

**National
Literacy
Trust**

Change your story

Annual Report and Accounts 2022-23



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Chair's report



At the end of my first year as chair of the National Literacy Trust I am acutely aware that our work is addressing a very immediate challenge. Our own research is documenting the painful choices that parents are increasingly having to make. Sadly, but understandably in many households, books are losing out to fuel and food. This negative impact on children's reading and literacy runs the risk of creating lifelong consequences.

In the context of the cost of living crisis I am immensely proud of the National Literacy Trust's immediate and practical response to this challenge. By distributing hundreds of thousands of books, magazines and writing materials to families who are finding it impossible to buy them, by creating hundreds of new libraries in the primary schools where poverty is highest and literacy lowest and by supporting new parents with the resources and skills that will give their children the best literacy start, we are ensuring that every child has a childhood rich with stories and develops the literacy skills to succeed in life.

In this work, our Literacy Hub teams are on the front line. I have seen for myself how our teams in places like Bradford are bringing national resources to partnerships with foodbanks, faith communities and community organisations to address local literacy needs.

The National Literacy Trust is working alongside the families who need help most and we are making a profound difference.

The work of the Trust is only possible because of the generous support of our many funders. The growing number of partnerships with the business community is a sign of their understanding of the importance of literacy skills to economic growth and sustainability. As a publisher myself, I am proud that 44 publishers are now working in partnership with the National Literacy Trust, with the support of the Publishers' Association. I am very grateful for all their support.

I also wish to express the gratitude of the whole of our charity to our Patron, Her Majesty the Queen. For over a decade the whole literacy and reading community has benefited from Her Majesty's commitment to promoting the cause of literacy and we are thrilled and grateful that this commitment continues following the Accession of Their Majesties.

The National Literacy Trust has grown its reach and impact significantly in the last decade but has retained its ability to respond with agility and focus to new challenges. I am excited by the opportunities that new partnerships offer us to make a difference, by the commitment of our talented staff team, dedicated trustees, and passionate volunteers and ultimately by the life stories we can change through the power of literacy.

Joanna Prior
Chair

Date: 18 July 2023

Our mission is to give children and young people from disadvantaged communities the literacy skills to succeed

Literacy changes everything. It gives you power to shape your future. It's the key to knowledge, confidence and inspiration. It's better results at school and leads to better jobs. If you grow up without the tools to communicate, without books to read or the skills to write, it's harder to get where you want to go.

We are a charity helping people overcome these challenges and change their life chances through the power of words – reading, writing, speaking and listening. From first words, through school days to training, jobs and beyond. This is a big issue – 1 in 6 adults have very low levels of literacy in the UK today. It is also concentrated on the poorest communities. We support these communities by building strategic partnerships, delivering programmes and driving behaviour change campaigns.

As well as the foundation of personal success, literacy is also a national priority. It sits at the heart of our nation's economic success and sustainability, driving social mobility and is at the heart of the challenge around regional inequality.

The National Literacy Trust leads the national campaign to raise awareness of the issue and find solutions. We aim to break the relationship between low literacy and poverty to give a new generation the skills to fulfil their opportunities.

We are proud to be a dynamic and fast-moving organisation, and we think creatively about how to inspire and engage people with literacy. Partnerships of all kinds are at the heart of our approach and they're how we have most impact. We are proud to work in partnership with over 8000 thousand schools, and over 90 businesses and are grateful for the support of writers, illustrators, poets and the skilled teams of 44 publishers.

We base everything we do on sound evidence and we aim to provide cutting-edge research on all aspects of literacy. From exploring the relationship between technology and literacy, to investigating the impact of role models on reading, to understanding the impact of the pandemic on young children's language skills.

Our values and beliefs

The National Literacy Trust's values are well understood and embedded in our charity's culture, our induction, appraisals and staff development and are the guiding principles of the way in which we are effective.

- We are **focused** – understanding and addressing literacy need and how it relates to poverty, committed to effectiveness, evidence and impact.
- We are **enterprising** – eager to innovate, willing to take risks and entrepreneurial in spirit.
- We are **connecting** – successful through partnerships, empowering individuals and communities by connecting them to the skills that will transform them.
- We are **respectful** – welcoming, working in partnership with communities and families, helping people to find their own voice, creating programmes and a workplace where everyone feels valued.

Underpinning all our work is the charity's commitment to **equity, equality, inclusion and diversity**. Our mission to increase literacy levels is fundamentally about addressing inequality. We know that **becoming a more diverse and inclusive charity, better at listening to and working with communities is key to increasing our impact**.

We take this challenge seriously: We have an Equality, Diversity and Inclusion action plan which is discussed by our trustees at each board meeting. We monitor and set targets to improve the diversity and inclusivity of staff and trustees. Our CEO chairs our EDI working group. There is regular training for staff in recognising and addressing unconscious bias.

Working in partnership with communities is a powerful driver to boost diversity and inclusion in all our work. All 17 of our priority communities now have community consultation groups. They are all in areas of high need and rich diversity – in a recent pupil survey in these areas 37.7% of pupils were in receipt of free school meals (national 22.7%) and 44.5% were white (national 65.5%) The role of these groups is to concrete our local strategy. All our school, community and adult literacy programmes are developed in collaboration with the people who will participate in the programmes. A national team of Youth Ambassadors, drawn from our 17 areas now meet with our CEO and advise the Board on our strategy.

We ensure that all our programmes work with a diverse range of authors (representing the socio- economic, cultural and faith identities of the communities we work with) and we are keen to promote books which all readers can recognise themselves represented in.

“ When I was growing up I didn't see myself in books...which is why I wrote my book about a Bengali Muslim family. When you see yourself in books you feel like you belong ”

32.7% of children say they have not seen themselves in what they have read.

National Literacy Trust
Annual Literacy Survey

Our strategy

Poverty leads to low literacy: by the time a child is 10.5 months old, the impact of poverty on communication development can already be detected. This lays the foundation for a lifelong pattern of literacy inequality impacting on earnings, health and wellbeing. But this is not inevitable – with support for children, families and schools and prisons this pattern can be broken. But we need to act now. If we can respond promptly and at scale we can stop childhood experiences of poverty from having a lifelong and even intergenerational impact. We can create new opportunities, allow individuals to fulfil their potential and create new dynamics of social mobility.

The pandemic exacerbated the challenge. Its impact on literacy was worst for disadvantaged pupils in deprived areas (where secondary pupils learning loss of 2.7 months in reading) and on preschool children's early language development.

The cost of living crisis and the legacy of the pandemic increases the scale of need for the National Literacy Trust's work and its urgency.

But it also increases our potential impact.

Our three year strategy is in response to this challenge:

We will work directly with children and adults especially those who live in the poorest communities, are suffering most as a result of the economic downturn and those who are in the criminal justice system. We will ensure that books, reading and writing and literacy itself does not become a luxury by giving free access to reading and writing for the most vulnerable and enable them to find their voices.

We will work with schools, early years settings, colleges, libraries and prisons so that they can meet the needs of everyone growing up and living in poverty, ensuring that everyone has the rich reading and literacy experiences they are entitled to, which will develop their literacy skills and their appetites for language and story.

We work through partnerships enabling us to achieve deep change in the communities where the challenge is greatest and increasing the breadth of our impact through powerful brands, partnerships and policy influence.



Delivering our strategy in 2022/23

Our targets for 2022/23...

We will reach 310,000 children and distribute 200,000 books.

We will reach 8,000 early years parents

We will work with 5,200 schools

We will have 500 Literacy Champions and work in 17 areas.

Against the targets above we reached...



The increase in income of 15% has allowed us to reach more schools and parents. The fantastic reach achieved through our strong social media presence has enabled us to reach more children and thanks to the very generous donations from our publisher partners we have been able to donate far more books than we had envisaged.

The National Literacy Trust working directly with children and their families

We are a charity that works directly with those people who need our support most. Through our teams working on the ground in 17 communities, our work in prisons and in young offender institutions, our 600 community literacy champions, our online support for families (accessed by almost 2 million users last year) we offered direct literacy support to those who need it most, when they need it most.

In 2022/23; we put **528,303 books into the hands of most disadvantaged children, young people and adults**. 284,044 books were distributed through frontline partnerships (foodbanks and community charities) in our priority places. Each book was accompanied with support, to ensure that it becomes a vital part of a reading journey.

In response to the arrival of refugees from the war in Ukraine we launched an appeal and between April and October 2022 6,687 Welcome Reading Packs containing over 22,000 books were distributed to **Ukrainian children newly arrived in the UK**.

The Marcus Rashford Book Club is delivered by the National Literacy Trust with Macmillan Children's Books and supported by KPMG. The initiative gave 50,000 copies of books to children in 2022/23, along with resources for teachers and parents. It was an honour to welcome our Patron, Her Majesty Queen Camilla, to a meeting of the club attended by local children in Wythenshawe in January 2023.

Directly addressing book poverty

National Literacy Trust research published in 2022 and early 2023 demonstrated that amongst 5 –8-year-olds 1 in 5 say they don't have a book of their own at home, while 1 in 5 (20%) parents were also buying fewer books because of the cost-of-living crisis.



I like the fact that I came to early years activity because I didn't know any of the tips that was needed to be shared with our child. We loved the books as we had not got any books at home.



Our digital reach to learners

Our digital platforms give us direct reach to thousands of young people and parents through our **online author events**, virtual internships and online support groups and activities for parents. 40,000 young people participated in our Holocaust, Memorial Day live online event and 380,000 attended our streamed Remembrance Day assembly which we held with the British Legion.

Working with parents

By supporting parents from disadvantaged areas support the early literacy of their children we are heading off long-term literacy issues at the earliest possible moment. With this in mind, we are a key partner delivering the Government's Start for Life parenting campaign. During the year, to support the campaign, we delivered 272 events reaching 9,834 participants with face to face support that was integrated with digital engagement and Facebook Live events.

In Cambourne and Redruth in Cornwall we are focused on how early language development is holding back literacy across a whole community. Our team on the ground has already supported 800 families and are working with 160 of these on an ongoing basis.

Working with prisoners

Our direct work with people in the criminal justice system has powerful impact on literacy and on confidence, helping many participants to find their voice. **New Chapters** supports young people in prisons, young offender's institutions and other secure settings through the power of creative writing. Creative writing workshops are led by authors with lived experience of the issues the young people face.



She was very excited and loved the two hours we spent there (at Camborne Library) reading books and colouring. We then brought 7 books home for 7 bedtime stories - thank you for pushing me to take her-I have a feeling this may become part of our weekend routine!

Parent



New Chapters is so good! Thank you so much for what you have done by bringing inspiration to us all, letting us know we're capable if we try. [...] Please keep coming back, you are changing our lives through inspiration.

New Chapters participant



92%

of Readconnect participants – which supports people in prison to build and maintain relationships with children and family members through storytelling – said they wanted to be more involved in their child's learning going forward.

82%

of participants said that their experience of New Chapters made them feel more confident about expressing themselves through creative writing.

The National Literacy Trust working with schools, early years' settings, colleges, libraries and prisons

In 2022/23 the National Literacy Trust worked with 8,013 schools to help them improve literacy levels. Our partnerships with publishers and the business community sit at the heart of this work. Frequently, it is their resources, assets, volunteers and investment which bring literacy alive in classrooms, colleges, nurseries and prison libraries and engage and inspire learners.

Creating primary school libraries

7% of primary schools in the UK do not have a school library. The levels are higher in the more economically disadvantaged areas - 6% of schools in the South East don't have a library, this increases to 18% in the North East. The National Literacy Trust has worked with Penguin Random House to bring together an alliance of publishers, funders and library experts (including Chase, Oxford University Press and Arts Council England) to take practical action. Having identified 1,000 primary schools in disadvantaged areas without a library **The National Literacy Trust has now created 500 new libraries benefitting 135,000 children** with refurbished and newly stocked library space and a specially trained member of staff.

The new library is absolutely beautiful! It is well stocked with new and current books, there is huge variety of different books and it has something for everyone.

Teacher



I like going because I find myself relaxed and when I need a book there's always something I can read and laugh to.

You can relax and get all your worries out and whisper with your friends.

Pupils



The new libraries mean children without books at home can access books in their school library, boosting reading for enjoyment and literacy skills. Evaluation has also shown how the new libraries and the training for teachers, is helping more teachers to access and promote books that deal with diversity and inclusion (20.5% before to 81.4% after.)

Our Patron, Her Majesty Queen Camilla celebrated her 75th birthday by launching our new library at Millbrook Primary School in Newport in July 2022.

The Primary School Library Alliance is now leading the largest school library development programme ever undertaken in the UK.

Training and inspiring teachers

The National Literacy Trust's most important partners are teachers. We want to support and inspire them and learn from their expertise and insight. **21,493 teachers are National Literacy Trust members** giving them access to our training, resources and opportunities to take part our research programmes.

Literacy interventions and programmes for schools

A highpoint of the year was the 25th anniversary of our highly respected Young Readers Programme, the UK's first reading for pleasure programme which has now worked with 450,000 young people in disadvantaged communities. During the autumn and winter school holidays of 2022 the Programme worked with "warm spaces" initiatives, so that children who were suffering from the impact of fuel poverty could be kept reading.

Our Reading Champions Quiz has proved powerful in incentivising and recognising young readers and also in building engagement and confidence.

Our conferences provide a focal point for our relationships with professionals. After being held online during the pandemic, it was wonderful to welcome hundreds of practitioners to our Talk To Your Baby Conference in Birmingham in February 2023 and our Secondary Conference in Salford in July 2022.



One of our pupils struggled to attend school due to health issues. She had very low attendance. She tried out for our school's Reading Champions team and did so well we couldn't not let her take part. When we put her on the team her attendance picked up and she's now in all day everyday. She has gained so much confidence and we are starting to see her bubbly character come through.

Teacher



Over

30,000

pupils took part in National Literacy Trust evaluated programmes in schools across the UK

and an additional

150,000

pupils took part in National Literacy Trust schools activities.

The National Literacy Trust's Sport and Literacy programmes, delivered in partnership with the Premier League and football and rugby clubs, are now embedded in thousands of schools. A new development is Game Changers, specifically designed to engage excluded students. The impact of the programme on some of the UK's most vulnerable children is profound: 62% of pupils said they felt more confident in school/setting after taking part in Game Changers and 74% felt that after taking part they could be more successful in life.



The Writing for Wellbeing club was a fantastic opportunity for students to develop their writing skills. I felt the tasks opened a creative space and helped young people find new ways of expressing themselves which will enhance their writing skills.

Teacher



Working in criminal justice settings

Our work with criminal justice settings continues to grow. Books Unlocked (our reading programme with the Booker Prize Foundation) grew by 12% to reach 102 settings with reading groups and author visits. National Prison Radio broadcasts nightly serialisations of books promoted through the programme across the prison

system. 1,470 copies of featured books were requested and distributed to prisoners. Our New Chapters programme takes our work into Young Offender Institutions, where we deliver a combination of reading groups, wing libraries, author visits, reading champions, CPD for staff, audiobooks activities and Creative Writing Groups

Evaluation has highlighted the impact of Books Unlocked:

61%

of prisoners taking part said their reading skills have improved since taking part in the programme

67%

of participants reported they now talk more about reading

63%

said they were more confident with their reading since taking part in Books Unlocked

The National Literacy Trust working through national and community partnerships

By working in partnership we can unlock new resources for our mission, we can reach audiences and, crucially, we can work collaboratively with communities to understand what's required at a local level, and empower people to take active roles in shaping and delivering our projects.

Community Literacy Hubs

We have 17 partner communities - places with extremely low levels of literacy and high levels of poverty - where we work for a minimum of a decade on raising levels of literacy through sustained partnerships. We know that one size of solution will not fit such a diverse range of places. So in each place the National Literacy Trust has co-created with the community a unique Literacy Hub, developing approaches that are evidence-based but are bespoke to local needs and assets.

National Literacy Trust Partner Communities

Middlesbrough, Peterborough, Bradford, Stoke-on-Trent, Swindon, Nottingham, Hastings, the North Yorkshire Coast, Manchester, Birmingham and Doncaster, Blackpool, Dundee, the Black Country and Camborne and Redruth and literacy campaigns in Suffolk and the North East



At the heart of the Literacy Hubs are more than **600 people who volunteer as our Literacy Champions**, taking literacy into the heart of their communities in a huge range of ways - from creating community libraries to supporting the reading of women and their children in domestic violence refuges. Together they have contributed more than 125,000 hours to engage and encourage readers and writers and promote literacy.

In 2022/23 we launched two new Literacy Hubs, one in Camborne and Redruth in Cornwall in September, and another in Dundee in November. The Dundee hub marked the launch of our first Hub in Scotland, building on a strong track record of programme delivery across the country and working with a committed network of local partners.

Connecting stories

Connecting Stories was our largest national project which activated our Hub network. Funded by Arts Council England and supported by 43 publishers we enlisted the support of 700 community organisations in our Hub areas, that previously did not have literacy as a core part of their work.

Over 18 months, Connecting Stories reached more than 500,000 people, directly engaging over 180,000 people through local projects and activities in their own communities.

Connecting Stories has had a striking measurable impact on children in the most deprived communities within our Hubs. When compared to the national average, among children from our high-priority groups who took part in Connecting Stories:

37%

more write daily in their spare time

40%

more use their public library

22%

more enjoy reading at school

Working with the business community

The National Literacy Trust believes that businesses are a key stakeholder in the national literacy challenge – it both bears the cost of low levels of literacy and holds the key to unlocking higher levels of skills.

The momentum associated with the **Vision for Literacy Business Pledge**, shows how many businesses now understand the importance of raising literacy levels and are committed to taking action. 93 businesses are now signatories of the Pledge. In February 2023 a gathering of business leaders was held at KPMG's London offices to celebrate

the achievements of the signatories and recommitted to the Pledge's mission.

In 2022 the National Literacy Trust launched the **Literacy and Business Council**, as a leadership group driving the strategy of the Business Pledge and provide a focus for national advocacy from the business community on literacy issues. The Council is chaired by the Trust's Vice President, Dame Julia Cleverdon and is leading on the development of a multi years early years campaign.

Our future priorities



The National Literacy Trust has a three-year strategy which has identified its priorities until 2026. This is focusing our attention on how we can maximise our impact in the context of the cost of living crisis and how we can make a difference to life.

- In 2023 we will launch a 5 year early years campaign, supporting the early language and literacy of 250,000 children in the 20 poorest communities of the UK, so they start school with the language skills they need to learn to read. We will do this by strengthening our focus and early years work in our Hub communities.
- By the end of 2024 we will have created new libraries and trained a member of staff to manage them in 1000 primary schools in disadvantaged areas, benefitting 300,000 children. We will lead a national campaign to raise awareness of the right of every child to the support which a school library can give.
- By 2025 we will have tripled the size of our work with the criminal justice sector, supporting the reading, writing and literacy skills of prisoners.
- By 2025 we will be operating 20 Literacy Hubs and community literacy campaigns in communities where there are high levels of poverty and low levels of literacy in England, Wales and Scotland.



Funders

The charity's work is funded primarily through donations from charitable trusts, foundations, businesses and individuals. Our core activities, including Literacy Hubs, education programmes, research and advocacy, are supported principally by a number of key funders. These include:

- Amazon
- Arts Council England
- Audible
- Authors' Licensing and Collecting Society
- Bloomsbury
- Booker Prize Foundation
- British Land
- Bupa Foundation
- Chase
- Department for Education
- Department for Digital, Culture, Media and Sport
- Dulverton Trust
- Enterprise
- Estée Lauder
- Experian
- Fidelity Foundation
- Hachette
- Harper Collins
- Julia and Hans Rausing Trust
- Kindred Squared
- KPMG
- Lancôme
- McDonald's
- Ministry of Justice
- Money & Pensions Service
- Morrison's Foundation
- Mousetrap Productions
- Oxford University Press
- Penguin Random House
- Premier League
- Rank Foundation
- Rothschild Foundation
- Siemens
- Slaughter and May
- Vanquis Bank (previously Provident Financial)
- Wesleyan
- West Yorkshire Combined Authority, Poetry
- WHSmith
- Worwin Foundation

Legal information

The Trustees present their annual report together with the financial statements of the charity for the year ended 31 March 2023.

The financial statements comply with the Companies Act 2006, the trust deed 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).



Reference and administrative details

The Trustees and advisers currently in office or who served during the year were as follows:

TRUSTEES

Joanna Prior (Chair)
Matthew Bradbury (from 20th July 2022)
Louise Doughty
Luisa Edwards
Ben Fletcher (resigned 9th Feb 2023 and reappointed on 8th March 2023)
Natasha McMullen
Prof. Michelle Money (from 26th May 2022)
Neil Sherlock CBE
Lara White (Treasurer)
Professor Clare Wood

PATRON

Her Majesty The Queen

PRESIDENT

Baroness Prashar of Runnymede

VICE PRESIDENTS

Amanda Jordan OBE
Dame Julia Cleverdon DCVO CBE

REGISTERED OFFICE

68 South Lambeth Road, London SW8 1RL

CHARITY NUMBER

1116260

SCOTTISH CHARITY NUMBER

SC042944

COMPANY NUMBER

05836486

AUDITOR

RSM UK Audit LLP, 25 Farringdon Street,
London, EC4A 4AB

BANKERS

Lloyds TSB Bank Plc, Law Courts Branch, 222
Strand, London WC1R 2BB

WEBSITE

literacytrust.org.uk

CHIEF EXECUTIVE

Jonathan Douglas CBE

COMPANY SECRETARY

Catherine Hardwick

Structure, governance and management

The National Literacy Trust was established by Trust Deed dated 19 November 1992 and subsequently registered with the Charity Commission. The status of the Trust was changed with the registration of a new charity incorporated in England and Wales in June 2006 and re-registered with the Charity Commission. The Charity is also registered in Scotland, no. SC042944.

These are the full accounts of the incorporated charity. The accounts comply with the Companies Act 2006. The National Literacy Trust is a registered charity (no. 1116260) and a company (no. 05836486) limited by guarantee up to a maximum of £1 each, per member.



Organisation of the charity

The Trustees meet four times per year and have full responsibility for all legal and financial matters. Any additions to the membership follow consideration and invitation by the Board of Trustees. The Trustees have delegated responsibility for the strategic and financial management of the charity to the Chief Executive. New Trustees receive a full induction, briefing them on the charity's strategy, campaigns and projects and their responsibilities. The Board is supported by a Nominations and Remunerations Committee and a Finance, Audit and Risk Committee which meets four times a year.

The nominations committee, which meets at least twice a year, oversees trustee recruitment and a board skills audit is conducted annually. Trustee vacancies are advertised through a range of channels, and applicants are shortlisted against a role description and person specification. Due diligence checks are carried out

for all applicants. New trustees receive a full induction, briefing them on the charity's strategy, campaigns, projects, and their responsibilities. We also provide safeguarding and child protection training.

Our senior management team comprises Jonathan Douglas, Chief Executive; Sam Brookes, Director of Resources; Ceri Berkovitch, Director of Marketing and Communications; Fiona Evans, Director of School Programmes; Michael Stickland, Director of Development and Rosemary Thomas, Director of Operations. Our remuneration policy is overseen by the remuneration committee, which meets at least twice a year. The committee is responsible for monitoring pay and reward for the senior management team, making recommendations and reporting appropriately to the board. Pay is benchmarked against pay in the charity sector, using data that reflects the size, sector and turnover of the charity.

Risk Assessment

The Trustees are mindful of the need to identify and assess the major risks facing the charity. Appropriate procedures and systems have been implemented to ensure that risks are managed in ways to optimise the appropriate and effective use of all resources. A risk assessment has also been undertaken with regard to the current economic climate.

Strategic risks are identified on an annual basis as part of the annual delivery plan. Trustees receive a quarterly report on the management of these risks at the Finance, Audit and Risk Committee; these are then reported on to the full Board of Trustees. The highest ranked risks for 2022/23 were failure to secure sufficient core income to sustain the organisation and support growth.

These risks were mitigated by the development and implementation of strategies that were regularly reviewed with progress reported to Trustees at each meeting.

In addition, each project maintains its own risk register, and reports on them quarterly to the charity's senior management team through a quarterly reporting template.

The strategic risks the charity has identified are: mitigating its funding (mitigated by the strengthening of relationships with funders and ongoing diversification of funding); relevance of its work to schools and teachers (programmes are designed with teachers and respond to their priorities) and failure to achieve impact (the charity responds by rigorously measuring impact on all its work and carrying out evaluation activity).

Objectives and activities for the public benefit

The formal objectives of the National Literacy Trust are to advance public education in reading, writing and other literacy skills.

The Trustees have read the Charity Commission's guidance on public benefit, and the specific guidance for charities whose objects include Education. The Trustees have paid due regard to the Commission's guidance, and all who make decisions about the activities undertaken are concerned to ensure that a tangible educational benefit is provided to a broad range of people. The Trustees consider that the achievements and performance of the charity, as outlined and reviewed below, demonstrate success in this regard.



We are an independent charity that transforms lives through literacy. Literacy is made up of the four strands of language skills – reading, writing, speaking and listening.



Financial review

The financial activities of the year are set out in detail on the attached pages. The net movement of funds for the year was an decrease of £408,694. This comprised a decrease in restricted funds of £452,325, and an increase in unrestricted funds of £43,631. Overall, the charity's funds decreased from £4,754,040 at the beginning of the year to £4,345,364 at the year end, of which £773,200 was in unrestricted funds and £3,572,146 was in restricted funds. The decrease on restricted funds is entirely to be expected as it depends on where projects are in their cycle against the grants.

Total income for the year has increased from £9.1m in 2021/22 to £10.5m in 2022/23. We had budgeted a small growth in income but this exceeded that. Mainly due to a much better year in the individual giving space. We anticipate continuing this trend and increasing our income by 6% in 23/24. We have new bids in place to maintain income, as well as maintaining or growing existing funder relationships.

Total expenditure for the year increased by £3.7m from £7.2m in 2021/22 to £10.9m in 2022/23.

There are several strategies around income aimed at covering core costs: ensuring that funding bids carry the right level of cost allocation, a funding strategy for unrestricted costs and ensuring as much charitable activity as possible is funded through unrestricted sources.

We finished the year with a strong reserves position, the Trustees believe that the National Literacy Trust is in a reasonably balanced position and has a robust income and expenditure strategy in place. Further details on the basis of preparation of the financial statements using the going concern assumption are included in the accounting policies

In making grants to or working with other organisations we will comply with Charity Commission guidance by carrying out relevant due diligence and having a written agreement that sets out:

- Our relationship.
- The role of each organisation.
- Monitoring and reporting arrangements.

Policy on reserves

Total funds at 31 March 2023 were £4,345,364 (2022: £4,754,040). Restricted funds, not available for the general purposes of the charity, were at £3,572,146 (2022: £4,017,672). There were no designated funds held.

The Trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately three months of unrestricted expenditure, which roughly equates to £650,617.

The charity holds free reserves in order to:

- provide working capital
- allow the organisation to provide continuity of service if income levels fluctuate, thereby giving time to seek new sources of revenue
- allow the organisation to provide continuity of service if it had to cope with increases in expenditure that could not be accurately forecast
- ensure that in the worst possible circumstances it would be able to pay all creditors and wind up the organisation.

The balance held as unrestricted funds at 31 March 2023 was £773,200 (2022: £736,368), which is comprised of unrestricted fixed assets fund £41,304 (2022: £39,036) and unrestricted free reserves £731,896 (2022: £697,332). The unrestricted free reserves are over three months of unrestricted expenditure (this calculation is tailored as appropriate to include only relevant costs for continuing the charity). The strategy is to maintain the reserves at this level and continue to aim to increase them in line with the growing size of the organisation.

The Trustees are confident that this will be achievable.

Policy on fundraising

The charity does not employ any external professional fundraisers or consultants, and is very careful to comply with all proposed and enacted legislation in this space.

We're committed to generating income in a way that protects individuals and has a positive impact on the communities in which we work. Aiming for the highest standards, we:

- are registered with the Fundraising Regulator, and are committed to complying with the Fundraising Code of Practice;
- give our supporters the opportunity to opt out of further contact, or to opt out of a specific method of communication as part of every approach for donations;
- do not share or sell data with third parties for their marketing benefit;
- ensure that our teams are familiar with good practice standards and integrate them into ways of working
- deal with complaints about our fundraising activities in a timely and transparent manner.
- received zero complaints during the financial year 2022/23 and did not receive any complaints during the 2021/22 year either. To date we have not received any complaints related to this matter.

Trustees' responsibilities in relation to the financial statements

The Trustees (who are also directors of the National Literacy Trust 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 (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgments and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the

prevention and detection of fraud and other irregularities.

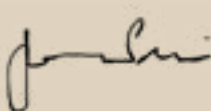
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom other jurisdictions.

Our code of governance is set out in the board's Terms of Reference, Scheme of Delegation and Code of Conduct, which are reviewed annually and approved by the board. The board also follows the good practice recommendations of the Charity Governance Code, as well as the legal and regulatory requirements of the Charity Commission. Reflecting on the charity's governance forms part of the board's annual review process and strategy development.

Statement as to disclosure of information to auditor

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

This report was approved by the board of Trustees and signed on its behalf by



Signed
Trustee: Joanna Prior



Signed
Trustee: Lara White

Independent auditor's report to the members of the National Literacy Trust

Opinion

We have audited the financial statements of the National Literacy Trust (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 charitable company's affairs as at 31 March 2023 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 charitable company 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Report of the Trustees other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report of the Trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees, which includes the Directors' Report and the Strategic Report 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 and the Strategic Report included within the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or Strategic Report included within the Report of the Trustees.

We have nothing to report in respect of the following matters where 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 22, 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 charitable company'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 charitable company 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations

identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charitable company operates in and how the charitable company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which

included reviewing the financial statements including the Report of the Trustees and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the General Data Protection Regulations. We performed audit procedures to inquire of management whether the charitable company is in compliance with these law and regulations and inspected minutes.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Hannah Catchpool

Hannah Catchpool (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor Chartered Accountants
25 Farringdon St London
EC4A 4AB

Date: 12th December 2023



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

For the year ended 31 March 2023

| | | Unrestricted Funds | Restricted Funds | Total Funds 2023 | Total Funds 2022 |
|--------------------------------------|-------|-----------------------|---------------------|---------------------|---------------------|
| | Notes | £ | £ | £ | £ |
| Income: | | | | | |
| Donations and legacies | 2 a | 3,277,756 | 90,155 | 3,367,911 | 2,048,867 |
| Income from charitable activities | 2 b | 838,969 | 5,888,854 | 6,727,823 | 6,636,693 |
| Income from other trading activities | 2 c | 374,528 | 52,213 | 426,741 | 381,137 |
| Investment income | | 6,876 | - | 6,876 | 321 |
| Total Income | | 4,498,129 | 6,031,222 | 10,529,351 | 9,067,018 |
| Expenditure: | | | | | |
| Raising funds | 3 c | (948,182) | - | (948,182) | (800,910) |
| Charitable activities | 3 a-b | (3,502,987) | (6,483,547) | (9,986,534) | (6,437,997) |
| Interest payable | | (3,329) | - | (3,329) | (3,847) |
| Total expenditure | | (4,454,498) | (6,483,547) | (10,938,045) | (7,242,754) |
| Net Income for the year | | 43,631 | (452,325) | (408,694) | 1,824,264 |
| Transfer between funds | 13 | (6,799) | 6,799 | - | - |
| Total funds brought forward | 13 | 736,368 | 4,017,672 | 4,754,040 | 2,929,776 |
| Total funds carried forward | | 773,200 | 3,572,146 | 4,345,346 | 4,754,040 |

Balance sheet

At 31 March 2023

| | | 2023 | 2023 | 2022 | 2022 |
|---|-------|--------------------|------------------|--------------------|------------------|
| | Notes | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible Assets | 7 | | 41,304 | | 39,036 |
| | | | <u>41,304</u> | | <u>39,036</u> |
| CURRENT ASSETS | | | | | |
| Stock | 8 | 6,691 | | 11,091 | |
| Debtors | 9 | 1,347,276 | | 921,808 | |
| Cash at Bank and in hand | | <u>4,166,802</u> | | <u>5,010,894</u> | |
| | | 5,520,769 | | 5,943,793 | |
| CREDITORS: Amounts falling due within one year | 10 | <u>(1,135,848)</u> | | <u>(1,130,665)</u> | |
| NET CURRENT ASSETS | | | 4,384,921 | | 4,813,128 |
| CREDITORS: Amounts falling due after more than one year | 11 | | (80,879) | | (98,124) |
| NET ASSETS | | | <u>4,345,346</u> | | <u>4,754,040</u> |
| The funds of the charity: | | | | | |
| Restricted Funds | 13 | | 3,572,146 | | 4,017,672 |
| Unrestricted Funds | 13 | | <u>773,200</u> | | <u>736,368</u> |
| | | | <u>4,345,346</u> | | <u>4,754,040</u> |

The financial statements on pages 27-45 were approved by the Trustees and authorised for issue on and signed on their behalf by:



Joanna Prior
Chair



Lara White
Treasurer

Date: 18th July 2023

Statement of cashflows

For the year ended 31 March 2023

| | | 2023 | 2023 | 2022 | 2022 |
|--|-------|----------|-----------|----------|-----------|
| | Notes | £ | £ | £ | £ |
| Cash (used in)/provided by operating activities | 17 | | (828,319) | | 1,868,598 |
| Cash flows from investing activities: | | | | | |
| Investment income | | 6,876 | | 321 | |
| Purchases of tangible assets | | (19,320) | | (30,624) | |
| Cash used by investing activities | | | (12,444) | | (30,303) |
| Cash flows from financing activities: | | | | | |
| Interest paid | | (3,329) | | (3,847) | |
| Cash used by financing activities | | | (3,329) | | (3,847) |
| (Decrease)/increase in cash and cash equivalents in the year | | | (844,092) | | 1,834,448 |
| Cash and cash equivalents at the beginning of the year | | | 5,010,894 | | 3,176,446 |
| Total cash and cash equivalents at the end of the year | | | 4,166,802 | | 5,010,894 |

| Analysis of cash and cash equivalents | 2023 | 2022 |
|---------------------------------------|-----------|-----------|
| | £ | £ |
| Cash at bank and in hand | 4,166,802 | 5,010,894 |

Notes to the accounts

For the year ended 31 March 2023

1. Accounting Policies

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 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 (FRS102) and the Companies Act 2006.

The financial statements are presented in sterling, which is the functional currency of the charitable company. Monetary financial amounts in these financial statements are rounded to the nearest £1.

The charity constitutes a public benefit entity as defined by FRS 102. It is incorporated in England, Wales, and Scotland.

Going Concern

The charity's activities, together with the factors likely to affect its future development, performance and position are set out in the Trustees' Report. Over the last couple of years our work has been impacted by the global pandemic and the need to shift its emphasis. Although the pandemic's impact is now reducing and we can deliver more face to face the charity is building on the learnings and delivering more as a hybrid model. The economic climate and inflation are still a concern and so although we are predicting growth we still prepare monthly top line forecasts which are reviewed with the CEO and quarterly with the Trustees to ensure that the charity can meet its liabilities. These indicate that the charity can meet its liabilities as they fall due for at least twelve months from the approval of these financial statements. The forecasts have been prepared based on the most up to date information around funder discussions and using detailed workforce analysis to review our costs. On the basis of these forecasts, the Trustees consider that it is appropriate to prepare the accounts on the going concern basis.

Fixed Assets

Fixed Assets are capitalised and included at cost. The costs of any assets with a value below £200 are taken to the SOFA when incurred.

Depreciation is provided on a straight line basis so as to write off the cost of tangible fixed assets over their estimated useful lives. The rates of depreciation employed are as follows:

Office Equipment 25% per annum

Income

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

Donated goods and services are recognised as income when the Charity has control over the item or received the goods and services, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated goods and services are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

A total of £966,752 has been recognised in donations and legacies in 2023, in relation to books that have been donated to the charity. The expenditure has been fully recognised in charitable activities for £966,752. The corresponding amount in 2022 was £421,169 this is less than 10% of both income and expenditure. Therefore, it was not deemed to be material and the prior year has not been adjusted. Donated goods and services will be accounted for going forwards.

Income from Gift Aid tax reclaims is recognised for any donations with relevant Gift Aid certificates recognised in income for the year. Any amounts of Gift Aid not received by the year-end are accounted for in income and accrued income in debtors.

Legacy income is recognised when the Charity has entitlement to the income, receipt is probable and the income can be reliably measured.

Income is accounted for on a receivable basis and is reported gross of related expenditure. The specific bases used are as follows:

- Voluntary income includes grants and donations from companies, trusts and individuals.
- Grants and sponsorships receivable consists of Government Grant Income relating to website development, publications, policy and research and sponsorship of specific projects as well as grants from corporate supporters.
- Literacy training courses income is generated from delegate fees charged to attendees of literacy courses and seminars.
- Fundraising income consists of sponsorship in respect of events held and donations in return for promotional materials.
- Membership subscriptions for online networks are treated as payment for services, and are recognised over the period of membership, i.e. equally over 12 months.
- Interest receivable is included when receivable.

Expenditure

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. Expenditure is classified under the following activity headings:

Charitable Activities: All expenditure directly relating to the compilation and production of literacy publications, maintenance of the extensive literacy website and database, and specific literacy projects including grants. Grants are made in order to allow institutions to run community literacy projects. Analysis of grants made in the year have been disclosed in Note 16.

Costs of Raising Funds: All expenditure for the purpose of promoting the charity's activities and encouraging voluntary contributions.

Support Costs: Costs incurred indirectly in support of expenditure on the objects of the charity and include functions such as Human Resources and Information Technology. All costs are allocated between the expense categories of the SOFA on a basis designed to reflect the use of the resource. See Note 3b Analysis of support costs.

Governance Costs: Costs related to the management of the Charity organisational administration and compliance with constitutional and statutory requirements.

Fund Accounting

The unrestricted funds comprise general funds, which are available for use by the Charity for its general objectives. The restricted funds are subject to

restrictive conditions made by the grant-making body or donor. Transfers between funds are explained in Note 13.

Taxation

The charity is a registered charity and as such its income and gains falling with Sections 371 to 489 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from Corporation Tax to extent that they are applied to its Charitable Objectives.

Costs are recorded at net of recoverable VAT as the Charity is able to reclaim a proportion of VAT paid, because of its trading activities, using the partial exemption method. Irrecoverable VAT is included within the expense items to which it relates.

Operating leases

The rentals payable under Operating Leases are charged to the SOFA on a straight line basis over the terms of the leases. Further information on operating leases can be found in Note 12.

Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to sell.

Pension Scheme

The charity operates an auto enrolment defined contribution pension scheme, although the scheme does have a guaranteed element of pension benefits. The pension costs charge represents the amounts payable by the charity to the fund in respect of the year. The assets of the scheme are held separately from those of the charity in an independently administered fund. Additional disclosures in respect of the guaranteed element of the pension scheme benefits are given in the notes to the financial statements.

Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the Charity becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include trade and other receivables 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, 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 payments discounted at a market rate of interest.

Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The provision for bad debts is estimated based on a review of the recovery of receivables on a line by line basis.

The trustees do not consider any of the judgements or estimations to have any significant effect on the financial statements.

2. Income

a. Donations and legacies

| | Unrestricted Funds | Restricted Funds | Funds 2023 | Funds 2022 |
|----------------------------------|---------------------------|-------------------------|-------------------|-------------------|
| | £ | £ | £ | £ |
| Donations from individuals | 1,461,570 | 10,590 | 1,472,160 | 287,787 |
| Donations from companies | 569,643 | 79,565 | 649,208 | 654,874 |
| Donations from charitable trusts | 170,695 | - | 170,695 | 95,260 |
| Other donations | 1,075,848 | - | 1,075,848 | 1,010,946 |
| | 3,277,756 | 90,155 | 3,367,911 | 2,048,867 |

Income from donations and legacies of £1,971,744 was unrestricted and the remainder of £77,123 was restricted income for a total income of £2,048,867 in 2022.

b. Income from charitable activities

| | Unrestricted Funds | Restricted Funds | Funds 2023 | Funds 2022 |
|------------------------------------|---------------------------|-------------------------|-------------------|-------------------|
| | £ | £ | £ | £ |
| Grants and sponsorships receivable | 838,969 | 5,888,854 | 6,727,823 | 6,636,693 |
| | 838,969 | 5,888,854 | 6,727,823 | 6,636,693 |

Income from charitable activities of £881,965 was unrestricted income and the remainder of £5,754,728 was restricted income for a total income of £6,636,693 in 2022.

Grants of £2,225,866 (2022: £1,373,364) were received from the government. There are no unfulfilled conditions or other contingencies attached to these funds.

2. Income (continued)

c. Other trading activities

| | Unrestricted Funds | Restricted Funds | Funds 2023 | Funds 2022 |
|---|--------------------|------------------|----------------|----------------|
| | £ | £ | £ | £ |
| Literacy training | 154,650 | 47,379 | 202,029 | 186,099 |
| Online network subscriptions | 160,529 | - | 160,529 | 115,583 |
| Early Years - Traded | - | 3,019 | 3,019 | 21,120 |
| Skills Academy - Traded | 10,597 | 1,815 | 12,412 | 23,520 |
| Toolkits, Bookbenches & Little Ladybird Libraries | 1,625 | - | 1,625 | 650 |
| Consultancy & advertising | 42,757 | - | 42,757 | 19,165 |
| Competitions | 4,370 | - | 4,370 | 15,000 |
| Internship opportunities | - | - | - | - |
| | 374,528 | 52,213 | 426,741 | 381,137 |

Income from trading activities of £326,021 was unrestricted income and the remainder of £55,116 was restricted income for a total of £381,137 in 2022.

3. Expenditure

a. Analysis of total resources expended

| | Direct costs | Grants | Support costs | Total 2023 | Total 2022 |
|------------------------------------|------------------|----------------|----------------|-------------------|------------------|
| | £ | £ | £ | £ | £ |
| | | Note 16 | | | |
| Costs of Raising Funds | 903,571 | - | 44,611 | 948,182 | 800,910 |
| Unrestricted Charitable Activities | 2,621,651 | - | 117,883 | 2,739,534 | 1,311,967 |
| Restricted Charitable Activities | 6,319,813 | 163,734 | 763,453 | 7,247,000 | 5,126,030 |
| Interest Payable | - | - | - | 3,329 | 3,847 |
| | 9,845,035 | 163,734 | 925,947 | 10,938,045 | 7,242,754 |

Support costs of £925,947 (2022: £976,904) included within restricted projects above are included within unrestricted expenditure in the Statement of Financial Activities as they are an allocation of core costs covered by restricted income allocated to core funding.

3. Expenditure (continued)

b. Analysis of support costs

| | Premises | General Office | Staff | Finance | IT | Total 2022 | Total 2023 |
|---|----------------|----------------|-----------------|----------------|----------------|----------------|----------------|
| | £ | £ | £ | £ | £ | £ | £ |
| Costs of Raising Funds | 15,056 | 18,775 | (25,399) | 15,403 | 20,776 | 44,611 | 92,184 |
| Unrestricted Charitable Activities | | | | | | | |
| Website, publications, policy & research | 17,550 | 21,884 | 514 | 17,954 | 24,217 | 82,119 | 121,362 |
| Literacy training & consultancy | 901 | 1,124 | (11,737) | 922 | 1,243 | (7,547) | 1,575 |
| Online network | 3,407 | 4,249 | (3,442) | 3,486 | 4,702 | 12,402 | 8,175 |
| Competitions | 986 | 1,229 | 4,076 | 1,008 | 1,360 | 8,659 | 5,833 |
| Skills Academy - Traded | 141 | 176 | 582 | 144 | 194 | 1,237 | 1,945 |
| Hubs Core | 1,247 | 1,554 | (12,377) | 1,275 | 1,720 | (6,581) | 1,588 |
| North East Campaign | 1,603 | 1,999 | (7,395) | 1,640 | 2,212 | 59 | 1,388 |
| Literacy Communities | 1,126 | 1,405 | 3,992 | 1,152 | 1,554 | 9,229 | 12,583 |
| Words for Life | 1,126 | 1,405 | 4,658 | 1,152 | 1,554 | 9,895 | 10,802 |
| Special Charitable Projects | 957 | 1,194 | 3,959 | 980 | 1,321 | 8,411 | - |
| Unrestricted Charitable Activities | 29,044 | 36,219 | (17,170) | 29,713 | 40,077 | 117,883 | 165,251 |
| Restricted Charitable Activities | | | | | | | |
| Literacy Hubs | 3,046 | 3,798 | 12,596 | 3,116 | 4,203 | 26,759 | 18,686 |
| Hastings Hub | 1,126 | 1,405 | 4,483 | 1,152 | 1,554 | 9,720 | 3,465 |
| Nottingham Hub | 3,091 | 3,854 | 12,607 | 3,162 | 4,265 | 26,979 | 8,974 |
| Swindon Hub | 383 | 478 | 1,409 | 392 | 528 | 3,190 | 1,845 |
| Stoke Hub | 1,788 | 2,230 | 7,219 | 1,829 | 2,468 | 15,534 | (100) |
| Bradford Hub | 1,207 | 1,505 | 4,641 | 1,235 | 1,666 | 10,254 | 16,327 |
| Peterborough Hub | - | - | (175) | - | - | (175) | (100) |
| Middlesbrough Hub | - | - | (175) | - | - | (175) | (100) |
| Scarborough Hub | 94 | 117 | 213 | 96 | 130 | 650 | 937 |
| Redcar Hub | - | - | - | - | - | - | - |
| Birmingham Hub | 3,146 | 3,924 | 9,505 | 3,219 | 4,342 | 24,136 | 25,548 |
| Manchester Hub | 375 | 468 | (200) | 384 | 518 | 1,545 | 1,109 |
| Story Quest | - | - | (175) | - | - | (175) | 15,940 |
| Nottingham Big Lottery | 119 | 149 | 318 | 122 | 165 | 873 | 21,934 |
| Peterborough Big Lottery | 160 | 199 | 485 | 163 | 220 | 1,227 | 25,713 |
| Black Country Hub | - | - | (1,753) | - | - | (1,753) | (997) |
| Dundee Hub | 282 | 351 | (589) | 288 | 389 | 721 | (997) |
| Doncaster Hub | - | - | (1,753) | - | - | (1,753) | 12,872 |
| Blackpool Hub | 657 | 819 | 964 | 672 | 907 | 4,019 | 11,122 |
| Nottingham & Peterborough Big Lottery | - | - | (1,753) | - | - | (1,753) | (997) |
| Connecting Stories | 24,408 | 30,437 | 83,401 | 24,971 | 33,681 | 196,898 | 161,575 |
| Suffolk Campaign | 5,238 | 6,531 | 14,646 | 5,359 | 7,228 | 39,002 | 24,257 |
| Books Unlocked | 535 | 667 | (1,294) | 547 | 738 | 1,193 | 4,745 |
| New Chapters | 1,245 | 1,552 | 4,796 | 1,273 | 1,718 | 10,584 | 5,525 |
| Criminal Justice Employability | 610 | 761 | 2,348 | 624 | 842 | 5,185 | 7,138 |
| Audible Project | 372 | 464 | (216) | 380 | 513 | 1,513 | 3,280 |
| Literacy for Learning | 7,416 | 9,247 | 28,911 | 7,586 | 10,233 | 63,393 | 55,290 |
| Early Years | 9,142 | 11,399 | 20,270 | 9,352 | 12,615 | 62,778 | 37,555 |
| Love Our Libraries | 10,748 | 13,402 | 40,938 | 10,995 | 14,831 | 90,914 | 35,679 |
| Young Readers Programme | 4,731 | 5,899 | 8,693 | 4,840 | 6,528 | 30,691 | 55,168 |
| Premier League Reading Stars | 1,492 | 1,861 | 2,666 | 1,527 | 2,060 | 9,606 | 16,150 |
| Sport and Literacy | 2,009 | 2,505 | 4,801 | 2,055 | 2,772 | 14,142 | 17,448 |
| Words For Work | 5,078 | 6,332 | 10,480 | 5,195 | 7,008 | 34,093 | 33,981 |
| Young Writers Programme | 3,576 | 4,460 | 7,776 | 3,659 | 4,935 | 24,406 | 28,631 |
| Newswise | 563 | 702 | 2,329 | 576 | 777 | 4,947 | 9,074 |
| Home Learning Environment | 6,411 | 7,995 | 8,980 | 6,559 | 8,847 | 38,792 | 64,786 |
| Cornwall Hub | 1,314 | 1,639 | 1,928 | 1,344 | 1,813 | 8,038 | (1,994) |
| Adult Literacy | 98 | 122 | 404 | 100 | 135 | 859 | - |
| Game Changers DCMS 2021 | 751 | 936 | 3,105 | 768 | 1,036 | 6,596 | - |
| Restricted Charitable Activities | 101,211 | 126,208 | 292,829 | 103,540 | 139,665 | 763,453 | 719,469 |
| TOTAL | 145,311 | 181,202 | 250,260 | 148,656 | 200,518 | 925,947 | 976,904 |

3. Expenditure (continued)

c. Analysis of costs of raising funds

| | 2023 | 2022 |
|--------------------|----------------|----------------|
| | £ | £ |
| Direct staff costs | 794,557 | 626,979 |
| Other direct costs | 109,014 | 81,747 |
| Support costs | 44,611 | 92,184 |
| | <u>948,182</u> | <u>800,910</u> |

Costs of raising funds was all unrestricted in 2023 and 2022.

4. Net income

Net income for the year is stated after charging:

| | 2023 | 2022 |
|---|---------------|--------------|
| | £ | £ |
| Auditor's remuneration - audit fees | 22,000 | 20,000 |
| Auditor's remuneration - non audit fees | 5,100 | 9,360 |
| Operating leases - equipment | 3,363 | 1,100 |
| Operating leases - land and buildings | 122,276 | 123,760 |
| Interest payable | 3,329 | 3,847 |
| Depreciation | <u>17,052</u> | <u>9,022</u> |

5. Staff costs

The average number of employees during the year was 145 (2022: 112).

| | 2023 | 2022 |
|--------------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 4,888,900 | 3,520,732 |
| Social security costs | 518,725 | 363,315 |
| Pension costs | 405,920 | 280,603 |
| Training and recruitment | 135,151 | 108,658 |
| | <u>5,948,696</u> | <u>4,273,308</u> |

These costs include redundancy of £nil paid in 2022 and 2023 and temporary staff costs of £61,047 (2022: £164,900).

6. Employee and trustee information

The average number of employees during the year was 145 (2022: 112).

| | 2023 | 2022 |
|------------------------------|------|------|
| Senior Management Team | 6 | 6 |
| Fundraising | 14 | 11 |
| Marketing and Communications | 19 | 13 |
| Projects and Programmes | 87 | 67 |
| Supports and Administrations | 19 | 15 |
| | 145 | 112 |

The number of employees who received emoluments in the following ranges was:

| | 2023 | 2022 |
|---------------------|------|------|
| £60,001 - £70,000 | 4 | 3 |
| £70,001 - £80,000 | 1 | 1 |
| £90,001 - £100,000 | - | 1 |
| £100,001 - £110,000 | 1 | - |
| | 6 | 5 |

The Trustees were not entitled to and did not receive any emoluments from the charity during the year (2022: £Nil).

No expenses were reimbursed to the Trustees during the year (2022: no expenses).

The charity received donations of £1,098 from three trustees during the year (2022: £9,303 from four trustees)

Alongside the trustees, the charity considers its key management personnel to comprise of Jonathan Douglas and the members of the senior management team. Remuneration, benefits including employer's pension contributions and employer's national insurance contributions recorded in the year by key management personnel were £536,212 (2022: £487,605).

7. Tangible fixed assets

| | Office equipment | Total |
|---------------------|---------------------|---------|
| | £ | £ |
| Cost | | |
| At 1 April 2022 | 90,651 | 90,651 |
| Additions | 19,320 | 19,320 |
| At 31 March 2023 | 109,971 | 109,971 |
| Depreciation | | |
| At 1 April 2022 | 51,615 | 51,615 |
| Charge for the Year | 17,052 | 17,052 |
| At 31 March 2023 | 68,667 | 68,667 |
| Net Book Value | | |
| At 31 March 2023 | 41,304 | 41,304 |
| At 31 March 2023 | 39,036 | 39,036 |

8. Stock

| | 2023 | 2022 |
|------------------------|-------|--------|
| | £ | £ |
| Where's Wally costumes | 6,691 | 11,091 |

9. Debtors

| | 2023 | 2022 |
|--------------------------------|-----------|---------|
| | £ | £ |
| Other Debtors | 813,909 | 539,238 |
| Prepayments and Accrued Income | 533,367 | 382,570 |
| | 1,347,276 | 921,808 |

Included within Other Debtors is £32,279 (2022 £32,279) relating to rent deposit. This balance is receivable in > 1 year.

10. Creditors: Amounts falling due within one year

| | 2023 | 2022 |
|------------------------------|-----------|-----------|
| | £ | £ |
| Trade Creditors | 366,419 | 471,269 |
| Taxation and Social Security | 144,547 | 120,627 |
| Other Creditors | 56,677 | 57,222 |
| Accruals and Deferred Income | 568,205 | 481,547 |
| | 1,135,848 | 1,130,665 |

Included within Other Creditors are amounts totalling £17,217 (2022 £33,343) relating to the Section 75 debt on withdrawal from the Pension Trust Scheme, following the reclassification of some to long term liabilities.

Movement in Deferred Income

| | 2023 | 2022 |
|----------------------------------|-----------|-----------|
| | £ | £ |
| Brought forward at 1 April 2022 | 104,329 | 198,649 |
| Released during year | (967,560) | (860,705) |
| Deferred during year | 972,639 | 766,385 |
| Carried forward at 31 March 2023 | 109,408 | 104,329 |

The deferred income is made up of Online Network Subscriptions income and Literacy Training income for courses which will be take place in the next financial year and deferred programme income.

11. Creditors: Amounts falling due after more than one year

| | 2023 | 2022 |
|-----------------|---------------|---------------|
| | £ | £ |
| Other Creditors | 80,879 | 98,124 |
| | <u>80,879</u> | <u>98,124</u> |

Included within Other Creditors are amounts totalling £80,879 (2022 £98,124) relating to the Section 75 debt on withdrawal from the Pension Trust Scheme, following the reclassification of some from short term liabilities.

12. Future financial commitments

Operating leases

As at 31 March 2023 the charity had total commitments under non-cancellable operating leases as set out below:

| | Land & Buildings | | Other | |
|---------------------|------------------|---------------|---------------|--------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Within one year | 122,276 | 17,883 | 3,363 | 1,100 |
| Within 2 to 5 years | 397,397 | - | 6,726 | 1,008 |
| | <u>519,673</u> | <u>17,883</u> | <u>10,089</u> | <u>2,108</u> |

13. Funds

| | At 01-Apr-22 | Income | Expenditure | Transfers | At 31-Mar-23 |
|---------------------------------------|-----------------|------------|--------------|-----------|-----------------|
| | £ | £ | £ | £ | £ |
| RESTRICTED FUNDS | | | | | |
| Adult Literacy | - | 10,169 | 4,655 | - | 14,824 |
| Audible Project | 20,803 | 50,847 | (37,521) | - | 34,129 |
| Birmingham Hub | 80,404 | 76,271 | (142,268) | - | 14,407 |
| Black Country Hub | 6,484 | - | (1,505) | - | 4,979 |
| Blackpool Hub | 41,928 | 8,475 | (21,782) | - | 28,621 |
| Books About Town (Schools) | - | - | (69) | 69 | - |
| Books Unlocked | 27,069 | 110,127 | (43,965) | - | 93,231 |
| Bradford Hub | 80,617 | 39,203 | (105,245) | - | 14,575 |
| Connecting Stories | 441,408 | 457,591 | (1,055,645) | - | (156,646) |
| Cornwall Hub | - | 68,069 | (56,597) | - | 11,472 |
| Criminal Justice Employability | 15,239 | 31,398 | (37,379) | - | 9,258 |
| Doncaster Hub | - | 5,322 | (2,954) | - | 2,368 |
| Dundee Hub | 16,048 | 9,102 | (17,314) | - | 7,836 |
| Early Years | 261,792 | 490,456 | (669,970) | - | 82,278 |
| Game Changers DCMS 2021 | 67,585 | 299,262 | (229,867) | - | 136,980 |
| Hastings Hub | 25,220 | 59,924 | (21,333) | - | 63,811 |
| Home Learning Environment | 121,818 | 693,314 | (661,745) | - | 153,387 |
| Literacy For Learning | 116,750 | 55,539 | (140,621) | - | 31,668 |
| Literacy Hubs | 122,400 | 55,085 | (18,730) | - | 158,755 |
| Love Our Libraries | 995,446 | 1,257,370 | (1,251,452) | - | 1,001,364 |
| Manchester Hub | 29,997 | 167,306 | (165,360) | - | 31,943 |
| Middlesbrough Hub | - | - | 18,337 | - | 18,337 |
| New Chapters | 96,579 | 95,740 | (99,963) | - | 92,356 |
| Newswise | - | 10,932 | (17,662) | 6,730 | - |
| Nottingham & Peterborough Big Lottery | - | - | - | - | - |
| Nottingham Big Lottery | - | - | 1 | - | 1 |
| Nottingham Hub | 44,200 | 107,426 | (90,475) | - | 61,151 |
| Other Restricted Projects | 200,000 | - | - | - | 200,000 |
| Peterborough Big Lottery | - | - | 251 | - | 251 |
| Peterborough Hub | 4,488 | 525 | (1,465) | - | 3,548 |
| Premier League Reading Stars | 22,694 | 44,718 | (113,148) | - | (45,736) |
| Redcar Hub | 3,040 | - | (145) | - | 2,895 |
| Rural Hubs | 35,002 | - | (7,963) | - | 27,039 |
| Scarborough Hub | 51,481 | 55,192 | (25,550) | - | 81,123 |
| Sport and Literacy | - | 105,355 | (103,108) | - | 2,247 |
| Stoke Hub | - | 85,614 | (47,254) | - | 38,360 |
| Story Quest | - | - | 38 | - | 38 |
| Suffolk Campaign | 171,491 | 471,525 | (280,140) | - | 362,876 |
| Swindon Hub | 11,167 | 23 | 3,311 | - | 14,501 |
| Teachers Wellbeing Campaign | 63,556 | - | (12) | - | 63,544 |
| Wales Hub | - | 10,728 | (64) | - | 10,664 |
| Words For Work | 306,323 | 262,141 | (263,257) | - | 305,207 |
| Young Readers Programme | 409,179 | 571,435 | (498,070) | - | 482,544 |
| Young Writers Programme | 127,464 | 265,038 | (280,542) | - | 111,960 |
| | 4,017,672 | 6,031,222 | (6,483,547) | 6,799 | 3,572,146 |
| UNRESTRICTED FUNDS | | | | | |
| General Funds | 736,368 | 4,498,129 | (4,454,498) | (6,799) | 773,200 |
| TOTAL FUNDS | 4,754,040 | 10,529,351 | (10,938,045) | - | 4,345,346 |

13. Funds (continued) 2021-22

| | At 01-Apr-21 | Income | Expenditure | Transfers | At 31-Mar-22 |
|--|-----------------|-----------|-------------|-----------|-----------------|
| | £ | £ | £ | £ | £ |
| RESTRICTED FUNDS | | | | | |
| Audible Project | 31,435 | 21,186 | (31,818) | - | 20,803 |
| Birmingham Hub | 69,143 | 117,655 | (106,394) | - | 80,404 |
| Black Country Hub | 6,484 | - | (1,505) | - | 4,979 |
| Blackpool Hub | 41,928 | 8,475 | (21,782) | - | 28,621 |
| Books Unlocked | 27,069 | 110,127 | (43,965) | - | 93,231 |
| Boots Optician School Challenge | - | - | (200) | 200 | - |
| Bradford Hub | 12,552 | 110,675 | (42,610) | - | 80,617 |
| Connecting Stories | 155,840 | 1,108,734 | (823,166) | - | 441,408 |
| Cornwall Hub | - | - | (568) | 568 | - |
| Criminal Justice Employability | 15,132 | 24,915 | (24,808) | - | 15,239 |
| Doncaster Hub | 1,171 | 45,588 | (46,759) | - | - |
| Dundee Hub | 8,475 | 8,475 | (902) | - | 16,048 |
| Early Years | 214,276 | 358,833 | (311,317) | - | 261,792 |
| Gaining Momentum/Oxfordshire Secondaries | - | - | (443) | 443 | - |
| Game Changers DCMS 2021 | - | 99,956 | (32,371) | - | 67,585 |
| Hastings Hub | 427 | 32,373 | (7,580) | - | 25,220 |
| Home Learning Environment | 50,004 | 571,167 | (499,353) | - | 121,818 |
| Literacy Champions | - | - | (257) | 257 | - |
| Literacy For Learning | 263,671 | 59,422 | (206,343) | - | 116,750 |
| Literacy Hubs | 148,147 | 50,453 | (76,200) | - | 122,400 |
| Love Our Libraries | 264,256 | 1,203,316 | (472,126) | - | 995,446 |
| Manchester Hub | 3,638 | 103,725 | (77,366) | - | 29,997 |
| Middlesbrough Hub | 7 | 1,695 | (3,703) | 2,001 | - |
| New Chapters | 35,694 | 100,868 | (39,983) | - | 96,579 |
| Newswise | 11,403 | (1,800) | (16,403) | 6,800 | - |
| Nottingham & Peterborough Big Lottery | 17,715 | - | (17,715) | - | - |
| Nottingham Big Lottery | 10,191 | 19,852 | (30,043) | - | - |
| Nottingham Hub | 53,541 | 74,523 | (83,864) | - | 44,200 |
| Other Restricted Projects | 100,000 | 100,000 | - | - | 200,000 |
| Peterborough Big Lottery | (6,903) | 45,364 | (38,461) | - | - |
| Peterborough Hub | 22,454 | 11,740 | (29,706) | - | 4,488 |
| Premier League Reading Stars | 38,646 | 86,054 | (102,006) | - | 22,694 |
| Redcar Hub | 4,062 | - | (1,022) | - | 3,040 |
| Rural Hubs | - | 35,002 | - | - | 35,002 |
| Scarborough Hub | 63,828 | 28,757 | (41,104) | - | 51,481 |
| Sport and Literacy | 19,620 | 81,089 | (130,589) | 29,880 | - |
| Stoke Hub | - | 1,268 | (1,268) | - | - |
| Story Quest | 4,070 | 60,414 | (64,484) | - | - |
| Suffolk Campaign | (10,229) | 289,399 | (107,679) | - | 171,491 |
| Swindon Hub | 12,908 | 862 | (2,603) | - | 11,167 |
| Teachers Wellbeing Campaign | - | 63,556 | - | - | 63,556 |
| Words For Work | 302,142 | 194,942 | (190,761) | - | 306,323 |
| Young Readers Programme | 383,357 | 487,672 | (461,850) | - | 409,179 |
| Young Writers Programme | 127,461 | 198,308 | (198,305) | - | 127,464 |
| | 2,497,118 | 5,886,968 | (4,406,563) | 40,149 | 4,017,672 |
| UNRESTRICTED FUNDS | | | | | |
| General Funds | 432,659 | 3,180,051 | (2,836,193) | (40,149) | 736,368 |
| TOTAL FUNDS | 2,929,777 | 9,067,019 | (7,242,756) | - | 4,754,040 |

Included under Restricted Funds are any donations or grants received which are subject to a restriction imposed by the donors to the purpose for which the funds should be spent. The associated expenditure against income is included under restricted funds expenditure. Income which has not yet been expended is carried forward as restricted funds.

Total of £6,799 (2022: £40,149) was transferred from Unrestricted Funds to Restricted Funds to bring negative balances for these restricted funds to be zero including Books About Town (School) and Newswise for this year (2022: Boots Optician School Challenge, Cornwall Hub, Gaining Momentum/Oxfordshire Secondaries, Literacy Champions, Middlesbrough Hub, Nottingham & Peterborough Big Lottery and Sport and Literacy.)

13.RESTRICTED FUNDS (continued)

Our programmes and their funding sources:

Adult Literacy – a programme to support adults to improve their reading and writing.

Audible Project - inspiring Young Offenders through audible books and making a podcast.

Birmingham Hub - funded by Birmingham University.

Black Country Hub – EY funded hub across the area- funded by ACE

Blackpool Hub - a literacy campaign funded by Blackpool OA and LA.

Books About Town (Schools) - a creative literacy project focused on raising levels of reading for enjoyment through the use of whole text.

Books Unlocked - a reading initiative targeting enjoyment of reading and access to quality literature, working through prison and young offender institution library reading groups, school, college, public library and community reading groups.

Boots Optician School Challenge – a programme in partnership with Boots Opticians to highlight the importance links between literacy and eye health.

Bradford Hub - a literacy hub established in Bradford.

Connecting Stories - a cross hub campaign funded by Arts Council. This project is to promote creative writing and reading for enjoyment across 14 hubs and with the aim of engaging 70,000 people.

Cornwall Hub – a literacy hub established in Cornwall funded by a private individual

Criminal Justice Employability - a YOI version of Words for Work.

Doncaster Hub - a literacy hub funded by the Doncaster OA.

Dundee Hub - starting to bring together funders to create a hub in Scotland.

Early Years - training practitioners and volunteers to work with parents and children, building parents' confidence so that they can support their children's communication, language and literacy skills at home. Funded by the Department for Education (Ipswich Opportunity Area), Glasgow Local Authority, Manchester Local Authority, The Nuffield Foundation and Trusts and Foundations including Dulverton and Mercers. Our Early Years programmes include Early Words Together, Early Words Together@2, HELLO and Everyone Ready for School.

Gaining Momentum/Oxfordshire Secondaries – funded by Oxfordshire County Council to improve attitudes towards literacy and overall academy attainments for pupils in Oxfordshire.

Game Changers – funded by Department for Digital, Culture, Media and Sport to motivate and equip young people to read through special designed programme using relatable texts and highly-scaffolded resources.

Hastings Hub - a literacy hub established in Hastings.

Home Learning Environment - funded by the Department for Education to harness the power of businesses and business volunteers to work with disadvantaged families to improve the home learning environment.

Literacy Champions – promoting social engagements to improve literacy with disadvantaged communities.

Literacy for Learning - a revolutionary approach to improving secondary school language and literacy. Funding from JJ Charitable Trust received to scale up the previous programme.

Literacy Hubs - funding for cross-hub working.

Love Our Libraries - transforming primary school libraries and reading for pleasure across the whole school with the gift of a new and diverse book collection and by developing the skills and book knowledge of teachers, enabling them to become reading for pleasure champions and library coordinators. Our libraries programmes include Love our Libraries, Puffin World of Stories, Get Islington Reading. Funded by Penguin Random House (Puffin World of Stories) JP Morgan Chase (rewarding futures) Arts Council together with Trusts and Foundations including Mercers and NYC Opportunity Area.

Manchester Hub - funded by Manchester City Council.

Middlesbrough Hub - funded by Middleborough Public Health.

New Chapters - funded by Rothschild Foundation to work in Aylesbury Youth Offending Institute (YOI) to develop a YOI Reading for Pleasure programme.

Nottingham & Peterborough Big Lottery - funding from Big Lottery to deliver a Doorstep to Digital project during Lockdown.

Nottingham Big Lottery – funding from the Big Lottery Fund to support the hub for the next three years with a focus on community consultation and literacy champions.

Nottingham Hub – funded by Nottingham City Council and Small Steps Big Changes.

Other Restricted Projects – this money has been transferred from Young Readers Programme and Words for Work where a surplus of funds have built up over a period of years and will be held until the Senior Management Team decide on a suitable use for the excess funds.

Peterborough Big Lottery – funding from the Big Lottery Fund to support the hub for the next three years with a focus on community consultation and literacy champions.

Peterborough Hub – funded by Peterborough City Council.

Premier League Reading Stars, Sport and Literacy – working with high-profile partners such as the Premier League and England Rugby, we deliver literacy programmes, competitions and events using sport and role models to engage and inspire pupils to read and write more. Funded by Premier League, Football Association, BT Supporters Club, Comic Relief (Try for Change), Clarks and Trusts and Foundations. Our Sport and Literacy Programmes include Premier League Primary Stars, Rugby Reading Champions, Skills Academy and Gamechangers – our programmes in Alternative Provision.

Redcar Hub – funded by Public Health NE.

Rural Hubs – a new area of work starting with some transition work funded by Dorset Council.

Scarborough Hub – funded by Scarborough Borough Council.

Stoke Hub – a literacy hub established in Stoke.

Story Quest – an innovative project around walk and talk trails in Stoke, funded by Sport England.

Suffolk Campaign – a campaign across Suffolk funded by Suffolk County Council.

Swindon Hub – originally funded WH Smith Plc.

Teachers Wellbeing Campaign – supporting with partner Wesleyan to improve all education professionals' mental wellbeing.

Wales Hub – a literacy hub established in Wales

Words for Work – joining schools and businesses together to give young people from disadvantaged backgrounds authentic opportunities to practise the communication and literacy skills they will need to be successful in the workplace. Funded by the Careers Enterprise Foundation and Corporates including Provident, Cleary Gottlieb and Lancome. Our Words for Work programmes include Words for Work Key Stage 3, Words for Work Post 16, Words for Work: Women in Leadership and Words for Work: Dream Big (Key Stage 1).

Young Readers Programme – motivating children from disadvantaged backgrounds to read for enjoyment and giving them the chance to choose new books to keep through a series of fun events. Funded by Corporates including British Land, WH Smith Plc, Slaughter & May, Goldman Sachs and Trusts and Foundations including John Laing Charitable Trust, The Unwin Charitable Trust and the Philip and Marjorie Trust.

Young Writers Programme and Newswise – providing memorable experiences, a real purpose and audience, access to professional writers and structured writing strategies to inspire and improve students' writing. Funded by Trusts and Foundations including Alasol, Paul Hamlyn Foundation and Corporates including Audible, Google (via Guardian Foundation), Royal British Legion. Our Young Writers programmes include NewsWise, Young City Poets and IPEEL.

14. Analysis of net assets between funds

| | Fixed Assets | Net Current Assets | Long Term Liabilities | 2023 Total |
|---------------------------------------|-----------------|-----------------------|--------------------------|---------------|
| | £ | £ | £ | £ |
| RESTRICTED FUNDS | | | | |
| Adult Literacy | - | 14,824 | - | 14,824 |
| Audible Project | - | 34,129 | - | 34,129 |
| Birmingham Hub | - | 14,407 | - | 14,407 |
| Black Country Hub | - | 4,979 | - | 4,979 |
| Blackpool Hub | - | 28,621 | - | 28,621 |
| Books About Town (Schools) | - | - | - | - |
| Books Unlocked | - | 93,231 | - | 93,231 |
| Bradford Hub | - | 14,575 | - | 14,575 |
| Connecting Stories | - | (156,646) | - | (156,646) |
| Cornwall Hub | - | 11,472 | - | 11,472 |
| Criminal Justice Employability | - | 9,258 | - | 9,258 |
| Doncaster Hub | - | 2,368 | - | 2,368 |
| Dundee Hub | - | 7,836 | - | 7,836 |
| Early Years | - | 82,278 | - | 82,278 |
| Game Changers DCMS 2021 | - | 136,980 | - | 136,980 |
| Hastings Hub | - | 63,811 | - | 63,811 |
| Home Learning Environment | - | 153,387 | - | 153,387 |
| Literacy For Learning | - | 31,668 | - | 31,668 |
| Literacy Hubs | - | 158,755 | - | 158,755 |
| Love Our Libraries | - | 1,001,364 | - | 1,001,364 |
| Manchester Hub | - | 31,943 | - | 31,943 |
| Middlesbrough Hub | - | 18,337 | - | 18,337 |
| New Chapters | - | 92,356 | - | 92,356 |
| Newswise | - | - | - | - |
| Nottingham & Peterborough Big Lottery | - | - | - | - |
| Nottingham Big Lottery | - | 1 | - | 1 |
| Nottingham Hub | - | 61,151 | - | 61,151 |
| Other Restricted Projects | - | 200,000 | - | 200,000 |
| Peterborough Big Lottery | - | 251 | - | 251 |
| Peterborough Hub | - | 3,548 | - | 3,548 |
| Premier League Reading Stars | - | (45,736) | - | (45,736) |
| Redcar Hub | - | 2,895 | - | 2,895 |
| Rural Hubs | - | 27,039 | - | 27,039 |
| Scarborough Hub | - | 81,123 | - | 81,123 |
| Sport and Literacy | - | 2,247 | - | 2,247 |
| Stoke Hub | - | 38,360 | - | 38,360 |
| Story Quest | - | 38 | - | 38 |
| Suffolk Campaign | - | 362,876 | - | 362,876 |
| Swindon Hub | - | 14,501 | - | 14,501 |
| Teachers Wellbeing Campaign | - | 63,544 | - | 63,544 |
| Wales Hub | - | 10,664 | - | 10,664 |
| Words For Work | - | 305,207 | - | 305,207 |
| Young Readers Programme | - | 482,544 | - | 482,544 |
| Young Writers Programme | - | 111,960 | - | 111,960 |
| | - | 3,572,146 | - | 3,572,146 |
| UNRESTRICTED FUNDS | 41,304 | 812,775 | (80,879) | 773,200 |
| | 41,304 | 4,384,921 | (80,879) | 4,345,346 |

14. Analysis of net assets between funds (continued) 2021-22

| | Fixed Assets | Net Current Assets | Long Term Liabilities | 2022 Total |
|--|-----------------|-----------------------|--------------------------|---------------|
| | £ | £ | £ | £ |
| RESTRICTED FUNDS | | | | |
| Audible Project | - | 20,803 | - | 20,803 |
| Birmingham Hub | - | 80,404 | - | 80,404 |
| Black Country Hub | - | 6,484 | - | 6,484 |
| Blackpool Hub | - | 41,928 | - | 41,928 |
| Books Unlocked | - | 27,069 | - | 27,069 |
| Boots Optician School Challenge | - | - | - | - |
| Bradford Hub | - | 80,617 | - | 80,617 |
| Connecting Stories | - | 441,408 | - | 441,408 |
| Cornwall Hub | - | - | - | - |
| Criminal Justice Employability | - | 15,239 | - | 15,239 |
| Doncaster Hub | - | - | - | - |
| Dundee Hub | - | 16,048 | - | 16,048 |
| Early Years | - | 261,792 | - | 261,792 |
| Gaining Momentum/Oxfordshire Secondaries | - | - | - | - |
| Game Changers DCMS 2021 | - | 67,585 | - | 67,585 |
| Hastings Hub | - | 25,220 | - | 25,220 |
| Home Learning Environment | - | 121,818 | - | 121,818 |
| Inspiring Parents | - | - | - | - |
| Literacy Champions | - | - | - | - |
| Literacy For Learning | - | 116,750 | - | 116,750 |
| Literacy Hubs | - | 122,400 | - | 122,400 |
| Love Our Libraries | - | 995,446 | - | 995,446 |
| Manchester Hub | - | 29,997 | - | 29,997 |
| Middlesbrough Hub | - | - | - | - |
| New Chapters | - | 96,579 | - | 96,579 |
| Newswise | - | - | - | - |
| Nottingham & Peterborough Big Lottery | - | - | - | - |
| Nottingham Big Lottery | - | - | - | - |
| Nottingham Hub | - | 44,200 | - | 44,200 |
| Other Restricted Projects | - | 200,000 | - | 200,000 |
| Peterborough Big Lottery | - | - | - | - |
| Peterborough Hub | - | 4,488 | - | 4,488 |
| Premier League Reading Stars | - | 22,694 | - | 22,694 |
| Redcar Hub | - | 3,040 | - | 3,040 |
| Rural Hubs | - | 35,002 | - | 35,002 |
| Scarborough Hub | - | 51,481 | - | 51,481 |
| Sport and Literacy | - | - | - | - |
| Stoke Hub | - | - | - | - |
| Story Quest | - | - | - | - |
| Suffolk Campaign | - | 171,491 | - | 171,491 |
| Swindon Hub | - | 11,167 | - | 11,167 |
| Teachers Wellbeing Campaign | - | 63,556 | - | 63,556 |
| Words For Work | - | 306,323 | - | 306,323 |
| Young Readers Programme | - | 409,179 | - | 409,179 |
| Young Writers Programme | - | 127,464 | - | 127,464 |
| | - | 4,017,672 | - | 4,017,672 |
| UNRESTRICTED FUNDS | 39,036 | 795,456 | (98,124) | 736,368 |
| | 39,036 | 4,813,128 | (98,124) | 4,754,040 |

15. Pension Costs

The Charity operates an auto enrolment defined contribution pension scheme, employees are offered the opportunity to contribute from 1% of their basic salary. There is no obligation to make a personal contribution.

The charity contributes 8% of basic salary and Royal London is our pension provider.

The total unpaid pension contributions at financial year ending 31 March 2023 were £98,096 (2022: £131,467). These amounts are within Other Creditors due within one year of £17,217 (2022: £33,343) and Other Creditors due after one year of £80,879 (2022: £98,124).

16. Grants Awarded

| | Number of grants | 2023 £ | Number of grants | 2022 £ |
|--|------------------|-----------|------------------|-----------|
| Foundation Years Trust | 1 | 31,301 | 1 | 28,996 |
| Coast & Vale Community Action | 1 | 23,784 | 1 | 28,454 |
| Early Years Alliance | - | - | 1 | 11,361 |
| Institute of Wellbeing | 1 | 31,300 | 1 | 30,822 |
| West Smethwick Enterprise- Birmingham | 1 | 23,989 | - | - |
| West Smethwick Enterprise- Black Country | 1 | 23,996 | - | - |
| Doncaster Council | 1 | 29,364 | - | - |
| | 6 | 163,734 | 4 | 99,633 |

There were no support costs allocated to grant making activities in both years 2023 or 2022.

17. Reconciliation of net movement in funds to net cash flow from operating activities

| | 2023 £ | 2022 £ |
|---|-----------|-----------|
| Net movement in funds | (408,694) | 1,824,264 |
| Adjustments for: | | |
| Depreciation | 17,052 | 9,022 |
| Investment income | (6,876) | (321) |
| Interest paid | 3,329 | 3,847 |
| Decrease / (Increase) in stocks | 4,400 | (11,091) |
| (Increase) / Decrease in debtors | (425,468) | 50,750 |
| (Decrease) in creditors | (12,062) | (7,873) |
| Net cash (used in) / provided by operating activities | (828,319) | 1,868,598 |

18. Funds Received as Agent

The charity has agreed to administer a bank account on behalf of Annington Management Ltd for a campaign to show the benefits of using subtitles in children's television programmes. At the balance sheet date funds of £61,349 (2022: £24,922 in restricted funds) were held in the account. During the year funds of £86,100 (2022: £6,333) were received into the account and £45,368 were paid out (2022: £86,411). An admin fee of £4,305 was received.