

WORLDREADER
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

WORLDREADER

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr C McElwee
	Mr D Risher
	Ms H Ireland
	Ms L Halpern
	Mr P Mallinson
	Mr M Nye
	Ms R Ravi-Burslem
Charity number	1158030
Principal address	20 Darmouth Park Road
	London
	NW5 1SX
Independent examiner	Heather Wheelhouse
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Bankers	HSBC Bank
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TRUSTEES REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their annual report and financial statements of the Charity for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Constitution, the Charities Act 2011 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)" (as amended for accounting periods commencing from 1 January 2019).

STRUCTURE GOVERNANCE AND MANAGEMENT

Type of governing document: Constitution

How the charity is constituted: Charitable Incorporated Organization (CIO)

Registered charity number: 1158030

Trustee selection methods: Apart from the first Charity Trustees every trustee will be appointed for a term of 4 years by a resolution passed by the Trustees at a convened meeting. In selecting individuals for appointment as charity trustees, the charity trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO (Article 10 WR Constitution).

The Trustees who served during the year were:

- Ms. Hermione Ireland (Chair of the Board of Trustees)
- Ms. Lucia Halpern (Secretary of the Board of Trustees)
- Mr. Peter Mallinson
- Mr. Martin Nye
- Ms. Ranila Ravi-Burslem
- Mr. John David Risher
- Mr. Colin Martin McElwee

The key Management personnel who served during the year were:

- WRGI Chief Financial Officer: Ms. Shannon Atkinson
 - By a Resolution dated 31 July 2014 the Trustees resolved that day-to-day accounting and financial management of the CIO would be managed by the WRGI's finance team, led by the Chief Financial Officer.

Charity's Organisational Structure within the wider network: Worldreader Global Initiative (WRGI)

Worldreader is a global initiative implemented by various separate legal entities that work in close collaboration. Currently, there are 5 other legal entities registered under the Worldreader Global Initiative

- [Worldreader.org US](https://www.worldreader.org) registered as a 501 3 c) Charity incorporated in the State of Washington;
- [Fundación Worldreader.org](https://www.fundacionworldreader.org) registered as Foundation under the Spanish Ministry of Education with public benefit recognition;
- [Worldreader.org Ghana](https://www.worldreader.org) registered under the Companies Act 1963 with a Certificate of Recognition as Non-Government Organization (N.G.O); and
- [Digital Reading Foundation \("DRF"\)](https://www.digitalreadingfoundation.org) registered in India as a limited by shares company under subsection (2) of section 7 of the Companies Act 2013 and rule 8 of the Companies (Incorporation) Rules 2014 (not-

for-profit regulation); and

- [Worldreader.org Kenya](http://Worldreader.org) registered as a Non-Governmental Organization with Registration Num. OP.218/051/13.

Worldreader works globally with partners to support vulnerable and underserved communities with digital reading solutions that help improve learning outcomes, and gender equity. Worldreader believes readers build a better world.

To achieve their mission, all Worldreader entities conduct charitable and educational outreach programs to provide services to underserved communities. All entities have really similar if not identical purposes but each entity contributes to the global mission its main strengths and opportunities. Worldreader UK's main aim is to raise funds in order to support WRGI's common mission.

CIO Functioning

Day to day management

By a Resolution dated 31 July 2014 the Trustees agreed to delegate the day to day management of the organisation to the WRGI integrated corporate and management structure. This is a global structure formed by global teams located across all the WRGI entities where there are not distinct reporting lines for each office/entity but rather reporting relationships based on functional positions (e.g. operations, finance, marketing and communications). While these global teams have the authority to manage all the organisation's operations the Trustees are the ultimate party responsible to guarantee that all funds are utilised for charitable activities as defined by the Charity Commission Guide on public benefit and Worldreader's Constitution.

Risk management

At the time of approving the accounts, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future.

The trustees have considered major risks related to Governance, Financial and Compliance with laws and regulations to which the Charity is exposed and determined there are no specific areas of concern. Systems and procedures to manage general business risks are in place.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities and setting the grant making policy for the year.

Express appointments for key functions

Charity Authorised Official and General Counsel Appointments

By a Resolution dated 31 July 2014 the Trustees resolved to appoint Ms. Miralles Codorniu as the Charity Authorised Official before HM Revenue & Customs (HMRC) including, but not limited to, applying for tax exemption, corporation tax return records and claiming gift aid. The Trustees further resolved that Ms. Miralles be authorised and appointed as Worldreader UK General Counsel and as such she would be authorised to manage all the legal affairs of Worldreader UK. Notwithstanding the appointment as an Authorised Official before HMRC and the Charity Commission, and for the sake of clarity, Ms. Miralles was not authorised to sign or execute documents for or on behalf of the Trustees.

Ms. Clara Miralles Codorniu resigned as an employee of Worldreader and thus ceased in her roles of COO & General Counsel of Worldreader effective August 31st, 2020. The Executive Team of the Worldreader Global Initiative

appointed William Coffey to assume the role of Director of Legal and Compliance & General Counsel from September 1st, 2020.

The Trustees have yet to resolve which member of the WGI to appoint as the Charity Authorised Official before HM Revenue & Customs (HMRC).

Financial Management

By a Resolution dated 31 July 2014 the Trustees resolved that day-to-day accounting and financial management of the CIO would be managed by the WRGI's finance team, led by the Chief Financial Officer based in the US.

However, the Trustees would maintain at all time the final decision-making powers that in no case would be delegated to the staff members of the WRGI.

OBJECTIVES AND ACTIVITIES

By a Resolution dated 31 July 2014 the Trustees agreed that the main goal of Worldreader UK should be to fundraise to support WRGI activities and make grants to other WRGI entities and/or external organisations that would be better prepared to implement projects aligned with its mission.

The Trustees meet regularly and decide which entity, either WRGI or external, would be more effective implementing the activities funded by the UK donors. To identify the best partners, the Trustees have the capacity to request WRGI entities or third parties to send grant requests or to review and evaluate unsolicited grant requests. Once a request is received the Trustees need to review it and they need to decide by a majority vote if the request is to be approved. Once approved the Trustees are responsible for regularly supervising all grants implemented by reviewing the activity and financial reports agreed with the implementing partner. The Trustees can agree on additional supervision measures such as field visits, inviting project managers to report during Trustees meetings and/or any other methods the Trustees see fit on a case by case basis.

Objectives

The objects of the CIO are:

- (i) to advance the education of the public; and
- (ii) the prevention and relief of poverty or hardship.

In each case, in particular but not exclusively by:

- (1) making digital books, materials and new technologies available to children and their families; and
- (2) promoting and supporting initiatives that use new technologies to provide immediate access to written materials.

Nothing in Worldreader's Constitution shall authorise an application of the property of the CIO for purposes which are not charitable in accordance with section 7 of the Charities and Trustee Investment (Scotland) Act 2005 and section 2 of the Charities Act (Northern Ireland) 2008.

Achievements and performance

Worldreader works globally with partners to support vulnerable and underserved communities with digital reading solutions that help improve learning outcomes and gender equity.

During 2021 Worldreader's main activities were:

- To identify and develop fundraising, business development and advocacy opportunities across the UK to benefit digital reading programs in Africa, India, Latin American, and beyond;

- Ensure supporters are informed, engaged and stewarded for the contributions they provide; and
- To move opportunities from the research stage to cultivation/ closed stage, and solicit increased repeat donations.

Worldreader UK 2021 advancement performance

In 2021, Worldreader pursued an expanded attempt to increase its fundraising capacities and focus on individual giving and partnerships with the business sector. In early 2021, a part-time consultant was hired to lead individual giving efforts and, Worldreader UK's Business Development Manager was primarily re-oriented towards securing partnership development with the business sector.

The individual giving strategy for 2021 focused on identifying prospective donors and dormant donors among its current database, while re-launching a series of online events that could be used to invite and introduce Worldreader to new potential donors, as well as current donors and partners.

The business sector strategy was designed to provide a growing path for income and shared value generation with corporations and corporate foundations in the UK, aiming to serve as a flagship learning market for Worldreader and anchor its expertise in corporate partnership development across Worldreader globally.

Unexpected elements such as a below-expected performance of newly hired staff, personnel medical issues, and immature internal processes for supporting Worldreader UK's advancement efforts, negatively affected the outcome of the envisioned and desired strategy for Worldreader in the UK.

Managed by WRGI's Director of International Development, Worldreader pursued engagement from UK Aid funding opportunities. Unfortunately, the reallocation of UK Aid's development strategy under the management of the Foreign, Commonwealth & Development Office caused funding opportunities for global aid activities to be slowed down or placed on hold completely. Worldreader pursued the few opportunities that were aligned with our impact strategy by partnering with UK contractors and international non-profit organizations.

In 2021, we also saw the launch of two ambitious and pioneering international education outcome-based programs led by the Education Outcomes Fund and supported by bilateral and multilateral organizations (UK Aid, UNICEF, World Bank, MoE) and global leading foundations (i.e. UBS Foundation, Ford Foundation, ELMA Foundation). These national programs for Ghana and Sierra Leone were released with the goal of designing and implementing innovative payment-by-results educational programs. Worldreader pursued engagement for both programs, but they required an expression of interest with an already secured social investor, and a local-partnership engagement strategy yet to be developed in these two countries. The lack of these two important components limited Worldreader's capacity to have strong and competitive responses.

Worldreader achieved the following development opportunities:

- Of the four planned events for the year, Worldreader organized and launched two online events in March and June. Over 25 people attended these two intimate by-invitation-only events. The two events helped Worldreader to re-establish fluent conversations with three prospective donors.
- Engage and support Salesforce in the UK in the launch of a new campaign to support Worldreader's Read to Kids program in India. The "[Round the World Challenge](#)" campaign mobilized Salesforce employees and UK partners to run, walk or cycle 24,901 miles - the circumference of the globe.
- Worldreader secured one new three-years corporate partnership in the UK with Euromoney. The company has pledged to donate GBP 27,000 between 2021 and 2024.
- Worldreader has identified and established partnership conversations with international development organizations with offices in the UK, and is continuously mapping UK individual and family foundations and trusts.

Financial Review

Financial management policies adopted:

By a Resolution dated 15 December 2016 the Trustees agreed that it is the policy of the Charity that the funds which have not been designated for a specific use - including indirect cost recovery funds- should be maintained at a level equivalent to three month's expenditure, excluding restricted grants. As of March 2022, three months' expenditure represents 16,000 GBP. This lower monthly expenditure is due to reduction of staff and subsequent elimination of compensation costs. 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 current activities while consideration is given to ways in which additional funds may be raised. The balance of reserves at the yearend were £86,783 (2020:£274,109); £86,783 (2020: £254,753) being unrestricted and £nil (2020: £19,356) restricted. This level of reserves has been maintained throughout the year. The amount of cash at the bank and in hand at year-end was £100,786.

-The Trustees have assessed the major risks to which the Charity is exposed and are satisfied that the systems are in place to mitigate exposure to major risks.

Revenue & Expenses

1. Revenue

Aside from HMRC Gift Aid revenue, all donated revenue received by Worldreader during the financial year came from the private sector, trusts, corporations, and individuals. Thanks to all of these donations and/or grants received, Worldreader was able to support its key objectives.

Revenue	2021	2020
Major Gifts & General Donations	£20,581.68	£28,929.13
Corporate Giving	£12,140.51	£28,860.64
Foundation	£3,024.44	£5,000.00
HMRC -Gift Aid Revenue	£627.30	£3,117.77
Gift in kind	£0.00	£0.00
Worldreader Grant Revenue	£0.00	£23,322.52
Total	£36,373.93	£89,230.06

2. Expenses:

The COVID-19 pandemic posed unprecedented challenges for Worldreader and forced the Charity to redefine its strategy. As a result of the new COVID-19 variants and the restrictions put in place by states on travel, Worldreader continued to implement a limitation on travel expenses in 2021, following international and local recommendations.

All of the expenditure incurred has been allocated to the general charitable activities.

	2021	2020
Fundraising and Publicity	£36,136	£32,940
Donor related expenses	£155	£22
Staff Costs	£34,028	£31,429
Governance costs	£1,953	£1,489
Support Costs	£160,376	£116,941
Staff Costs	£120,962	£112,054
Depreciation	£783	£726
Travelling Expenses	£876	£2,008
Consultancy	£13,532	£420
Bank Charges	£347	£211
Subscriptions	£14	£1,522
Sundry Expenses	£538	£0
Bad Debts	£23,323	£0
Governance Costs	£7,832	£5,600
Independent examination fees	£3,052	£3,600
Accountancy	£1,853	£2,000

Legal and professional	£2,927	£0
Grant funding of activities	£19,356	£0
Total Expenditure	£223,700	£155,481

In 2020, Elizabeth Wood performed work to assist the Worldreader Global Initiative with the design and launch of the project Keep Children Reading in the United States. Keep Children Reading is a program to support students in vulnerable communities who face learning loss due to the threat of Covid-19, an education system in crisis, and limited access to traditional resources like libraries and community centers. Worldreader's Keep Children Reading project offers a distance-learning program, which delivers a library of over 100 digital books to children and parents via mobile phones, and includes activities that help reinforce learning, build new skills, and encourage students to read more. This work, valued at £23,322.52, is reflected in 2020 as revenue due from the Worldreader Global Initiative. However, in 2021, this receivable was forgiven in recognition of the support the Worldreader Global Initiative provides to the UK entity, resulting in the amount being re-categorized as bad debt.

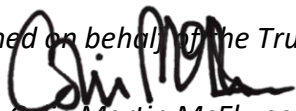
ADVANCEMENT PLANS FOR 2022 AND BEYOND

Despite the global pandemic impact, economic stress and foreign aid cuts and re-allocations, the UK continues to be seen as a strategic market for Worldreader's advancement. The UK hosts the leading bilateral organization for girls education and several headquarters for international non-profit organizations, continues to be pioneering international innovative and social finance models and programs and continues maintaining a solid financial health that allows philanthropy to remain active.

Worldreader envisions focusing on the following strategic elements to support its Advancement plans in the UK:

1. Strengthen our relationship with UK international and educational development organizations and partnership engagement efforts, in order to respond to potential bilateral and other relevant funding opportunities, as well as to directly support organizations under revenue generation partnership-service contracts.
2. Deepen strategic relationships with prospective and current philanthropic individuals, foundations and trusts, guided by the leadership and ambassador relationships of Worldreader UK Board of Trustees members and Worldreader Senior Leadership team.
3. Expand and enhance our relationship with the publishing industry, and other critical business sector industries, that supports our advancement efforts.
4. Strengthen our brand in the UK as a partner-driven impact organization, showcasing selected flagship partnerships and impact geographies that align with UK main international development foreign aid territories.

Signed on behalf of the Trustees



Mr. Colin Martin McElwee

Date: 17 October 2022

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the and of the incoming resources and application of resources for that year.

In preparing these accounts, the Trustees are required to:

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

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the and enable them to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

Signed on behalf of the Trustees



Mr. Colin Martin McElwee

Date: 17 October 2022

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF WORLDREADER

I report to the trustees on my examination of the accounts of the Trust for the year ended 31 December 2021, which are set out on pages 12 to 20.

This report is made solely to the Charity's trustees, as a body, in accordance with Regulation 31 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity's trustees as a body, for my work, for this report, or for the statement I have made.

Responsibilities and basis for report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the ACT")

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination and have confirm that no material matters have come to my attention in connection with eth examination giving me cause to believe:

1. accounting records were not kept in respect of the [Trust] as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of the accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

DocuSigned by:

DA15AED75D45453.....

Heather Wheelhouse ACA
BDO LLP
55 Baker Street
London
W1U 7EU

19 October 2022
Date

WORLDREADER

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes						
Income from:							
Donations and legacies	2	36,374	-	36,374	69,875	19,356	89,231
Expenditure on:							
Raising funds	3	36,136	-	36,136	32,940	-	32,940
Charitable activities	4	168,208	19,356	187,564	122,541	-	122,541
Total resources expended		204,344	19,356	223,700	155,481	-	155,481
Net expenditure for the year/ Net movement in funds							
		(167,970)	(19,356)	(187,326)	(85,606)	19,356	(66,250)
Fund balances at 1 January 2021		254,753	19,356	274,109	340,359	-	340,359
Fund balances at 31 December 2021		86,783	-	86,783	254,753	19,356	274,109

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

All income and expenditure derive from continuing activities.

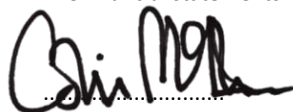
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BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	11		705		1,488
Current assets					
Debtors	12	239		86,058	
Cash at bank and in hand		100,786		200,392	
		101,025		286,450	
Creditors: amounts falling due within one year	13	(14,947)		(13,829)	
Net current assets			86,078		272,621
Total assets less current liabilities			86,783		274,109
Income funds					
Restricted funds			-		19,356
Unrestricted funds	13		86,783		254,753
			86,783		274,109

The financial statements were approved by the Trustees on 17 October 2022



Mr C McElwee
Trustee

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

Worldreader is a registered charity. The registered office is 20 Darmouth Park Road, London, Middlesex, NW5 1SX. Details of Trustees are mentioned on page 1. The principal activity of the Charity is to fundraise to support WRGI activities and make grants to other WRGI entities and/or external organisations that would be better prepared to implement projects aligned with its mission.

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of fixed asset investments, and in accordance with the Statement of Recommended Practice: Accounting and Reporting by 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) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

1.2 Going concern

At the time of approving the accounts, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The trustees therefore believe that it is appropriate to prepare the accounts on a going concern basis.

In July 2022, the Charity had approximately £56,500 of cash available. Given that staffing was reduced in early 2022 and, subsequently, compensation costs were eliminated, the Charity has minimal recurring costs and cash available is sufficient to support future costs. The trustees have prepared a stress test and this confirms that should no further income be received; the Charity is able to meet liabilities as they fall due for at least until the end of 2022.

1.3 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.

1.4 Expenditure

Resources expended are recognised in the period to which they relate.

Direct charitable expenditure comprises all the expenditure relating to the activities carried out to achieve the charitable objectives.

Support costs represent costs that cannot be directly attributed to activities. These costs have been allocated across the charitable activities on the basis of grant expenditure.

Governance includes the costs of compliance with constitutional and statutory requirements and has been allocated across the charitable activities in the same proportions as support costs.

Wages and salaries have also been allocated across the charitable activities on the basis of time.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

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

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

Fixtures, fittings & equipment	33.33% straight line
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1.6 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

1.8 Financial instruments

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

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.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date.

Basic financial liabilities

Basic financial liabilities, including creditors 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 receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

1.9 Employee benefits

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

1.10 Retirement benefits

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

1.11 Funds structure

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in the furtherance of the charitable objects.

Restricted funds represent funds available to meet specific expenditure as specified by the fund provider.

Further details of unrestricted funds is disclosed in Trustees report.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.12 Grants payable

Grants payable are payments made to the third parties in the furtherance of the charitable objects of the Charity. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside of the control of the Charity.

1.13 Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Donations and gifts	36,374	-	36,374	69,875	19,356	89,231
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

3 Raising funds

	2021	2020
	£	£
<u>Fundraising and publicity</u>		
Donor related expenses	155	22
Staff costs	34,028	31,429
Governance costs (see note 7)	1,953	1,489
	<u> </u>	<u> </u>
	<u>36,136</u>	<u>32,940</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

4 Charitable activities

	Unrestricted funds £	Restricted fund £	2021 £	Unrestricted funds £	Restricted funds £	2020 £
Grant funding of activities (see note 5)	-	19,356	19,356	-	-	-
Share of support costs (see note 7)	160,376	-	160,376	116,941	-	116,941
Share of governance costs (see note 7)	7,832	-	7,832	5,600	-	5,600
	<u>168,208</u>	<u>19,356</u>	<u>187,564</u>	<u>122,541</u>	<u>-</u>	<u>122,541</u>
Analysis by fund						
Unrestricted funds	168,208	-	168,208	122,541	-	122,541
Restricted funds		19,356	19,356	-	-	-
	<u>168,208</u>	<u>19,356</u>	<u>187,564</u>	<u>122,541</u>	<u>-</u>	<u>122,541</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

5 Grants Expenditures

	2021 £	2020 £
Grants to institutions:		
Grants to Worldreader Kenya	19,356	-

6 Taxation

The Charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

7 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Staff costs	120,963	-	120,963	112,054	-	112,054
Depreciation	783	-	783	726	-	726
Travelling expenses	876	-	876	2,008	-	2,008
Consultancy	13,532	-	13,532	420	-	420
Bank charges	347	-	347	211	-	211
Subscriptions	14	-	14	1,522	-	1,522
Sundry expenses	538	-	538	-	-	-
Bad Debt	23,323	-	23,323	-	-	-
Independent examination fees	-	3,813	3,813	-	3,813	3,813
Accountancy	-	3,602	3,602	-	3,276	3,276
Legal and professional	-	2,370	2,370	-	-	-
	<u>160,376</u>	<u>9,785</u>	<u>170,161</u>	<u>116,941</u>	<u>7,089</u>	<u>124,030</u>
Analysed between						
Trading	-	1,953	1,953	-	1,489	1,489
Charitable activities	<u>160,376</u>	<u>7,832</u>	<u>168,208</u>	<u>116,941</u>	<u>5,600</u>	<u>122,541</u>
	<u>160,376</u>	<u>9,785</u>	<u>170,161</u>	<u>116,941</u>	<u>7,089</u>	<u>124,030</u>

Support staff costs have been allocated to the charitable activities based on time spent on the relevant activity. Other support costs have been considered individually and allocated based on how the specific resource relates to the activity in question.

Governance costs includes payments to the independent examiner fees of £3,813 (2020: £3,813).

8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration, any expenses reimbursement or benefits from the Charity during the year.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Administration	2	2

Employment costs

	2021 £	2020 £
Wages and salaries	137,552	130,249
Social security costs	15,272	11,165
Other pension costs	2,167	2,069
	154,991	143,483

The Charity's key management personnel comprises the Board of Trustees and the Executive Director.

The total amount of employee benefits received by Executive Director in the year was £nil (2020: £nil).

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

	2021 Number	2020 Number
£90,000 - £100,000	1	1

10 Net movement in funds

	2021 £	2020 £
Net movement in funds is stated after charging		
Independent examiner fees	3,813	3,813
Depreciation of owned tangible fixed assets	783	726

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

11 Tangible fixed assets

Fixtures, fittings & equipment £

Cost

At 1 January 2021 3,268

At 31 December 2021 3,268

Depreciation and impairment

At 1 January 2021 1,780

Depreciation charged in the year 783

At 31 December 2021 2,563

Carrying amount

At 31 December 2021 705

At 31 December 2020 1,488

12 Debtors

2021 2020 £ £

Amounts falling due within one year:

Trade debtors 239 17,735

Amounts due from fellow group undertakings - 23,323

Other debtors - 45,000

239 86,058

13 Creditors: amounts falling due within one year

2021 2020 £ £

Trade creditors 2,125 734

Accruals and deferred income 12,822 13,095

14,947 13,829

14 Analysis of net assets between funds

Unrestricted funds Restricted funds Total Unrestricted funds 2021 2021 2021 2020 £ £ £ £

Fund balances at 31 December 2021 are represented by:

Tangible assets 705 - 705 1,488

Current assets 86,078 - 86,078 272,621

86,783 - 86,783 274,109

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

15 Analysis of funds

	Funds 31 December 2020	Income	Expenditure	Net Movements	Funds 31 December 2021
General funds	254,753	36,374	(204,344)	(167,970)	86,783
Restricted funds	19,356	-	(19,356)	(19,356)	-
Total	<u>274,109</u>	<u>36,374</u>	<u>(223,700)</u>	<u>(187,326)</u>	<u>86,783</u>
	Funds 31 December 2019	Income	Expenditure	Net Movements	Funds 31 December 2020
General funds	340,359	69,875	(155,481)	(85,606)	254,753
Restricted funds	-	19,356	-	19,356	19,356
Total	<u>340,359</u>	<u>89,231</u>	<u>(155,481)</u>	<u>(66,250)</u>	<u>274,109</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

16 Related party transactions

During the year a grant of £19,356 (2020: £Nil) was paid to Worldreader Kenya, a related party of trustees Colin McElwee and David Risher to support activities in Kenya relating to digital reading. Both Colin McElwee and David Risher are members of the Board of Directors of Worldreader Kenya, the recipient organization.

At the yearend £nil (2021: £23,323) was owed by the Worldreader US entity within debtors in relation to the Keep Children Reading project.