



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

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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

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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

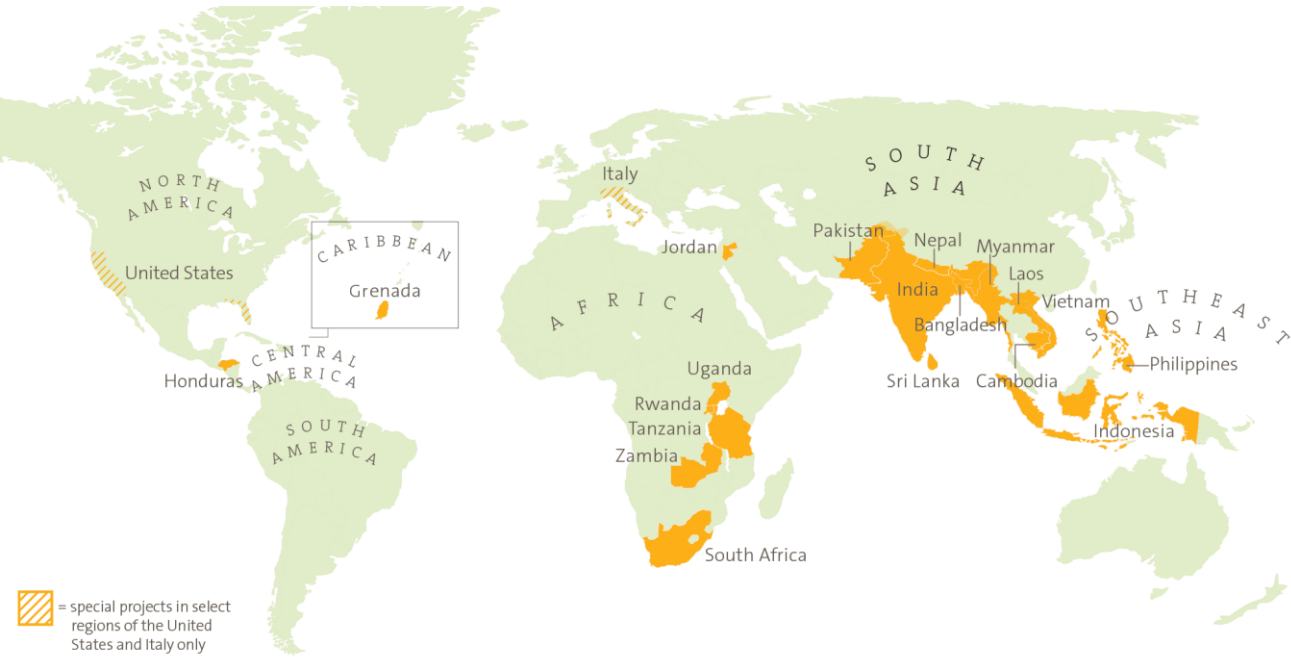
Room to Read is creating a world free from illiteracy and gender inequality. We are achieving this goal by helping children in historically low-income communities develop literacy skills and a habit of reading, and by supporting girls as they build skills to succeed in school and negotiate key life decisions. 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.

2021 COVID-19 Pandemic Responses by the Numbers – Literacy

415

ROOM TO READ
PROGRAMS
BROADCAST VIA
RADIO

292,799

CHILDREN RECEIVING
NON-DIGITAL MATERIALS

178

ROOM TO READ
PROGRAMS
BROADCAST
VIA TV

50,501

HOURS OF VIRTUAL
TRAINING FOR
TEACHERS, AUTHORS
AND ILLUSTRATORS

24,632,088

DIRECT MESSAGES SENT THAT
FURTHER LITERACY PROGRAM
PROGRAMMATIC OBJECTIVES



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.

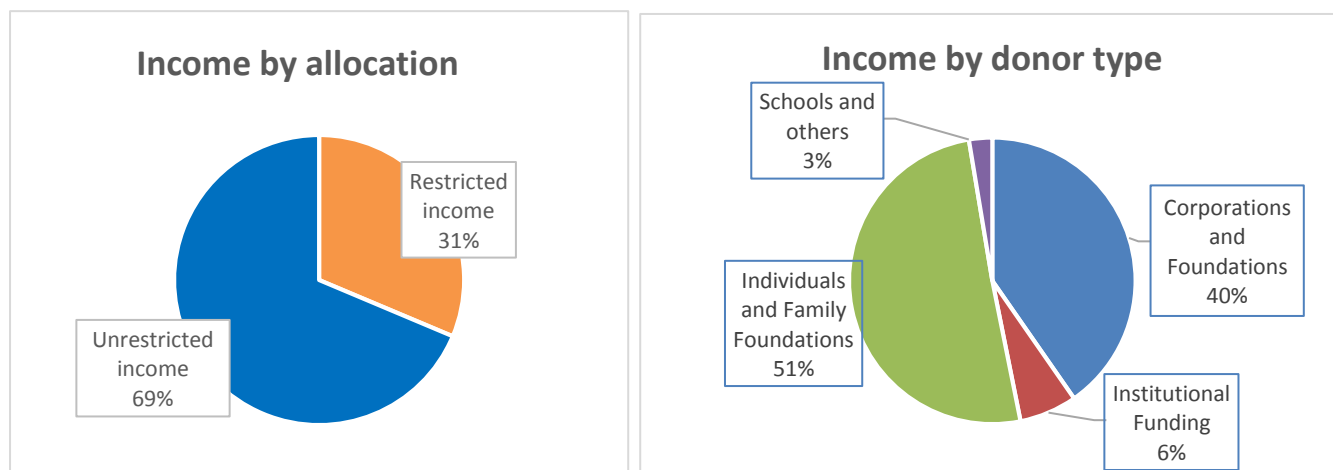
FINANCIAL REVIEW

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,



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

			2021	2020
	Notes	£	£	£
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

468,705	1,319,266	1,787,971
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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	<u>7,665</u>	<u>9,653</u>
	<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	<u>116,750</u>	<u>52,044</u>	<u>168,794</u>
	137,856	62,430	200,286
Creditors	<u>(28,811)</u>	<u>(12,843)</u>	<u>(41,654)</u>
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	<u>259,676</u>	<u>22,186</u>	<u>281,861</u>
	422,461	36,094	458,554
Creditors	<u>(20,337)</u>	<u>(1,738)</u>	<u>(22,075)</u>
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)
	194,138	286,462	(371,554)	109,046

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

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.