required reserves to cover at least three months of UK office costs.

Based on a mutually agreed annual plan, Room to Read UK Limited transfers the majority of funds to Room to Read's global office in the U.S. 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 global office 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 benefiting 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 mobilise 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 benefit 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 adequate 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

Dean Chan

Chair: Dean Chan

Date: 08 / 15 / 2023

Douglas Hill

Treasurer: Douglas Hill

Date: 08 / 17 / 2023

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF ROOM TO READ UK LIMITED FOR THE YEAR ENDED 31 DECEMBER 2022

Opinion on financial statements

We have audited the financial statements of Room to Read UK Limited for the year ended 31 December 2022 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 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 charity's affairs as at 31 December 2021 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.

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 the audit:

- The information given in the trustees' report which includes the directors' report 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.

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 is set out below.

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)

Ralph Tiffin

Crieff
PH7 4BN

For and on behalf of McLachlan + Tiffin, Statutory Auditor

Date

08 / 17 / 2023

ROOM TO READ UK LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
Income and Endowments from:							
Donations and Legacies	1	1,359,268	2,473,296	3,832,564	642,605	286,461	929,066
Royalty income	2	5,626	0	5,626	0	0	0
Income from Investments		25	0	25	14	0	14
Total income		1,364,919	2,473,296	3,838,215	642,619	286,461	929,081
Expenditure on:							
Raising funds	3	175,938	323,705	499,643	187,315	85,497	272,812
Charitable activities	4	359,883	641,776	1,001,659	648,060	286,057	934,117
Total resources expended		535,821	965,481	1,501,302	835,375	371,555	1,206,929
Net Income/(Expenditure)		829,099	1,507,815	2,336,913	(192,755)	(85,094)	(277,849)
Total Funds Brought Forward		49,587	109,045	158,632	242,342	194,138	436,480
Total Funds Carried Forward		878,685	1,616,860	2,495,546	49,587	109,045	158,632

The notes on pages 25 to 32 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 2022

	Notes	2022 £	2021 £
Current Assets			
Debtors & prepayments	9	2,029,777	31,492
Cash/bank balances		<u>519,321</u>	<u>168,794</u>
		2,549,098	200,286
Creditors: amounts falling due			
within one year	10	<u>(53,552)</u>	<u>(41,653)</u>
Net Current Assets		<u>2,495,546</u>	<u>158,633</u>
Net Assets		<u><u>2,495,546</u></u>	<u><u>158,633</u></u>
The Funds of the Charity			
Issued and fully paid share capital	11	1	1
Restricted funds	12	1,616,860	109,045
Unrestricted funds		878,685	49,587
Total Funds	13	<u><u>2,495,546</u></u>	<u><u>158,633</u></u>

Approved and authorised for issue by the Trustees and signed on their behalf by

Dean Chan

Chair: Dean Chan

Date: 08 / 15 / 2023

Douglas Hill

Treasurer: Douglas Hill

Date: 08 / 17 / 2023

ROOM TO READ UK LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	£	£
Cash flows from operating activities:		
Net movement in total funds	2,336,888	(277,860)
Decrease/(increase) in debtors	(1,998,285)	145,201
(Decrease)/ increase in creditors	11,899	19,578
Cash provided by (used by) operating activities	<u>350,502</u>	<u>(113,081)</u>
Cash flows from investing activities	25	14
Cash flows from financing activities	0	0
Increase/(decrease) in cash and cash equivalents in the year	<u>350,527</u>	<u>(113,067)</u>
Cash and cash equivalents at the beginning of the reporting period	168,794	281,861
Cash and cash equivalents at the end of the reporting period	519,321	168,794
Movement in the year	<u>350,527</u>	<u>(113,067)</u>

ROOM TO READ UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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 the Charities SORP (FRS 102): Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective 1 January 2019) 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 Programme, Girls' Education Programme or greatest need, due date and date promise was made) are recognised in these financial statements.

Gift In Kind (GIK) donation(s) is shown separately in the Donations and Legacies Note to the Accounts. Room to Read global accounting policy requires GIK to be 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 percent 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 2022 financial statements. The pledges recorded as income as required by the SORP are judged by the trustees to be fully receivable in the future at amounts stated in the letters of intent.

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 2022
	£	£	£
Corporation/Foundation	858,791	2,107,024	2,965,815
Individuals and Family Foundation	466,558	366,272	832,831
Schools and Other	18,919	0	18,919
Gifts in Kind - Office space	15,000	0	15,000
2022 Total Funds	<u>1,359,268</u>	<u>2,473,296</u>	<u>3,832,564</u>
	Unrestricted Funds	Restricted Funds	Total 2021
	£	£	£
Corporation/Foundation	151,684	216,979	368,663
Individuals and Family Foundation	393,785	68,130	461,915
Schools and Other	82,136	1,352	83,488
Gifts in Kind - Office space	15,000	0	15,000
2021 Total Funds	<u>642,605</u>	<u>286,462</u>	<u>929,066</u>

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

Room to Read UK Limited's restricted and unrestricted funds contributed 8.0% (2021: 2.0%) of total income of Room to Read in 2022. In Room to Read's 2022 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 2022 accounts.

2 Other Income /(Expense)	Unrestricted Funds	Restricted Funds	2022	2021
	£	£	£	£
Royalty Income	5,626	0	5,626	0
	<u>5,626</u>	<u>0</u>	<u>5,626</u>	<u>0</u>
2021 Other Income	<u>0</u>	<u>0</u>	<u>0</u>	

Royalty income received from Orion Publishing Group for an anthology edited by Jennie Orchard comprising of around 20 non-fiction essays inspired by Robert Macfarlane's essay 'The Gifts of Reading'.

3 Fundraising costs

	Unrestricted Funds	Restricted Funds	2022
	£	£	£
Costs of events, conferences, travel and marketing	28,168	51,826	79,994
Office costs	237	435	672
Salary Costs	103,969	191,290	295,259
Donation Processing Fees and Bank charges	4,255	7,828	12,082
Other expenses	372	684	1,056
Service Level Charges	33,656	61,924	95,580
Gifts in Kind - Office space	5,282	9,718	15,000
2022 Fundraising Costs	<u>175,938</u>	<u>323,705</u>	<u>499,643</u>

	Unrestricted Funds	Restricted Funds	2021
	£	£	£
Costs of events, conferences, travel and marketing	14,461	6,600	21,061
Office costs	716	327	1,042
Salary Costs	138,671	63,294	201,965
Donation Processing Fees and Bank charges	7,022	3,205	10,227
Other expenses	457	209	665
Service Level Charges	15,690	7,162	22,852
Gifts in Kind - Office space	10,299	4,701	15,000
2021 Fundraising Costs	<u>187,315</u>	<u>85,497</u>	<u>272,812</u>

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

4 Charitable activities

	Girls Education Programme	Literacy Programme	2022
	£	£	£
Transferred to Room to Read Global Office	206,895	787,587	994,482
Governance Costs (see note 5)	1,493	5,684	7,177
	<u>208,388</u>	<u>793,271</u>	<u>1,001,659</u>

	Girls Education Programme	Literacy Programme	2021
	£	£	£
Transferred to Room to Read Global Office	307,868	619,890	927,758
Governance Costs (see note 5)	1,620	4,560	6,180
	<u>309,488</u>	<u>624,449</u>	<u>933,937</u>

Expenditure on charitable activities includes £648,060 in respect of unrestricted funds (2020: £1,647,898) and £268,057 in respect of restricted funds (2020: £140,073)

5 Governance Costs

	Unrestricted Funds	Restricted Funds	2022
	£	£	£
Legal and Licensing Fees	800	0	800
Consultancy	997	0	997
Accounting & Company Secretarial	3,940	0	3,940
External Audit (Independent)	1,440	0	1,440
	<u>7,177</u>	<u>0</u>	<u>7,177</u>

	Unrestricted Funds	Restricted Funds	2021
	£	£	£
Legal and Licensing Fees	800	0	800
Consultancy	0	0	0
Accounting & Company Secretarial	4,120	0	4,120
External Audit (Independent)	1,440	0	1,440
	<u>6,360</u>	<u>0</u>	<u>6,360</u>

6 Analysis of Staffing Costs

	2022	2021
	£	£
	£000s	£000s
Wages & salaries	250,954	172,541
Social security costs	27,707	15,799
Employer's contributions to defined pension schemes	12,711	9,421
Employee benefits	2,827	1,875
Other staff costs	1,060	2,330
	<u>295,259</u>	<u>201,965</u>

In 2022, there were two employees whose total employee benefits (excluding employer pension costs) exceeded £60k. One fell within the £90k - £100k band and the other fell within the £100k - £110k.

	2022	2021
	Number	Number
Average monthly headcount	3	3
Average monthly full time equivalent (FTE) staff	3.17	2.75

Average staff numbers did not change between 2021 and 2022, however staff costs increased by £93k. This was primarily due to 0.4 FTE increase from 2021 and 2 staff whose salary exceeded £60k (2021:1)

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 organisation.

As described in Note 7, the trustees received no employee benefits from Room to Read UK Limited in 2022. The Development Director EMEA received £108k (gross salary and benefits) in 2022 for her services to Room to Read UK Limited as well as the Europe and Africa markets. In 2022, approximately 2/3rds of her time was spent supporting Room to Read UK Limited while 1/3rd of her time was spent supporting Europe and Africa, as well as UK donors who chose to donate outside of the UK.

7 Trustee Remuneration & Related Party Transactions

The trustees received no employee benefits from Room to Read UK Limited during the year (2021 - £nil). Travel and subsistence costs re-imbursed to trustees during the year amounted to £nil (2021 - £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 (2021 - £nil). Two of the trustees who held office during 2022, Shari Freeman and Heather Simpson, are employees of Room to Read US and hold senior management positions for the global organisation. 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

	2022	2021
	£	£
Prepayments	0	0
Donations	<u>2,029,777</u>	<u>31,492</u>
	<u>2,029,777</u>	<u>31,492</u>
Donations due within 1 Year	353,881	31,492
Donations due after 1 Year	<u>1,675,896</u>	<u>0</u>
	<u>2,029,777</u>	<u>31,492</u>

Donations receivable as at 31 December 2022 represents pledges made at the annual gala which were not received at year end. The majority of this balance are multi-year pledges, the discounted value of which has been included in the 2022 accounts.

10 Creditors - amount falling due within one year

	2022	2021
	£	£
Creditors (Others)	42,165	33,989
Accruals	<u>11,387</u>	<u>7,664</u>
	<u>53,552</u>	<u>41,653</u>

11	Share Capital	2022	2021
	1 issued and fully paid ordinary share of £1	<u>1</u>	<u>1</u>
	The share is held by Room to Read.		

12 Restricted Funds

	At 1 January 2022	Income	Expenditure	At 31 December 2022
	£	£	£	£
Literacy	132,288	1,958,743	-764,619	1,326,411
Girls' Education	-23,242	514,553	-200,862	290,449
	<u>109,046</u>	<u>2,473,296</u>	<u>-965,481</u>	<u>1,616,860</u>

	At 1 January 2021	Income	Expenditure	At 31 December 2021
	£	£	£	£
Literacy	157,053	83,372	-108,137	132,288
Girls' Education	37,085	203,090	-263,417	-23,242
	<u>194,138</u>	<u>286,462</u>	<u>-371,554</u>	<u>109,046</u>

13 Net Assets by Fund

	2022		
	Unrestricted	Restricted	Total
	£	£	£
Debtors & Prepayments	716,675	1,313,102	2,029,777
Cash/Bank Balances	183,362	335,959	519,321
	<u>900,037</u>	<u>1,649,061</u>	<u>2,549,098</u>
Creditors	(18,908)	(34,644)	(53,552)
2022 Net Assets	<u>881,129</u>	<u>1,614,417</u>	<u>2,495,546</u>

	2021		
	Unrestricted	Restricted	Total
	£	£	£
Debtors & Prepayments	21,782	9,710	31,492
Cash/Bank Balances	116,749	52,045	168,794
	<u>138,531</u>	<u>61,755</u>	<u>200,286</u>
Creditors	(28,810)	(12,843)	(41,653)
2021 Net Assets	<u>109,721</u>	<u>48,912</u>	<u>158,633</u>



THANK YOU

Together we will end the impossible and create a world in which all children can pursue a quality education that prepares them to be fulfilled and make positive change — in their families, communities and the world.

Title	FINAL DRAFT Room to Read Audit
File name	FINAL DRAFT Room to Read Audit.docx
Document ID	a1b32e277711f0105ff919b735a32ccac432cbeb
Audit trail date format	MM / DD / YYYY
Status	● Signed

Document History

 SENT	08 / 14 / 2023 18:28:08 UTC+1	Sent for signature to Dean Chan (dean.chan@savethechildren.org), Douglas Hill (douglas_hill@hotmail.co.uk) and Ralph Tiffin (ralph@tiffin.co.uk) from irene.deredas@ft.com IP: 151.228.147.105
 VIEWED	08 / 15 / 2023 14:40:00 UTC+1	Viewed by Dean Chan (dean.chan@savethechildren.org) IP: 147.161.166.122
 SIGNED	08 / 15 / 2023 14:41:34 UTC+1	Signed by Dean Chan (dean.chan@savethechildren.org) IP: 147.161.166.122
 VIEWED	08 / 17 / 2023 17:36:47 UTC+1	Viewed by Douglas Hill (douglas_hill@hotmail.co.uk) IP: 86.166.194.213
 SIGNED	08 / 17 / 2023 17:37:17 UTC+1	Signed by Douglas Hill (douglas_hill@hotmail.co.uk) IP: 86.166.194.213

Title	FINAL DRAFT Room to Read Audit
File name	FINAL DRAFT Room to Read Audit.docx
Document ID	a1b32e277711f0105ff919b735a32ccac432cbeb
Audit trail date format	MM / DD / YYYY
Status	● Signed

Document History



08 / 17 / 2023
20:24:42 UTC+1

Viewed by Ralph Tiffin (ralph@tiffin.co.uk)
IP: 84.66.158.225



08 / 17 / 2023
20:25:52 UTC+1

Signed by Ralph Tiffin (ralph@tiffin.co.uk)
IP: 84.66.158.225



08 / 17 / 2023
20:25:52 UTC+1

The document has been completed.

ROOM TO READ UK LIMITED

England & Wales - Charity number 1125803

Accounts



World Change Starts with Educated Children.®

ROOM TO READ UK LIMITED

REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

A company limited by shares

Charity number: 1125803

Company number: 06685456

CONTENTS

ROOM TO READ'S LEGAL AND ADMINISTRATIVE INFORMATION	2
ROOM TO READ OVERVIEW	3
STRUCTURE, GOVERNANCE AND MANAGEMENT	11
FINANCIAL REVIEW	15
STATEMENT OF TRUSTEES' (DIRECTORS') RESPONSIBILITIES	18
INDEPENDENT AUDITORS' REPORT TO TRUSTEES OF ROOM TO READ UK LTD.....	19
STATEMENT OF FINANCIAL ACTIVITIES	23
BALANCE SHEET	24
STATEMENT OF CASH FLOWS.....	25
NOTES TO THE FINANCIAL STATEMENTS	26

ROOM TO READ UK LIMITED TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021.

The financial statements have been prepared in accordance with the accounting policies set out on pages 25 to 26 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)
Heather Simpson

Management Team

Rocio Lopez, Development Director, UK and Europe

Registered Office

Room to Read UK Limited
Bracken House
1 Friday Street
London
EC4M 9BT

Telephone: +44 (0)207 873 3603

Email: uk@roomtoread.org

Website: 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 organisation creating a world free from illiteracy and gender inequality. 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 organisation 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 Goals

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 envisions a world in which all children can pursue a quality education that prepares them to lead fulfilled lives and make positive change — in their families, communities and the world.

Mission

Room to Read transforms the lives of millions of children through education, creating a world free from illiteracy and gender inequality.

ROOM TO READ’S GOALS & OBJECTIVES

Goals

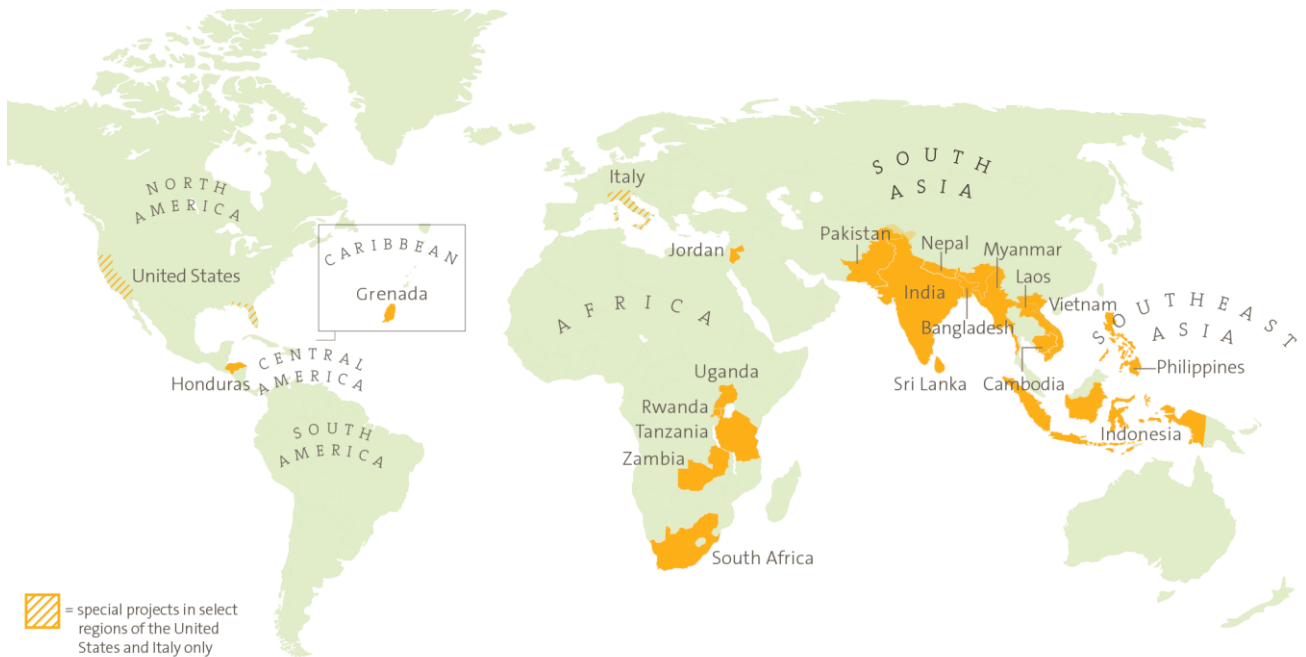
Room to Read is creating a world free from illiteracy and gender inequality. We are achieving this goal by helping children in historically low-income communities develop literacy skills and a habit of reading, and by supporting girls as they build skills to succeed in school and negotiate key life decisions. We collaborate with governments and other partner organisations to deliver positive outcomes for children at scale.

OUR RESULTS



These figures, and the data throughout this report, are conservative estimates as of the end of 2021 and have yet to be audited. They are, therefore, subject to change as our data are verified.

WHERE WE WORK



OUR PROGRAMMES

At the heart of what we do is our unwavering focus on creating a world free of illiteracy and gender inequality through the programmes described below.



Literacy Programme

Through our Literacy Portfolio, we support children to become independent readers and lifelong learners. Our Literacy Programme trains and coaches teachers, creates quality books and curricular materials, and establishes libraries filled with children’s books in local languages that can be enjoyed at school or home. We partner with local communities, governments and the publishing industry to test and implement innovative models that help children succeed in school and develop a love of reading. We also integrate our literacy practices into public education systems to achieve literacy outcomes at scale. In 2021, amid the challenges presented by COVID-19, we are proud to share that we were able to benefit more than 8 million new children — a new record.

Key highlights of 2021 include:

PUBLISHING IN NEW LANGUAGES ACROSS AFRICA

Our team in Africa has long been focused on creating materials in underrepresented languages in the children’s publishing industry. In 2021, they continued producing materials in Sepedi and isiZulu in South Africa and Kiswahili in Tanzania. They also began the creation of learning materials in four new languages: Xitsonga and isiNdebele in South Africa and Luganda and Ruyankore-Rukiga in Uganda.

SCALING OUR WORK IN CAMBODIA

In early 2021, our Cambodia literacy team and the country’s Ministry of Education worked together to create a National Primary School Library Package. The national package is modelled on Room to Read’s library approach. Also in 2021, Room to Read’s Cambodia team distributed Home Library Packages to primary school students across the country. The packages included curated sets of storybooks and accompanying guidance for parents. This initiative resulted in the distribution of more than 1.5 million books to 95,000 students in Grades 1–6. During a virtual event, the Cambodian Minister of Education praised Room to Read’s efforts to support children and families.

SUPPORTING ROHINGYA REFUGEE CHILDREN IN BANGLADESH

Over the past two years, our books have helped children cope with the impact of COVID-19 by supporting young learners’ social and emotional needs while developing their literacy skills. In Bangladesh, our team selected 10 storybooks that touch on pandemic-related challenges and translated them into Myanmar for children in the Rohingya refugee camps. Thirty more quality storybooks were translated into Myanmar and English so children in the camps could benefit from

a variety of engaging content.

READING CAMPAIGNS AND DIGITAL LEARNING INITIATIVES IN INDIA

To facilitate learning at home during the pandemic, our team in India launched a campaign, “India Gets Reading at Home.” Through this initiative, Room to Read created a variety of innovative mobile libraries — including libraries via camel cart, boats and bikes — across nine different states to ensure that learning continued regardless of location. In addition, Room to Read participated in several state and national webinars on education and provided technical support for governmental digital learning initiatives and professional development for teachers.

LAOS NATIONAL CURRICULUM SUPPORT

Our Laos team has begun to implement an updated instructional model to support the national reading curriculums for Grades 1 and 2. Under this updated model, the Literacy Programme team focuses on cultivating principals’ literacy expertise and coaching skills so that they are well equipped to directly support teachers with implementing the national curriculum. The team will also support principals to facilitate monthly Teacher Learning Circles, where teachers come together in small groups to learn and practice new teaching techniques.

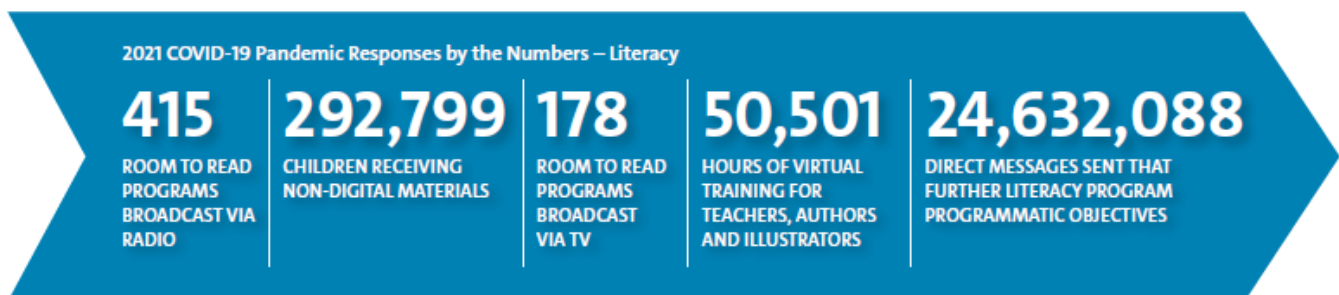
INFLUENCING NATIONAL CURRICULUM IN TANZANIA

Our literacy team in Tanzania led two workshops with the Tanzania Institute of Education in preparation for the country’s revision of the national literacy curriculum. The first workshop led participants through a collaborative process to determine the letter teaching order for government textbooks. The second crafted a tool that stakeholders will use to identify the gaps in current textbooks. Room to Read then facilitated a four-day workshop to use the tool to review government books. Once new textbooks are completed, they will be distributed to more than 16,000 schools across the country.

PARTNERING WITH THE SUNDAY TIMES IN SRI LANKA

Room to Read Sri Lanka partnered with The Sunday Times, a leading Sri Lankan newspaper, to publish a series of stories titled “Let’s read with Room to Read.” Young readers were also given a chance to win a book by Room to Read by answering trivia questions every week.

Recognising 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 organised 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.





Girls' Education Programme

Our Girls' Education Programme ensures that girls build the skills to succeed in school and make key life decisions. We prepare girls to make positive change by providing life skills curriculum, opportunities for mentorship and peer support, and family and community engagement. Our work goes further by supporting young people of all genders to build knowledge and skills with which they can create a gender equal world. We help governments deliver similar programs through their own education systems.

As the educational landscape continued to shift across the globe throughout 2021, we maintained flexibility in our programmes and evaluation methodologies to best match the evolving needs of children and the education systems that support them. Through the implementation of innovative programming that combines remote and in-person activities, we continued to provide vital support to girls around the world, many of whom are facing unprecedented pressure to drop out of school due to early marriage or economic constraints. In 2021, **we benefited approximately 400,000 new girls and welcomed 1,919 girls to our growing group of 13,355 secondary school graduates.** In addition, through distance learning methods, including radio and television programming, we were able to benefit girls outside of our programme and provide life skills lessons to help them stay in school and advocate for themselves. Through these initiatives, we have benefited 3 million new girls since the start of the pandemic. The following are additional Girls' Education Programme (GEP) highlights from 2021.

GOVERNMENT ENGAGEMENT IN TANZANIA

In partnership with the Tanzania Institute for Education (TIE), Room to Read helped create national Life Skills Education (LSE) guidelines. Much of this new curriculum is based on Room to Read's LSE framework, and, with the support of TIE, will benefit many more students beyond our direct programme implementation. Also in Tanzania, Room to Read signed an agreement with the Chalinze District Council in June 2021 to launch a new project centred on supporting girls through life skills and financial literacy. The two-year project will be carried out through July 2023 and will benefit more than 8,000 girls across the district.

GENDER EQUALITY CURRICULUM FOR BOYS IN CAMBODIA

We know that achieving gender equality is a pursuit that everyone, not just women and girls, must work toward together. We have, therefore, been working with Promundo and Gender and Development for Cambodia to develop and deliver a life skills curriculum for boys. The curriculum is specifically designed to help boys examine gender norms and stereotypes and is the result of

extensive research and pilot assessments that our team in Cambodia has carried out across the country in recent years. In 2021, our team provided training to teachers and other programme facilitators so that the curriculum can be delivered at scale.

TALKING ABOUT MENSTRUAL HEALTH IN INDIA

Our India team conducted a week-long campaign to normalise the conversation around menstrual health and hygiene. Activities included documenting menstruation experiences across several generations and holding virtual discussions with GEP participants and their families as well as prominent reproductive health experts.

RADIO PROGRAMMING IN NEPAL

Our Nepal team created and released more than 100 unique radio episodes to provide life skills lessons and answer questions from adolescent girls and their families on topics such as managing emotions, creating healthy relationships, delaying marriage, studying at home and setting goals. This content has enabled us to benefit girls who don't have access to TV and the internet during the pandemic.

VIDEO LIFE SKILLS LESSONS IN VIETNAM

The Vietnam team introduced a series of life skills videos for girls in Grades 7 and 8 that have kept them learning and connected with their teachers during the pandemic. The videos were made available via YouTube and cover topics ranging from critical thinking to reproductive health. Girls would then watch the videos and then participate in virtual discussion groups managed by teachers.

EVALUATING DISTANCE LEARNING METHODS

To assess the benefit of our adapted activities, our Research, Monitoring and Evaluation (RM&E) team is partnering with Oxford MeasurEd and Fab Inc. to conduct a study, starting with Cambodia, India and Nepal. The research, which began in 2021 and will continue through the first half of 2022, includes interviews with our GEP participants and social mobilizers in order to gauge how effective our adapted programming has been in meeting the unique needs presented by the global pandemic.





CLIMATE JUSTICE

Room to Read’s strategic plan includes a commitment to strengthening environmentally sustainable practices through our operations and programmes. As an organisation, we are implementing an impactful and sustainable strategy that will institutionalise environmentally friendly practices at Room to Read. Programmatically, our Girls’ Education Programme team has studied the strong relationship between girls’ education and climate justice based on research by academics and practitioners. As a result, we are developing a two-year gender and climate justice curriculum that will help girls build adaptive capacity and become active leaders in climate action. In 2021, we completed the two-year curriculum and in 2022 we will focus on developing the accompanying professional development materials, as well as building out a monitoring and evaluation system before piloting the curriculum in several countries. With this programme expansion and our Climate Change book series we are establishing Room to Read as a thought leader in children’s climate education.

GLOBAL LEADER IN QUALITY LEARNING MATERIALS

In our strategic plan, we committed to understanding what role Room to Read can play in our core programmes within historically low-income communities. After a feasibility study in our literacy work, we have taken on a book publishing project in the United States. Similarly, for our girls’ education and gender equality focus, we initiated a project in Italy, which has one of the highest gender gaps in employment in Europe. In addition, we are continuing to publish our stories in minority languages to provide all children with quality learning materials.

Ensuring our Work Delivers our Goals

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 goals, vision and mission.

In 2021 we continued to focus on our organisational priorities as outlined in our 2020–2024 strategic plan, [Vision 2025: Ending the Impossible](#), by continuing to strengthen our commitment to creating an ever more gender-sensitive organisation.

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 goals for the year were to:

1. Raise an agreed post-COVID amount of USD3.0m from UK donors

Room to Read operates on a global basis, thus all goals are set in USD, and many of Room to Read UK Limited's supporters are 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.

2021 was a challenging fundraising year amidst the continued impact from the outcomes of Brexit and the COVID-19 pandemic. Many donors shifted their focus to giving to domestic causes instead of international. We also experienced significant staff turnover and subsequent challenges with maintaining close relationships and contact with Room to Read donors. The total amount raised from UK donors was USD1.27m. Donations made directly to Room to Read UK Limited were GBP 929,066 (USD 1.2m).

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:

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

Unfortunately, as mentioned above, 2021 was a difficult fundraising year due to the continued impact from COVID-19, concerns over Brexit and staff turnover in the UK. Although Room to Read fell short of our goal to increase funds from all revenue sources, the team did make some progress on both the Annual Fund outreach and Legacy gift promotion including:

- Increased giving from the UK Annual Fund by 6.5%, with a focus on reengaging with lapsed donors
- A Legacy Messaging Toolkit was created in partnership with the UK team and rolled out to the UK team in 2021, ensuring that Room to Read staff had the tools and resources they need to communicate with donors about legacy giving.
- A Legacy Giving social media campaign ran with three posts throughout the months of July and August across all Room to Read's social channels resulting in a significant uptick in traffic to our legacy webpage.

We are grateful to all our supporters for their generosity and time in 2021.

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

As a result of the COVID-19 pandemic, most of our face-to-face events were cancelled or scaled down significantly. Notable cancelled events included the Techbikers fundraising rides, the Christmas Carol Concert and the London Fastest Executive race.

Whilst we did hold the UK Gala and Summer Party, they were significantly smaller than past events.

Along with our limited offering of in-person events, we continued to offer UK donors multiple virtual engagement opportunities during the year, including 'Diversity of Diversity: The Power of Books in Fostering Diverse Communities' where we convened thought leaders, authors and publishers for an online event to discuss the spectrum of identities and representation in literature.

We held a much smaller, more intimate UK Gala with approximately 56 guests in which we raised \$773,000 (this amount includes contributions from donors not based in the UK).

In addition, our volunteer London Chapter and supporters held a range of activities creating awareness and raising funds for Room to Read's programme of 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 page 28)

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 the global office in the U.S. Room to Read is registered in the United States of America 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 2021

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

Shari Freedman and Heather Simpson both hold staff roles for global Room to Read. They have been selected to be Room to Read UK Trustees on the basis of the relevance of their job function. 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. There were no changes made to the Room to Read UK Board of Trustees in 2021.

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 we have two staff members who primarily support UK and global operations. Due to the COVID-19 pandemic, no intern positions were possible in 2021.

Also, at the end of 2021, there were four global Room to Read staff based in the UK offices. Their payroll costs are recharged to their global office and therefore do not form part of Room to Read UK Limited's payroll costs.

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 office and other offices around the world to ensure that its operations are effective and efficient so that the charity is able to have greater benefit in the lives of children in the countries where Room to Read operates. More information about our global organisation including consolidated audited financial statements can be found at www.roomtoread.org and 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 UK voluntary sector and within Room to Read globally. Details of key management personnel is included within note 5 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 is chaired by Elio Leoni Sceti. Andrew Balls, Sabine Chalmers and John Ridding are also members of Room to Read's global Board of Directors.

UK Regional Board 2021

Richard and Sabine Chalmers

Craig Dawson and Raquel Dawson

Marisa Drew

Jerry del Missier

Art Mbanefo (resigned in June 2021)

Björn Nilsson

John Ridding

Elio Leoni Sceti (Chair) and Maria Leoni Sceti

Erica Wax and Andrew Balls

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 organisation 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.

Room to Read UK Limited did not retain any external professional fundraising agencies or bodies during 2021. 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 2021. Any donation in excess of £1,000 GBP is alerted to the development director UK & Europe and, if appropriate, 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 development director UK & Europe 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-19
- The shift towards donors prioritising the funding of domestic causes instead of international causes
- 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 2021 the significant events that affected the financial performance and position of Room to Read UK Limited included economic uncertainty, Brexit and the COVID-19 pandemic. The UK gala was significantly smaller in size, due to COVID-19, and this had an impact on the amount raised. Nonetheless, Room to Read UK Limited was fortunate to be supported generously by long term supporters. The UK office staff continued to work remotely with some occasional work carried out in the office when absolutely necessary. Staff remained focussed on adapting to the ongoing pandemic by revising planned activities and engaging with donors within the recommended guidelines given by the UK Government.

We continue to adopt a cautious approach with GDPR and while this may have a significant decline in the number of donors we can continue to communicate with via email, we continue to have a positive response from donors and we have not had any formal complaints to date.

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 the Room to Read global office 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 organisation 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 organisation 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.

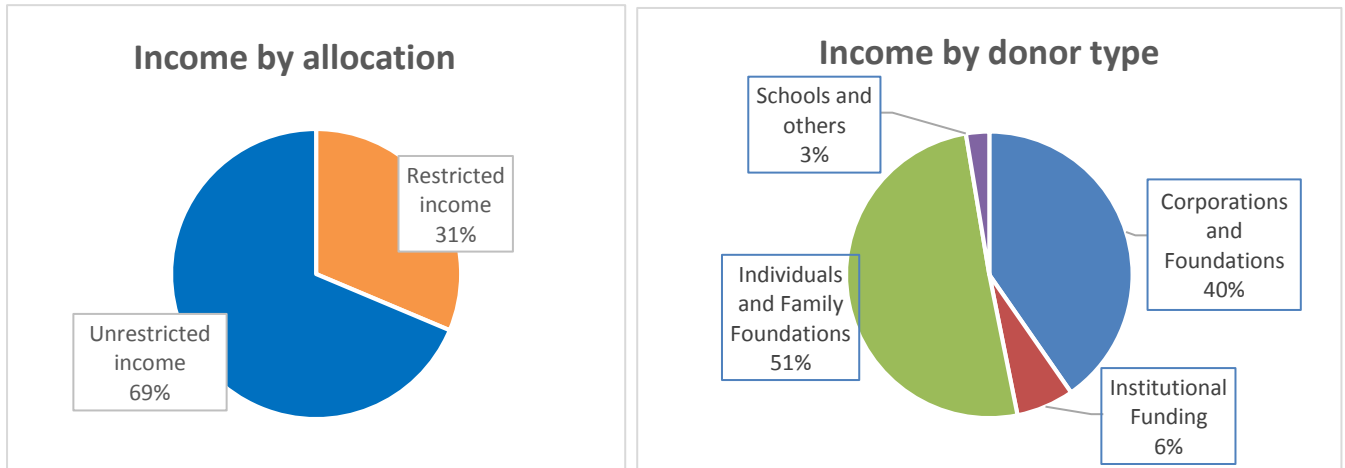
FINANCIAL REVIEW

The Financial Statements have been prepared in accordance with the accounting policies set out on pages 26 to 27 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 £929k (2020: £1.92m). This is partly due to a phasing issue with some significant gifts anticipated for 2021 being made in early 2022 instead. We also experienced significant staff turnover and COVID-19 restrictions which had a negative effect on our income from individuals and family foundations which is where we would traditionally receive most of our income from.

For donations recognised by Room to Read UK Limited, of the total of £929k, unrestricted income accounted for 69 percent of income, down from 92 percent in the previous year. This reduction reflects some significant unrestricted gifts being received in early 2022, later than anticipated.



In 2021 donations from Individuals & Family Foundations accounted for 51 percent of all donations (2020: 72 percent). In 2021 office costs were £273k (2020: £382k) due to the reduced staff, 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 £934k (2020: £1.8m).

The Trustees are satisfied with the financial performance and can confirm that the Charity has a secure financial base to continue its initiatives in 2022.

At the global level, in light of the coronavirus pandemic and economic uncertainty, Room to Read has taken significant actions to ensure the financial sustainability of the overall organisation including encouraging earlier 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 2022 from core donors such as UK Regional Board members and other key supporters.

In 2021, Room to Read global received a \$25 million gift from MacKenzie Scott and Dan Jewett – the largest donation to date. This generous gift will help Room to Read mitigate the risks posed by COVID-19, thereby ensuring that education endures for millions of children.

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.£68k for each three-month period based on annual office costs of c.£273k).

As of 31 December 2021 the charity had total funds of £158k (2020: £436k), comprising of £109k (2020: £194k) of restricted funds. The unrestricted reserves of £50k (2020: £242k) at year end were lower than the circa £68k reserves required to cover at least three months of UK office costs. The trustees are satisfied that the stated policy could be met as unrestricted donations of £30k and £750k were banked before the end of January 2022.

Based on a mutually agreed annual plan, Room to Read UK Limited transfers the majority of funds to Room to Read's global office in the U.S. 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 global office 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 benefiting 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 mobilise 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 benefit 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

Dean Chan

Chair: Dean Chan

Date: 05-Aug-2022

D. Hill

Treasurer: Douglas Hill

Date: 04-Aug-2022

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF ROOM TO READ UK LIMITED FOR THE YEAR ENDED 31 DECEMBER 2021

Opinion on financial statements

We have audited the financial statements of Room to Read UK Limited for the year ended 31 December 2021 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 2021 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.

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 the audit:

- The information given in the trustees' report which includes the directors' report 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.

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)

Edinburgh,

Ralph Tiffin

For and on behalf of McLachlan + Tiffin, Statutory Auditor

Date 05-Aug-2022

ROOM TO READ UK LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021

		Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
	Notes						
Income and Endowments from:							
Donations and Legacies	1	642,604	286,462	929,066	1,771,711	151,370	1,923,080
Income from Investments		14	0	14	290	0	290
Total income		642,618	286,462	929,081	1,772,001	151,370	1,923,370
Expenditure on:							
Raising funds	2	187,315	85,497	272,812	351,336	30,273	381,610
Charitable activities	3	648,060	286,057	934,117	1,647,898	140,073	1,787,971
Total resources expended		835,375	371,554	1,206,929	1,999,235	170,347	2,169,581
Net Income/(Expenditure)		(192,757)	(85,092)	(277,847)	(227,234)	(18,977)	(246,211)
Total Funds Brought Forward		242,342	194,138	436,480	469,576	213,115	682,691
Total Funds Carried Forward		49,585	109,046	158,632	242,342	194,138	436,480

The notes on pages 25 to 32 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 2021

	Notes	£	2021 £	£	2020 £
Current Assets					
Debtors & prepayments	8	31,492		176,693	
Cash/bank balances		168,794		281,861	
		<u>200,286</u>		<u>458,554</u>	
Creditors: amounts falling due within one year					
	9	<u>(41,654)</u>		<u>(22,075)</u>	
Net Current Assets			158,632		436,479
Net Assets	10		<u>158,632</u>		<u>436,479</u>

The Funds of the Charity

Issued and fully paid share capital	12		1		1
Restricted funds	11		109,046		194,138
Unrestricted funds			49,585		242,342
Total Funds			<u>158,632</u>		<u>436,479</u>

Approved by the Trustees and signed on their behalf by

Dean Chan

Chair: Dean Chan
Date: 05-Aug-2022

D. Hill

Treasurer: Douglas Hill
Date: 04-Aug-2022

ROOM TO READ UK LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	£	£
Cash flows in operating activities:		
Net movement in total funds	(277,846)	(246,211)
Decrease/(increase) in debtors	145,201	350,342
(Decrease)/ increase in creditors	19,578	727
Cash provided by (used by) operating activities	(113,067)	104,858)
Cash flows from investing activities	0	0
Cash flows from financing activities	0	0
Increase/(decrease) in cash and cash equivalents in the year	(113,067)	104,858
Cash and cash equivalents at the beginning of the reporting period	281,861	177,004
Cash and cash equivalents at the end of the reporting period	168,794	281,862
Movement in the year	(113,067)	104,858

ROOM TO READ UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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 Program, Girls' Education Program 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 percent 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 2021 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 2021
	£	£	£
Corporation/Foundation	151,684	216,979	368,663
Individuals and Family Foundation	393,785	68,130	461,915
Schools and Other	82,136	1,352	83,488
Gifts in Kind - Office space	15,000	0	15,000
2021 Total Funds	642,605	286,462	929,066

	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
2020 Total Funds	1,771,711	151,370	1,923,080

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 2021 programmes were implemented in the following countries: India, Laos, Sri Lanka, Tanzania and Vietnam

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

Room to Read UK Limited's restricted and unrestricted funds contributed 2.0% (2020: 4.3%) of total income of Room to Read in 2021. In Room to Read's 2021 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 2021 accounts.

2 Fundraising costs

	Unrestricted Funds £	Restricted Funds £	2021 £
Costs of events, conferences, travel and marketing	14,461	6,600	21,061
Office costs	716	327	1,042
Salary Costs	138,671	63,294	201,965
Donation Processing Fees and Bank charges	7,022	3,205	10,227
Other expenses	457	209	665
Service Level Charges	15,690	7,162	22,852
Gifts in Kind - Office space	10,299	4,701	15,000
2021 Fundraising Costs	187,315	85,497	272,812

	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
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
2020 Fundraising Costs	351,336	30,273	381,610

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

3 Charitable activities

	Girls Education Programme £	Literacy Programme £	2021 £
Transferred to Room to Read Global Office	307,868	619,890	927,758
Governance Costs (see note 4)	1,667	4,692	6,360
	309,535	624,582	934,117

	Girls Education Programme £	Literacy Programme £	2020 £
Transferred to Room to Read Global Office	466,499	1,313,055	1,779,554
Governance Costs (see note 4)	2,207	6,211	8,418

<u>468,705</u>	<u>1,319,266</u>	<u>1,787,971</u>
----------------	------------------	------------------

Expenditure on charitable activities includes £648,060 in respect of unrestricted funds (2020: £1,647,898) and £268,057 in respect of restricted funds (2020: £140,073)

4 Governance Costs

	Unrestricted Funds	Restricted Funds	2021
	£	£	£
Legal and Licensing Fees	800	0	800
Consultancy	0	0	0
Accounting & Company Secretarial	4,120	0	4,120
External Audit	1,440	0	1,440
	<u>6,360</u>	<u>0</u>	<u>6,360</u>

	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>

5 Analysis of Staffing Costs

	2021	2020
	£	£
	£000s	£000s
Wages & salaries	172,541	179,546
Termination payment	0	68,155
Social security costs	15,799	26,186
Employer's contributions to defined pension schemes	9,421	11,247
Employee benefits	1,875	3,085
Other staff costs	2,330	3,759
	<u>201,965</u>	<u>291,978</u>

At the end of 2021, there was one employee whose total employee benefits (excluding employer pension costs) exceeded £60k, and this fell within the £100k–£110k band.

	2021	2020
	Number	Number
Average monthly headcount	3	4
Average monthly full time equivalent (FTE) staff	3	4

Average staff numbers reduced by 1 FTE between 2021 and 2020.

The development director UK & Europe's annual gross salary and benefits is £105k per annum.

The development director UK & Europe received £105k (gross salary and benefits) in 2021 for her services to Room to Read UK Limited as well as the Europe market. In 2021, approximately 2/3rds of her time was spent supporting Room to Read UK Limited while 1/3rd of her time was spent supporting Europe, as well as UK donors who chose to donate outside of the UK.

The trustees and the development director UK & Europe 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 U.S. and hold senior management positions for the global organisation.

As described in Note 6, the trustees received no employee benefits from Room to Read UK Limited in 2021.

6 Trustee Remuneration & Related Party Transactions

The trustees received no employee benefits from Room to Read UK Limited during the year (2020–£nil).

Travel and subsistence costs re-imbursed to trustees during the year amounted to £nil (2020–£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 (2020–£nil).

Two of the trustees who held office during 2021, Shari Freeman and Heather Simpson, are employees of Room to Read U.S. and hold senior management positions for the global organisation.

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

7 Taxation

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

8 Debtors

	2021	2020
	£	£
Prepayments	0	0

Donations	31,492	176,693
	<u>31,492</u>	<u>176,693</u>

Donations receivable as at 31 December 2021 represents a pledge made during 2020 which had not been received by the end of 2021.

9 Creditors - amount falling due within one year

	2021	2020
	£	£
Creditors (Others)	33,989	12,422
Accruals	7,665	9,653
	<u>41,654</u>	<u>22,075</u>

10 Net Assets by Fund

	Unrestricted	Restricted	2021 Total
	£	£	£
Debtors & Prepayments	21,106	10,386	31,492
Cash/Bank Balances	116,750	52,044	168,794
	<u>137,856</u>	<u>62,430</u>	<u>200,286</u>
Creditors	(28,811)	(12,843)	(41,654)
2021 Net Assets	<u>109,045</u>	<u>48,587</u>	<u>158,632</u>

	Unrestricted	Restricted	2020 Total
	£	£	£
Debtors & Prepayments	162,785	13,908	176,693
Cash/Bank Balances	259,676	22,186	281,861
	<u>422,461</u>	<u>36,094</u>	<u>458,554</u>
Creditors	(20,337)	(1,738)	(22,075)
2020 Net Assets	<u>402,124</u>	<u>34,356</u>	<u>436,479</u>

11 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 3

	At 1 January 2021	Income	Expenditure	At 31 December 2021
	£	£	£	£
Literacy	157,053	83,372	(108,137)	132,288
Girls' Education	37,085	203,090	(263,417)	(23,242)
	<u>194,138</u>	<u>286,462</u>	<u>(371,554)</u>	<u>109,046</u>

	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
	<u>213,115</u>	<u>151,370</u>	<u>(170,347)</u>	<u>194,138</u>

12 Share Capital	2021	2020
1 issued and fully paid ordinary share of £1	£1	£1
The share is held by Room to Read.		



THANK YOU

Together we will end the impossible and create a world in which all children can pursue a quality education that prepares them to be fulfilled and make positive change — in their families, communities and the world.

ROOM TO READ UK LIMITED

England & Wales - Charity number 1125803

Accounts



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

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

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 McMahan
Heather Simpson

Management Team

Rocio Lopez, Development Director, UK

Registered Office

Room to Read UK Limited
Bracken House
1 Friday Street
London
EC4M 9BT

Telephone: +44 (0)207 873 3603

Email: uk@roomtoread.org

Website: 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 20th 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 Gowar
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 and 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 pro bono 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.



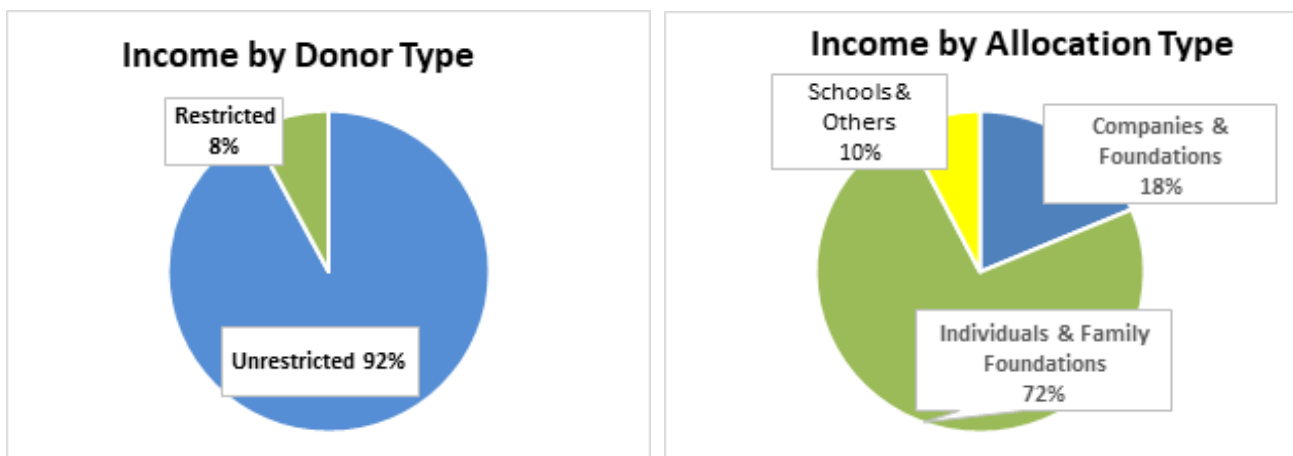
FINANCIAL REVIEW

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

DocuSigned by:
Douglas Hill
AEDA16B71F814DD

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)

DocuSigned by:
Ralph C Tiffin
AEDA16B71F814DD...

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

	Unrestricted Funds 2020	Restricted Funds 2020	Total Funds 2020	Unrestricted Funds 2019	Restricted Funds 2019	Total Funds 2019
Notes	£	£	£	£	£	£
Income and Endowments from:						
Donations and Legacies	1,771,711	151,370	1,923,080	2,118,662	1,060,823	3,179,484
1						
Income from Investments	290	0	290	344	0	344
Other income/(expense)	0	0	0	5,746	0	5,746
2						
Total income	1,772,001	151,370	1,923,370	2,124,751	1,060,823	3,185,574
Expenditure on:						
Raising funds	351,336	30,273	381,610	319,888	161,311	481,200
3						
Charitable activities	1,647,898	140,073	1,787,971	1,814,542	902,862	2,717,405
4						
Total resources expended	1,999,235	170,347	2,169,581	2,134,430	1,064,174	3,198,604
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


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

Approved by the Trustees and signed on their behalf by

DocuSigned by:

 BB6487D095694FB...

Chair: Dean Chan

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

DocuSigned by:

 AEDA16B71F814DD...

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
	£	£
Cash flows from operating activities:		
Net movement in total funds	(246,211)	(13,031)
Decrease/(increase) in debtors	350,342	(35,476)
(Decrease)/ increase in creditors	727	(4,769)
Net cash (used by) operating activities	104,858	(53,276)
Cash flows from investing activities	0	0
Cash flows from financing activities	0	0
Increase/(decrease) in cash and cash equivalents in the year	104,858	(53,276)
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
Movement in the year	104,858	(53,276)

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
2020 Total Funds	1,771,711	151,370	1,923,080

	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
2019 Total Funds	2,118,662	1,060,823	3,179,484

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
2020 Fundraising Costs	351,336	30,273	381,610

	Unrestricted Funds	Restricted Funds	2019
	£	£	£
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
2019 Fundraising Costs	319,888	161,311	481,200

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

4 Charitable activities

	Girls Education Programme	Literacy Programme	2020
	£	£	£
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
	468,705	1,319,266	1,787,971

	Girls Education Programme	Literacy Programme	2019
	£	£	£
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
	712,433	2,004,971	2,717,405

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
	<hr/> 422,461	<hr/> 36,094	<hr/> 458,554
Creditors	(20,337)	(1,738)	(22,075)
2020 Net Assets	<hr/> 402,123	<hr/> 34,356	<hr/> 436,479

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

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
	<hr/> 213,115	<hr/> 151,370	<hr/> (170,347)	<hr/> 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
	<hr/> 216,466	<hr/> 1,060,823	<hr/> (1,064,174)	<hr/> 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!