

Charity Registration No. 1158030

**WORLDREADER**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

# WORLDREADER

## LEGAL AND ADMINISTRATIVE INFORMATION

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Trustees	Mr C McElwee	
	Mr J Risher	
	Ms H Ireland	
	Ms E Wood	
	Ms L Halpern	(Appointed 27 September 2017)
	Mr P Mallinson	(Appointed 27 September 2017)
Charity number	1158030	
Principal address	20 Darmouth Park Road London Middlesex NW5 1SX	
Auditor	Moore Stephens LLP 150 Aldersgate Street London EC1A 4AB	
Bankers	HSBC Bank 196 Oxford Street London W1D 1NT	

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# WORLDREADER

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*Chris McEneaney*

# WORLDREADER

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2017

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The Trustees present their annual report and financial statements of the Charity for the year ended 31 December 2017.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Trust Deed, 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) (effective 1 January 2015)".

## 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. Trustees would select individuals for appointment having 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:

- Mr Colin Martin McElwee
- Mr John David Risher
- Ms Hermione Ireland
- Ms Elizabeth Wood
- Ms. Lucia Halpern (Appointed 27 September 2017)
- Mr. Peter Mallinson (Appointed 27 September 2017)

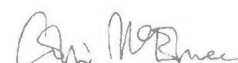
## Charity's Organisational Structure within the wider network: Worldreader Global Initiative (WRGI)

Worldreader is a global initiative implemented by various separate legal entities that work in close collaboration. Currently, there are 4 other legal entities registered under the Worldreader Global Initiative:

- Worldreader.org US registered as a 501 3 c) Charity incorporated in the State of Washington;
- Fundación Worldreader.org registered as Foundation under the Spanish Ministry of Education with public benefit recognition;
- Worldreader.org Ghana registered under the Companies Act 1963 with a Certificate of Recognition as Non-Government Organization (N.G.O); and
- Digital Reading Foundation ("DRF") 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).

Worldreader's aim is to bring digital books to every child and her family so that they can improve their lives. Worldreader strives to promote and support initiatives that use new technologies to provide immediate access to written materials increasing literacy rates and advancing education.

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



# **WORLDREADER**

## **TRUSTEES' REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2017***

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### **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**

The trustees have considered the major risks to which the charity is exposed and have reviewed those risks and established systems and procedures to manage those risks.

#### **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.

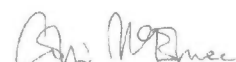
#### **Financial Management**

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 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.



# **WORLDREADER**

## **TRUSTEES' REPORT**

### ***FOR THE YEAR ENDED 31 DECEMBER 2017***

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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**

The aim of this section is to provide information about the achievements of the charity in the year.

Worldreader's mission is to bring digital books to every child and her family, so that they can improve their lives. Worldreader strives to promote and support initiatives that use new technologies to provide immediate access to written materials increasing literacy rates and advancing education.

During 2017 Worldreader's main activities were:

- To finalise the implementation of the Read to Kids project and to continue helping to disseminate its learnings.
- To identify and develop fundraising, business development and advocacy opportunities across the UK to benefit e-reading programs in Africa, India and beyond; and
- Ensure supporters are informed, engaged and well-loved for the contributions they provide.

#### **Key achievements**

##### **Read to Kids (Previously known as Mobile Reading to Children Project)**

Being read to regularly at an early age can mitigate some of the effects of poverty on learning outcomes. Regular reading to children using storybooks and read aloud help give parents the tools to improve their child's language development and early reading success. Such parental investment in reading has been shown to positively influence children's ability to read in early primary school. Nevertheless, in low resource communities in India, the lack of access to high quality children's books is one of the main barriers to reading to children.

With this in mind and in keeping with its philosophy of using new technologies to make reading materials available and generate shared projects with other entities and organisations, in June 2015 Worldreader partnered with an International Publisher to develop a program in India to promote literacy by encouraging parents to read to and with their young children (age 0-6) and to provide such parents with an access to a collection of quality storybooks on mobile phones.

## WORLDREADER

### TRUSTEES' REPORT

#### *FOR THE YEAR ENDED 31 DECEMBER 2017*

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The program aimed to raise awareness on the value of reading to young children and encourage a culture of reading to children at the household level and was designed as a learning pilot structured to gather insights into the types of support parents and caregivers needed to adopt digital reading and to understand how the application could effectively scale to the millions of families in India lacking access to quality children's books.

The first phase of the program consisted of a 2-year pilot from June 2015 to April 2017. In order to complete one full year of program implementation and gather as many insights as possible around the research questions, a no cost extension from April to July 2017 was granted by Pearson.

During 2017, the age group, initially defined as 0-6 years old, was increased to 8 years old. This was decided based on both UNICEF's early childhood definition which includes children up to 8 years of age and on the feedback from the field as field staff members were reporting that parents with children older than 6 were also interested in the program.

#### Project's Key Findings:

- The program reached over 203,000 households via the Read to Kids App of which 15,000 were part of our implementation partners' outreach in 177 low-income communities in Delhi.
- The majority of households in target group did not have a supportive home literacy environment. Limited awareness on the value of shared reading and a lack of age-appropriate children's books in local language led to a poor culture of reading to children.
- Availability of data enabled phones in target group can create access to books for under-resourced families. Access to digital reading is affordable, reading a story every day on the app for a month costs the equivalent of two cups of chai.
- Digital distribution is very scalable and affordable, with each app download costing approximately 0.30 cents in media costs.
- A combination of household visits and group activities were most effective in changing parental behaviors and supporting their frequent reading to children.
- Regular access to a shared family phone and data was a common barrier for women. Nonetheless, the majority of our frequent readers were mothers.
- Parents and caregivers' attitudes and practices take time to shift. Parental attitude around the importance of reading to children improved during the program, but so did the attitudes of the control group. All three implementing partners achieved a similar impact i.e. around 24% of families becoming "frequent readers" - despite using different methods of engagement.
- Data costs, reliable connectivity and lack of time were the main "perceived" barriers reported by users to digital reading to children.
- Hindi content was most desired by families in the target group. Hindi and bilingual stories (English/ Hindi) were consistently the top read books which suggests the families are comfortable in Hindi but also aspire to read in English.

The Read to Kids pilot demonstrated the potential to reach hundreds of thousands of households with access to high-quality storybooks using digital technology.

Building on that success, Worldreader Global is committed and keeps working with international and local partners to expanding and deepening the Read to Kids program adding more tools, tips and more support for parents reading to their children.

# WORLDREADER

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2017**

### 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 (25,000 GBP), excluding restricted grants. 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. This level of reserves has been maintained throughout the year. The amount of reserves at year end has been of £96,551.

The Trustees' has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Partnership agreements with other entities:

In 2015 Worldreader partnered with a major International Publisher to implement the Read to Kids program. To guarantee the success of the project Worldreader decided to implement the program in collaboration with Fundación Worldreader.org. Fundación Worldreader.org not only has the intellectual property assets (mobile applications and content) but also expertise in mobile reading and projects management.

Description		Income	Grant funding
Agreement 1. With Pearson	2015	£700,000	
Agreement 2. With Fundación Worldreader.org	2015		£111,000
Agreement 1. With Pearson	2016	£300,000	
Agreement 2. With Fundación Worldreader.org	2016		£300,000
Agreement 1. With Pearson	2017	£89,129	
Agreement 2. With Fundación Worldreader.org	2017		£108,071

Worldreader has agreed, under the terms of an agreement, to grant a total of £519,071 to Fundación Worldreader.org for the Read to Kids project during 2015, 2016 and 2017.

### Revenue & Expenses

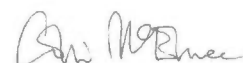
#### 1. Revenue

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

Mr. Taleb Salhab joined Worldreader.org US as a Chief Advancement Office in December 2017. Mr. Salhab is leading WRGI efforts and teams in Development, Communications, Global Insights/Advocacy and Strategic Partnership.

WRGI's CAO and the Development Manager will collaborate to identify and target individuals, and key stakeholders who are interested in helping WRGI to achieve its global mission.

During the course of this fiscal year, Worldreader has identified and engaged new development opportunities which have led to triple its revenue, as compared to the previous fiscal year.





## WORLDREADER

### TRUSTEES' REPORT

#### FOR THE YEAR ENDED 31 DECEMBER 2017

Income from Charitable activities		2017		2016
Major Gifts	£	9,000.00	£	8,834.45
General Donations	£	11,853.36	£	0.00
Corporate Giving	£	4,415.00	£	3,175.00
Foundation	£	10,000.00	£	0.00
Gifts in Kind - Services	£	15,000.00	£	0.00
Total	£	50,268.00	£	12,010.00

2017 saw many highlights for Worldreader in the UK as we continue to build upon our presence in the country. Worldreader was selected as the Charity of the Year at the prestigious London Book Fair which introduced the charity to a new audience as did our presence at the Hay Festival. We furthered our relationship with the Wilbur and Niso Smith Foundation who supported our Adventure Collection on our mobile app, both with content and financially. Worldreader continued to develop relationships with individuals, companies and foundations, attracting new donors and supporting repeat donations.

#### 2. Expenses:

Read to Kids was Worldreader's main project during 2017 hence 69% of the expenditure has been allocated to meet Read to Kids project needs. Unlike the previous years, the expenditure incurred has been lower due to completion of the project in July 2017.

#### Read to Kids – Key Achievements:

- Worldreader partnered with Indian and international publishers to curate a collection of locally relevant Hindi and English children's storybooks. The collection comprised of locally relevant content ranging from storybooks, to folk tales and books that taught values and simple educational concepts. Worldreader digitized the collection into eBooks and delivered them to a wide range of mobile phones via the Read to Kids Web App. Currently, the collection includes over 500 titles in Hindi and English, organised by age levels 0-2, 3-5 and 6-8.
- In February 2016, Worldreader launched the 1.0 version of the Read to Kids App. This webapp was made available at readtokids.com but also on the Google Play Store in a wrapped version, thus making it easier for any smartphone user to be able to find and download. Based on the feedback from the field and with the goal of improving the user experience and retention, 5 major app updates took place. These updates included fixes and improvements on the offline reading support feature of the app, a sign in interface, language selection button, improved user design and functionalities, age levelling of books, regularly promoted books function, and books shelves per category.

Towards the end of the pilot, the 1.0 Android version of the Read to Kids app was developed with the goal of offering a more reliable offline reading experience and improved user experience. This investment was in direct response to user desires for a more robust offline reading experience and our desire for more stable user data on the back end. The first version of the android app was released and tested in May 2017 over a two weeks period, but then removed from the Play Store due to slow book loading experienced once in market. The android app was relaunched by the Autumn of 2017.

- Through the course of the pilot Worldreader succeeded in getting 203,661 users either download the app from the google play store or access the app via readtokids.com. Over 214,000 books were opened during this period and over 5,500 books downloaded for offline reading. By end of May 8,371 users had changed their behaviour and became frequent readers (defined as reading at least 4 times a month).

The expenditure must be commensurate with all the projects and funds received, the level of expenditure has remained within the budget, according to the main Agreement with Pearson and also all the sub-grants to WRGI entities and Third Parties.

# WORLDREADER

## TRUSTEES' REPORT

*FOR THE YEAR ENDED 31 DECEMBER 2017*

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### PLANS FOR FUTURE PERIODS

The charity's plans for the following years are:

1. Keep working on identifying and developing new donor engagement and fundraising opportunities across the UK. With a new role of Chief Advancement Officer successfully filled at WRGI and an Institutional team in place in the US, the UK Development Manager is now primed to explore opportunities for long term, high value support from government funding, government prime contractors and major Foundations.
2. Keep collaborating with WRGI to:
  - a. make potential donors and supporters aware of Worldreader activities, learnings and mission.
  - b. identify new strategic partnership, strengthening WRGI work around financial sustainability and building on our success communicating the impact of digital reading worldwide.
3. As we look towards the global charity's tenth anniversary we will be seeking campaign contributions to support 10 million people reading in 2020. We aim to increase our partnerships with institutions invested in a similar mission to Worldreader whilst continuing to collaborate with individuals who share our vision for a world where everyone can be a reader.

In addition to the global Campaign we are actively fundraising for our Ghana District Scale programme, a three-year project to deliver our eReader programme to schools in the Kwaebibirem District. This opportunity allows us to continue to explore opportunities across audiences within the UK and 2018 has already seen a new major donor come on board in support of this work.

As we continue to develop awareness in the UK of the Worldreader name it is also important to have growing support within a community level which can generate PR opportunities within a literary audience. In June, the fifth great niece of the legendary author Jane Austen will be taking part and coordinating a series of events on behalf of Worldreader in the UK. Due to this opportunity Worldreader has established a presence on the Virgin Money Giving online donation platform in the UK to facilitate donations at a lower value but greater number.

On behalf of the Board of Trustees:



Mr. Colin Martin McElwee  
Dated: June 28th, 2018

## **WORLDREADER**

### **TRUSTEES' REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2017***

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#### **STATEMENT OF TRUSTEE'S RESPONSIBILITIES**

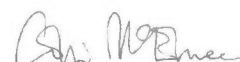
The Trustees' are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 of the 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.



# **WORLDREADER**

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF WORLDREADER**

***FOR THE YEAR ENDED 31 DECEMBER 2017***

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### **Opinion**

We have audited the financial statements of Worldreader (the 'charity') for the year ended 31 December 2017 which comprise the Statement of Financial Activities, the Balance Sheet and 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2017 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### **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 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 audit opinion.


### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

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



# **WORLDREADER**

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF WORLDREADER**

### ***FOR THE YEAR ENDED 31 DECEMBER 2017***

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.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

#### **Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs(UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

## WORLDREADER

### INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF WORLDREADER

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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#### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

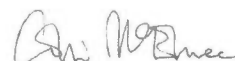


For and on behalf of Moore Stephens LLP, Statutory Auditor

150 Aldersgate Street  
London  
EC1A 4AB

Date: 9 October 2018

Moore Stephens LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006



**FOR THE YEAR ENDED 31 DECEMBER 2017**

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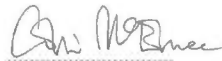
# WORLDREADER

## BALANCE SHEET

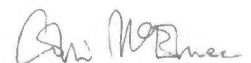
AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Tangible assets	10		427		734
<b>Current assets</b>					
Debtors	11	41,000		154,129	
Cash at bank and in hand		68,832		243,601	
		109,832		397,730	
<b>Creditors: amounts falling due within one year</b>	12	(13,708)		(12,018)	
Net current assets			96,124		385,712
<b>Total assets less current liabilities</b>			96,551		386,446
<b>Income funds</b>					
Restricted funds			-		361,376
Unrestricted funds			96,551		25,070
			96,551		386,446

The accounts were approved by the Trustees on **June 28th, 2018**



Mr C McElwee  
Trustee





# WORLDREADER

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1 Accounting policies

##### Charity information

Worldreader is a registered charity. The registered office is 20 Darnmouth 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 accounts have been prepared in accordance with the charity's governing document, 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 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity and rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

As we look towards the global charity's tenth anniversary we will be seeking campaign contributions to support 10 million people reading in 2020. We aim to increase our partnerships with institutions invested in a similar mission to Worldreader whilst continuing to collaborate with individuals who share our vision for a world where everyone can be a reader.

With a new role of Chief Advancement Officer successfully filled at Worldreader and an Institutional team in place in the US, the UK Development Manager is now primed to explore opportunities for long-term, high-value support from government funding, government prime contractors and major Foundations.

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 or will receive the necessary support from Worldreader Global.

Thus the Trustees continue to adopt the going concern basis of accounting in preparing the accounts.

#### 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.



# WORLDREADER

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 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
--------------------------------	----------------------

#### 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, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

#### 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*

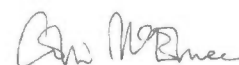
Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified 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.



# WORLDREADER

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 1 Accounting policies

(Continued)

#### 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 are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed.

Further details of each funds are disclosed in Trustees' report.

#### 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 Charitable activities

	2017 £	2016 £
Grant income	50,268	12,010
Analysis by fund		
Unrestricted funds	50,268	12,010
	50,268	12,010

Grant income includes a £15,000 donation in relation to the LBF Charity of the Year package 2017 at The London Book Fair.

### 3 Raising funds

	2017 £	2016 £
Fundraising and publicity		
Donor related expenses	21,176	-
	21,176	-

*Caroline Mee*

# WORLDREADER

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 4 Charitable activities

	2017 £	2016 £
Grant funding of activities (see note 5)	123,071	335,000
Share of support costs (see note 6)	181,236	389,285
Share of governance costs (see note 6)	14,680	14,188
	<u>318,987</u>	<u>738,473</u>
<b>Analysis by fund</b>		
Unrestricted funds	84,933	87,390
Restricted funds	234,054	651,083
	<u>318,987</u>	<u>738,473</u>

### 5 Grants payable

	2017 £	2016 £
Grants to institutions:		
Grants to Worldreader Spain	108,071	300,000
Grants to Worldreader Ghana	15,000	35,000
	<u>123,071</u>	<u>335,000</u>

*Qw M B mee*

# WORLDREADER

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 6 Support costs

	Support costs	Governance costs	2017	2016	Basis of allocation
	£	£	£	£	
Staff costs	47,486	-	47,486	29,569	Time basis
Depreciation	307	-	307	186	Time basis
Travelling expenses	2,378	-	2,378	2,543	See note below
Consultancy	121,524	-	121,524	351,228	See note below
Bank charges	616	-	616	1,103	See note below
Subscriptions	1,796	-	1,796	2,108	See note below
Recruitment costs	-	-	-	875	See note below
Printing & stationery	990	-	990	631	See note below
Advertising	1,948	-	1,948	733	See note below
Sundry expenses	89	-	89	309	See note below
Product development	4,102	-	4,102	-	See note below
Audit fees	-	7,560	7,560	7,200	Governance
Accountancy	-	7,120	7,120	6,988	Governance
	<u>181,236</u>	<u>14,680</u>	<u>195,916</u>	<u>403,473</u>	
Analysed between					
Charitable activities	<u>181,236</u>	<u>14,680</u>	<u>195,916</u>	<u>403,473</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 auditors of £7,380 (2016: £7,200) for audit fees.

### 7 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year.

Hermione Ireland, a trustee of the charity, received reimbursement of expenses during the year in relation to her trip to Barcelona as a board member in October 2017 amounting to £214.

*Chris McEneaney*

## WORLDREADER

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

#### 8 Employees

##### Number of employees

The average monthly number employees during the year was:

	2017 Number	2016 Number
Administration	1	1
Employment costs	2017 £	2016 £
Wages and salaries	44,654	29,569
Social security costs	2,086	-
Other pension costs	746	-
	47,486	29,569

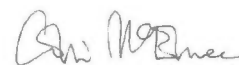
The charity's key management personnel comprises the Board of Trustees and the Executive Director.

The total amount of employee benefits received by Executive Director in the year was £nil (2016: £nil).

There were no employees whose annual remuneration was £60,000 or more.

#### 9 Net movement in funds

	2017 £	2016 £
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	7,560	7,200
Depreciation of owned tangible fixed assets	307	186



# WORLDREADER

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 10 Tangible fixed assets

	Fixtures, fittings & equipment £
<b>Cost</b>	
At 1 January 2017	920
At 31 December 2017	920
<b>Depreciation and impairment</b>	
At 1 January 2017	186
Depreciation charged in the year	307
At 31 December 2017	493
<b>Carrying amount</b>	
At 31 December 2017	427
At 31 December 2016	734

### 11 Debtors

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Other debtors	41,000	129,129
Grants which are pending to receive:		
1) Peter and Elisabeth Mallison	£25,000	
2) Marple Trust	£15,000	
3) Martin Nye	£1,000	
<b>Total debtors</b>	<b>£41,000</b>	
<b>Amounts falling due after more than one year:</b>		
Other debtors		25,000
<b>Total debtors</b>	<b>41,000</b>	<b>154,129</b>

*Chris M. B. Mee*

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017	2016
	£	£
Trade creditors	154	-
Other creditors	763	-
Accruals and deferred income	12,791	12,018
	<u>13,708</u>	<u>12,018</u>

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2017 are represented by:			
Tangible assets	427	-	427
Current assets/(liabilities)	96,124	-	96,124
	<u>96,551</u>	<u>-</u>	<u>96,551</u>

Qm NQmcc



# **WORLDREADER**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2017**

14 Analysis of funds						
	Funds 31 December 2016	Income	Expenditure	Net Movements	Transfer between funds	Funds 31 December 2017
General funds	25,070	50,268	(106,109)	(55,841)	127,322	96,551
Restricted funds:						
M-Reading to children	361,376	-	(234,054)	(234,054)	(127,322)	-
Total	386,446	50,268	(340,163)	(289,895)	-	96,551
	Funds 31 December 2015	Income	Expenditure	Net Movements	Transfer between funds	Funds 31 December 2016
General funds	100,450	12,010	(87,390)	(75,380)	-	25,070
Restricted funds:						
M-Reading to children	1,012,459	-	(651,083)	(651,083)	-	361,376
Total	1,112,909	12,010	(738,473)	(726,463)	-	386,446
Notes of Restricted funds:						
M - Reading to Children						

#### **Description, nature and purpose of fund:**

Empowering parents to read to their children by giving them access to high quality library of books and educational materials through their mobile phones.

During the year funds of £127,322 in relation to the R2K India project were transferred from restricted funds to unrestricted funds due to internal costs not being allocated in previous years.

*Qw Moneer*

## **WORLDREADER**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2017***

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#### **15 Related party transactions**

During the year a grant of £15,000 was paid to Worldreader Ghana, a related party of trustee Colin McElwee to support activities in Ghana that seeks to promote literacy.

During the course of the year some Trustees donated a sum of £8,000 to the charity to be spent on the general objectives of the charity and so are treated as unrestricted.

Note 11 refers to donation due from Trustees at the year end.

