

Company no. 11116416
Charity no. 1179625

Chapter One (U.K.) Ltd
Report and Audited Financial Statements
31 July 2025

Chapter One (U.K.) Ltd

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For The Year Ended 31 July 2025

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Chapter One (U.K.) Ltd

Reference and administrative details

For the year ended 31 July 2025

Company number	11116416
Charity number	1179625
Registered office and operational address	4 Torriano Cottages London NW5 2TA
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: Sarah Bell Marie Broad Alexander Green Lisa Hayes Lucy Heady Jonathan Lloyd Zoe Pierre Seth Weinberger Jeffrey Williams
Chief executive officer	Emma Bell
Bankers	CAF Bank 25 Kings Hill Ave Kings Hill West Malling ME19 4JQ United Trust Bank 1 Ropemaker Street London EC2Y 9AW
Auditors	Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor Mariner House 62 Prince Street Bristol BS1 4QD

Chapter One (U.K.) Ltd

Report of the trustees

For the year ended 31 July 2025

The trustees, who are also directors for the purposes of company law, present their report and the audited financial statements of the charity for the year ended 31 July 2025.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (effective from January 2019).

OBJECTIVES AND ACTIVITIES

Aims and objectives

Chapter One's vision is a world where all children have the literacy skills needed to thrive. Our charitable mission addresses a critical educational inequality: we close the reading gap by providing children with targeted one-to-one support during the crucial early years of their education. Our evidence-based model combines corporate volunteering, trained staff, and technology to deliver sustained human connections that demonstrably improve reading outcomes for young children facing disadvantage.

Our theory of change details five desired outcomes that we strive to achieve for children across our programmes. Children will:

- become better readers;
- become more confident in reading;
- enjoy reading more, including reading for pleasure;
- become more confident at communicating; and
- become inspired and more motivated to read.

Ultimately, we aim to give all children the same opportunities to benefit from everything that reading provides, enabling them to thrive in life.

Chapter One operates four complementary programmes that address different literacy needs: our flagship Online Reading Volunteers programme; Early Literacy Intervention for children lacking foundational phonics skills; Book Clubs targeting older reluctant readers; and our Global Free Library. This report details our progress against strategic objectives for each programme during 2024-25.

Online reading volunteers: overview of need and delivery model

Our flagship programme is an online volunteer reading support programme (ORV) that helps 5- to 8-year-old children facing disadvantage, who have low levels of reading confidence and enjoyment, and are struggling to read. We aim to set children up as confident readers as early as possible in their educational journey so that they can thrive through school and beyond. To be eligible to partner with Chapter One, a school requires a higher-than-national-average Pupil Premium rate (which includes FSM6 and looked-after children). FSM6 (also known as Ever 6 FSM) indicates the percentage of pupils who have been eligible for free school meals at any point in the past six years.

Department for Education statistics (2024) show that 38% of disadvantaged 11-year-olds leave primary school below the expected reading standard, compared to 22% of those not known to be disadvantaged—a persistent gap. Research demonstrates this attainment gap emerges as early as age 4-5 and widens without intervention, creating lifelong barriers to educational achievement, employment prospects and social mobility. Our programme specifically targets this early intervention window when support can be most transformative.

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Report of the trustees

For the year ended 31 July 2025

The National Literacy Trust (2024) identifies key barriers our target demographic faces: 32% of disadvantaged children lack access to books at home, 28% have no quiet reading space, and 43% receive inconsistent reading support from family members. Rising child poverty rates (4.3 million children, House of Commons Library 2024) compound these challenges. Our programme addresses these systemic inequalities through direct intervention and aligns with evidence demonstrating the benefits of external 'reading influencers' for children (Booktrust 2024).

Chapter One's delivery model recruits and trains employees from partner businesses as volunteer readers, creating a scalable resource that schools cannot access independently. This partnership approach ensures programme sustainability while providing meaningful volunteering opportunities for corporate partners, enabling them to fulfil corporate social responsibility goals and social value obligations.

For the entire academic year, corporate volunteers are paired with identified pupils for the entire academic year. The pairs enjoy a weekly 30-minute online reading session using our secure, bespoke reading platform and a voice connection to link from the volunteer's workplace or home to a dedicated classroom laptop. The curriculum-aligned platform features diverse, engaging content targeting fluency, comprehension and reading enjoyment.

In each participating class Chapter One supports up to 10 children, enabling schools to provide additional reading sessions at a scale that would otherwise require prohibitive staffing costs. The model's flexibility—requiring minimal time commitment and no travel for volunteers—attracts corporate partners while ensuring programme sustainability and scalability.

The Chapter One ORV Programme has been proven to improve the reading enjoyment, ability and confidence of young children facing disadvantage. We believe that this flexible, time-efficient model has the potential to galvanise significant numbers of adults to improve the life chances of children.

Online reading volunteers: review of year 2024-25

During 2024-25, our sixth year of ORV programme operation, we delivered services across 354 classrooms in 113 schools spanning 12 strategically selected areas of England and Scotland. These locations—Birmingham, Bradford, Doncaster, Edinburgh, East Sussex, Glasgow, Leeds, London, Manchester, Middlesbrough, Peterborough and West Cumbria—were chosen based on deprivation indices, educational outcomes data, and local partnership opportunities.

Despite the challenging economic environment, we were encouraged that many new partners decided to join us in 2024-25, particularly to support children in Birmingham which was a new area for Chapter One this year. Many of these newer partners are connected to infrastructure and construction projects and are working with Chapter One to fulfil their social value commitments.

Overall, 3,155 children were supported by 2,957 volunteer readers from 149 corporate partners, who collectively provided almost 2.8 years of reading (24,410 reading hours) from September 2024 to July 2025. The corporate partners who provided volunteers and associated financial sponsorship to sustain the Chapter One programme are listed below. We are very grateful to them all for their support.

Chapter One (U.K.) Ltd

Report of the trustees

For the year ended 31 July 2025

A&O Shearman	FM Conway	OCS
ABN Amro	Google	Optos
Adyen	Graham	Optum
Amazon Customer Services	Hachette	Orano
Amentum	Heidelberg Materials	Paramount
Apple	High Speed Training	Pega
Arch Insurance International	Hogan Lovells	Reed Smith
Arena	Howden Group	Restoration & Renewal
Arnold & Porter	HS2	Ridge and Partners
Artemis Foundation	HWF Partners	Rothschild & Co
Ashurst	IM Properties	Royal London
Assura	Infosys	RS Integrated Supply
AtkinsRealis	Irwin Mitchell	RTC
Atos	ISA	RWM
Azets	ISEP	Sage
Balfour Beatty	Jacobs STEAM	Salesforce
BCLP	Jaguar Land Rover	Samsara
BDO	Janus Henderson Investors	Scottish Qualifications Authority
BE Offices	JPMorgan Chase	Sellafield
Bendalls	KBR	Serco
BEP	Keighley Made	Severfield
Bevan Brittan	Keltbray	Siemens Energy
Blackbaud	Kennedys	Sir Robert McAlpine
Bloomsbury	Kier	Slaughter and May
CACI	KPMG	Smiths
Cavendish Nuclear	L&G	Social Value Portal
Cisco	Lewis Silkin	Sodexo Stop Hunger Foundation
Cisco Partners	Liberty Global	Solenis
Clarion Housing Group	Mace Dragados	Solihull MBC
Clyde & Co	Macquarie	Southern Water
CMC Markets	Marsh	Stork
CMS	Maybank	SUSE
Columbia Threadneedle	McCann	T. Rowe Price
CPC Project Services	McLaughlin & Harvey	Tara Group
CTM	MetLife	Taylor & Francis
Datagraphic	Microsoft	Thakeham
DDP	Midlands Rail Alliance	Timothy Taylor & Co
Deloitte	Mishcon de Reya	Tribal Group
Dentons	MITIE	Turner & Townsend
Durham University	Morgan Sindall	Tutorfair Foundation
Emerald Publishing	Morgan Stanley	UNUM
Encore Packaging Solutions	Mott MacDonald UK	Vanquis Banking Group
Equinix	NCR	Vaultex
Euromonitor	NG Bailey	Wavenet
Eversheds Sutherland	NHS Property Services	White & Case
FactSet	Nuclear Waste Services	William Hare
Fidelity International	NVIDIA	Wincanton
Fidelity Investments	Oakland International	Wood
Fieldfisher	Ocado	Yondr

Chapter One (U.K.) Ltd

Report of the trustees

For the year ended 31 July 2025

Many partners worked closely with us throughout the year to support school communities in a myriad of ways which were additional to their Chapter One volunteers (book donations, library improvements, themed workshops), and we were delighted to recognise many of these at our annual recognition event in the summer of 2025. This event also celebrated the contribution of outstanding volunteers—some of whom read with as many as three children.

During the latter part of the year, we were successful in gaining the support of a group of our partner organisations to expand Chapter One's programme into Warrington in 2025-26. We are also delighted that for 2025-26 we have five platinum partners, supporting us with more than 100 volunteers each: Amentum, Eversheds Sutherland, Deloitte, KPMG and the Sodexo Stop Hunger Foundation.

Early Literacy Intervention

Our Early Literacy Intervention (ELI) programme, now in its third year, addresses a specific gap in provision for children lacking the foundational phonics knowledge required for reading development. Trained interventionists deliver intensive one-to-one support using evidence-based methods and bespoke tablet technology across five schools in London, Warwickshire and East Sussex.

The programme's effectiveness is demonstrated through National Phonics Screening outcomes: 93% of ELI participants achieved the expected standard compared to 83% of comparable non-participants—a 10 percentage point improvement. This represents significant educational value.

Planned expansion to ten schools in 2025-26 is contingent on securing sustainable funding arrangements. The Board is actively reviewing funding options to ensure programme continuation while maintaining financial sustainability.

Book Clubs

Research evidence shows declining reading for pleasure among children aged 8+, with only 45% reading daily outside school (National Literacy Trust, 2024). Responding to partner school requests and this evidence base, we piloted Book Clubs in 2024-25 to address older reluctant readers' needs.

Four schools participated—two in London and two in Peterborough—in sessions emphasising student choice and autonomy, principles shown to increase reading motivation. The Reading for Pleasure unit at the Open University provided staff training and conducted independent evaluation, confirming positive outcomes (detailed findings available on request).

Based on the pilot's success, we plan to expand provision in 2025-26, subject to funding availability and strategic capacity assessment by the Board.

Global Free Library

Chapter One's Global Free Library is a free, publicly available online library of stories from around the world that children and adults can enjoy together.

We continued to add diverse stories to our Global Free Library this year, a number of which were sponsored by our corporate partners. We plan to invest more resources to grow this programme in future years.

Chapter One (U.K.) Ltd

Report of the trustees

For the year ended 31 July 2025

A story of growth

Our corporate partner retention demonstrates programme sustainability and value: 84% of 2023-24 partners continued support in 2024-25, with 85% projected retention for 2025-26. These rates significantly exceed sector benchmarks for corporate volunteering programmes (typically 65-70%), indicating strong partner satisfaction.

Feedback from schools was also very positive, with our school retention rate at 88% and many schools increasing the numbers of participating classes. Again, as we look ahead to 2025-26, our school retention rate is forecast to remain high at 88%.

The Chief Executive Officer led a growing team of staff (44 by July 2025, 30 FTE) to ensure Chapter One's programmes ran effectively for UK volunteers and schools and that participating children received maximum benefit. To keep overheads low, we operate as a fully remote workforce.

With 3,388 children supported this year across all our programmes, we were delighted to exceed our strategic goal, set in our 2025-2029 Strategic Plan, to support 3,300 children in the 2024-25 academic year. Additional staff were recruited in the summer of 2025 to increase organisational capacity for the next school year.

Our small fundraising team has worked hard to continue to diversify our sources of income, and we've grown the number of trusts and foundations that support our work. A list of those who have provided us with generous support can be found in the accounts. We also participated in the Big Give Christmas Challenge campaign in December 2024.

Joint team and Board evaluation in July 2025 assessed first-year performance against our 2025-2029 Strategic Plan KPIs. All four strategic pillars showed strong progress: Best in Class Online Reading Programme (exceeded beneficiary targets); Innovation to Boost Reading (successful ELI and Book Club pilots); Maximising Partnerships (149 corporate partners, expanded geographic reach, income growth of 20%); and Internal Transformation (enhanced evaluation systems, increased staffing capacity).

Impact and evaluation

During 2024-25, our Evidence & Impact Manager systematically embedded our Board-approved Theory of Change across all evaluation frameworks, ensuring consistent measurement of intended outcomes. Enhanced evaluation methodology included, for the first time, multi-timepoint child surveys and qualitative research (interviews, focus groups and development of case studies) providing direct beneficiary voice. In addition, we worked with an external provider to fully assess and quantify the social impact and social value of our model.

At the time of writing, the full results of our 2024-25 impact evaluation of ORV are not available, but they will be accessible on the Impact page of our website in early 2026. Previous impact reports are also available on this page. Information about the evaluation/outcomes of ELI and Book Club is contained in their respective sections above.

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Report of the trustees

For the year ended 31 July 2025

Data from our 2023-24 Impact report (published in January 2025 and on our website Impact page), showed that children who participated in Chapter One ORV programme had an increase of 3.2 levels in their reading attainment. 46% more pupils were reading to the expected standard at the end of the year using Chapter One than at the start, and there was a 28% gain in children's positive reading attitudes and behaviours and a 31% gain in their reading knowledge and functional skills. 96% of teachers believed Chapter One was beneficial for their pupils and 97% of volunteers would recommend the programme to a colleague or friend.

FINANCES

Financial review

During the year, Chapter One UK's income was £1,816,178 (2024: £1,470,541) and expenditure of £1,627,708 (2024: £1,213,014). The net surplus for the year was £188,470 (2024: £257,527).

Fundraising

Chapter One UK is registered with the Fundraising Regulator. The charity's principal funding source is corporate partners. Additional income was also raised from Trusts and Foundations and individual donors. All fundraising has been carried out by in-house fundraisers employed directly by the charity. A complaints policy is included on our website. The relevant fundraising standards have been complied with and no complaints were made concerning fundraising activities during the year.

Reserves policy

The level of unrestricted funding received in year has allowed the trustees to act on their plans to build up reserves to provide financial stability. We intend to maintain our reserves at a level which is equivalent to four months' worth of current expenditure/running costs, currently £680k (as per 2025-26 budget, which includes significant growth in staff and delivery). Note: our reserves at year end are in excess of the Board's target of 4 months. As the bulk of our income is generated between November and July in each financial year, we therefore need a buffer at the end of July to support cash flow at the start of our financial year—August to October. This reserve is naturally depleted by the end of October each year.

It is the policy of Chapter One to continue to fundraise from corporate partners and from Trusts and Foundations to generate sufficient unrestricted income to allow us to further build up our level of reserves in line with current operations.

The Board regularly (twice-yearly) reviews the amount of reserves that are required to ensure that they are adequate to fulfil our continuing obligations.

Principal risks and uncertainties

Financial

Chapter One operates in a challenging and demanding area where there are very few certainties over funding, particularly with the economic pressures the UK is facing. This is inherently risky and as an organisation we operate strict financial controls and continually review the situation, including regular forecasting. The annual budgets, reforecasts and management accounts are regularly reviewed. Key controls used by the charity are:

- Formal agendas and minutes for the Board of Trustees;
- Annual budget and regular monthly accounts;
- An annual business plan with key targets; and
- A risk management framework and risk register.

Chapter One (U.K.) Ltd

Report of the trustees

For the year ended 31 July 2025

Application of these controls has successfully managed financial risks and established a track record of sustainable growth and consistent reserves management.

Operational

The nature of our work presents operational risks. These are managed through the implementation of suitable policies, procedures and processes including staff training, supervision and reporting structures as well as through the maintenance of the risk register and Business Continuity Plan which is regularly reviewed. The Board of Trustees is satisfied that all major risks have been identified and adequately minimised.

Plans for future periods

As indicated above, Chapter One's programmes will expand in 2025-26. We anticipate that online reading volunteers will support at least 3,800 children and operate in: Birmingham, Bradford, Doncaster, East Sussex, Edinburgh, Glasgow, Leeds, London, Manchester, Middlesbrough, Peterborough, Warrington and West Cumbria.

Acknowledgements

The trustees would like to express great thanks to Chapter One's funders, as well as to individuals and groups who donated to us throughout the period.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Emma Bell is the CEO of the charity and leads a team of key management personnel, with Board reporting responsibilities, consisting of the following staff: Head of Programme Delivery & Engagement, Head of Corporate Partnerships, Head of Volunteer Strategy & Engagement and Head of Finance & IT.

The remuneration of the Chief Executive and key management personnel is set by the trustees with reference to market trends and is benchmarked against comparable organisations.

Governing document

Chapter One (U.K.) Ltd (Chapter One) is a registered charity (1179625) and company limited by shares (11116416). Our governing document consists of a Memorandum and Articles of Association which incorporated the organisation on 18 December 2017. The company was registered as a charity (originally in its former name of Innovations for Learning) on 21 August 2018.

Organisational structure

Chapter One (U.K.) Ltd has a Board of Trustees and one Member under Company Law, which is Chapter One NFP (a 501c3 non-profit).

Appointment of trustees

Trustees are recruited by a process of co-option and election. The Board consists of at least three and not more than twelve individuals.

Public benefit

As laid out in our objects, Chapter One aims to advance education for the benefit of the public in particular (but without limitation) in the field of literacy. The trustees confirm that Chapter One operates for the public benefit and that we have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and planning future activities. Our summary of activities above lay out the ways in which we have worked to further our charitable aims for the public benefit throughout the period.

Chapter One (U.K.) Ltd

Report of the trustees

For the year ended 31 July 2025

Risk management

Chapter One's Board of trustees is aware of its responsibility to identify and review the major risks to which the organisation is exposed and implement systems to mitigate those risks. Internal risks are minimised by the implementation of appropriate financial management policies and procedures.

RELATED PARTIES

Refer to note 14 in the financial statements.

Statement of responsibilities of the trustees

The trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and statements of recommended practice 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 charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees 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 auditors are unaware;
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. Chapter One NFP (US) is the sole member of the charity. The trustees have no beneficial interest in the charity.

Chapter One (U.K.) Ltd

Report of the trustees

For the year ended 31 July 2025

Auditors

Godfrey Wilson Limited were re-appointed as auditors to the charitable company during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 5 November 2025 and signed on their behalf by

Seth Weinberger

Seth Weinberger - Trustee

Independent auditors' report

To the members of

Chapter One (U.K.) Ltd

Opinion

We have audited the financial statements of Chapter One (U.K.) Ltd (the 'charity') for the year ended 31 July 2025 which comprise the statement of financial activities, balance sheet, statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2025 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

Independent auditors' report

To the members of

Chapter One (U.K.) Ltd

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report

To the members of

Chapter One (U.K.) Ltd

Our 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 procedures we carried out and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

- (1) We obtained an understanding of the legal and regulatory framework that the charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.
- (2) We reviewed the charity's policies and procedures in relation to:
 - Identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
 - Designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.
- (3) We inspected the minutes of trustee meetings.
- (4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.
- (5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.
- (6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.
- (7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:
 - Testing the appropriateness of journal entries;
 - Assessing judgements and accounting estimates for potential bias;
 - Reviewing related party transactions; and
 - Testing transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Independent auditors' report

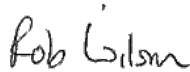
To the members of

Chapter One (U.K.) Ltd

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's 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 charity'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 charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Date: 5 November 2025

Robert Wilson FCA
(Senior Statutory Auditor)

For and on behalf of:

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

Chapter One (U.K.) Ltd

Statement of financial activities *(incorporating an income and expenditure account)*

For the year ended 31 July 2025

	Note	Restricted £	Unrestricted £	2025 Total £	2024 Total £
Income from:					
Donations	3	416,039	1,285,668	1,701,707	1,397,937
Charitable activities	4	-	79,750	79,750	59,000
Investments		-	34,721	34,721	13,604
Total income		<u>416,039</u>	<u>1,400,139</u>	<u>1,816,178</u>	<u>1,470,541</u>
Expenditure on:					
Raising funds		-	53,456	53,456	35,499
Charitable activities		<u>398,412</u>	<u>1,175,840</u>	<u>1,574,252</u>	<u>1,177,515</u>
Total expenditure	5	<u>398,412</u>	<u>1,229,296</u>	<u>1,627,708</u>	<u>1,213,014</u>
Net income		17,627	170,843	188,470	257,527
Transfers between funds		-	-	-	-
Net movement in funds	6	17,627	170,843	188,470	257,527
Reconciliation of funds:					
Total funds brought forward		<u>80,664</u>	<u>797,347</u>	<u>878,011</u>	<u>620,484</u>
Total funds carried forward		<u><u>98,291</u></u>	<u><u>968,190</u></u>	<u><u>1,066,481</u></u>	<u><u>878,011</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 13 to the accounts.

Chapter One (U.K.) Ltd

Balance sheet

As at 31 July 2025

	Note	£	2025 £	2024 £
Fixed assets				
Investments	9		-	154,500
Current assets				
Debtors	10	100,050		152,822
Current asset investments		246,952		200,000
Cash at bank and in hand		745,251		383,416
		1,092,253		736,238
Liabilities				
Creditors: amounts falling due within 1 year	11	(25,772)		(12,727)
Net current assets			1,066,481	723,511
Net assets	12		1,066,481	878,011
Funds	13			
Restricted funds			98,291	80,664
General funds			968,190	797,347
Total charity funds			1,066,481	878,011

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 5 November 2025 and signed on their behalf by

Seth Weinberger

Seth Weinberger - Trustee

Chapter One (U.K.) Ltd

Statement of cash flows

For the year ended 31 July 2025

	2025 £	2024 £
Cash used in operating activities:		
Net movement in funds	188,470	257,527
Adjustments for:		
Interest received	(34,721)	(13,604)
Loss on the sale of fixed assets	-	51,261
Increase / (decrease) in debtors	52,772	(100,265)
Decrease / (increase) in creditors	13,045	(4,098)
Net cash provided by operating activities	219,566	190,821
Cash flows from investing activities:		
Transfer / (purchase) of investments	154,500	(154,500)
Interest received	34,721	13,604
Net cash used in investing activities	189,221	(140,896)
Increase in cash and cash equivalents in the year	408,787	49,925
Cash and cash equivalents at the beginning of the year	583,416	533,491
Cash and cash equivalents at the end of the year	992,203	583,416
Analysed as:		
Cash at bank and in hand	745,251	383,416
Cash held in current asset investments	246,952	200,000
	992,203	583,416

The charity has not provided an analysis of changes in net debt as it does not have any long term financing arrangements.

Chapter One (U.K.) Ltd

Notes to the financial statements

For the year ended 31 July 2025

1. Accounting policies

a) Basis of preparation and general information

Chapter One (U.K.) Ltd is a charitable company limited by guarantee registered in England and Wales. The registered office address is 4 Torriano Cottages, London, NW5 2TA.

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 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 UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Chapter One (U.K.) Ltd meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves. There are no material uncertainties about the charity's ability to continue as a going concern.

c) Income

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

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of provision of a specific project is deferred until criteria for income recognition are met.

d) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

e) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

Chapter One (U.K.) Ltd

Notes to the financial statements

For the year ended 31 July 2025

1. Accounting policies (continued)

f) Expenditure and irrecoverable VAT

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

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

g) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities based on the proportion of staff time occupied by each activity as follows:

	2025	2024
Raising funds	4%	3%
Charitable activities	96%	97%

h) Tangible fixed assets

Items of equipment are capitalised when the purchase price exceeds £1,000.

i) Unlisted investments

Unlisted investments consist of cash held on deposit in interest bearing accounts with maturity dates exceeding one year. Such investments are measured at their fair value.

j) Current asset investments

Current asset investments consist of cash held on deposit in interest bearing accounts. Such investments are measured at their fair value.

k) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

l) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

m) Creditors

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. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Chapter One (U.K.) Ltd

Notes to the financial statements

For the year ended 31 July 2025

1. Accounting policies (continued)

n) Financial instruments

The charitable company 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 with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

o) Pension costs

The company operates a defined contribution pension scheme for its employees. There are no further liabilities other than that already recognised in the SOFA.

p) Foreign currency transactions

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the year end.

q) Accounting estimates and key judgements

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

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

In the trustees' opinion, there are no critical accounting estimates.

2. Prior period comparatives: statement of financial activities

	Restricted	Unrestricted	2024 Total
	£	£	£
Income from:			
Donations	226,828	1,171,109	1,397,937
Charitable activities	-	59,000	59,000
Investments	-	13,604	13,604
Total income	<u>226,828</u>	<u>1,243,713</u>	<u>1,470,541</u>
Expenditure on:			
Raising funds	-	35,499	35,499
Charitable activities	<u>201,294</u>	<u>976,221</u>	<u>1,177,515</u>
Total expenditure	<u>201,294</u>	<u>1,011,720</u>	<u>1,213,014</u>
Net income and net movement in funds	<u>25,534</u>	<u>231,993</u>	<u>257,527</u>

Chapter One (U.K.) Ltd

Notes to the financial statements

For the year ended 31 July 2025

3. Income from donations

	Restricted £	Unrestricted £	2025 Total £
Chapter One US	123,377	-	123,377
Charitable trusts	260,339	12,356	272,695
Individual donors and gift aid	3,645	44,191	47,836
Corporate donations	-	1,229,121	1,229,121
Other grants	28,678	-	28,678
Total income from donations	416,039	1,285,668	1,701,707

Prior period comparative:

	Restricted £	Unrestricted £	2024 Total £
Chapter One US	-	162,627	162,627
Charitable trusts	126,737	9,200	135,937
Individual donors and gift aid	5,832	23,979	29,811
Corporate donations	-	972,835	972,835
Other grants	94,259	2,468	96,727
Total income from donations	226,828	1,171,109	1,397,937

4. Income from charitable activities

	2025 Total £	2024 Total £
School contributions	79,750	59,000

Income from charitable activities was unrestricted in the current and prior year.

Chapter One (U.K.) Ltd

Notes to the financial statements

For the year ended 31 July 2025

5. Total expenditure

	Raising funds £	Charitable activities £	Support and governance £	2025 Total £
Staff costs (note 7)	46,816	1,227,261	149,898	1,423,975
Consultancy	-	19,259	-	19,259
Other project costs	-	128,307	-	128,307
Equipment	-	30,900	-	30,900
Administration costs	211	-	15,848	16,059
Accountancy fees	-	-	9,000	9,000
Trustee costs	-	-	208	208
Sub-total	47,027	1,405,727	174,954	1,627,708
Allocation of support and governance costs	6,429	168,525	(174,954)	-
Total expenditure	53,456	1,574,252	-	1,627,708

Total governance costs were £19,147 (2024: £18,108).

Prior period comparative	Raising funds £	Charitable activities £	Support and governance £	2024 Total £
Staff costs (note 7)	31,094	870,619	103,893	1,005,606
Consultancy	-	3,612	-	3,612
Other project costs	-	98,267	-	98,267
Equipment	-	81,851	-	81,851
Administration costs	6	-	14,995	15,001
Accountancy fees	-	-	8,640	8,640
Trustee costs	-	-	37	37
Sub-total	31,100	1,054,349	127,565	1,213,014
Allocation of support and governance costs	4,399	123,166	(127,565)	-
Total expenditure	35,499	1,177,515	-	1,213,014

Chapter One (U.K.) Ltd

Notes to the financial statements

For the year ended 31 July 2025

6. Net movement in funds

This is stated after charging:

	2025 £	2024 £
Depreciation	Nil	Nil
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	208	37
Auditors' remuneration (excluding VAT):		
▪ Statutory audit	7,900	7,200
▪ Other services	Nil	Nil

Trustee reimbursed expenses relate to travel costs for one trustees (2024: One).

7. Staff costs and numbers

Staff costs were as follows:

	2025 £	2024 £
Salaries and wages	1,265,257	904,390
Social security costs	115,007	77,941
Pension costs	43,711	23,275
	<u>1,423,975</u>	<u>1,005,606</u>

Three employees earned more than £60,000 during the year, two earning between £80,001 and £90,000, and one between £90,001 and £100,000 (2024: Two employees earned between £80,001 and £90,000).

The key management personnel of the charitable company comprise the senior management team. The total employee benefits of the key management personnel were £275,087 (2024: £176,879).

	2025 No.	2024 No.
Average head count	<u>43.7</u>	<u>33.5</u>

8. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

Chapter One (U.K.) Ltd

Notes to the financial statements

For the year ended 31 July 2025

9. Investments

	2025 £	2024 £
Market value at 1 August 2024	154,500	-
Additions	-	154,500
Transfers	<u>(154,500)</u>	<u>-</u>
Market value at 31 July 2025	<u>-</u>	<u>154,500</u>

Investments comprise solely of 2 year fixed term bonds, with a maturity date of 4 January 2026. These are now part of current asset investments.

10. Debtors

	2025 £	2024 £
Trade debtors	85,033	117,436
Prepayments and accrued income	<u>15,017</u>	<u>35,386</u>
	<u>100,050</u>	<u>152,822</u>

Included within prepayments and accrued income are amounts falling due after more than one year of £1,522.

11. Creditors : amounts due within 1 year

	2025 £	2024 £
Trade creditors	748	2,080
Accruals	<u>25,024</u>	<u>10,647</u>
	<u>25,772</u>	<u>12,727</u>

Chapter One (U.K.) Ltd

Notes to the financial statements

For the year ended 31 July 2025

12. Analysis of net assets between funds

	Restricted funds £	General funds £	Total funds £
Current assets	98,291	993,962	1,092,253
Current liabilities	-	(25,772)	(25,772)
Net assets at 31 July 2025	98,291	968,190	1,066,481
Prior period comparative			
	Restricted funds £	General funds £	Total funds £
Investments	-	154,500	154,500
Current assets	80,664	655,574	736,238
Current liabilities	-	(12,727)	(12,727)
Net assets at 31 July 2024	80,664	797,347	878,011

Chapter One (U.K.) Ltd

Notes to the financial statements

For the year ended 31 July 2025

13. Movements in funds

	At 1 August 2024 £	Income £	Expenditure £	Transfers between funds £	At 31 July 2025 £
Restricted funds					
Activity Books	3,000	-	(3,000)	-	-
Book Club	-	39,000	(39,000)	-	-
Evidence, Impact and Research	1,634	-	(1,634)	-	-
Story Creation	1,190	18,678	(18,868)	-	1,000
Early Literacy Intervention	3,775	24,195	(25,970)	-	2,000
Champions for Children	8,832	-	(8,832)	-	-
Hardware sets	18,529	20,413	(24,230)	-	14,712
Platform Development	-	170,432	(114,182)	-	56,250
Online Reading Programme					
National	-	39,500	(39,500)	-	-
East of England	10,916	10,000	(20,916)	-	-
West Midlands	19,867	18,000	(23,617)	-	14,250
North East	1,000	3,000	(3,000)	-	1,000
Yorkshire	2,062	41,821	(41,504)	-	2,379
London	9,859	29,000	(32,159)	-	6,700
North West	-	2,000	(2,000)	-	-
Total restricted funds	80,664	416,039	(398,412)	-	98,291
Unrestricted funds					
General funds	797,347	1,400,139	(1,229,296)	-	968,190
Total unrestricted funds	797,347	1,400,139	(1,229,296)	-	968,190
Total funds	878,011	1,816,178	(1,627,708)	-	1,066,481

Purposes of restricted funds

Online Reading Programme	Funding for the online reading volunteer programme in particular parts of the UK.
Platform Development	Technical development of the online reading platform (web-based application) used by volunteers and schools.
Activity Books	Providing physical books to pupils as part of the end of year reading celebrations.
Evidence, Impact and Research:	Gathering and presenting evidence on the impact of Chapter One's programmes.
Story Creation	Funding for the writing and illustrating of new stories for the online reading platform.

Chapter One (U.K.) Ltd

Notes to the financial statements

For the year ended 31 July 2025

13. Movements in funds (continued)

Purposes of restricted funds (continued)

Early Literacy Intervention	A growing programme that provides in-person specialist phonics support to pupils in their school setting.
Book Club	A new programme this year that enables small groups of older children (Year 4-5) to meet and read books with a facilitator.
Champions for Children	Funding provided to charities working to alleviate the impact of poverty on children across London.
Hardware sets	Funding for the dedicated laptops and headsets provided to classrooms to enable online reading sessions to take place.

Prior period comparative

	At 1 August 2023 £	Income £	Expenditure £	Transfers between funds £	At 31 July 2024 £
Restricted funds					
Activity Books	-	3,000	-	-	3,000
Evidence, Impact and Research	11,670	8,279	(18,315)	-	1,634
Story Creation	-	4,000	(2,810)	-	1,190
Early Literacy Intervention	1,109	8,200	(5,534)	-	3,775
Volunteer Teams	-	29,380	(29,380)	-	-
Champions for Children	-	8,832	-	-	8,832
Hardware sets	-	42,600	(24,071)	-	18,529
Online Reading Programme					
West Midlands	1,000	24,100	(5,233)	-	19,867
London	17,906	44,984	(53,031)	-	9,859
Yorkshire	5,129	28,153	(31,220)	-	2,062
North East	-	3,000	(2,000)	-	1,000
East of England	13,416	22,300	(24,800)	-	10,916
North West	4,900	-	(4,900)	-	-
Total restricted funds	55,130	226,828	(201,294)	-	80,664
Unrestricted funds					
General funds	565,354	1,243,713	(1,011,720)	-	797,347
Total unrestricted funds	565,354	1,243,713	(1,011,720)	-	797,347
Total funds	620,484	1,470,541	(1,213,014)	-	878,011

In the current year, funds previously presented by specific locations have been grouped into broader geographical areas. Prior year comparatives have been re-mapped to align with the revised regional classifications. This change affects only the presentation of fund headings and has no impact on the level of restricted income or expenditure reported.

Chapter One (U.K.) Ltd

Notes to the financial statements

For the year ended 31 July 2025

14. Related party transactions

Sarah Bell (Trustee) is the sister-in-law of Emma Bell, Chief Executive, however the Board are satisfied that any potential conflict has been mitigated, and Sarah has not been involved in any decisions relating to Emma's remuneration.

Controlling party

Chapter One US (NFP), a 501c3 non-profit in the US, is the sole shareholder of Chapter One (U.K.) Ltd. During the year, a grant of £123,377 was received from Chapter One US (2024: £162,627). No amounts were outstanding at year end.