

Charity Number: 1180559
Company Number: CE015532

**LET'S TALK READING
CHARITABLE INCORPORATED ORGANISATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020**

LET'S TALK READING
PERIOD ENDED 31 MARCH 2020

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LET'S TALK READING
CHARITABLE INCORPORATED ORGANISATION
TRUSTEES' AND DIRECTORS' REPORT
FOR THE PERIOD FROM 5 NOVEMBER 2018 TO 31 MARCH 2020

Registered Office

C/o Suffolk Libraries
County Library
Northgate Street
Ipswich
IP1 3DE.

Registered in England and Wales.

Principal Operational office:

c/o Volunteering Matters
The Old Crown Court
Civic Drive
Ipswich
IP1 2DX

Trustees:

Mr R Fern
Professor E Joslyn
Mr R J Helleur MBE (Chair)
Mr D Hughes
Ms K Vittles
Mrs C Pyper (resigned 13 January 2019)
Mr J Hayward (appointed 9 May 2019)

Bank: The Co-operative Bank, PO Box 250, Skelmersdale, WN8 6WT

Note that this report covers the first 17 months of operation of the CIO.

Purposes of the charity and main activities

To advance the education of children and adults, living in Ipswich, in the subject of literacy through, predominantly, but not exclusively, providing and supporting programmes for the improvement of literacy skills.

The main activities are undertaken to further the charity's purposes for the public benefit and the trustees have had regard to Charity Commission guidance on public benefit.

Achievements and Performance

Despite this being a very challenging period, LTR has made good progress and has successfully completed the transition from a project to a fully operational CIO. LTR now delivers a broad programme of reading-focused activities across all age groups and across all areas of Ipswich, with the emphasis still strongly on disadvantaged families.

LTR is now established as a viable long-term organisation having cemented good working relationships with key partner charities, consultants and local organisations. Essential work to recruit a group of skilled and motivated volunteers has paid dividends, enabling all of the key disadvantaged areas to be covered regularly and has started to release key resources to work on the next stages of development, including finding longer term sustaining funding.

Considerable work has gone into establishing the registered CIO, with a full set of appropriate policies, its own equipped office, bank account, insurances and website.

The first half of FY2019/20 was severely disrupted by long delays to almost all of its funding streams due to protracted decision-making by funders. Our work had then to be stopped as the Covid19 restrictions started in mid-March 2020. However, substantial funding was obtained in Autumn 2019, which has put the CIO on a much more sustainable footing. LTR is indebted to these funders, who are listed below.

Despite the shortened operational period, large numbers of Ipswich people benefitted from LTRs activities in the 17 months: 2,725 children, 1560 adults, 273 staff and 48 volunteers.

Substantial progress was made in developing literacy support to Early Years parents, staff and children (ages 0 to 4), a trial into barriers to reading in primary school-age children was completed successfully, and our approach to giving away family book-bags was established, with quality, branded bags and an embryo network of distribution partners.

The credibility of the organisation was raised by winning a substantial contract from Ipswich Opportunity Area and funding from 3 Suffolk Community Foundation funds.

The project was put on a much stronger footing, with increased volunteer numbers (to 14 in LTR and 35 in partner Read Easy Ipswich), the completion of a website, and the acquisition of enough funds to deliver most of the programme to March 2021.

Structure and Governance

LTR became a separately registered charity on 5th November 2018. Its constitution is that of a Charitable Incorporated Organisation (CIO), the only voting members being its charity trustees. The CIO has power to do anything which is calculated to further its object[s] or is conducive or incidental to doing so.

The Board of Trustees, which is responsible for all strategic and financial management of the charity, meets approximately 6 times per year. Every appointed trustee is appointed for a term of between 2 and 4 years by a resolution passed at a properly convened meeting of the trustees. In selecting individuals for appointment as trustees, the charity trustees seek the skills, knowledge and experience needed for the effective administration of the CIO. New trustees receive a full induction, covering strategy, approach, projects, partners and their responsibilities.

Financial Review

LTR operates an appropriate Reserves policy, and reviews this annually, to attempt to provide a measure of sustainability through the subsequent year, covering: A) Funding for 6 months of project coordination costs, including the salary and on-costs of the Coordinator:

approximately £7,500. B) A Redundancy fund for existing employees C) Contingency cover of £2,000 D) Small new project feasibility and launch fund of £3,000

The CIO was set up on 5th November 2018 with funds of £6,708 which had been managed for the LTR project by Suffolk Libraries. At 31st March 2019 LTR was able to carry only £2,471 forward into 2019/20; an anonymous local charity and local sponsor both continued to generously support the charity with funding of £22,000 in March and April 2019, which enabled LTR to operate for the first half of the Financial Year.

Further bids totalling ~ £52,000 had been submitted to various funding bodies and sponsors early in the year, but were not adjudicated until September/October, which caused the work programme to be throttled back until the late Autumn. Eventually, most of the bids were successful, with grant funding of a further £44,795 being obtained.

LTR is indebted to the following funders:

Ipswich Opportunity Area, Ipswich Borough Council (SW, NW, NE and Central Area Committees), Suffolk Community Foundation (3 Funds), an anonymous local charity, Chris Chambers (Suffolk County Council), Gainsborough Community People's Forum, Harper Collins, and an anonymous local sponsor.

Profit and Loss Account

Review of Income:

5th November 2018 to 31st March 2019:

- £6,708 was Brought Forward from FY2018/19 project funds, held by Suffolk Libraries.
- Two grants amounting to £12,000 were received from a local charity and a local sponsor late in 2018/19, which were for the benefit of the FY2019/20 programme.

FY2019/20: 1/4/19 to 31/3/20:

Two grants were received in March 2019 to fund the 2019/20 year, amounting to £12,000. Further sponsor donations of £10,000 were received; all sponsor donations were 'gift aided', resulting in a tax refund from HMRC of £3,001.22 in the period. A further £25 was gifted to the charity.

Further grants were received from 4 of Ipswich Borough Council's Area Committees, amounting to £18,550, and a contract was won from the DfE initiated Ipswich Opportunity Area for £21,000 for work with Early Years education. Further small grants were obtained: 3 Suffolk Community Foundation funds providing £4,000, a Suffolk County Councillor providing £660, and the Gainsborough Community People's Forum granted £585.

Total income was £68,821.22.

Of this, £44,795.00 was Restricted and £25,026.22 was Unrestricted income.

In addition, LTR volunteers donated some 1723 hours of their time, worth at least £25,845 (at £15 per hour), and a number of books, story-sacks and equipment were donated worth approximately £800.

Review of Expenditure:

From 5th November 2018 to 31st March 2019:

- £587 was spent completing an annual programme of £5,373 to subsidise partner charity Suffolk Babies (SB) to set up new ante and post-natal classes in Gainsborough, a disadvantaged area in SE Ipswich and for SB to change the emphasis and accessibility of their courses.
- £544.70 was spent setting up the new registered CIO charity and obtaining appropriate insurance. [Previously insurance was provided by Suffolk Libraries as part of their support package].
- £4,350 was spent employing a Coordinator for 15 hours per week, plus minor operational costs of £134.23.

For the FY2019/20, 1/4/19 to 31/3/20:

The scale of expenditure was substantially reduced by late grant funding and the impact of Covid 19.

Total expenditure was £29,640.84

Of this, £15,351.19 was Restricted and £14,289.65 was Unrestricted expenditure.

All aspects of the programme were moved forward:

- £3,060 was applied to improving adult literacy via grants to sister charity, Read Easy Ipswich, buying 500 'Teach a Friend to Read' manuals, and branding 500 jute 'bags for life'.
- £3,225.90 was spent on the purchase of 1000 cotton bags and 500 jute 'bags for life', with printed logos, as the basis for free book-bags: the LTR "getting books into homes" initiative.
- 3,451 books were purchased at a cost of £4,154.34 to be given away free in the book-bags as part of the same initiative.
- £2,586 was spent subsidising partner charity Suffolk Babies (SB) to set up new ante- and postnatal classes in Gainsborough, a disadvantaged area in SE Ipswich and for SB to change the emphasis and accessibility of their courses for this demographic.
- £8,250 was spent running a trial into conditions which might act as barriers to reading; some 300 school pupils were involved in the trial.
- £819.65 was spent on publicity/printing, mainly on bags to be given away in the target communities.
- Storytime sessions in nearly 40 Early Years settings were delivered by 8 volunteers and, remarkably, only cost £171.30 due to the generosity and creativity of these volunteers.
- Many community events were attended, but at little expense, again due to the generosity of LTR volunteers, and there was insufficient time and effort to organise additional staff training beyond that involved in the barriers to reading trial.
- All support costs were kept well under control, with office rent at £1,500, insurance at £324.19, phone at £77.50, office materials/postage at £362.29, operational software at £273.35, and hospitality at £214.68.
- There were no room hire or travel costs.
- The accounts were externally examined for the second time at a cost of £550 per annum.
- The establishment of the operational CIO was largely completed, with a working website developed, costing £448.80, Data Protection registration at £35.00 and capital equipment purchases of £189.81 (mainly an A3 office printer).
- Our employment costs remained largely stable at £11,342.98.
- Best Value Purchasing: considerable savings were made by spot-buying books at the point of maximum discounting, probably saving around £8,075 on 3,450 books, and

TaFTR manuals were printed at £2.00 each rather than £5.00, saving £1,500. All other purchases were carefully researched in order to deliver Best Value and discounts were obtained from Harper Collins based on bulk orders.

Stock/Inventory and Assets:

Stock:

Due to the delay in obtaining most of the programme funding until October/November 2019, most of the stock (books and bags) was purchased in bulk in January/February 2020. The delivery of some of these items to Early Years settings and families was then curtailed in March by Covid19 restrictions. Hence, LTR has completed FY2019/20 with substantial stock:

- Over 2,600 new books across the age range of 0 to adult worth ~ £3,170 (based on the highly discounted average purchase cost of £1.20 per book in 2019/20).
- A little over 1,500 bags, both cotton and jute, worth £3,082.
- 'Teach a Friend to Read' manuals worth £980
- Pre-loved books and stationery etc worth ~ £387
- Overall stock at year-end has been valued at £7,619.

Assets:

LTR finished the year with assets worth approximately £118, including a new A3 printer.

Mr J Helleur, MBE

Chair of Board of Trustees

On behalf of the board

Date:

Independent Examiner's Report to the Trustees of Let's Talk Reading CIO

I report to the charity trustees on my examination of the accounts of the charity for the period ended 31 March 2020 which are set out on pages 6 to 12.

Responsibilities and basis of report

As the charity's trustees 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 charity's accounts carried out under section 145 of the 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. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity 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 applicable requirements concerning the form and content of 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.

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.

Sarah Goddard FCA

Sarah Goddard Chartered Accountants

Sapphire House
Cristal Business Centre
Knightsdale Road
Ipswich
IP1 4JJ

**LET'S TALK READING
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 31 MARCH 2020**

	2020		
	£	£	£
	Restricted	Unrestricted	Total
	Funds	Funds	Funds
INCOMING RESOURCES			
Incoming Resources from Generated Funds:			
Voluntary Income			
Grants Received	44,795	0	44,795
Gift aid Receipts	0	3,000	3,000
Donations Received	0	22,025	22,025
Investment Income			
Interest Received	0	1	1
TOTAL INCOMING RESOURCES	44,795	25,026	69,821
RESOURCES EXPENDED			
Charitable Activities	14,029	19,325	33,353
Governance Costs	0	1,100	1,100
TOTAL RESOURCES EXPENDED	14,029	20,425	34,453
NET INCOME FOR THE YEAR	30,766	4,602	35,368
Reconciliation of Funds			
Total funds introduced at 5 November 2018	0	6,708	6,708
Total funds carried forward at 31 March 2020	30,766	11,310	42,076

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

**LET'S TALK READING
BALANCE SHEET
AS AT 31 MARCH 2020**

	2020	
	£	£
Fixed Assets		
Tangible assets		118
Current Assets		
Stock	7,619	
Debtors	5,496	
Cash at bank and in hand	30,267	
	<u>43,382</u>	
Creditors: amounts falling due within one year	<u>(1,423)</u>	
Net current assets		41,958
NET ASSETS		<u><u>42,076</u></u>
Reserves		
Reserves introduced		
Restricted	0	
Unrestricted	<u>6,708</u>	6,708
Movement in year		
Restricted	30,766	
Unrestricted	<u>4,602</u>	35,368
Restricted Funds		30,766
Unrestricted Funds		<u>11,310</u>
TOTAL FUNDS		<u><u>42,076</u></u>

The company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies and the directors acknowledge their responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

Approved by the management committee on and signed on its behalf by:

.....
Mr J Helleur
Trustee
On behalf of the board

Notes forming part of the financial statements for the year ended 31 March 2020

1. Accounting Policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

(a) Basis of accounting

The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

(b) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

(c) Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to, and virtually certain to receive, the income and the amount can be quantified with reasonable accuracy. The following policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

The value of services provided by volunteers has not been included in these accounts. Clothing and other items donated for resale through the charity's shop are included as incoming resources within activities for generating funds when they are sold.

Investment income is included when receivable.

Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

(d) Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

(e) Fixed assets

Fixed assets (excluding investments) are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life. Impairment reviews are carried out as and when evidence comes to light that the recoverable amount of a functional fixed asset is below its net book value due to damage, obsolescence or other relevant factors.

The following depreciation rates have been used:

Fixtures and fittings 25% reducing balance

(f) Stock

Stock has been valued at cost.

2. Donations

	Unrestricted	Restricted	Total 2020 £
Donations	22,025	0	22,025

3. Incoming Resources from Activities to further the Charity's Objects

	Unrestricted £	Restricted £	Total 2020 £
Grants received	0	44,795	44,795

RESOURCES EXPENDED

	Restricted Funds 2,020 £	Unrestricted Funds 2,020 £	Total Funds 2,020 £
Charitable Activities			
Adult Literacy: REI	3,180	0	3,180
Ante- & post-natal (Suffolk Babies) classes	2,586	0	2,586
MSTC	8,250	0	8,250
Book Purchase	6,687	0	6,687
Community Events	48	0	48
Schools Initiatives	0	0	0
Telephone	0	78	78
Salaries	0	15,495	15,495
Employer's NIC	0	0	0
SL Service Charge/Office etc	0	0	0
Insurance	0	372	372
Repairs and Renewals	0	54	54
Software	0	322	322
Rent	0	1,750	1,750
Printing	820	0	820
Stationery	19	328	347
Hospitality	58	211	269
Training and Coordination	0	27	27
Miscellaneous expenses	0	181	181
Stock movement	(7,619)	0	(7,619)
Depreciation	0	18	18
Utilisation of restricted funds	0	0	0
Governance Costs			
Accountancy	0	1,100	1,100
TOTAL RESOURCES EXPENDED	14,029	20,425	34,453

5. Net Incoming Resources for the Year

This is stated after charging:	2020
	£
Depreciation	18
Independent examiner's fees	1,100
Salaries and wages	15,495
	<u>16,613</u>

No employee received emoluments of more than £60,000.

The average number of employees during the period was one.

6. Trustee Remuneration & Related Party Transactions

No members of the management committee received any remuneration during the year.

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the period.

7. Taxation

As a charity, Let's Talk Reading is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

8. Tangible Fixed Assets

	Office Equipment £
Cost	
Additions	136
At 31 March 2020	<u>136</u>
Accumulated Depreciation	
Charge for the year	18
At 31 March 2020	<u>18</u>
Net book value	
At 31 March 2020	<u>118</u>

9. Debtors

	2020 £
Grants receivable	5,250
Gift Aid recoverable	0
Prepayments	246
	<u>5,496</u>

9. Creditors: Amounts Falling Due within One Year

	2020 £
Taxation and social security	62
Accruals	1,361
	<u>1,423</u>

10. Analysis of Net Assets Between Funds

	Restricted Funds 2020 £	Unrestricted Funds 2020 £	Total Funds 2020 £
Tangible fixed assets		118	118
Current assets	30,766	12,615	43,382
Current liabilities		(1,423)	(1,423)
	<u>30,766</u>	<u>11,310</u>	<u>42,076</u>

11. Movements in Funds

	Introduced At 5 Nov. 2018	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March 2020 £
Restricted funds	0	44,795	(14,029)	0	30,766
Unrestricted funds	6,708	25,026	(20,425)	0	11,310
TOTAL FUNDS	<u>6,708</u>	<u>69,821</u>	<u>(34,453)</u>	<u>0</u>	<u>42,076</u>