

THE NATIONAL LITERACY TRUST

England & Wales · Charity number 1116260

Details

Status	Registered
Legal form	Charitable company
Company number	05836486
Registered	2006-10-03
Register	View on the Charity Commission register

Contact

Address	National Literacy Trust 1st Floor 68 South Lambeth Road London SW8 1RL
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Activities

Objects: TO ADVANCE PUBLIC EDUCATION IN READING, WRITING AND OTHER LITERACY SKILLS.

Activities: We are an independent charity that transforms lives through literacy. We improve reading, writing, speaking and listening in communities where poverty is on the increase and literacy levels are low. Our research and analysis make us the leading authority on literacy and drive our interventions. Our work is focused on critical moments in literacy development when we can make the greatest impact.

Classification

- **How:** Makes Grants To Organisations, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body
- **What:** Education/training, Arts/culture/heritage/science, Economic/community Development/employment
- **Who:** Children/young People, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, NATIONAL.
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£14,270,653	£14,396,859	£3,704,462	202
2024-03-31	£12,050,441	£12,565,119	£3,830,668	178
2023-03-31	£10,529,351	£10,938,045	£4,345,346	145
2022-03-31	£9,067,018	£7,242,754	£4,754,040	112
2021-03-31	£7,083,885	£6,387,390	£2,929,776	109

Trustees

Name	Role	Appointed
Joanna Prior	Chair	2022-02-08
Bradley Martin Keast		2025-05-07
Catherine Ann Rose		2025-06-01
Gabrielle Helen Louise Huddart		2024-10-22
Hilary Ineomo-Marcus		2024-05-20
Jasmine Richards		2025-10-12
Kersten Elizabeth England		2023-10-06
Louise Doughty		2025-02-27
Matthew Anthony Wilson Bradbury		2022-07-20
Professor Michelle Money		2022-05-26
Rachel Laura Hopcroft		2024-05-20

Accounts

**National
Literacy
Trust**

Change your story

Annual Report 2024-25



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Letter from the Chair



The mission of our charity is to address inequality and grow prosperity by increasing literacy levels across the UK. When our own research shows that only 34% of children and young people are reading for pleasure, it is our duty to call this out as a crisis, challenging the futures of a generation and the ambitions of our nation, and to lead action to address it.

Working with the new Government, the publishing industry, our charity partners, libraries, schools and colleges and the business community, we are proud to have been commissioned by the Secretary of State for Education to lead a National Year of Reading in 2026 as a response to this crisis.

This campaign will build on the momentum of significant achievement and growth in the impact and reach of the National Literacy Trust. The past year has seen us launch Early Words Matter, our 5 year campaign to work with a quarter of a million children in our Hub areas, to support their early literacy and language. We have now created over 1,500 new libraries for primary schools, training members of staff to run them. And, crucially, our intensive work in our Hub areas has demonstrated that the decline in reading is not inevitable.

Our Hub areas are bucking the national trend with reading levels up to 22% higher than the national average. An extraordinary achievement in the poorest communities which have traditionally lagged significantly behind.

I am incredibly grateful to all our supporters who are enabling us to address the challenge with such vigour and impact. For the over 100 businesses who commit their support to our mission in the Literacy Business Pledge, backed by KPMG. To the Trusts and Foundations who play such a vital role in our work – particularly the Julia Rausing Trust and the Foyle Foundation for their support for Libraries for Primaries. To the Arts Council and the DfE for their deep understanding and support for our mission.

It has been an honour to celebrate our achievements with our Patron, Her Majesty The Queen, welcoming her to our Hubs, from Middlesbrough to Bradford, and to the schools which have benefited from Libraries for Primaries. Our Patron's commitment inspires and encourages us.

I would also like to thank my fellow trustees and the executive team and our 1,500 volunteers across the UK, whose enthusiasm powers our work and changes stories in some of the UK's most disadvantaged but most exciting communities.

A handwritten signature in black ink, which appears to read 'Joanna Prior'.

Joanna Prior
Chair

Date: 29 September 2025

Our mission

We empower people from disadvantaged communities with the literacy skills they need to succeed in life

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're 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 in the poorest communities. We support these communities, where as many as one in three people have low levels of literacy.

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 the challenge of 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 fastmoving 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 9,015 schools, and over 90 businesses, and are grateful for the support of writers, illustrators, poets and the skilled teams of 40 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 the charity's culture, our induction, appraisals and staff development and are the guiding principles for the way in which we are effective.

We are **focused** on our impact with the people who need us most: helping them change their life chances through the power of words.

It's in our DNA to be **enterprising**: we make a difference because we are willing to do things differently.

We make change happen together; by **connecting** with others, we can do so much more.

We are **respectful** to everyone we work with, valuing each person's unique contribution.



Our commitment to equity, equality, diversity and inclusion

The foundation of our strategy is our shared 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 and fulfilling our mission**.

Our programmes and campaigns are focused on the needs of children, families, adults and groups who are most likely to experience injustice and exclusion. By working with community consultation groups in all our Hub areas, we develop approaches based on the many strengths and unique qualities each community has – languages, stories, experiences, skills and knowledge.

Our mission is to break the link between literacy and socio-economic inequality. Poverty is the major driver and effect of low literacy in the UK. But we know that other characteristics can make it harder for people from poorer communities to develop strong literacy skills.

We take this challenge seriously: We have an EDI 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.

Our commitment to the environment

We are passionate about sustainable development and the creation of communities that have the literacy skills to thrive, supporting both current and future generations. But a sustainable community is also defined by its relationship to the environment. So, it is essential that we operate in an environmentally responsible way. In 2022 we became a distributed organisation, allowing team members to live in their own communities, and conducting our meetings and management activities online. This supports communities across the UK and minimises travel requirements. We also aim to improve our contribution to environmental sustainability through our programmes and support the delivery of environmental messages and actions – for instance, through our Eco Literacy Champions project.

Our impact in numbers

Breakthrough One:

17,644
Reach

6,518
Engagement

17,219
Books
Distributed

Breakthrough Two:

1,778,056
Reach

1,575,198
Engagement

540,322
Books
Distributed

Breakthrough Three:

80,000
Reach

1,2260
Engagement

7,168
Books
Distributed



Our strategy

Poverty leads to low literacy: by the time a child is 10.5 months old communication delay linked to poverty 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, 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 (with a 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.

How we made change happen in 2024/25

We know that the literacy challenge is complicated. Literacy is intergenerational; it is closely related to inequality; particular communities and particular characteristics make it more likely that you will have low levels of literacy. Our approach, therefore, is sophisticated and evidence-based. In the past year we have worked in four ways to empower people with literacy skills to succeed in life.

We directly supported literacy skills and building confidence.

From parents not sure how to talk to their baby, teenagers finding reading boring or adults facing life challenges without literacy skills we supported people with information, digital content, classes, free books, encouragement and our knowledge and expertise.

We helped professionals increase the quality of literacy provision.

We supported and inspired early years practitioners, teachers, librarians, tutors and professionals on the frontline. They are our nation's literacy heroes and the greatest resource the UK has. We are proud to work with them and learn from them, offer them evidence-based approaches, free resources and celebrate their achievements.

We stood side by side with communities to tackle literacy inequality.

We lead 20 impactful Literacy Hubs – long term literacy action partnerships on the ground, driven by the communities themselves, in the places with the worst experiences of literacy and poverty in the UK. Our local teams worked in partnership with these communities to change stories.

We influenced leadership and policy to create lasting change.

National and local government policy determines how education is delivered. We worked to ensure literacy is a priority and influence policy using our insights and experience. We also worked with leaders in the business community. As employers, through their markets and as corporate citizens, businesses have a key role to play in our mission.



Our 30th anniversary

In 2024 we celebrated the 30th anniversary of the foundation of the National Literacy Trust which we celebrated with a Birthday Party, hosted by our Patron, Her Majesty The Queen, at Clarence House.

Over 60 of our Literacy Champions, volunteers from the communities we work with were the guests of honour at the celebration, joining staff, trustees and supporters of the National Literacy Trust to mark three decades of championing literacy within some of the UK's most disadvantaged communities. It was a great honour to welcome our President, Baroness Usher Prashar, who was one of the founders of our charity.



In our first 30 years

We have inspired and empowered over
5 million
children

We have worked with nearly
17,000
schools

We've gifted a staggering
528,303
books in the last year alone!

In the last year we've reached
9,834
parents of under-5s



Our research: A wake up call to the nation

In November 2024 we published research which revealed that just 1 in 3 (34.6%) children and young people aged 8 to 18 enjoyed reading in their free time in 2024.

This was the lowest levels ever recorded, enjoyment levels having **decreased by 8.8 percentage points over the past year alone.**

We know that reading for pleasure is a vital literacy activity, strongly linked to academic attainment, we also know that it can drive social mobility, as a more powerful determining factor in young people's futures than their socio-economic background.

Our findings demonstrated a challenge to the future life chances of our children and young people and the new Government's commitment to opportunities and economic growth. Before publication, ministers and key civil servants at the DfE had been fully briefed. On the day of publication, Rachel Reeves was briefed on the research in a creative industries roundtable at No 11 Downing Street. Media interest was intense and there was a strong and popular appetite for action.

A Publishers All Party Parliamentary Group was held for MPs and Lords to discuss the results at which Baroness Rebuck proposed a National Year of Reading in response to the data. Her recommendation was subsequently adopted by the Secretary of State for Education who has commissioned the National Literacy Trust to lead the 2026 campaign.

In 2026 the National Year of Reading will be a massive government-backed campaign, mobilising all sectors of society in a common mission, to engage more and especially young people in reading, to boost their quality of life now and create new opportunities in their futures.



Breakthrough 1: Literacy to grow

Every child starts school with language and communication skills ready to grow and learn at school.

Early years speech, language and communication is the foundation of all literacy. Yet in September 2024, 30.8% of children started school without the early literacy, language and communication skills required. For children from more disadvantaged backgrounds the number increased to 47.1%.

Children who struggle with language at age 5 are five times more likely not to reach the expected level in reading and writing at age 11. From this point inequalities in earnings and health can accurately be projected.

This inequality is a result of children not having access to high quality childcare and early education opportunities and resources in the home and early parenting behaviours

In 2024 we published research which shows the growing scale of this challenge for children born into the Pandemic and the cost of living crisis:

Only 78.1% of parents said they had chatted to their child at least once a day in the last week. In 2019 the level was 90.3%.

56.0% parents played together with their child at least once a day in the last week. This compares to 76.2% in 2019.

50.5% parents said they had read with their child daily in 2024 compared to 66.% in 2019.



Our 5 year campaign, **Early Words Matter**, which we launched in 2024, is our response to this challenge. We will be supporting the early language and literacy development of 250,000 children and young people in 20 of the most disadvantaged areas with resources and support for parents and children, evidence-based intervention and training for early years settings and local partnership work to strengthen leadership and systems around early literacy.

In the first year of Early Words Matter we have focused on five areas. One of these areas is Sandwell where our local team launched a new resource, the Little Moments Together card, with a magical under 2's event 'Storytelling with Sandy the Bear' at Morrison's Wednesbury Cafe. We were joined by SinglePoint Family Hub Oldbury, who provided family support and Transport for West Midlands who were handing out a one month free bus pass to families to enable them to participate in sessions. Children enjoyed storytelling and nursery rhymes while we were able to talk to the adults about early literacy. We also visited local nurseries and Family Hubs to directly support families in their stay and play sessions.

Early Words Matter is already impacting on parents and children in these communities:

“

I never read with them at home, they always get distracted or wreck the book. It's easier to do other things, I'm so glad you read a couple of stories with them.

- Parent

”

“

Thank you so much for the opportunity of the programme. We loved it. We learnt something new every week and we didn't know the importance of reading to our children and we are grateful. We didn't have books read to us when we were younger so we didn't know this was important and now on a bedtime my wife always does a story and my children go to bed with a story.

- Family attending Family Hub event South Tyneside

”

“

We have thoroughly enjoyed working with the programme. We feel that It has begun to flourish, we have loved expanding on the messages & activities to demonstrate & adapt to the families needs, it has been fun and wonderful to see the progress & confidence increase with both the parent & child, engaging & empowering the parents is so important. Giving out the lovely books & resources is the icing on the cake!

- FWT Practitioner, Birmingham

”

“

The rhymes have really helped with their speech. They pick books they like and engage more now. The group atmosphere has given me and my kids friends also.

- Mother of 1 and 3 year old

”



At the heart of **Early Words Matter** are evidence-based interventions that are rigorously developed, tested and evaluated. The recent evaluation of the programme for Under 2s showed that:

- **90%** of parents reported a positive change in their knowledge of the ways to talk and interact with their child and **78%** reported positive change in their confidence to visit the local library, children's centre or nursery.
- There was improved early speech and language skills of children and improved personal and social skills of the children.

“

Their child was completely non-verbal at the start of the 5-week project. The parent reported having a go at several of the activities at home each week and trying to use the language that they had seen modelled in the sessions, finding opportunities for giving the child both spoken language and signing. By the end of the 5 weeks, the child was noticeably babbling at the sessions and the parent reported that it was even more at home. The parent was thrilled by rapid development and continues to engage with other services locally and is now trying to attend Rhyme Time at least once a month.

– FWT feedback from a facilitator, Hampshire

”

We have taken our commitment to supporting early language and literacy in the Government's Family Hub network, where we are training and developing staff in the Hubs and providing resources for them to use with Families. This has had an transformative impact on the Family Hub teams.

Within a year:

92%

have a better understanding of how to support early language and the home learning environment since working with us

82%

have reached new families within their local community since working with us

99%

agree that the resources provided are relevant and useful for families

Breakthrough 2: Literacy to learn

Literacy to learn. Every young person, wherever they grow up, leaves school with literacy skills for life

Literacy is the key to education and is crucial in successfully navigating life. Literacy levels determine employment options, earnings, the ability to participate in democracy and even health outcomes. It's not just about acquiring literacy skills, it's also about personally engaging with them – enjoying reading at 15 has a greater impact on your school grades than your parents' social class. Yet enjoying reading amongst young people is at an all time low. This is creating inequality, limiting opportunities and undermining social mobility. However, this decline is not inevitable and it is inspiring to see the poorest communities, where we are working in depth, bucking the trend with up to 22% higher levels of reading for pleasure than across the rest of the UK.

We are committed to ensuring that every young person leaves school with the literacy skills they need to fulfil their potential. This means offering consistent support for their reading, writing and speaking and listening skills throughout their education.

In the last year we worked with 9,229 settings nationally to ensure to address our goal.

We have worked directly with young people through initiative such as the **National Reading Champions Quiz** which celebrates the book knowledge of star readers aimed 10 to 14 each year. In early 2025 545 schools registered 2725 students to take part in the competition, 23 regional heats were held culminating in the National Grand Final. In total 1725 questions were asked during 69 hours of quizzing. And the star readers loved it!

Our Young Readers Programme was the UK's first reading for pleasure programme and it is still working with children who are the least likely to own books and enjoy reading.

“

We have three children from the same family who are about to be made homeless. With this initiative we have seen the enthusiasm of the three children in getting to choose and keep three new books each. The enjoyment they have shown and willingness to discuss books and reading has grown each time.

– Teacher, Amazon Young Readers Programme

”

11,994 teachers have attended our training and conferences this year across the United Kingdom, supporting the way in which they teach literacy from early years to post-16.

“The training gave some good strategies to engage all learners, no matter their level of literacy”

“It gave me lots of ideas to use in the classroom and the confidence to deliver it”

National reading celebrations

We first developed our national online reading events during the pandemic and they remain important moments to unite schools from across the country in the celebration of reading at important moments:

In **Refugee Week** activity, we ran two live events for schools. 40,000 students signed up to our event with Michael Rosen. We also had a live BSL Interpreter. **16,000 6-9-year-olds** joined our event with writers Steven Chatterton and Mark Arrigo.

On **World Book Day** Book 608,783 pupils registered for “The Great Big Footy & Booky Quiz” and we estimate we were watched by half the schools in the UK.

Our **Remembrance Live Assembly** event was delivered to **90,634 pupils** at **1,497 schools**.

“

Thank you so much for a wonderful experience for our students on Monday as part of your work with the NLT. I watched with our Y7&8 students and it was amazing for them hearing Michael Rosen’s personal stories about home/ refuge, family, loss, life, love. So many students here could identify with that.

”



Connecting stories

As well as our national programmes, our work with schools has particularly focused on our partner communities, where the National Literacy Trust has teams on the ground.

14 of these have been part of **Connecting Stories** which promotes reading for pleasure through school and community partnerships. Supported by Arts Council England and a national coalition of 46 publishers, Connecting Stories engages new readers through multiple contact points delivered with schools and community partners and by training and supporting teachers with resources, skills and interventions.

In **Doncaster** amongst a year-long programme highlights have included the holiday events the innovative Snacks and Stories Club, developed in partnership with Greggs in where our team also hosted a Storytelling Festival for 1,400 children from 24 schools.

In **Stoke** a highlight was the summer of park events, with six storytelling festivals in parks across the six towns of Stoke-on-Trent inspiring families to develop a love of literacy. Community organisations volunteered their time, including Family Hubs, Staffordshire Fire Service, Port Vale and Stoke City Football Clubs. Creators, storytellers, authors and poets, face painters, a magician, a bouncy castle, singing princess, and workshops based around story stones, engaged 6,060 people and as a result there were 255 children signed up to the summer reading challenge and 513 new library members.

Evaluation of the impact of sustained programmes of engagement, across these 14 areas show:

- **Higher levels of children reading for pleasure than the rest of the country – Children in these (some of the poorest wards in the UK) are now up to 22% more likely to be reading for pleasure and 22% more likely to use a public library.**
- **Stronger support from parents for their children's reading** – 83% more parents and carers are aware of how to support their children's literacy and 78% more know about local literacy activities than national levels.
- **Improved attainment in local primary schools** – schools in these areas with results significantly below national average are now reporting **an 8.6 percentage point improvement in Key Stage Two attainment.** Meaning they are now in line with the national average and putting their children on a pathway to success.
- **Increased community engagement** – 1,400 volunteers are leading this work **56% of these are themselves drawn from the most disadvantaged wards (IMD 1-3)**

For any community this data would be impressive, but the wards targeted by this work are the most disadvantaged in the UK which until now had the lowest reading and literacy rates. The programme has reversed this inequality.



"It was so brilliant to see Bangladeshi children and food featuring in a story and an interactive event like this one. My family really enjoyed the session, and my 8-month-old loved the mess play and making the Bharta – she ate the whole thing!"

– Read North East (event with author)

"He never read books before, he always struggled," said Reham's mum "But since he started this club, I've noticed a real difference. He reads 2 or 3 pages a night now with his dad; I was really shocked. This club has made a huge difference. He just comes to me with a book"



Libraries for Primaries

Our Libraries for Primaries campaign is working to ensure that every school has a school library. 1 in 7 primary schools don't have a library, the number is significantly higher in disadvantaged areas. When books are an unaffordable luxury for many families, not having a school library means that many children never get to develop a reading habit.

In partnership with Arts Council England and publishers, the campaign installs new libraries in primary schools, prioritising schools in disadvantaged communities. The collections are carefully curated to include books which reflect the diversity of contemporary life. Vitality, we also train members of staff to manage the new library, to make sure it is used by pupils and families, that pupil librarians are recruited and trained and that the library is a platform to create a new culture of reading across the whole of the school.

May 2024 was a milestone moment for Libraries for Primaries, when Her Majesty the Queen opened the 1000th new school library as part of the campaign. A third of a million children have now benefited from the programme. The celebration at Morelands Primary School in Islington

was attended by writers and illustrators who support the campaign. Joseph Coelho, the Children's Laureate, wrote a poem to celebrate the occasion and we invited pupil librarians from every school we have worked with to participate in a national online poetry workshop.

By the end of the year, we had delivered another 500 more libraires in all four nations.

Our inaugural Inclusive Libraries conference took place at the start of September 2024, in Leeds and London as part of our Libraries for Primaries campaign. Reading is an important tool to develop empathy and support education around racism. Our conferences empowered school librarians to champion unheard voices, and provide a safe space for young people to explore cultures, identities and intersectionality, so that they feel included and celebrated. Hundreds of school librarians attended and took part in our Inclusive Library Webinars.

One of the key findings of the evaluation of Libraries for Primaries is that teachers taking part in the programme feel more equipped to talk about diversity, equity and inclusion in the classroom.

Breakthrough 3: Literacy to thrive

Everyone leaving the criminal justice system has improved literacy skills to help them thrive.

1 in 6 adults in England have very low levels of literacy, in Scotland this figure is as high as 1 in 4. This group is not equally spread across society but is focused on disadvantaged communities. The prison population has particularly low levels of literacy and around 90% of young people in custody have been excluded from school in the past. Recent data from the Ministry of Justice shows that 61% of adult prisoners have literacy levels below Level 1. By working in the criminal justice system, we can reach large numbers of people with low literacy who face significant challenges in other areas of their life, we can learn from them about how best to engage people in reading and writing and we can see how literacy really does change life stories.

In 2024/25 we expanded and deepened our work in order to reach more women, men and young people in prison, as well as supporting families in the community with a family member in prison.

We delivered 152 workshops across 14 prisons, reaching 1,080 participants. We have reached a potential audience of 80,000 through our National Prison Radio audiobooks, and have donated 2,222 books across the prison estate.

We worked on a large scale programme supported by the Ministry of Justice in 6 prisons to engage people in reading and writing.

- **53% of participants in this programme had a literacy level below Level 1**
- **99% rated the session they attended as 'good' or 'excellent'**
- **79% said the session inspired them to write more**
- **89% said the session made them feel more able to express themselves in writing**
- **84% said the session inspired them to engage with other education opportunities in their setting**
- **We expanded our work with young offenders, rolling out New Chapters to reach 50% of under 18s in custody.**
- **93% rated the workshop as either excellent or good**
- **98% rated their experience with the author as excellent or good**
- **100% said the workshop inspired them to think about their future more**
- **98% said the workshop made them feel better in general**
- **98% said the session made them feel that their story is worth sharing**
- **97% felt the workshop made them enjoy writing more**
- **95% reported it encouraged them to read more**

“

The great books that you send are priceless and bring me reads that I wouldn't usually seek out

– Participant, HMP Dovegate

Having the opportunity to speak at length with a published author was fantastic Viktoria is an inspiration.

– Attendee, HMP East Sutton Park

”

From a former Books Unlocked participant who has now been released and we support in the community:

“

Hello to Books Unlocked, I just want to say a massive thank you for being part of my story. I now own over 20 books, own a kindle, am part of a book club and regularly find peace within the library. I found a new love with you, and I will be forever grateful. So will my Goodreads challenge! I adore reading now, the cathartic feeling I get just cannot be matched unless I am up a mountain somewhere. I hike, by the way, not lost! You gave me hope when I had very little and I will be forever grateful.

”

“

I liked the chatting, thinking skills, and the writing staff were very good. We need more stuff like this in jail.

- Participant, HMP Leeds

”

“

Really made me think about how I ended up where I am now and where I want to get back to.

”

“

It was fabulous.

-Participant, HMP Askham Grange

”



Legal information

The Trustees present their annual report, together with the financial statements of the charity for the year ended 31 March 2025.

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

Louise Doughty (appointed 27 February 2025)

Gabrielle Huddart (appointed 22 October 2024)

Brad Keast (appointed on 7 May 2025)

Catherine Rose (appointed on 01 June 2025)

Kersten England

Ben Fletcher

Rachel Hopcroft (appointed on 20 May 2024)

Hilary Ineomo-Marcus (appointed 20 May 2024)

Professor Michelle Money (previously Shaw)

Natasha McMullen (resigned on 27 February 2025)

Lara White (Treasurer) (resigned on 27 February 2025)

Professor Clare Wood (resigned on 27 February 2025)

PATRON

Her Majesty The Queen

PRESIDENT

Baroness Prashar of Runnymede

VICE PRESIDENTS

Amanda Jordan OBE

Julia Cleverdon DCVO CBE

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SCOTTISH CHARITY NUMBER

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COMPANY NUMBER

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www.literacytrust.org.uk

CHIEF EXECUTIVE

Jonathan Douglas CBE

COMPANY SECRETARY

Catherine Hardwick

Policy on fundraising

The charity does not employ any external professional fundraisers or commercial participators 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. We also follow sector guidance, including the Fundraising Regulator's Code of Practice, to safeguard individuals who may lack capacity or require additional support to make informed decisions when engaging in fundraising activities.

Aiming for the highest standards, we:

- are registered with the Fundraising Regulator, and are committed to complying with the Fundraising Code of Practice. There has not been any instance of noncompliance with any code;
- 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, or undertake fundraising activities, 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 2024/25 and did not receive any complaints during the 2024/25 year either.

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.

The fundraising team continued to play a pivotal role in advancing our work, aligning their efforts with our strategic priorities. In the financial year 2024/25, a gross amount of £12m (excluding trading activity, legacy, bank interest and gift aid) was fundraised against a budget of £12.1m (excluding trading activity, legacy, bank interest and gift aid). No material expenditure has been incurred to raise income in the future. These include:

- | | | |
|--|-----------------------------------|-------------------------------------|
| • Amazon | • Goldman Sachs | • Oxford University Press |
| • Arch Insurance | • Goldsmiths Company Charity | • Pan Macmillan |
| • Arts Council England | • Greggs Foundation | • Penguin Random House |
| • Audible | • Great Western Railway | • Portal Trust |
| • Authors' Licensing and Collecting Society | • Hachette | • Premier League |
| • Bloomberg | • Harper Collins | • PwC |
| • Bloomsbury | • Ian Fleming Publications | • RWE Supply and Trading GmbH |
| • Booker Prize Foundation | • Irwin Mitchell | • Redwood Bank |
| • British Land | • Julia and Hans Rausing Trust | • Reece Foundation |
| • Browne Jacobson | • Kindred Squared | • Rothschild Foundation |
| • Bupa Foundation | • KPMG | • Simon and Schuster |
| • Chase | • Lancôme | • Slaughter and May |
| • Deloitte | • McDonald's | • Smythson |
| • Department for Education | • Mercers Company | • The Works |
| • Department of Science, Innovation and Technology | • Mewburn Ellis | • TikTok |
| • Dundee Volunteer and Voluntary Action | • Ministry of Justice | • Turner and Townsend |
| • Estée Lauer | • Moondance Foundation | • UCL Institute of Education |
| • Experian | • Morrisons Foundation | • University of Birmingham |
| • Fidelity Foundation | • Mousetrap Productions | • Vanquis Bank |
| • Garfield Weston Foundation | • National Lottery Community Fund | • West Yorkshire Combined Authority |
| | • National Lottery Heritage Fund | • WHSmith |
| | | • Worwin Foundation. |

Plans for the future

The charity has exciting plans for 2025/26. We will continue to build on our success in 2025/26 to reach young people and adults who are most disadvantaged. We will work to deliver our strategy and are focussed on the three breakthroughs. At the same time, we will ensure that the partnership with Centre for Literacy in Primary Education is embedded within NLT in an aligned and unified way. Additionally, the roll-out of the 2026 National Year of Reading (NYR) and the Libraries for Primaries (LfP) programmes (the latter where the government has committed to fund the expansion of the existing LfP programme, to cover all primaries in the UK without a library in the period to 31/03/28) will take place in the financial year 2025/26.

Principal risks and uncertainties

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 and uncertainties 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 risk for 2024/25 was a failure to secure sufficient core income to sustain the organisation and support growth. This risk is mitigated by the development and implementation of key strategies that have been presented to the Trustees and where progress is reported to the 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: income falls so that the charity may not be able to maintain its full strategic commitment to place-based working (mitigated by the strengthening of both relationships with funders and ongoing diversification of funding and of the integration between Hubs and programmes to ensure mutual sustainability); 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).

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. 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), a Scottish registered charity (SC042944) and a company (no. 05836486) limited by guarantee up to a maximum of £1 each, per member. The memorandum and articles of association were last updated in 2006, when the charity was incorporated and registered at Companies House.

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 a decrease of £126,206 (2024: decrease of £514,678). This comprised of an increase in restricted funds of £9,510 (2024: decrease of £171,089), and a decrease in unrestricted funds of £135,716 (2024: decrease of £343,589). Overall, the charity's funds increased from £3,830,668 at the beginning of the year to £3,704,462 at the year end, of which £528,945 was in unrestricted funds and £3,175,517 was in restricted funds. The fund balances include a transfer from other restricted funds to unrestricted funds of £200,000. The position with respect to 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 before donations of books, increased from £10.5m in 2023/24 to £13.1m in 2024/25 (an increase of over 24%) which was far greater than had been budgeted and is testament to the work done by the whole charity in generating income. Books are not included on the balance sheet because they are received as a gift-in-kind with a view to being distributed quickly, they are not (and are not intended

to be) held for an extended period of time for the use of the charity as would be implied by treating them as fixed assets. The treatment also reflects the fact that the primary activity of the charity is not to trade in books. Donated books are recognised at the market value the charity would have paid with any discounts offered for the equivalent books. The value of the books received in the period is included in the accounts as income with a matching amount recognised as expenditure.

The main reason for the higher level of incoming resources was that income generated from our charitable activities was much higher than the previous year, especially with respect to our Libraries for Primaries campaign, as well our work in place-based Hubs and Criminal Justice. We anticipate increasing our income by 5% in 2025/26. In addition, the acquisition of the Centre for Learning for Primary Education as a subsidiary from 31 May 2025, will provide further opportunities to increase income and our offering. We will also continue to implement our strategy to generate increased levels of unrestricted income and have new bids in place to maintain income, as well as maintaining or growing existing funder relationships.

Total expenditure for the year increased by £0.2m from £12.6m in 2023/24 to £14.4m in 2024/25. The result for the year reflects the on-going 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.

As a result of the financial performance for the year, the charity is in a stronger total reserves position than the previous year. The Trustees recognise that the charity incurred a loss on unrestricted activities in the year. As a result, there will be an increased focus through both the budget and the strategy for 2025/26 and beyond on the growth of a steady pipeline of unrestricted income. The Trustees of the charity continue to believe that the National Literacy Trust is in a reasonably balanced position with a robust income and expenditure strategy in place. The financial statements contain further details on the basis of using the going concern assumption which are included in the accounting policies to these financial statements. 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 2025 were £3,704,462 (2024: £3,830,668). Restricted funds not available for the general purposes of the charity amounted to £3,175,517 (2024: £3,401,057). 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 (adjusted for expenditure which would not be incurred should the charity be wound up) which roughly equates to £660,055.

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 2025 was £528,945 (2024: £429,611) which was comprised of unrestricted fixed assets fund £15,970 (2024: £29,886) and unrestricted free reserves £512,975 (2024: £399,725). The unrestricted free reserves represent 1.5 months of unrestricted expenditure rather than the three that is the policy. The Trustees are aware of the need to increase reserves to reach the 3 month level in line with the growing size of the organisation and have adopted a budget for 2025/26 which puts an even sharper focus on generating more unrestricted reserves. The Trustees are confident that the target of 3 months reserves can be achieved and are taking the necessary approach to achieve this.

Statement of responsibilities of the trustees / directors

The trustees (who are also directors of charity name for the purposes of company law) are responsible for preparing the trustees' annual report including the strategic report (only for medium and large companies) 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 group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group 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 judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Trustees are responsible for keeping adequate 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at year end date was 10 (2024 10). The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Approval of Trustees annual report

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



Date: 29 September 2025

Trustee: Joanna Prior

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



Date: 29 September 2025

Trustee: Bradley Keast

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

Opinion

We have audited the financial statements of National Literacy Trust (the 'charitable company') for the year ended 31 March 2025 which comprise the statement of financial activities, balance sheet, statement of cash flows 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 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

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 National Literacy Trust'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 trustees' annual report, including the strategic report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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 trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report, including the strategic report, 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 trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the 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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, and the finance, audit and risk committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;

- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or noncompliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as

we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Sayer Vincent LLP

Judith Miller (Senior Statutory Auditor)

15 October 2025

for and on behalf of Sayer Vincent LLP,
Statutory Auditor

110 Golden Lane, London, EC1Y 0TG

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

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 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. 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.



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

For the year ended 31 March 2025

		Unrestricted Funds	Restricted Funds	Total Funds 2025	Unrestricted Funds Restated	Restricted Funds Restated	Total Funds 2024 Restated
	Notes	£	£	£	£	£	£
Income:							
Donations and legacies	2 a	4,012,442	149,469	4,161,911	3,464,384	107,569	3,571,953
Income from charitable activities	2 b	1,037,314	8,393,421	9,430,735	939,059	6,988,660	7,927,719
Income from other trading activities	2 c	528,092	90,775	618,867	499,497	10,928	510,425
Other income		7,507	-	7,507	-	-	-
Investment income		51,633	-	51,633	40,344	-	40,344
Total Income		5,636,988	8,633,665	14,270,653	4,943,284	7,107,157	12,050,441
Expenditure:							
Raising funds	3 c	(1,346,853)	-	(1,346,853)	(1,220,834)	-	(1,220,834)
Charitable activities	3 a-b	(4,423,607)	(8,624,155)	(13,047,762)	(4,063,244)	(7,278,246)	(11,341,490)
Interest payable		(2,245)	-	(2,245)	(2,795)	-	(2,795)
Total expenditure		(5,772,704)	(8,624,155)	(14,396,859)	(5,286,873)	(7,278,246)	(12,565,119)
Net Expenditure for the year		(135,716)	9,510	(126,206)	(343,589)	(171,089)	(514,678)
Transfer between funds	13	200,000	(200,000)	-	-	-	-
Total funds brought forward	13	464,661	3,366,007	3,830,668	773,200	3,572,146	4,345,346
Prior period reanalysis	20	-	-	-	35,050	(35,050)	-
Total funds carried forward		528,945	3,175,517	3,704,462	464,661	3,366,007	3,830,668

Balance sheet

At 31 March 2025

Company number

05836486

		2025	2025	2024	2024
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	7		15,970		29,886
			15,970		29,886
CURRENT ASSETS					
Stock	8	5,346		6,289	
Debtors	9	1,307,258		1,899,936	
Current asset investments		1,029,183		-	
Cash at Bank and in hand		2,807,165		3,481,546	
		5,148,951		5,387,771	
CREDITORS: Amounts falling due within one year	10	(1,415,115)		(1,523,878)	
NET CURRENT ASSETS			3,733,836		3,863,893
CREDITORS: Amounts falling due after more than one year	11		(45,344)		(63,111)
NET ASSETS			3,704,462		3,830,668
The funds of the charity:					
Restricted Funds	13		3,175,517		3,366,007
Unrestricted Funds	13		528,945		464,661
			3,704,462		3,830,668

The financial statements on pages 31-50 were approved by the Trustees and authorised for issue on and signed on their behalf by:



Joanna Prior
Chair



Bradley Keast
Treasurer

Date: 29 September 2025

Statement of cashflows

For the year ended 31 March 2025

		2025	2025	2024	2024
	Notes	£	£	£	£
Cash (used in) by operating activities	17		305,412		(717,085)
Cash flows from investing activities:					
Investment income		51,633		40,344	
(Increase) of cash from current asset investments		(1,029,165)		-	
Purchases of tangible assets		-		(5,720)	
Cash used by investing activities			(977,532)		34,624
Cash flows from financing activities:					
Interest paid		(2,245)		(2,795)	
Cash used by financing activities			(2,245)		(2,795)
(Decrease) in cash and cash equivalents in the year			(674,364)		(685,256)
Cash and cash equivalents at the beginning of the year			3,481,546		4,166,802
Total cash and cash equivalents at the end of the year			2,807,182		3,481,546

Analysis of cash and cash equivalents	2025	2024
	£	£
Cash at bank and in hand	2,807,165	3,481,546

Notes to the accounts

For the year ended 31 March 2025

1. Accounting Policies

Statutory information

National Literacy Trust is a charitable company limited by guarantee, incorporated in England and Wales (company no. 05836486). National Literacy Trust is an incorporated charity registered with the Charity Commission of England and Wales (charity no. 1116260) and with the Office of the Scottish Charity Regulator (no. SC042944). The registered office address and principal place of business is 68 South Lambeth Road, London SW8 1RL.

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) – 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.

Public benefit entity

The charity constitutes a public benefit entity as defined by FRS 102. It is incorporated in England, Wales, and Scotland. In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

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. The

charity is building on the learnings and continues to deliver as a hybrid distributed model of working. The economic climate and inflation are still concerns 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 continue to meet its liabilities. These indicate that the charity can continue to meet its liabilities as they fall due for at least twelve months from the date of 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 £1,693,122 has been recognised in donations and legacies in 2025 (2024: £1,524,177) in relation to

books that have been donated to the charity. An equal amount of expenditure has been fully recognised in charitable activities in the amount of £1,693,122 (2024: £1,524,177). In line with the accounting policy noted above, donated books are recognised at the market value the Charity would have paid with any discounts offered for the equivalent books. The value of the books received in the period is included in the accounts as income with a matching amount recognised as expenditure. The value of the books has not been recognised on the balance sheet as at 31 March 2025 because the books are not (and are not intended to be) held for an extended period of time for the use of the charity.

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 within 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 gross including VAT within the expense items to which they relate, as the Charity is only able to reclaim a small proportion of VAT paid, because of its trading activities, using the partial exemption method.

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.

Donated books are recognised on market value the Charity would have paid with any discounts offered for the equivalent books.

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	Restricted	2025	Unrestricted	Restricted	2024
	£	£	£	£	£	£
Donations from individuals	745,067	99,469	844,536	287,605	43,684	331,289
Donations from companies	1,693,122	50,000	1,743,122	1,684,331	63,885	1,748,216
Donations from charitable trusts	29,763	-	29,763	217,314	-	217,314
Other donations	1,544,491	-	1,544,491	1,275,135	-	1,275,135
	4,012,442	149,469	4,161,911	3,464,384	107,569	3,571,953

Income from donations and legacies of £3,464,384 was unrestricted and the remainder of £107,569 was restricted income for a total income of £3,571,953 in 2024.

b. Income from charitable activities

	Unrestricted	Restricted	2025	Unrestricted	Restricted	2024
	£	£	£	£	£	£
Grants and sponsorships receivable	1,037,314	8,393,421	9,430,735	939,059	6,988,660	7,927,719
	1,037,314	8,393,421	9,430,735	939,059	6,988,660	7,927,719

Income from charitable activities of £1,210,245 was unrestricted income and the remainder of £6,717,474 was restricted income for a total income of £7,927,719 in 2024.

Grants of £1,528,041 (2024: £1,845,773) were received from the government. There are no unfulfilled conditions or other contingencies attached to these funds.

c. Other trading activities

	Unrestricted	Restricted	2025	Unrestricted	Restricted	2024
	£	£	£	£	£	£
Literacy training	308,306	84,546	392,851	333,901	6,086	339,987
Online network subscriptions	172,633	-	172,633	127,408	-	127,408
Early Years - Traded	-	4,966	4,966	-	-	-
Skills Academy - Traded	12,152	-	12,152	9,701	-	9,701
Toolkits, Bookbenches & Little Ladybird Libraries	-	763	763	-	3,942	3,942
Consultancy & advertising	22,225	500	22,725	7,072	900	7,972
Competitions	12,777	-	12,777	21,415	-	21,415
	528,092	90,775	618,867	499,497	10,928	510,425

Income from trading activities of £499,497 was unrestricted income and the remainder of £10,928 was restricted income for a total of £510,425 in 2024.

3. Expenditure

a. Analysis of total resources expended

	Direct costs	Grants	Support costs	Total 20025	Direct costs	Grants	Support costs	2024 restated
	£	£	£	£	£	£	£	£
	Note 16				Note 16			
Costs of Raising Funds	1,275,447	-	71,406	1,346,853	1,125,607	-	95,227	1,220,834
Unrestricted Charitable Activities	3,890,769	-	148,280	4,039,049	3,245,871	-	222,612	3,468,483
Restricted Charitable Activities	8,577,554	46,601	384,558	9,008,713	7,224,775	53,471	594,761	7,873,007
Interest Payable	2,245	-	-	2,245	2,795	-	-	2,795
	13,746,014	46,601	604,244	14,396,859	11,599,048	53,471	912,600	12,565,119

Support costs of £604,239 (2024: £912,600) 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.

b. Analysis of support costs

	Premises	General Office	Staff	Finance	Information Technology	Total 2025	Total 2024 restated
	£	£	£	£	£	£	£
Costs of Raising Funds	38,992	15,883	(11,066)	7,786	19,811	71,406	95,227
Unrestricted Charitable Activities							
Membership	9,484	3,863	(2,692)	1,894	4,819	17,368	31,796
Competitions	1,232	502	(349)	246	626	2,257	5,868
Conferences	978	398	(277)	195	497	1,791	1,681
Primary Training	2,118	863	(601)	423	1,076	3,879	3,389
Secondary Training	10,625	4,328	(3,016)	2,122	5,398	19,457	19,937
Literacy Communities	-	-	-	-	-	-	2,848
Special Charitable Projects	595	242	(169)	119	302	1,089	12,542
Hubs (Core)	2,171	884	(616)	433	1,103	3,975	9,735
North East Campaign	549	224	(156)	110	279	1,006	8,193
Words for Life	-	-	-	-	-	-	-
Sport & Literacy Traded	-	-	-	-	-	-	-
HMPPS Literacy Innovation Fund	7,255	2,955	(2,058)	1,449	3,686	13,287	21,889
Research	13,362	5,443	(3,792)	2,668	6,789	24,470	34,654
Marketing & Communications	32,600	13,279	(9,252)	6,510	16,564	59,701	91,969
Unrestricted Chritable Activities	80,969	32,981	(22,978)	16,169	41,139	148,280	244,501
Restricted Charitable Activities							
Birmingham Hub	5,511	2,245	(1,564)	1,100	2,800	10,092	19,624
Black Country Hub	594	242	(169)	119	302	1,088	712
Blackpool Hub	829	338	(235)	166	421	1,519	10,595
Bradford Hub	1,955	797	(555)	390	994	3,581	5,698
Connecting Stories 4	-	-	-	-	-	-	-
Cornwall	3,911	1,593	(1,110)	781	1,987	7,162	11,393
Doncaster Hub	489	199	(139)	98	248	895	-
Dundee Hub	2,164	882	(615)	432	1,100	3,963	3,997
Fidelity Foundation	-	-	-	-	-	-	-
Hastings Hub	1,545	629	(439)	308	785	2,828	3,921
Literacy Champions	-	-	-	-	-	-	-
Literacy Hubs	21,538	8,774	(6,112)	4,301	10,943	39,444	13,956
Liverpool Hub	-	-	-	-	-	-	-
Manchester Hub	411	167	(116)	82	209	753	3,930
Middlesbrough Hub	-	-	-	-	-	-	-
Nott & Peter Big Lottery	-	-	-	-	-	-	-
Nottingham Big Lottery	-	-	-	-	-	-	-
Nottingham Hub	5,268	2,146	(1,495)	1,052	2,677	9,648	20,765
Peterborough Hub	-	-	-	-	-	-	3,323
Peterborough Big Lottery	1,838	749	(522)	367	934	3,366	2,136
Read North East	-	-	-	-	-	-	-
Redcar Hub	-	-	-	-	-	-	-
Rural hubs	59	24	(17)	12	30	108	1,851
North Yorkshire Coast	-	-	-	-	-	-	9,257
Salford Hub	3,367	1,371	(955)	672	1,711	6,166	-
Satellite Hub	1,075	438	(305)	215	546	1,969	-
South Coast Campaign	-	-	-	-	-	-	-
Stoke Hub	2,171	884	(616)	433	1,103	3,975	11,564
Story Quest	-	-	-	-	-	-	-
Get Suffolk Reading	5,140	2,094	(1,458)	1,026	2,611	9,413	30,552
Swindon Hub	1,662	677	(472)	332	845	3,044	2,330
Wales Hub	2,955	1,204	(839)	590	1,502	5,412	3,797
Connecting Stories 3	30,571	12,453	(8,676)	6,105	15,533	55,986	111,149
Audible Project	2,151	876	(610)	430	1,093	3,940	3,455
Books Unlocked	680	277	(192)	136	345	1,246	1,248
Criminal Justice Restricted General	-	-	-	-	-	-	-
Readconnect	562	229	(159)	112	286	1,030	2,159
Innovation	-	-	-	-	-	-	-
New Chapters	9,249	3,768	(2,624)	1,847	4,700	16,940	5,364
HMPPS Literacy Innovation Fund	-	-	-	-	-	-	-
Early Years	15,415	6,279	(4,374)	3,078	7,832	28,230	46,797
Home Learning Environment	21,631	8,811	(6,139)	4,319	10,991	39,613	50,594
Sport & Literacy	11,824	4,816	(3,355)	2,361	6,008	21,654	26,109
Restricted - Competitions	-	-	-	-	-	-	-
Adult Literacy	225	92	(64)	45	114	412	2,231
Literacy For Learning	-	-	-	-	-	-	18,608
Libraries for Primaries	22,049	8,982	(6,258)	4,403	11,203	40,379	64,184
Foyle LfP	526	214	(149)	105	267	963	-
National Year of Reading	-	-	-	-	-	-	-
Newswise	-	-	-	-	-	-	-
Other Restricted Projects	326	133	(93)	65	166	597	-
Teachers Wellbeing	-	-	-	-	-	-	-
Turn on the Subtitles (TOTS)	-	-	-	-	-	-	-
Words For Work	9,882	4,025	(2,805)	1,973	5,021	18,096	31,672
Young Readers Programme	11,052	4,502	(3,136)	2,207	5,615	20,240	31,568
Young Writers	11,361	4,628	(3,225)	2,269	5,773	20,806	18,333
Restricted - Early Words Matter Campaign	-	-	-	-	-	-	-
Restricted Charitable Activities	209,986	85,538	(59,592)	41,931	106,695	384,558	572,872
TOTAL 2025	329,947	134,402	(93,636)	65,886	167,645	604,244	912,600
TOTAL 2024	133,203	104,076	166,117	318,779	190,425	912,600	925,947

c. Analysis of costs of raising funds

	2025	2024
	£	£
Direct staff costs	1,135,721	957,660
Other direct costs	139,726	167,947
Support costs	71,406	95,227
	1,346,853	1,220,834

Costs of raising funds were all unrestricted in 2025 and 2024.

4. Net Income

Net income for the year is stated after charging:

	2025	2024
	£	£
Auditor's remuneration – statutory audit fees	52,160	38,340
Auditor's remuneration – grant audit fees	6,732	26,280
Operating leases – equipment	7,311	3,363
Operating leases – land and buildings	122,276	122,276
Interest payable	2,245	2,795
Depreciation	13,916	17,138

5. Staff Costs

	2025	2024
	£	£
Wages and salaries	6,826,777	5,847,560
Social security costs	726,434	616,544
Pension costs	555,862	470,044
Training and recruitment	123,774	80,529
	8,232,847	7,014,677

These costs include redundancy of £1,849 paid in 2025 (2024: £1,514) and additional temporary staff costs of £7,944 (2024: £56,386).

6. Employee and trustee information

The average number of employees during the year was 202 (2024: 178).

	2025	2024
Senior Management Team	6	6
Fundraising	19	23
Marketing and Communications	24	23
Projects and Programmes	129	104
Supports and Administrations	24	22
	202	178

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

	2025	2024
£60,001 – £70,000	5	1
£70,001 – £80,000	4	4
£80,001 – £90,000	1	1
£90,001 – £100,000	2	1
£100,001 – £110,000	-	-
£110,001 – £120,000	-	1
£120,001 – £130,000	1	-
	13	8

The Trustees were not entitled to and did not receive any emoluments from the charity during the year (2024: £Nil).

Expenses amounting to £136 were incurred by one trustee during the year (2024: £507, one trustee).

The charity received donations of £nil from one trustee during the year (2024: £6,500 from one trustee)

Alongside the trustees, the charity considers its key management personnel to comprise the members of the senior management team. Remuneration including employer's pension contributions and employer's national insurance contributions incurred in the year by key management personnel were £613,420 (2024: £629,974).

7. Tangible fixed assets

	Office equipment	Total
Cost	£	£
At 1 April 2024	115,691	115,691
Additions	-	-
At 31 March 2025	115,691	115,691
Depreciation		
At 1 April 2024	85,805	85,805
Charge for the Year	13,916	13,916
At 31 March 2025	99,721	99,721
Net Book Value		
At 31 March 2025	15,970	15,970
At 31 March 2024	29,886	29,886

8. Stock

	2025	2024
	£	£
Where's Wally costumes	5,346	6,289

9. Debtors

	2025	2024
	£	£
Other Debtors	771,659	1,320,697
Prepayments and Accrued Income	535,599	579,239
	1,307,258	1,899,936

Included within Other Debtors is £32,279 (2024: £32,279) relating to a rent deposit. This balance is receivable in less than 1 year.

10. Creditors: Amounts falling due within one year

	2025	2024
	£	£
Trade Creditors	763,571	704,289
Taxation and Social Security	188,175	197,850
Other Creditors	102,433	73,592
Accruals and Deferred Income	360,936	548,147
	1,415,115	1,523,878

Included within Other Creditors are amounts totalling £17,768 (2024: £17,768) 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

	2025	2024
	£	£
Brought forward at 1 April 2024	88,122	109,408
Released during year	(791,646)	(831,178)
Deferred during year	750,218	809,892
Carried forward at 31 March 2025	46,694	88,122

Deferred income is made up of membership subscription income and literacy training income for courses which will be take place in the next financial year as well as deferred programme income.

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

	2025	2024
	£	£
Other Creditors	45,344	63,111
	45,344	63,111

Included within Other Creditors is an amount of £45,344 (2024: £63,111) relating to the Section 75 debt on withdrawal from the Pension Trust Scheme, following the reclassification of some short term liabilities.

12. Future financial commitments

Operating leases

As at 31 March 2025 the charity had total commitments under non-cancellable operating leases as set out below:

	Land & Buildings		Other	
	2025	2024	2025	2024
	£	£	£	£
Within one year	122,276	122,276	7,311	3,363
Within 2 to 5 years	152,845	275,121	10,272	3,363
	275,121	397,397	17,583	6,726

13. Funds

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.

During the 2024/25 financial year, and following legal advice, the Trustees of the charity contacted the Charity Commission with respect to the potential transfer of £200k of restricted funds held as 'other restricted funds' on the charity's balance sheet as at 31 March 2024 to the charity's unrestricted funds.

The Charity Commission advised that "It is for the trustees to determine whether the funds are freely expendable or actually formally restricted" and that "[t]he trustees will need to consider whether this applies to any of the funds in question". The Trustees of the charity have reviewed the correspondence with the Charity Commission relating to the release of £200k of 'other restricted funds'. The Trustees also noted that the original transfer of £200k to the 'other restricted funds' was approved and recognised in the signed audited accounts to 31 March 2020 where it was noted that the funds would be held until the Senior Management Team decided on a suitable use for the excess funds. The funds transferred have been disclosed in the notes to each subsequent set of signed audited accounts since the original transfer took place.

The Trustees of the NLT confirmed at a Board meeting that they believe that the funds may be transferred to unrestricted funds, are freely expendable and may be used by the Senior Management Team ('SMT') for such purposes as the SMT see fit. The transfer between funds of £200k disclosed in these accounts reflects that decision and is considered by the Trustees to be the most effective use of those funds.

	At 01-Apr-24 restated	Income	Expenditure	Transfers	At 31-Mar-25
	£	£	£	£	£
RESTRICTED FUNDS					
Adult Literacy	2,028	2,966	992	-	5,986
Audible Project	49,468	50,184	(74,728)	-	24,924
Birmingham Hub	(11,068)	102,370	(117,097)	-	(25,795)
Black Country Hub	6,415	-	(5,896)	-	519
Blackpool Hub	7,368	75,499	(18,960)	-	63,907
Books Unlocked	105,871	42,373	(35,839)	-	112,405
Bradford Hub	908	130,582	(102,110)	-	29,380
Competitions	12,678	122,020	(91,574)	-	43,124
Connecting Stories	(138,306)	709,212	(968,663)	-	(397,757)
Connecting Stories 2	111,079	415,254	(111,391)	-	414,942
Cornwall Hub	(31,601)	35,971	(29,084)	-	(24,714)
Criminal Justice Employability	9,625	37,788	(29,981)	-	17,433
Doncaster Hub	(1,375)	60,822	(32,678)	-	26,768
Dundee Hub	17,463	87,634	(60,970)	-	44,127
Early Years	327,286	480,187	(724,893)	-	82,580
Fidelity Foundation	-	71,674	(52)	-	71,622
Foyle LfP	-	731,558	(495,056)	-	236,502
Hastings Hub	75,233	42,373	(30,440)	-	87,166
Home Learning Environment	(187,008)	455,826	(437,366)	-	(168,548)
Literacy Champions	(934)	25,424	(10,441)	-	14,049
Literacy For Learning	(1,810)	16,428	(4,489)	-	10,129
Literacy Hubs	312,885	110,022	(338,023)	-	84,885
Liverpool Hub	-	2,730	(1,272)	-	1,458
Libraries for Primaries	1,024,078	2,183,607	(2,060,411)	-	1,147,274
Manchester Hub	(5,920)	33,997	(16,301)	-	11,776
Middlesbrough Hub	2,136	4,937	(4,550)	-	2,523
National Year of Reading	-	16,949	(11,128)	-	5,821
New Chapters	66,017	220,562	(306,037)	-	(19,458)
Newswise	4,237	-	(100)	-	4,137
Nottingham & Peterborough Big Lottery	-	-	(52)	-	(52)
Nottingham Big Lottery	(733)	-	(59)	-	(792)
Nottingham Hub	37,829	115,508	(130,922)	-	22,415
Bradley Keast	617,000	-	(153,123)	(200,000)	263,877
Peterborough Big Lottery	6,278	63,511	(46,986)	-	22,803
Peterborough Hub	(16,761)	3,406	18,853	-	5,498
Read North East - Restricted	-	-	(77)	-	(77)
Redcar Hub	2,895	-	(52)	-	2,843
Restricted - Early Words Matter Campaign	-	-	(310)	-	(310)
Rural Hubs	17,639	-	(17,691)	-	(52)
Salford Hub	-	155,870	(86,969)	-	68,902
Satellite Hubs	35,733	-	(23,959)	-	11,774
Scarborough Hub	17,230	13,856	(5,207)	-	25,879
South Coast Campaign	(32)	-	(52)	-	(84)
Sport and Literacy	196,699	559,520	(546,194)	-	210,025
Stoke Hub	9,956	45,862	(56,153)	-	(335)
Story Quest	(69)	-	-	-	(69)
Suffolk Campaign	205,629	11,116	(131,659)	-	85,086
Swindon Hub	16,886	322	3,973	-	21,181
Wales Hub	1,226	124,849	(63,735)	-	62,340
Words For Work	46,792	267,300	(211,434)	-	102,658
Young Readers Programme	335,078	676,135	(645,721)	-	365,492
Young Writers Programme	79,979	327,459	(408,090)	-	(651)
	3,366,007	8,633,665	(8,624,155)	(200,000)	3,175,517
UNRESTRICTED FUNDS					
General Funds	464,661	5,636,988	(5,772,704)	200,000	528,945
TOTAL FUNDS	3,830,668	14,270,653	(14,396,859)	-	3,704,462

	At 01-Apr-23	Income restated	Expenditure restated	Transfers	At 31-Mar-24 restated
	£	£	£	£	£
RESTRICTED FUNDS					
Adult Literacy	14,824	-	(12,796)	-	2,028
Audible Project	34,129	63,559	(48,220)	-	49,468
Birmingham Hub	14,407	165,114	(190,589)	-	(11,068)
Black Country Hub	4,979	12,712	(11,276)	-	6,415
Blackpool Hub	28,621	8,396	(29,649)	-	7,368
Books Unlocked	93,231	42,415	(29,775)	-	105,871
Bradford Hub	14,575	32,956	(46,623)	-	908
Competitions		12,678	-		12,678
Connecting Stories	(156,646)	928,413	(910,073)	-	(138,306)
Connecting Stories 2	-	135,768	(24,689)		111,079
Cornwall Hub	11,472	50,614	(93,687)	-	(31,601)
Criminal Justice Employability	9,258	32,034	(31,667)	-	9,625
Doncaster Hub	2,368	9,963	(13,706)	-	(1,375)
Dundee Hub	7,836	51,883	(42,256)	-	17,463
Early Years	82,278	867,311	(622,303)	-	327,286
Hastings Hub	63,811	44,025	(32,603)	-	75,233
Home Learning Environment	153,387	346,610	(687,005)	-	(187,008)
Literacy Champions	-	(335)	(599)		(934)
Literacy For Learning	31,668	8,700	(42,178)	-	(1,810)
Literacy Hubs	158,755	175,208	(21,078)	-	312,885
Love Our Libraries	1,001,364	1,729,768	(1,615,054)	(92,000)	1,024,078
Middlesbrough Hub	18,337	1,873	(18,074)	-	2,136
New Chapters	92,356	74,123	(100,462)	-	66,017
Newswise	-	4,237	-	-	4,237
Nottingham Big Lottery	1	-	(734)	-	(733)
Nottingham Hub	61,151	107,031	(130,353)	-	37,829
Other Restricted Projects	200,000	-	-	417,000	617,000
Peterborough Big Lottery	251	21,170	(15,143)	-	6,278
Peterborough Hub	3,548	-	(20,309)	-	(16,761)
Redcar Hub	2,895	-	-	-	2,895
Rural Hubs	27,039	671	(10,071)	-	17,639
Satellite Hubs		35,797	(64)		35,733
Scarborough Hub	81,123	9,858	(73,751)	-	17,230
South Coast Campaign		-	(32)		(32)
Sport and Literacy	93,491	610,127	(506,919)	-	196,699
Stoke Hub	38,360	38,231	(66,635)	-	9,956
Story Quest	38	-	(107)	-	(69)
Suffolk Campaign	362,876	80,464	(237,711)	-	205,629
13. FUNDS (continued)					
Swindon Hub	14,501	65,093	(62,708)	-	16,886
Teachers Wellbeing Campaign	63,544	-	(63,544)	-	-
Wales Hub	10,664	11,112	(20,550)	-	1,226
Words For Work	305,207	178,304	(236,719)	(200,000)	46,792
Young Readers Programme	482,544	585,492	(607,958)	(125,000)	335,078
Young Writers Programme	111,960	294,596	(326,577)	-	79,979
	3,572,146	6,835,971	(7,042,110)	-	3,366,007
UNRESTRICTED FUNDS					
General Funds	773,200	5,214,470	(5,523,009)	-	464,661
TOTAL FUNDS	4,345,346	12,050,441	(12,565,119)	-	3,830,668

Total of £nil (2024: £nil) was transferred from Unrestricted Funds to Restricted Funds for complete programmes.

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. The charity has a realistic expectation that the deficit will be covered in the coming financial year as funds are anticipated to come in after the year end.

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. The deficit in the accounts represents the final claim for payment in arrears submitted to the Arts Council, and will be cleared once the final payment is received in financial year 2025/26.

Cornwall Hub – a literacy hub established in Cornwall funded by a private individual. The charity has received assurances from the funder that the funding will continue and has plans in place to fundraise in 2025/26 for this Hub. The Trustees of the charity have a realistic expectation that the deficit will be covered in the coming financial year.

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. In 2022–23, we received £148,167 from Department of Health and Social Care for The Health and Wellbeing Fund: Starting Well as part of Early Words Together programme. Expenditure in the year to 31 March 2023 was £149,094 so all funds received for this programme have been spent and this project has been completed.

Fidelity Foundation – this grant supports toward a new post Head of Effective Delivery and technology upgrades. This new post will enhance quality, develop different delivery mechanisms and ensure that all delivery is rooted in evidence-based practice which support behaviour change and long-term better outcomes. This grant is also to fund new software to manage volunteers and support the development of our website including CRM integration.

Foyle Foundation – this grant supports toward Libraries for Primaries campaign and is to specifically fund the Foyle Foundation Primary School Library Programme targeting 300 schools with no library across the UK.

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. Funding for this work will be received in the coming financial year.

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.

Libraries for Primaries – 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.

Liverpool Hub – a literacy hub established in Liverpool.

Manchester Hub – funded by Manchester City Council.

Middlesbrough Hub – funded by Middleborough Public Health.

National Year of Reading – a commissioned programme to enhance awareness of reading, delivered by multi-sector partners, coordinated by the National Literacy Trust as a lead, backbone organisation.

New Chapters – funded by Rothschild Foundation to work in Aylesbury Youth Offending Institute (YOI) to develop a YOI Reading for Pleasure programme. On the basis of the existing funding plans and agreements, the charity has a realistic expectation that the deficit will be covered in the coming financial year.

Nottingham & Peterborough Big Lottery – funding from Big Lottery to deliver a Doorstep to Digital project.

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. The charity has a realistic expectation that the deficit will be cleared in the coming financial year given the nature of the funding in place to support this activity.

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.

Read North East – funding to help improve literacy across the North East. The charity has a realistic expectation that the deficit will be cleared in the coming financial year.

Redcar Hub – funded by Public Health NE.

Restricted – Early Words Matter Campaign – early language development programme supporting 250,000 children in 20 communities.

Rural Hubs – a new area of work starting with some transition work funded by Dorset Council. The charity has a realistic expectation that the deficit will be cleared in the coming financial year.

Salford Hub – a literacy hub established in Salford

Satellite Hubs – literacy hub established in Yorkshire including Rotherham

Scarborough Hub – funded by Scarborough Borough Council.

Stoke Hub – a literacy hub established in Stoke. The charity has a realistic expectation that the deficit will be cleared in the coming financial year given the nature of the funding in place to support this activity.

Story Quest – an innovative project around walk and talk trails in Stoke, funded by Sport England. The charity has a realistic expectation that the deficit will be cleared in the coming financial year given the nature of the funding in place to support this activity.

South Coast Campaign – literacy campaign across South Coast.

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. The charity has a realistic expectation that the deficit will be cleared in the coming financial year given the nature of the funding in place to support this activity

14. Analysis of net assets between funds

	Fixed Assets	Net Current Assets	Long Term Liabilities	2025 Total
	£	£	£	£
RESTRICTED FUNDS:				
Adult Literacy	-	5,986	-	5,986
Audible Project	-	24,924	-	24,924
Birmingham Hub	-	(25,795)	-	(25,795)
Black Country Hub	-	519	-	519
Blackpool Hub	-	63,907	-	63,907
Bradford Hub	-	29,380	-	29,380
Competitions	-	43,124	-	43,124
Connecting Stories	-	(397,757)	-	(397,757)
Connecting Stories 2	-	414,942	-	414,942
Cornwall Hub	-	(24,714)	-	(24,714)
Criminal Justice Employability	-	17,433	-	17,433
Doncaster Hub	-	26,768	-	26,768
Dundee Hub	-	44,127	-	44,127
Early Years	-	82,580	-	82,580
Foyle LfP	-	236,502	-	236,502
Hastings Hub	-	87,166	-	87,166
Home Learning Environment	-	(168,548)	-	(168,548)
Literacy Champions	-	14,049	-	14,049
Literacy For Learning	-	10,129	-	10,129
Literacy Hubs	-	84,885	-	84,885
Liverpool Hub	-	1,458	-	1,458
Libraries for Primaries	-	1,147,274	-	1,147,274
Manchester Hub	-	11,776	-	11,776
National Year of Reading	-	5,821	-	5,821
New Chapters	-	(19,458)	-	(19,458)
Newswise	-	4,137	-	4,137
Nottingham & Peterborough Big Lottery	-	(52)	-	(52)
Nottingham Big Lottery	-	(792)	-	(792)
Bradley Keast	-	263,877	-	263,877
Peterborough Big Lottery	-	22,803	-	22,803
Bradley Keast	-	5,498	-	5,498
Read North East - Restricted	-	(77)	-	(77)
Redcar Hub	-	2,843	-	2,843
Restricted - Early Words Matter Campaign	-	(310)	-	(310)
Rural Hubs	-	(52)	-	(52)
Salford Hub	-	68,902	-	68,902
Satellite Hubs	-	11,774	-	11,774
South Coast Campaign	-	(84)	-	(84)
Sport and Literacy	-	210,025	-	210,025
Stoke Hub	-	(335)	-	(335)
Story Quest	-	(69)	-	(69)
Suffolk Campaign	-	85,086	-	85,086
Swindon Hub	-	21,181	-	21,181
Wales Hub	-	62,340	-	62,340
Words For Work	-	102,658	-	102,658
Young Readers Programme	-	365,492	-	365,492
Young Writers Programme	-	(651)	-	(651)
	-	3,175,517	-	3,175,517
UNRESTRICTED FUNDS:	15,970	558,319	(45,344)	528,945
TOTAL FUNDS	15,970	3,733,836	(45,344)	3,704,462

14. Analysis of net assets between funds

RESTRICTED FUNDS:

Adult Literacy	-	2,028	-	2,028
Audible Project	-	49,468	-	49,468
Birmingham Hub	-	(11,068)	-	(11,068)
Black Country Hub	-	6,415	-	6,415
Blackpool Hub	-	7,368	-	7,368
Books Unlocked	-	105,871	-	105,871
Bradford Hub	-	908	-	908
Competitions	-	12,678	-	12,678
Connecting Stories	-	(138,306)	-	(138,306)
Connecting Stories 2	-	111,079	-	111,079
Cornwall Hub	-	(31,601)	-	(31,601)
Criminal Justice Employability	-	9,625	-	9,625
Doncaster Hub	-	(1,375)	-	(1,375)
Dundee Hub	-	17,463	-	17,463
Early Years	-	327,286	-	327,286
Hastings Hub	-	75,233	-	75,233
Home Learning Environment	-	(187,008)	-	(187,008)
Literacy Champions	-	(934)	-	(934)
Literacy For Learning	-	(1,810)	-	(1,810)
Literacy Hubs	-	312,885	-	312,885
Middlesbrough Hub	-	2,136	-	2,136
New Chapters	-	66,017	-	66,017
Newswise	-	4,237	-	4,237
Nottingham Big Lottery	-	(733)	-	(733)
Nottingham Hub	-	37,829	-	37,829
Other Restricted Projects	-	617,000	-	617,000
Peterborough Big Lottery	-	6,278	-	6,278
Peterborough Hub	-	(16,761)	-	(16,761)
Redcar Hub	-	2,895	-	2,895
Rural Hubs	-	17,639	-	17,639
Satellite Hubs	-	35,733	-	35,733
Scarborough Hub	-	17,230	-	17,230
South Coast Campaign	-	(32)	-	(32)
Sport and Literacy	-	196,699	-	196,699
Stoke Hub	-	9,956	-	9,956
Story Quest	-	(69)	-	(69)
Suffolk Campaign	-	205,629	-	205,629
Wales Hub	-	1,226	-	1,226
Words For Work	-	46,792	-	46,792
Young Readers Programme	-	335,078	-	335,078
Young Writers Programme	-	79,979	-	79,979
	-	3,366,007	-	3,366,007

UNRESTRICTED FUNDS:

TOTAL FUNDS

29,886	497,886	(63,111)	464,661
29,886	3,863,893	(63,111)	3,830,668

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.

Besides, the total unpaid pension contributions relating to Section 75 debt on withdrawal from the Pension Trust Scheme at financial year ending 31 March 2025 were £80,879 (2024: £80,879). These amounts are within Other Creditors due within one year of £17,768 (2024: £17,768) and Other Creditors due after one year of £45,344 (2024: £63,111).

16. Grants Awarded

	Number of grants	2025 £	Number of grants	2024 £
Derby County Community Trust	1	7,500	-	-
Foundation 92 (F92)	1	22,500	-	-
The Reader Organisation	1	4,200	-	-
Birmingham Community Healthcare NHS Foundation Trust	1	7,499	1	24,062
South Tyneside & Sunderland NHS Foundation Trust	1	4,902	1	11,831
Black Country Healthcare NHS FT	-	-	1	8,630
Early Years Alliance Central England Service Hub	-	-	1	3,800
Sandwell & West Birmingham Hospitals NHS Trust	-	-	1	5,148
	5	46,601	5	53,471

There were no support costs allocated to grant making activities in both years 2025 or 2024.

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

	2025 £	2024 £
Net movement in funds	(126,206)	(514,678)
Adjustments for:		
Depreciation	13,916	17,138
Investment income	(51,633)	(40,344)
Interest paid	2,245	2,795
Decrease in stocks	943	402
(Increase) in debtors	592,678	(552,660)
Increase / (Decrease) in creditors	(126,530)	370,262
Net cash (used in) by operating activities	305,412	(717,085)

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 -£9,654 (2024: -£9,654 in restricted funds) were (2024: £92,377). An admin fee of £nil was received (2024: £1,125) held in the account. During the year funds of £nil (2024: £21,375) were received into the account and £nil were paid out.

19. POST BALANCE SHEET EVENTS

On 29 May 2025, after the end of the financial year, the charity completed a change of membership agreement (the 'Agreement') with the Centre for Literacy in Primary Education ('CLPE'), which is a registered charity (no. 1092698) and a company limited by guarantee (no. 04385537), to take effect from 31 May 2025. Under the terms of the Agreement, the trustees of both charities have agreed that the charitable objects of both could be better advanced through an alignment of their activities and operations. As part of this operational alignment, it was agreed that CLPE and NLT will remain separate legal entities, but will begin sharing resources and undertaking activities/operations together. It was also agreed that NLT would become the sole legal member of CLPE. This provides NLT with control over certain governance decisions relating to CLPE. The parties acknowledged and agreed that no assets or liabilities shall be transferred out of CLPE and into NLT as part of the change of membership. The unaudited unrestricted funds of CLPE as at 31 May 2025 were £36,325 and restricted funds were £11,673.

The financial impact of this will be reflected in subsequent reporting periods and is expected to bring expanded program reach and increased incoming resources and assets in the medium to longer terms. While the agreement with CLPE does not affect the financial position as of 31 March 2025, it is considered a significant subsequent event requiring disclosure under applicable financial reporting standards.

Management has assessed the implications of this transaction and determined that it does not require an adjustment to the financial statements for the year ended 31 March 2026. However, detailed reporting and consolidated financial information will be provided in the next financial year's statements.

20 RESTATEMENT OF PRIOR PERIOD INCOME CLASSIFICATION

During the current financial year, the charity identified a misclassification in the prior year's financial statements. Income and expenditure previously reported as restricted was subsequently determined to have been unrestricted in nature, based on a review of the terms of the contract by which funds were provided.

As a result, the comparative figures have been restated to reflect the correct classification. This adjustment does not affect the total income and expenditure reported but alters the allocation between restricted and unrestricted funds. The opening balance of unrestricted funds as at 1 April 2024 has been increased by £35,050, and the restricted funds decreased by the same amount. Total income involved amounted to £271,186 and total expenditure involved amounted to £236,136.

About The National Literacy Trust

The National Literacy Trust is an independent charity that empowers children, young people, and adults with the literacy skills they need to succeed.

Literacy changes everything. It gives you the tools to get the most out of life, and the power to shape your future. It opens the door to the life you want. But low literacy is inextricably linked to poverty. Over the last 30 years, we have continued to work with people who need us the most, supporting schools, families and communities on a local and national level.

**National
Literacy
Trust**

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Accounts

**National
Literacy
Trust**

Change your story

Annual Report 2023–24



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Letter from the Chair



The National Literacy Trust exists to increase literacy skills so society becomes fairer and stronger and more prosperous. The impact of the Cost of Living Crisis and increasing levels of poverty – especially child poverty – have made this challenge more relevant than ever before. We know that poverty has grown most severely in areas of the country which have the lowest levels of literacy.

As an organisation committed to working in these areas, with 20 community teams leading local Literacy Hubs, the charity has also been acutely aware of the impact of local government financial challenges, on the same communities.

In this context I have been especially proud of the work of our 20 Hub teams in the last year. In locations from Dundee to Cornwall, where our activity is most vibrant and most needed, they have continued to lead literacy activity. Through programmes like Connecting Stories, our partnership with Arts Council England and over 40 publishers, they are making a demonstrable difference to the reading lives of thousands of children; bringing happiness today and by increasing literacy skills, hopefully mitigating the lifelong impact of child poverty.

Our Libraries for Primaries campaign is, at heart, addressing the same challenge. Increasing levels of poverty mean that there are increasing numbers of children without books of their own at home. The opening of our 1,000th library means that the campaign so far, is enabling 370,000 children to become readers. A practical response to the phenomenon of book poverty.

I am incredibly grateful to all our volunteers, funders, supporters and to our great staff team for the achievements of the past year.

The Trustees and staff are also incredibly grateful for the inspiration and support of our Patron, Her Majesty The Queen. It has been an honour to welcome Her Majesty to two of the fifty Coronation Libraries we have created, to mark The King and Queen's Coronation. We are also very grateful to Her Majesty for inviting young people from our Hub areas to Westminster, to be part of the Coronation celebrations.

In March this year we launched our new strategy. It focuses our impact on the three breakthroughs which we know have to be secured, if our vision of a society, where everyone has the literacy skills to fulfil their potential, is to be fulfilled. It is focused on ensuring children start school with the communication and language skills they need; that they leave school with the literacy skills they need for life and that everyone who participates in the justice system has the opportunity to strengthen their literacy skills.

In response to our new strategy we have launched Early Words Matter – our five year early language campaign, which will support the early literacy of a quarter of a million children. As this report explains, we have also significantly grown our work in prisons and young offender institutes.

Our new strategy is already shaping and strengthening our impact and I know it's clear ambitions will enable us to grow more partnerships and strengthen our impact, in our mission to change life stories.

Joanna Prior
Chair

Date: 18 July 2024

We empower people from disadvantaged communities with the literacy skills they need to succeed in life

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're 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 in the poorest communities. We support these communities, where as many as one in three people have low levels of literacy.

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 the challenge of 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 9,015 schools, and over 90 businesses and are grateful for the support of writers, illustrators, poets and the skilled teams of 40 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 the charity's culture, our induction, appraisals and staff development and are the guiding principles for the way in which we are effective.

We are **focused** on our impact with the people who need us most: helping them change their life chances through the power of words.

It's in our DNA to be **enterprising**: we make a difference because we are willing to do things differently.

We make change happen together; by **connecting** with others, we can do so much more.

We are **respectful** to everyone we work with, valuing each person's unique contribution.

32.7%

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

*National Literacy Trust
Annual Literacy Survey*

“ 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. ”

Burhana Islam talking at an event in Manchester



Our commitment to equity, equality, diversity and inclusion

The foundation of our strategy is our shared 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 and fulfilling our mission**.

Our programmes and campaigns are focused on the needs of children, families, adults and groups who are most likely to experience injustice and exclusion. By working with community consultation groups in all our Hub areas, we develop approaches based on the many strengths and unique qualities each community has – languages, stories, experiences, skills and knowledge.

Our mission is to break the link between literacy and socio-economic inequality. Poverty is the major driver and effect of low literacy in the UK. But we know that other characteristics can make it harder for people from poorer communities to develop strong literacy skills.

We take this challenge seriously: We have an EDI 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.

Our commitment to the environment

We are passionate about sustainable development and the creation of communities that have the literacy skills to thrive, supporting both current and future generations. But a sustainable community is also defined by its relationship to the environment. So, it is essential that we operate in an environmentally responsible way. In 2022 we became a distributed organisation, allowing team members to live in their own communities, and conducting our meetings and management activities online. This supports communities across the UK and minimises travel requirements. We also aim to improve our contribution to environmental sustainability through our programmes and support the delivery of environmental messages and actions – for instance, through our Eco Literacy Champions project

Our impact in numbers

We reached over
1.4 million
children and
young people

We distributed
557,411
books

We supported over
1,100
active literacy
champions

We worked in over
13,000
settings

We worked with over
9,500
parents of children
under 5

We worked on
the ground in
19
local areas



Our strategy

Poverty leads to low literacy: by the time a child is 10.5 months old communication delay linked to poverty 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, 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 (with a 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.

How we made change happen in 2023/24

We know that the literacy challenge is complicated. Literacy is intergenerational; it is closely related to inequality; particular communities and particular characteristics make it more likely that you will have low levels of literacy. Our approach, therefore, is sophisticated and evidence-based. In the past year we have worked in four ways to empower people with literacy skills to succeed in life.

We directly supported literacy skills and building confidence.

From parents not sure how to talk to their baby, teenagers finding reading boring or adults facing life challenges without literacy skills we supported people with information, digital content, classes, free books, encouragement and our knowledge and expertise.

We helped professionals increase the quality of literacy provision.

We supported and inspired early years practitioners, teachers, librarians, tutors and professionals on the frontline. They are our nation's literacy heroes and the greatest resource the UK has. We are proud to work with them and learn from them, offer them evidence-based approaches, free resources and celebrate their achievements.

We stood side by side with communities to tackle literacy inequality.

We lead 20 impactful Literacy Hubs – long term literacy action partnerships on the ground, driven by the communities themselves, in the places with the worst experiences of literacy and poverty in the UK. Our local teams worked in partnership with these communities to change stories.

We influenced leadership and policy to create lasting change.

National and local government policy determines how education is delivered. We worked to ensure literacy is a priority and influence policy using our insights and experience. We also worked with leaders in the business community. As employers, through their markets and as corporate citizens, businesses have a key role to play in our mission.





Our Literacy Champions

Improving literacy levels not only requires great teaching but it also requires language-rich communities, where reading and writing and story sharing are activities shared and enjoyed by everyone, and where everyone has access to books. This is not currently the case, literacy levels, reading levels and book ownership are all significantly lower in poorer communities.

To help us change the culture around reading and writing and stories in our 20 Hub communities, we have recruited 1,333 Literacy Champions, volunteers who are community literacy activists. They use their love of literacy and their commitment to their communities to change the lives of their neighbours, colleagues and friends. 336 are Youth Literacy Champions.

They work in communities, hospitals, workplaces and faith settings to bring literacy alive. Through book trails, creating library shelves, supporting literacy in other families and by being advocates for reading in their communities, these volunteers are changing the face of literacy, growing engagement and offering wonderful experiences in some of the UK's most disadvantaged communities.

69% of participants of activities run by Literacy Champions said they were more likely to read and 50% said they were more likely to read with their family.



Participants also became advocates for literacy in turn, after working with the volunteers, with 88% reporting they were more confident in supporting the reading and writing of those around them.



2023–24 Research insights

Our research has had children and young people's views on, and experiences of, literacy at its heart since 2005.

Our Annual Literacy Survey, which reached more than 70,000 children and young people aged 5 to 18 in 2023, is our flagship research activity. However, we also conduct research on specific topics.

In 2023/24, we published more than 25 research and evaluation reports spanning topics from reading and writing trends to reading comics, lyrics and poetry, reading for wellbeing and young adult's confidence when communicating.



Our research findings not only provide the foundation for all our programmatic and campaigning work but it also informs teachers and the wider literacy community, nationally and internationally, about trends in reading, writing, speaking and listening enjoyment, behaviour and confidence.

Key insights from our research during this time include:

Just 2 in 5 (43.4%) children and young people aged 8 to 18 said they enjoyed reading – the lowest level we have recorded since 2005.

1 in 8 (12.4%) children and young people aged 8 to 18 who received free school meals (FSMs) said they did not have a book of their own at home. This was double the percentage of their peers who did not receive FSMs (5.8%).

1 in 5 (19.3%) children and young people wrote something daily, a decrease of over a quarter since 2010.

Almost 1 in 2 (47.4%) young women aged 16 to 30 said a fear of saying the wrong thing contributed to low confidence when speaking compared with 1 in 4 (27.4%) young men.

Breakthrough 1: Literacy to Grow

Every child starts school with language and communication skills ready to grow and learn at school.

Early years speech, language and communication is the foundation of all literacy. Yet in September 2022, 32.9% of children started school without the early literacy, language and communication skills required. Children who struggle with language at age 5 are five times more likely not to reach the expected level in reading and writing at age 11. From this point inequalities in earnings and health can accurately be projected.

In 2023/24 we delivered programmes to 4,259 families to empower them to support their children's early language and literacy.

The evaluation of these programmes has demonstrated their impact on parenting and also on children's development.

In 2023/24 we gave families 659,006 books and additional resources so they can feel confident to chat, play and read with their children.

“ A family came to our play and stay session, the mother told us that she was a recipient of one of our starter packs. She told us that the pack had made such a difference to her life. She told us that the book that we gave her in the pack was her daughters first book and she still reads it to her every night.

Practitioner ”

“ My kids 1 and 3 years old love it. The rhymes have really helped with their speech. They pick books they like and engage more now. The group atmosphere has given me and my kids friends also.

Parent ”

“ They're excited... Finding the different books and talking about the books and sharing that. So 100% it's increased. I've been doing this for a long time. I've never seen it happen quite this quickly. We wouldn't have been able to do it before.

Practitioner ”

“ Thank you for the Eid story.

Parent ”



We supported 1044 education professionals with training in 2023/24.

We are working in 68 of the Government's family Hubs to help them reach more parents with effective early language support. We held a national Early Years Literacy and Language Conference.

“ For us as a team, it's been very insightful to be able to expand our skills and develop our expertise/knowledge in working with 1-2yrs olds and their parents. It's not often library staff get the opportunity for training for under 5s activities, let alone 1-2yr olds.

Practitioner



We worked with the Literacy All Party Parliamentary Group and published their report *Building Firm Foundations* calling for a stronger political commitment to early language and literacy as a priority in the 2024 General Election.

“ I haven't had a panic attack in 19 days. I think it's this group – the exhaustion has lifted. Took C swimming on Saturday and went back to church on Sunday. That's huge progress going back to my old church. I'm a lot less socially isolated now and have a lot of people I care about there. Thanks so much for this group, it was so helpful for me and probably contributed a lot towards me getting back on an even keel.

*Mum with autism,
National Literacy Trust Family Read
Talk and Play pilot group, Dundee*



Our Early Words Matter campaign was launched in February 2024 with new research from Pro Bono Economics, commissioned for us by KPMG, showing lifetime economic costs of around £830m for early language failure in each year group starting school.

Our new 5 year campaign will address this by giving 250,000 children sustained support in early language development across all 20 of our Hub areas. Families will receive advice, resources, support and be able to take part in our programmes. We will work with local nurseries and settings to make sure they are able to offer the best possible development opportunities for children in their early years. We are also working with local authorities who commission and deliver local early years strategies, to ensure alignment with our work.

Early Words Matter is supported by the DfE, the BBC and a consortium of trusts and foundations and businesses including KPMG, Very, WHSmith and the Premier League.

We are now delivering Early Words Matter in our Hub communities.



Breakthrough 2: Literacy to learn

Every young person, wherever they grow up, leaves school with literacy skills for life.

Literacy is the key to education and is crucial in successfully navigating life. Literacy levels determine employment options, earnings, the ability to participate in democracy and even health outcomes. It's not just about acquiring literacy skills, it's also about personally engaging with them – enjoying reading at 15 has a greater impact on your school grades than your parents' social class. Yet the 16–24 age group in England have the lowest literacy skills of any age group in society, and enjoying reading amongst young people is at an all time low. This is creating inequality, limiting opportunities and undermining social mobility.

We are committed to ensuring that every young person leaves school with the literacy skills they need to fulfil their potential. This means offering consistent support for their reading, writing and speaking and listening skills throughout their education.

Libraries for Primaries

1 in 7 primary schools are without a library. This is worse in areas of the UK with higher levels of child poverty, where children are less likely to have books of their own – 18% of primary schools in the North East don't have a library, as opposed to only 6% in the South East.

By April 2024 the National Literacy Trust's Libraries for Primaries campaign had created new libraries in 1,000 primary schools, benefiting over 370,000 children. Libraries for Primaries is also working with the publishing community to develop an approach to ensure that all primary school libraries have regularly refreshed, diverse and modern books. Libraries for Primaries also aims to create a library and train a member of staff to run, it in all 2,900 primary schools in the UK without one.

The impact on pupils reading is immense: As a result of having being part of the programme 82.5% of pupils enjoy reading more.

The impact on teachers is also significant, with 95.6% saying that they have increased understanding of supporting reading for pleasure.

“Pupils are talking less about computer games, and they're talking more about their reading. That's a big thing. When I arrived at this school, it was the other way round.”

Libraries for Primaries teacher

In 2023 we launched a campaign to get this on the political agenda for the 2024 General Election. We are asking for investment of £14m which will ensure every primary has a library. In March we were thrilled to see that the successful candidate for the West Yorkshire Mayoralty carried a commitment to fulfilling this commitment in her manifesto. On World Book Day we welcomed Damien Hinds, Minister for Schools, to the new library at High Hazels academy in Sheffield.

In 2023/24 we worked in partnership with 9,015 schools.

237,715 children took part in our literacy interventions and our projects in schools.

These included our projects to increase reading for pleasure, develop literacy skills for employment and to use sport as a way to engage young people in reading and writing, working with partners including the Premier League. In West Yorkshire we worked with Simon Armitage, the Poet Laureate, to engage schools and young people in a Young Laureate programme.

We delivered online literacy events for Holocaust Memorial Day (38,000 young people participated), National Storytelling Week (159,000 young people), and World Book Day (over 500,000 young people).

3,000 children are suspended from school every day and well over 3,000 are now permanently excluded. Only 5% of them will pass GCSE English and Maths. We are delivering tailored programmes and support.

Manchester Metropolitan University's evaluation of our Represent programme, for girls aged 11 to 14 excluded from, or at risk of being excluded, found that it:

- increased students' self-confidence and confidence in reading.
- increased students' communication skills.
- positively impacted students' wellbeing.
- developed relationships between facilitators, students and, to a lesser extent, parents.

“

A child of Bangladeshi origin with trauma from her home environment found solace in identifying with a Muslim character in a series of stories. Her confidence increased and she enjoyed talking about the character and the stories. Reading has become a safe place for her.

*Teacher, London
Young Readers Programme*

”

“

Where is a poem most alive—most it's living, breathing, dancing, thoughtful, quirky self? One answer is: when the poet is right there speaking it. I can't imagine anyone reading this collection not wanting to meet Alex.

*Year 4 Student who attended the
Windrush event with Alex Wharton,
Welsh Children's Laureate*

”

“

Having a year 8 student enable themselves to talk in front of other students and not feel judged. This student was selective mute and for her to answer questions in front of other students was a huge step for her but she felt like she needed to talk to put her ideas across.

Alternate provision teacher

”

In 2023/24 we trained and supported the professional development of 773 teachers.

We delivered national primary and secondary conferences and 2,728 education professionals are members of the National Literacy Trust.



The impact of our work in schools and communities

With the support of Arts Council England, the National Literacy Trust is working in partnership with 46 publishers to bring extraordinary reading experiences to children in schools across our 20 Hub Community. This combines evidence-based reading interventions, with visits from authors, writing workshops and activities to create readers. These communities have the lowest literacy and reading engagement. However, as a result of Connecting Stories, children in the Hub areas are now enjoying reading at levels above average and in the most challenging wards, where Connecting Stories has been most intensely focused, the levels are significantly higher.

	High priority wards in Hubs	Hubs	National
Enjoy reading at school	53.5%	44.2%	44.0%
Enjoy reading in their spare time	46.3%	41.3%	43.7%
Write daily	25.1%	21.9%	18.3%
Attend public library	32.6%	25.2%	23.3%

Breakthrough 3: Literacy to thrive

Everyone leaving the criminal justice system has improved literacy skills to help them thrive.

1 in 6 adults in England have very low levels of literacy, in Scotland this figure is as high as 1 in 4. This group is not equally spread across society but is focused on disadvantaged communities. The prison population has particularly low levels of literacy and around 90% of young people in custody have been excluded from school in the past. Recent data from the Ministry of Justice shows that 61% of adult prisoners have literacy levels below Level 1. By working in the criminal justice system, we can reach large numbers of people with low literacy who face significant challenges in other areas of their life, we can learn from them about how best to engage people in reading and writing, and we can see how literacy really does change life stories.

This year, the criminal justice team have delivered a total of 67 workshops across 13 prisons: HMP Humber, HMP Leeds, HMP Guys Marsh, HMP Askham Grange, HMP Swaleside, HMP Elmley, HMYOI Feltham, HMP Downview, HMP Brixton, HMP/YOI Isis, Oakhill Secure Training Centre, HMP Grendon and HMYOI Swinfen Hall. We have donated approximately 5,500 books to 100 prisons across our different projects and provided a huge range of resources – from activities to complete with children, to self-guided creative writing – to support people in prison on their literacy journey.

As part of our Books Unlocked project, we broadcast nightly audiobook installments via National Prison Radio, reaching more than 100 prisons and up to 80,000 people.

“When I first came to prison 7 years ago and knew nothing and no-one, Books Unlocked was a saviour. [The] most important aspect is the ability to unlock some mind space for ‘the rabbit in the headlights’ new prisoner.”

Books Unlocked participant

We distributed 3,500 books and hosted authors such as Sarah Waters and Max Porter, along with megastar Dua Lipa, who met with prison reading groups.

Our New Chapters creative writing programme was delivered in eight prisons, with workshops led by inspiring authors including Andy West, Ciaran Thapar, Lady Unchained and Moses McKenzie to more than 200 participants. Our annual anthology was published in February.

“It was very good, informative and fun I now have words dancing in my brain!”

*Creative writing participant
HMP Askham Grange*

“It was fantastic. I never thought poetry could make me feel so emotional.”

*Literacy Innovation Fund participant
HMP Askham Grange*

88% of participants said that engaging with the New Chapters project made them feel more confident about expressing themselves in writing.

We supported people in prison to develop and maintain crucial relationships with their children through Readconnect.

This year we delivered 16 workshops and reached more than 150 parents and carers in custody, as well as donating 500 books to families.

We distributed 200 resource packs to support people to connect with their children through in-cell activities, and posted books to families in the community to enable people to read stories over the phone.

“ It made me feel confident that I could get my ideas down and that there are many stories I have to share, that my disabilities are not a block but something that can be climbed and turned into something positive. ”

*Readconnect participant
HMP Downview*

100% of participants expressed a desire to become more involved in their child's education going forward, and all felt inspired to support their child's learning.

Funded by the Ministry of Justice, the Literacy Innovation Fund (LIF) enabled us to provide holistic literacy support in six prisons across England, engaging people with below Level 1 literacy. In its first year, more than 800 people have attended our workshops and we have donated in excess of 1,000 books to support prison libraries.

“ What I liked most about the workshop is seeing how strong men could let their emotions out without shame. ”

*Literacy Innovation Fund
participant, HMP Elmley*

As a result of attending a LIF workshop, 89% said the session inspired them to write more and 93% said the session inspired them to engage with other education opportunities in their setting. 47% had been assessed as having a literacy level below Level 1.

LIF is being independently evaluated by the Ministry of Justice. The figures shared above are based on early internal monitoring data.

Changing stories in prisons

For many people we work with, their involvement in our projects is the first time they have engaged with literacy activities in a way that is enjoyable and empowering. Participants have reported that they plan to use the library for the first time on release, and parents and carers who attend our family sessions say that they have started reading with their children for the first time. Participants in Young Offender Institutions often begin their creative writing journey with us and young people regularly report finally feeling like their voice is being heard.

Evaluation has highlighted the impact of New Chapters:

79.64%

of people taking part,
said the programme has
encouraged them to
write more

72.56%

of participants
reported they now
enjoy writing more

82.32%

said there were more
confident about
expressing themselves in
writing since taking part



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
- Bloomberg
- Bloomsbury
- Booker Prize Foundation
- British Land
- Bupa Foundation
- Chase
- Department for Education
- Department of Science, Innovation and Technology
- Dundee Volunteer and Voluntary Action
- Enterprise
- Estée Lauer
- Experian
- Fidelity Foundation
- Garfield Weston Foundation
- Goldsmiths Company Charity
- Hachette
- Harper Collins
- Irwin Mitchell
- Julia and Hans Rausing Trust
- Kindred Squared
- KPMG
- Lancôme
- McDonald's
- Ministry of Justice
- Money & Pensions Services
- Moondance Foundation
- Morrisons Foundation
- Mousetrap Productions
- National Lottery Community Fund
- Oxford University Press
- Pan Macmillan
- Pearson
- Penguin Random House
- Portal Trust
- Premier League
- Rothschild Foundation
- Slaughter and May
- Squarepoint Capital
- Sylvamo
- The Works
- TikTok
- Turner and Townsend
- Twenty First Century Brand
- University of Birmingham
- Vanquis Bank
- Wesleyan
- West Yorkshire Combined Authority
- 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 2024.

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

Louise Doughty
(resigned on 19 December 2023)

Luisa Edwards
(term ended on 29 February 2024)

Kersten England
(appointed on 6 October 2023)

Ben Fletcher

Rachel Hopcroft
(appointed on 20 May 2024)

Hilary Ineomo-Marcus
(appointed 20 May 2024)

Natasha McMullen

Professor Michelle Money (previously Shaw)

Neil Sherlock CBE
(term ended on the 29 February 2024)

Lara White (Treasurer)

Professor Clare Wood

PATRON

Her Majesty The Queen

PRESIDENT

Baroness Prashar of Runnymede

VICE PRESIDENTS

Amanda Jordan OBE

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

www.literacytrust.org.uk

CHIEF EXECUTIVE

Jonathan Douglas CBE

COMPANY SECRETARY

Catherine Hardwick

PLANS FOR 24/25

We will continue to build on our success in 2023/2024 to reach young people and adults who are most disadvantaged. We are continuing to deliver our strategy and are focussed against the three breakthroughs. Our two flagship campaigns Early Years Matter and Libraries for Primaries will continue to grow in momentum and attract increased funding. Through our work we will aim to reach over 1,100,000 children and young people, distribute over 500,000 books and work with more than 3,200 settings

SCOTLAND

During the year we continued to build on our presence in Scotland. We are working to build a Literacy Hub in Dundee including recruiting community Literacy Champions. More broadly we are delivering Libraries for Primaries to school with no or poor library provision to help support a reading or pleasure culture.

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.

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), a Scottish registered charity (SC042944) and a company (no. 05836486) limited by guarantee up to a maximum of £1 each, per member. The memorandum and articles of association were last updated in 2006, when the charity was incorporated and registered at Companies House.

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. Trustees undergo trustee safeguarding and child protection training; new staff receive this when they start and formal external training then happens every three years. Internal updates to training happen annually as policy is updated.

Our senior management team comprises Jonathan Douglas, Chief Executive; Sam Brookes, Director of Resources; Ceri Berkovitch, Director of Marketing and Communications; Michael Stickland, Director of Development and Rosemary Thomas, Director of Operations. Our remuneration policy is overseen by the remuneration committee. 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 risk for 2023/24 was a failure to secure sufficient core income to sustain the organisation and support growth. This risk is mitigated by the development and implementation of key strategies that have been presented to the Trustees and where progress is reported to the 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 a decrease of £514,678 (2023: decrease of £408,694). This comprised a decrease in restricted funds of £171,089 (2023: decrease of £452,325), and a decrease in unrestricted funds of £343,589 (2023: increase of £43,631). Overall, the charity's funds decreased from £4,345,346 at the beginning of the year to £3,830,668 at the year end, of which £429,611 was in unrestricted funds and £3,401,057 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 £10.5m in 2022/23 to £12.1m in 2023/24. 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 10% in 2024/25. 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 £1.9m from £10.9m in 2022/23 to £12.6m in 2023/24.

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 2024 were £3,830,668 (2023: £4,345,346). Restricted funds, not available for the general purposes of the charity, were at £3,401,057 (2023: £3,572,146). 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 2024 was £429,611 (2023: £773,200), which comprised of unrestricted fixed assets fund £29,886 (2023: £41,304) and unrestricted free reserves £399,725 (2023: £731,896). The unrestricted free reserves represent two months of unrestricted expenditure rather than the three that is the policy. However, the Trustees are confident that we will achieve 3 months reserves by the end of next year and are taking the necessary approach to achieve this. The strategy is to maintain the reserves at the 3 month 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 2023/24 and did not receive any complaints during the 2022/23 year either.

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.

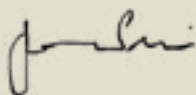
Our code of governance is set out in the board's Terms of Reference, Scheme of Delegation and Code of Conduct, which are reviewed annually and approved by the board. The board also follows the good practice recommendations of the Charity Governance Code, as well as the legal and regulatory requirements 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

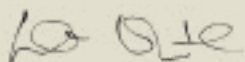


Trustee

Joanna Prior
Chair

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

Signed



Trustee

Lara White
Treasurer

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 2024 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 2024 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 Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing Trustees' Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 24, 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 Trustees' Report, 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 and 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.

HCatchpool

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

5th December 2024



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

For the year ended 31 March 2024

		Unrestricted Funds	Restricted Funds	Total Funds 2024	Total Funds 2023
	Notes	£	£	£	£
Income:					
Donations and legacies	2 a	3,464,384	107,569	3,571,953	3,367,911
Income from charitable activities	2 b	939,059	6,988,660	7,927,719	6,727,823
Income from other trading activities	2 c	499,497	10,928	510,425	426,741
Investment income		40,344	–	40,344	6,876
Total Income		4,943,284	7,107,157	12,050,441	10,529,351
Expenditure:					
Raising funds	3 c	(1,220,834)	–	(1,220,834)	(948,182)
Charitable activities	3 a-b	(4,063,244)	(7,278,246)	(11,341,490)	(9,986,534)
Interest payable		(2,795)	–	(2,795)	(3,329)
Total expenditure		(5,286,873)	(7,278,246)	(12,565,119)	(10,938,045)
Net Expenditure for the year		(343,589)	(171,089)	(514,678)	(408,694)
Transfer between funds	13	–	–	–	–
Total funds brought forward	13	773,200	3,572,146	4,345,346	4,754,040
Total funds carried forward		429,611	3,401,057	3,830,668	4,345,346

Balance sheet

At 31 March 2024

		2024	2024	2023	2023
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	7		29,886		41,304
			29,886		41,304
CURRENT ASSETS					
Stock	8	6,289		6,691	
Debtors	9	1,899,936		1,347,276	
Cash at Bank and in hand		3,481,546		4,166,802	
		5,387,771		5,520,769	
CREDITORS: Amounts falling due within one year	10	(1,523,878)		(1,135,848)	
NET CURRENT ASSETS			3,863,893		4,384,921
CREDITORS: Amounts falling due after more than one year	11		(63,111)		(80,879)
NET ASSETS			3,830,668		4,345,346
The funds of the charity:					
Restricted Funds	13		3,401,057		3,572,146
Unrestricted Funds	13		429,611		773,200
			3,830,668		4,345,346

The financial statements on pages 30–48 were approved by the Trustees and authorised for issue on and signed on their behalf by:



Joanna Prior
Chair



Lara White
Treasurer

Date: 18 July 2024

Statement of cashflows

For the year ended 31 March 2024

		2024	2024	2023	2023
	Notes	£	£	£	£
Cash (used in)/provided by operating activities	17		(717,085)		(828,319)
Cash flows from investing activities:					
Investment income		40,344		6,876	
Purchases of tangible assets		(5,720)		(19,320)	
Cash used by investing activities			34,624		(12,444)
Cash flows from financing activities:					
Interest paid		(2,795)		(3,329)	
Cash used by financing activities			(2,795)		(3,329)
(Decrease) in cash and cash equivalents in the year			(685,256)		(844,092)
Cash and cash equivalents at the beginning of the year			4,166,802		5,010,894
Total cash and cash equivalents at the end of the year			3,481,546		4,166,802

Analysis of cash and cash equivalents	2024	2023
	£	£
Cash at bank and in hand	3,481,546	4,166,802

Notes to the accounts

For the year ended 31 March 2024

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) – 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. The charity is building on the learnings and delivering 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
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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 £1,524,177 has been recognised in donations and legacies in 2024, in relation to books that have been donated to the charity. The expenditure has been fully recognised in charitable activities for £1,524,177. The corresponding amount in 2023 was £966,752.

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 gross including VAT within the expense items to which they relate, as the Charity is only able to reclaim a small proportion of VAT paid, because of its trading activities, using the partial exemption method.

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.

Donated books are recognised on market value the Charity would have paid with any discounts offered for the equivalent books.

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 2024	Funds 2023
	£	£	£	£
Donations from individuals	287,605	43,684	331,289	1,472,160
Donations from companies	1,684,331	63,885	1,748,216	649,208
Donations from charitable trusts	217,314	–	217,314	170,695
Other donations	1,275,135	–	1,275,135	1,075,848
	3,464,384	107,569	3,571,953	3,367,911

Income from donations and legacies of £3,277,756 was unrestricted and the remainder of £90,155 was restricted income for a total income of £3,367,911 in 2023.

b. Income from charitable activities

	Unrestricted Funds	Restricted Funds	Funds 2024	Funds 2023
	£	£	£	£
Grants and sponsorships receivable	939,059	6,988,660	7,927,719	6,727,823
	939,059	6,988,660	7,927,719	6,727,823

Income from charitable activities of £838,969 was unrestricted income and the remainder of £5,888,854 was restricted income for a total income of £6,727,823 in 2023.

Grants of £1,845,773 (2023: £2,225,866) were received from the government. There are no unfulfilled conditions or other contingencies attached to these funds.

c. Other trading activities

	Unrestricted Funds	Restricted Funds	Funds 2024	Funds 2023
	£	£	£	£
Literacy training	333,901	6,086	339,987	202,029
Online network subscriptions	127,408	-	127,408	160,529
Early Years – Traded	-	-	-	3,019
Skills Academy – Traded	9,701	-	9,701	12,412
Toolkits, Bookbenches & Little Ladybird Libraries	-	3,942	3,942	1,625
Consultancy & advertising	7,072	900	7,972	42,757
Competitions	21,415	-	21,415	4,370
	499,497	10,928	510,425	426,741

Income from trading activities of £374,528 was unrestricted income and the remainder of £52,213 was restricted income for a total of £426,741 in 2023.

3. Expenditure

a. Analysis of total resources expended

	Direct costs	Grants	Support costs	Total 2024	Total 2023
	£	£	£	£	£
	Note 16				
Costs of Raising Funds	1,125,607	-	95,227	1,220,834	948,182
Unrestricted Charitable Activities	3,245,871	-	222,612	3,468,483	2,739,534
Restricted Charitable Activities	7,224,775	53,471	594,761	7,873,007	7,247,000
Interest Payable	2,795	-	-	2,795	3,329
	11,599,048	53,471	912,600	12,565,119	10,938,045

Support costs of £912,600 (2023: £925,947) 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.

b. Analysis of support costs

	Premises	General Office	Staff	Finance	Information Technology	Total 2024	Total 2023
	£	£	£	£	£	£	£
Costs of Raising Funds	20,060	10,860	11,174	33,263	19,870	95,227	44,611
Unrestricted Charitable Activities							
Membership	6,698	3,626	3,730	11,107	6,635	31,796	12,402
Competitions	1,236	669	689	2,050	1,224	5,868	8,659
Conferences	354	192	197	587	351	1,681	-
Primary Training	714	387	397	1,184	707	3,389	-
Secondary Training	4,200	2,274	2,339	6,964	4,160	19,937	(7,547)
Literacy Communities	600	325	334	995	594	2,848	9,229
Special Charitable Projects	2,642	1,430	1,472	4,381	2,617	12,542	8,411
Hubs (Core)	-	1,110	3,195	3,399	2,031	9,735	(6,581)
North East Campaign	1,726	934	961	2,862	1,710	8,193	59
Words for Life	-	-	-	-	-	-	9,895
Sport & Literacy Traded	-	-	-	-	-	-	1,237
Research	7,300	3,952	4,066	12,105	7,231	34,654	11,117
Marketing & Communications	19,375	10,488	10,790	32,126	19,190	91,969	71,002
Unrestricted Charitable Activities	44,845	25,387	28,170	77,760	46,450	222,612	117,883
Restricted Charitable Activities							
Birmingham Hub	-	2,238	6,436	6,855	4,095	19,624	24,136
Black Country Hub	-	81	233	249	149	712	(1,753)
Blackpool Hub	-	1,208	3,475	3,701	2,211	10,595	4,019
Bradford Hub	-	650	1,869	1,990	1,189	5,698	10,254
Connecting Stories	-	-	-	-	-	-	196,898
Cornwall	-	1,299	3,737	3,980	2,377	11,393	8,038
Doncaster Hub	-	-	-	-	-	-	(1,753)
Dundee Hub	-	456	1,311	1,396	834	3,997	721
Hastings Hub	-	447	1,286	1,370	818	3,921	9,720
Literacy Hubs	-	1,592	4,577	4,875	2,912	13,956	26,759
Manchester Hub	-	448	1,289	1,373	820	3,930	1,545
Middlesbrough Hub	-	-	-	-	-	-	(175)
Nott & Peter Big Lottery	-	-	-	-	-	-	(1,753)
Nottingham Big Lottery	-	-	-	-	-	-	873
Nottingham Hub	-	2,368	6,811	7,253	4,333	20,765	26,979
Peterborough Hub	-	379	1,090	1,161	693	3,323	(175)
Rural hubs	-	211	607	647	386	1,851	-
North Yorkshire Coast	-	1,056	3,036	3,233	1,932	9,257	650
Stoke Hub	-	1,319	3,793	4,039	2,413	11,564	15,534
Story Quest	-	-	-	-	-	-	(175)
Get Suffolk Reading	-	3,484	10,021	10,672	6,375	30,552	39,002
Swindon Hub	-	266	764	814	486	2,330	3,190
Wales Hub	-	433	1,245	1,327	792	3,797	-
Connecting Stories 3	-	12,676	36,456	38,825	23,192	111,149	-
Audible Project	728	394	405	1,207	721	3,455	1,513
Books Unlocked	263	142	146	436	261	1,248	1,193
Readconnect	455	246	253	754	451	2,159	5,185
New Chapters	1,130	612	629	1,874	1,119	5,364	10,584
HMPPS Literacy Innovation Fund	4,611	2,496	2,569	7,646	4,567	21,889	-
Early Years	9,858	5,337	5,490	16,347	9,765	46,797	62,778
Home Learning Environment	10,658	5,770	5,936	17,673	10,557	50,594	38,792
Sport & Literacy	5,500	2,978	3,063	9,120	5,448	26,109	30,344
Adult Literacy	470	254	262	779	466	2,231	859
Literacy For Learning	3,920	2,122	2,183	6,500	3,883	18,608	63,393
Love Our Libraries	13,521	7,320	7,530	22,420	13,393	64,184	90,914
Newswise	-	-	-	-	-	-	4,947
Words For Work	6,672	3,612	3,716	11,063	6,609	31,672	34,093
Young Readers Programme	6,650	3,600	3,704	11,027	6,587	31,568	30,691
Young Writers	3,862	2,091	2,151	6,404	3,825	18,333	24,406
Restricted Charitable Activities	68,298	67,829	126,773	207,756	124,105	594,761	763,453
TOTAL 2024	133,203	104,076	166,117	318,779	190,425	912,600	925,947
TOTAL 2023	145,311	181,202	250,260	148,656	200,518	925,947	976,904

c. Analysis of costs of raising funds

	2024	2023
	£	£
Direct staff costs	957,660	794,557
Other direct costs	167,947	109,014
Support costs	95,227	44,611
	<u>1,220,834</u>	<u>948,182</u>

Costs of raising funds was all unrestricted in 2024 and 2023.

4. Net Income

Net income for the year is stated after charging:

	2024	2023
	£	£
Auditor's remuneration – audit fees	38,340	22,000
Auditor's remuneration – non audit fees	26,280	5,100
Operating leases – equipment	3,363	3,363
Operating leases – land and buildings	122,276	122,276
Interest payable	2,795	3,329
Depreciation	<u>17,138</u>	<u>17,052</u>

5. Staff Costs

	2024	2023
	£	£
Wages and salaries	5,847,560	4,888,900
Social security costs	616,544	518,725
Pension costs	470,044	405,920
Training and recruitment	80,529	135,151
	<u>7,014,677</u>	<u>5,948,696</u>

These costs include redundancy of £1,514 paid in 2024 (£2023: £nil) and additional temporary staff costs of £56,386 (2023: £61,047).

6. Employee and trustee information

The average number of employees during the year was 178 (2023: 145).

	2024	2023
Senior Management Team	6	6
Fundraising	23	14
Marketing and Communications	23	19
Projects and Programmes	104	87
Supports and Administrations	22	19
	178	145

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

	2024	2023
£60,001 – £70,000	1	4
£70,001 – £80,000	4	1
£80,001 – £90,000	1	-
£90,001 – £100,000	1	-
£100,001 – £110,000	-	1
£110,001 – £120,000	1	-
	8	6

The Trustees were not entitled to and did not receive any emoluments from the charity during the year (2023: £Nil).

£506.83 travelling expenses were incurred from one trustee during the year (2023: no expenses).

The charity received donations of £6,500 from one trustee during the year (2023: £1,098 from three 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 £629,974 (2023: £536,212).

7. Tangible fixed assets

	Office equipment	Total
Cost	£	£
At 1 April 2023	109,971	109,971
Additions	5,720	5,720
At 31 March 2024	115,691	115,691
Depreciation		
At 1 April 2023	68,667	68,667
Charge for the Year	17,138	17,138
At 31 March 2024	85,805	85,805
Net Book Value		
At 31 March 2024	29,886	29,886
At 31 March 2023	41,304	41,304

8. Stock

	2024	2023
	£	£
Where's Wally costumes	6,289	6,691

9. Debtors

	2024	2023
	£	£
Other Debtors	1,320,697	813,909
Prepayments and Accrued Income	579,239	533,367
	1,899,936	1,347,276

Included within Other Debtors is £32,279 (2023: £32,279) relating to rent deposit. This balance is receivable in > 1 year.

10. Creditors: Amounts falling due within one year

	2024	2023
	£	£
Trade Creditors	704,289	366,419
Taxation and Social Security	197,850	144,547
Other Creditors	73,592	56,677
Accruals and Deferred Income	548,147	568,205
	1,523,878	1,135,848

Included within Other Creditors are amounts totalling £17,768 (2023: £17,217) 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

	2024	2023
	£	£
Brought forward at 1 April 2023	109,408	104,329
Released during year	(831,178)	(967,560)
Deferred during year	809,892	972,639
Carried forward at 31 March 2024	88,122	109,408

The deferred income is made up of Membership Subscription 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

	2024	2023
	£	£
Other Creditors	63,111	80,879
	63,111	80,879

Included within Other Creditors are amounts totalling £63,111 (2023: £80,879) 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 2024 the charity had total commitments under non-cancellable operating leases as set out below:

	Land & Buildings		Other	
	2024	2023	2024	2023
	£	£	£	£
Within one year	122,276	122,276	3,363	3,363
Within 2 to 5 years	275,121	397,397	3,363	6,726
	397,397	519,673	6,726	10,089

13. Funds

	At 01-Apr-23	Income	Expenditure	Transfers	At 31-Mar-24
	£	£	£	£	£
RESTRICTED FUNDS					
Adult Literacy	14,824	-	(12,796)	-	2,028
Audible Project	34,129	63,559	(48,220)	-	49,468
Birmingham Hub	14,407	165,114	(190,589)	-	(11,068)
Black Country Hub	4,979	12,712	(11,276)	-	6,415
Blackpool Hub	28,621	8,396	(29,649)	-	7,368
Books Unlocked	93,231	42,415	(29,775)	-	105,871
Bradford Hub	14,575	32,956	(46,623)	-	908
Competitions		12,678	-		12,678
Connecting Stories	(156,646)	928,413	(910,073)	-	(138,306)
Connecting Stories 2	-	135,768	(24,689)		111,079
Cornwall Hub	11,472	50,614	(93,687)	-	(31,601)
Criminal Justice Employability	9,258	32,034	(31,667)	-	9,625
Doncaster Hub	2,368	9,963	(13,706)	-	(1,375)
Dundee Hub	7,836	51,883	(42,256)	-	17,463
Early Years	82,278	867,311	(622,303)	-	327,286
Hastings Hub	63,811	44,025	(32,603)	-	75,233
HMPPS Literacy Innovation Fund		271,186	(236,136)		35,050
Home Learning Environment	153,387	346,610	(687,005)	-	(187,008)
Literacy Champions	-	(335)	(599)		(934)
Literacy For Learning	31,668	8,700	(42,178)	-	(1,810)
Literacy Hubs	158,755	175,208	(21,078)	-	312,885
Love Our Libraries	1,001,364	1,729,768	(1,615,054)	(92,000)	1,024,078
Manchester Hub	31,943	-	(37,863)	-	(5,920)
Middlesbrough Hub	18,337	1,873	(18,074)	-	2,136
New Chapters	92,356	74,123	(100,462)	-	66,017
Newswise	-	4,237	-	-	4,237
Nottingham Big Lottery	1	-	(734)	-	(733)
Nottingham Hub	61,151	107,031	(130,353)	-	37,829
Other Restricted Projects	200,000	-	-	417,000	617,000
Peterborough Big Lottery	251	21,170	(15,143)	-	6,278
Peterborough Hub	3,548	-	(20,309)	-	(16,761)
Redcar Hub	2,895	-	-	-	2,895
Rural Hubs	27,039	671	(10,071)	-	17,639
Satellite Hubs		35,797	(64)		35,733
Scarborough Hub	81,123	9,858	(73,751)	-	17,230
South Coast Campaign		-	(32)		(32)
Sport and Literacy	93,491	610,127	(506,919)	-	196,699
Stoke Hub	38,360	38,231	(66,635)	-	9,956
Story Quest	38	-	(107)	-	(69)
Suffolk Campaign	362,876	80,464	(237,711)	-	205,629
Swindon Hub	14,501	65,093	(62,708)	-	16,886
Teachers Wellbeing Campaign	63,544	-	(63,544)	-	-
Wales Hub	10,664	11,112	(20,550)	-	1,226
Words For Work	305,207	178,304	(236,719)	(200,000)	46,792
Young Readers Programme	482,544	585,492	(607,958)	(125,000)	335,078
Young Writers Programme	111,960	294,596	(326,577)	-	79,979
	3,572,146	7,107,157	(7,278,246)	-	3,401,057
UNRESTRICTED FUNDS					
General Funds	773,200	4,943,284	(5,286,873)	-	429,611
TOTAL FUNDS	4,345,346	12,050,441	(12,565,119)	-	3,830,668

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.

13. Funds (continued) 2022-23

	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 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

Total of £nil (2023: £6,799) was transferred from Unrestricted Funds to Restricted Funds for complete programmes.

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. In 2022-23, we received £148,167 from Department of Health and Social Care for The Health and Wellbeing Fund: Starting Well as part of Early Words Together programme. Expenditure in the year to 31 March 2023 was £149,094 so all funds received for this programme have been spent and this project has been completed.

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 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	2024 Total
	£	£	£	£
RESTRICTED FUNDS				
Adult Literacy	-	2,028	-	2,028
Audible Project	-	49,468	-	49,468
Birmingham Hub	-	(11,068)	-	(11,068)
Black Country Hub	-	6,415	-	6,415
Blackpool Hub	-	7,368	-	7,368
Books Unlocked	-	105,871	-	105,871
Bradford Hub	-	908	-	908
Competitions	-	12,678	-	12,678
Connecting Stories	-	(138,306)	-	(138,306)
Connecting Stories 2	-	111,079	-	111,079
Cornwall Hub	-	(31,601)	-	(31,601)
Criminal Justice Employability	-	9,625	-	9,625
Doncaster Hub	-	(1,375)	-	(1,375)
Dundee Hub	-	17,463	-	17,463
Early Years	-	327,286	-	327,286
Hastings Hub	-	75,233	-	75,233
HMPPS Literacy Innovation Fund	-	35,050	-	35,050
Home Learning Environment	-	(187,008)	-	(187,008)
Literacy Champions	-	(934)	-	(934)
Literacy For Learning	-	(1,810)	-	(1,810)
Literacy Hubs	-	312,885	-	312,885
Love Our Libraries	-	1,024,078	-	1,024,078
Manchester Hub	-	(5,920)	-	(5,920)
Middlesbrough Hub	-	2,136	-	2,136
New Chapters	-	66,017	-	66,017
Newswise	-	4,237	-	4,237
Nottingham Big Lottery	-	(733)	-	(733)
Nottingham Hub	-	37,829	-	37,829
Other Restricted Projects	-	617,000	-	617,000
Peterborough Big Lottery	-	6,278	-	6,278
Peterborough Hub	-	(16,761)	-	(16,761)
Redcar Hub	-	2,895	-	2,895
Rural Hubs	-	17,639	-	17,639
Satellite Hubs	-	35,733	-	35,733
Scarborough Hub	-	17,230	-	17,230
South Coast Campaign	-	(32)	-	(32)
Sport and Literacy	-	196,699	-	196,699
Stoke Hub	-	9,956	-	9,956
Story Quest	-	(69)	-	(69)
Suffolk Campaign	-	205,629	-	205,629
Swindon Hub	-	16,886	-	16,886
Wales Hub	-	1,226	-	1,226
Words For Work	-	46,792	-	46,792
Young Readers Programme	-	335,078	-	335,078
Young Writers Programme	-	79,979	-	79,979
	-	3,401,057	-	3,401,057
UNRESTRICTED FUNDS	29,886	462,836	(63,111)	429,611
	29,886	3,863,893	(63,111)	3,830,668

14. Analysis of net assets between funds (continued) 2022-23

	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 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
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

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.

Besides, the total unpaid pension contributions relating to Section 75 debt on withdrawal from the Pension Trust Scheme at financial year ending 31 March 2023 were £80,879 (2023: £98,096). These amounts are within Other Creditors due within one year of £17,768 (2023: £17,217) and Other Creditors due after one year of £63,111 (2023: £80,879).

16. Grants Awarded

	Number of grants	2024 £	Number of grants	2023 £
Birmingham Community Healthcare NHS Foundation Trust	1	24,062	-	-
Black Country Healthcare NHS FT	1	8,630	-	-
Early Years Alliance Central England Service Hub	1	3,800	-	-
Sandwell & West Birmingham Hospitals NHS Trust	1	5,148	-	-
South Tyneside & Sunderland NHS Foundation Trust	1	11,831	-	-
Foundation Years Trust	-	-	1	31,301
Coast & Vale Community Action	-	-	1	23,784
Institute of Wellbeing	-	-	1	31,300
West Smethwick Enterprise- Birmingham	-	-	1	23,989
West Smethwick Enterprise- Black Country	-	-	1	23,996
Doncaster Council	-	-	1	29,364
	5	53,471	6	163,734

There were no support costs allocated to grant making activities in both years 2024 or 2023.

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

	2024	2023
	£	£
Net movement in funds	(514,678)	(408,694)
Adjustments for:		
Depreciation	17,138	17,052
Investment income	(40,344)	(6,876)
Interest paid	2,795	3,329
Decrease in stocks	402	4,400
(Increase) in debtors	(552,660)	(425,468)
Increase / (Decrease) in creditors	370,262	(12,062)
Net cash (used in) by operating activities	(717,085)	(828,319)

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 -£9,634 (2023: £61,349 in restricted funds) were held in the account. During the year funds of £21,375 (2023: £86,100) were received into the account and £92,377 were paid out (2023: £45,368). An admin fee of £1,125 was received (2023: £4,305).

Accounts

The logo consists of a yellow shield-like shape with the text "National Literacy Trust" inside in a bold, black, sans-serif font.

**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.

A handwritten signature in dark ink, appearing to read 'Joanna Prior'.

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 Cambourne 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.

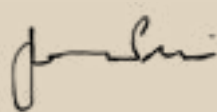
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom other jurisdictions.

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.

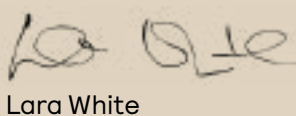
Statement as to disclosure of information to auditor

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
			41,304		39,036
CURRENT ASSETS					
Stock	8	6,691		11,091	
Debtors	9	1,347,276		921,808	
Cash at Bank and in hand		4,166,802		5,010,894	
		5,520,769		5,943,793	
CREDITORS: Amounts falling due within one year	10	(1,135,848)		(1,130,665)	
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			4,345,346		4,754,040
The funds of the charity:					
Restricted Funds	13		3,572,146		4,017,672
Unrestricted Funds	13		773,200		736,368
			4,345,346		4,754,040

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
	948,182	800,910

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	17,052	9,022

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
	5,948,696	4,273,308

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
	80,879	98,124

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
	519,673	17,883	10,089	2,108

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.

Accounts

THE NATIONAL LITERACY TRUST
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

THE NATIONAL LITERACY TRUST
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

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THE NATIONAL LITERACY TRUST
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report together with the financial statements of the charity for the year ended 31 March 2022.

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) (effective 1 January 2019).

REFERENCE AND ADMINISTRATIVE DETAILS

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

TRUSTEES

Joanna Prior (Chair, from 8 February 2022)
Julia Cleverdon DCVO CBE (Chair, until 8 February 2022)
Matthew Bradbury (from 20 July 2022)
Louise Doughty
Luisa Edwards
Ben Fletcher
Natasha McMullen
Liz Robinson (until 8 February 2022)
Professor Michelle Shaw (from 26 May 2022)
Neil Sherlock CBE
Lara White (Treasurer)
Professor Clare Wood

PATRON

Her Royal Highness The Duchess of Cornwall

PRESIDENT

Baroness Prashar of Runnymede

VICE PRESIDENT

Amanda Jordan OBE

REGISTERED OFFICE

68 South Lambeth Road, London SW8 1RL

CHARITY NUMBER

1116260

SCOTTISH CHARITY NUMBER

SC042944

COMPANY NUMBER

05836486

AUDITOR

RSM UK Audit LLP, Portland, 25 High Street, Crawley RH10 1BG

BANKERS

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

WEBSITE

www.literacytrust.org.uk

CHIEF EXECUTIVE

Jonathan Douglas CBE

COMPANY SECRETARY

Catherine Hardwick

THE NATIONAL LITERACY TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

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.

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 an Audit and Risk Committee that meets four times a year.

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. An Audit and Risk Committee was formed in May 2014, to examine financial risks and organisational sustainability in more detail.

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 Audit and Risk Committee; these are then reported on to the full Board of Trustees. The highest ranked risks for 2021/22 were failure to secure sufficient core income to sustain the organisation and support growth and the risk of moving to a more distributed organisation. 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.

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.

THE NATIONAL LITERACY TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

Our mission

We give children and young people from disadvantaged communities the literacy skills to succeed in life.

Our values

To achieve our vision we need to be focused, enterprising and connecting.

Our approaches

We have three ways of addressing our mission. They are:

- 1. We work directly with children and their families**
- 2. We work with schools and settings**
- 3. We work with communities and partners**

These approaches are delivered through a range of projects which receive restricted funding:

In schools and early years settings

- **Young Readers Programme** – inspiring disadvantaged children and young people to read for enjoyment
- **Young Writers** – inspiring children to improve their writing skills through partnerships between schools and cultural venues
- **Words for Work** – promoting literacy for employment through partnerships between schools and business
- **Sport and Literacy programmes** – engaging children in literacy using the motivational power of sport
- **Literacy for Learning** – raising literacy levels in secondary schools
- **Love our Libraries** – developing new primary school libraries and training library coordinators
- **NewsWise** – empowering pupils to access, understand, analyse and participate in the news
- **Early Words Together** – supporting early years practitioners and parents to chat, play and read to develop the language skills of children aged 0-5

In communities

- **Early Words Together** – working with early years settings to support families with learning in the home
- **Literacy Hubs and local campaigns** – intensive place-based literacy programmes established in Middlesbrough, Peterborough, Bradford, Stoke-on-Trent, Swindon, Nottingham, Hastings, the North Yorkshire Coast, Manchester, Birmingham and Doncaster, literacy campaigns in Blackpool and the North East and an early years partnership across the Black Country authorities in the West Midlands
- **Books Unlocked** – encouraging prisoners to read for enjoyment
- **Hungry Little Minds** – helping parents to build their child's language skills

The National Literacy Trust offers a schools membership programme which gathers and disseminates best practice in teaching literacy through online resources, competitions and enabling schools to work together in clusters. The charity also supports schools with evidence-based training programmes for teachers.

The charity receives income from a variety of sources including charitable trusts and foundations, corporate organisations, central and local governments and from individuals. The principal funders of our core activities such as website development, our Literacy Hubs, support for schools, research and policy work are Arts Council England, the Authors' Licensing and Collecting Society, Barclays, Bloomsbury Publishing, Blackpool City Council, Bupa Foundation, Enterprise Rent-A-Car, Esmée Fairbairn Foundation, Estée Lauder, Experian, Fidelity UK Foundation, KPMG, McDonald's, Morrisons Foundation, the Mercers Company, the National Lottery Community Fund, Provident Financial, St James's Place Charitable Foundation, Siemens, Suffolk County Council, Sport England, University of Birmingham, Wesleyan, WHSmith. British Land and WHSmith are the main supporters

THE NATIONAL LITERACY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

of the Young Readers Programme. Chase, Penguin Random House and Burberry fund our primary school library improvement programme. Premier League Foundation supports Premier League Primary Stars. Lancôme is the main funder for Words for Work. The Booker Prize Foundation and the Rothschild Foundation support our work in prisons. The Department for Education funds Small Talk. Department for Health & Social Care and the Worwin UK Foundation fund our Early Words Together programme. Paul Hamlyn Foundation, Audible and Rey Paper support our Young Writers programme.

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; Darranda Rowswell, Director of Development and Rosemary Thomas, Director of Operations. The pay of the senior management team is agreed by Trustees.

OUR PRIORITIES IN OUR THREE-YEAR STRATEGY

Improving literacy is a national priority for the UK. It sits at the heart of economic success and sustainability, fairness and equal opportunities. The National Literacy Trust exists to lead the national campaign to raise awareness of the issue and find solutions which mobilise the resources of the business, corporate and third sectors.

The focus of the National Literacy Trust's work is children and young people. Our priority is the relationship between low literacy and poverty, which are mutually reinforcing and intergenerational.

The mission of the National Literacy Trust is to break the relationship between low literacy and poverty to give a new generation the skills to fulfil their opportunities.

The National Literacy Trust's work is directed by a three-year rolling strategy which describes how we will deliver our mission. This strategy is extended and reviewed annually, responding to the changing content of our work, through discussions with our partners and beneficiaries.

We identified the following key aims for 2021-22:

- 1. We will work directly with children and their families to ensure:**
 - Disadvantaged young people are engaged with inspiring books and literacy resources
 - More parents from disadvantaged areas are confident in supporting the early literacy of their children
- 2. We will work with schools and settings so that:**
 - More confident and informed teachers and practitioners support literacy
 - More schools and settings deliver effective literacy activities
- 3. We will work with communities and partners to ensure:**
 - Increased sustainable literacy leadership in disadvantaged areas
 - More individuals, influencers and partners take action to raise literacy levels
- 4. We know that to fulfil our mission we need to become a more diverse and inclusive charity, better at listening to and working in partnership with communities.**

The diagram shows how these aims drive our mission.

THE NATIONAL LITERACY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022



OUR ACTIVITIES 2021/22

The year began as the education system emerged from the second period in a year when UK schools were closed to most pupils due to Covid. Across the UK schools and settings reopened in February and March 2021. 2021/22 was marked by ongoing disruption due to Covid. In the preceding year most children were estimated to have lost half a year of face-to-face schooling. 2021/22 was marked by a growing awareness of the scale and priorities of post-pandemic education recovery. The challenges of maintaining consistent delivery during a period of disruption and uncertainty and focusing our support on the needs of children, young people and learners who had suffered most during the pandemic became a priority.

By April 2021 we had identified three themes which characterise our work to support literacy recovery:

- **Targeted** – all the evidence shows that it is the most disadvantaged children and young people who have suffered most and therefore the gap between more affluent and poorer children will increase. One early evidence review predicted that school closures could **reverse the progress** made to close this gap over the last decade. Our support has therefore been targeted on the most disadvantaged.
- **Sustained** – the scale of the impact on literacy will take years to fully emerge and the early literacy development of babies and toddlers has been significantly impacted by the pandemic. The recovery of literacy will only be achieved through a multi-year approach.
- **Holistic** – literacy skills are developed through social interaction as well as in the classroom; building emotional wellbeing and reflecting cultural interactions and identity. All these factors have been impacted by the pandemic and all need to be addressed to secure literacy recovery. Our work in 2021/22 has specifically aimed to address these challenges holistically.

A focus on literacy recovery has in no way undermined our ongoing activity; in fact, it has given it a fresh impetus and focus. Our programmes and campaign have become a major focus for rebuilding the reading stamina of children and young people, supporting early language and communication catch up and jointly addressing reading, writing and wellbeing for children who have suffered most during the previous year.

THE NATIONAL LITERACY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

Our work directly with children and their families

Aims

- ***Disadvantaged young people are engaged with inspiring books and literacy resources***
- ***More parents from disadvantaged areas are confident in supporting the early literacy of their children***

Recovery from the impact of the pandemic on literacy was a key focus of our work directly with children, young people and their families during 2021/22. Research showed that the challenge was most acute for disadvantaged pupils in deprived areas where secondary pupils by the summer term were demonstrating a learning loss of 2.7 months in reading. Our work directly with children and their families addressed this challenge by focusing on young people specifically in the most disadvantaged areas of the UK, where the National Literacy Trust Hubs and regional campaigns are located. Over the year 293,721 books were distributed by the Trust to disadvantaged children in these places, which were also the focus of large-scale national literacy programmes and local initiatives to inspire and re-engage young people.

The largest of these was Connecting Stories, supported by Arts Council England and a consortium of publishers. The project consisted of two large-scale national campaigns through our Hub network to directly support the literacy of children and families who had been most affected by Covid. The first ran until September 2021 with support from 26 publishers and 55 authors to reach children in the 14 most disadvantaged areas of the country with the lowest literacy rates. 95,912 children and their families engaged in events and activities to inspire them to read and write and to support their mental health and wellbeing. The children were encouraged to write stories which were published in 16 anthologies, 12,105 copies of which were distributed in the communities.

The second phase was launched in October 2021 and will run until March 2023. Activity in the first month included the Take 10 campaign, encouraging reading for wellbeing, with over 165,000 participants. The focus of this phase is strengthening community partnerships and co-creation in the Hub areas. By the end of March 2022 reading and writing activities in the second phase had so far reached 141,252 people in the Hub communities.

Across 10 of our Hubs we have recruited a cohort of community Literacy Champions to support literacy activity and partnerships in the community. We now have 439 active Literacy Champions and more recruited and waiting to be trained. They are enabling important activities and are particularly successful at engaging families – for instance, in Nottingham, on International Women's Day 8 March 2022 Literacy Champions delivered events at Nottingham Mosque and New Art Exchange which reached 90 disadvantaged families.

Working with the DfE's Hungry Little Minds campaign, our Home Learning Environment team supported the early language and literacy environments of families with babies and pre-school children in 12 areas where there are concerns early child language development is weak. This approach is built upon a place-based programme of activity, including the development of local area passports post-Covid, plugging families back into early years activities and provision as well as digital engagement and Facebook Live events.

As well as the national programmes, individual National Literacy Trust Hubs have developed their own local activities, resources and approaches to enable them to work directly with families and children: the Bradford Stories Bus was launched in October 2021, promoting reading and encouraging families in Bradford's target wards; the Peterborough BookBench trail has been on display in museums, shopping centres, cultural hubs and libraries across the city, with benches designed by pupils at 11 schools, working with six artists; summer 2021 also saw the culmination of our three-year Story Quest project in Stoke; and the Doncaster Hub launched a Literacy Lab at Ted Hughes's former secondary school in Mexborough with guests including representatives from Faber, the Arts Council, Doncaster mayor, Carol Hughes (Ted's widow) and illustrator Chris Mould. In the following weeks 150 children visited the Literacy Lab.

THE NATIONAL LITERACY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

Our campaigns to end book poverty grew during the year. In November 2021 we announced the Marcus Rashford Book Club, an initiative with Macmillan Children's Books and KPMG, led by Rashford, which will see books donated through primary schools in 2022-23, reaching as many children as possible from disadvantaged backgrounds.

Our work with schools and settings

Aims

- ***More confident and informed teachers and practitioners support literacy***
- ***More schools and settings deliver effective literacy activities***

During 2021/22 we worked closely with schools to develop resources and approaches to help them address the challenge for post-pandemic literacy recovery. We focused our support on schools in disadvantaged communities. Compared with schools with a low percentage of pupils eligible for free school meals, decreases in scores during the pandemic for schools with high percentages of pupils eligible for FSMs were approximately twice as severe

A particular focus of our support for schools in 2021 has been primary school library provision. 1,000 primary schools in disadvantaged areas do not have a school library. Creating libraries in these schools to support literacy recovery has been a key priority for 2021/22. To address this challenge we have attracted new funders and formed the Primary School Library Alliance. With a budget of £3.4m, this is now the largest school library development action plan in the UK. The Alliance aims to equip and stock new libraries and train library coordinators. It is now funded to support libraries in 650 schools, working with 360 in 2021/22 and supporting over 100,000 pupils from disadvantaged communities.

The Primary School Library Alliance incorporates the World of Stories programme, which has worked with 225 primary schools since 2018, offering free books and resources together with bespoke teacher training. In partnership with Puffin, part of Penguin Random House, the programme will be expanded over the next three years with additional funding from Arts Council England. Chase Rewarding Futures is a partnership between retail bank Chase and the National Literacy Trust, also supported by Puffin. It is now funded to develop 150 new primary school libraries. In addition, we are installing Marcus Rashford Book Club libraries in schools in Leeds, Manchester and London through our partnership with Burberry.

With an awareness that secondary schools with a high proportion of pupils from disadvantaged backgrounds had learning losses 50% higher than those serving fewer pupils from disadvantaged backgrounds, we have also strengthened our secondary whole-school Literacy for Life programme, growing its reach in disadvantaged areas. The programme promotes the systematic teaching of literacy in around 20% of England's state secondary schools. Over two thousand bookings were received for the Literacy for Learning conference in 2021 and a successful Festival of Science and Imagination for Literacy for Learning schools was held in July 2021.

Our Sport and Literacy programmes are now embedded in thousands of schools in England and have played a vital role in reengaging learners after the pandemic. Over 2,000 schools attended our sport and literacy webinar events, reaching at least 75,000 children, and there have been more than 3,700 downloads of schools literacy resources for Premier League Primary Stars. Our Game Changers programme, specifically designed for excluded students, has been successfully evaluated: increased reading and overall confidence emerged as a key outcome for pupils. 62% of pupils said they felt more confident in school after taking part in Game Changers and 74% felt that after taking part they could be more successful in life. The programme uses relatable texts, highly-scaffolded resources and football activities to motivate and equip young people to read.

Our first National Reading Champions Quiz for schools took place in April and May 2021. It was a high-profile activity with 17 regional heats, 519 teams, 2,000 children, 100 librarians and teachers, 50 hours of quizzing, 8 celebrity authors and 7,000 downloads of accompanying reading challenges supported by 10 MPs tweeting.

THE NATIONAL LITERACY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

Our work to support early language and literacy with early years settings gained prominence and grew in scale as the negative impact of the pandemic on the communication and literacy development of children in the early years became apparent. Early Words Together has been an important element of the response of many settings. During the year we have also piloted it in women's refuges and with local migrant and refugee charities. First Words Together, our language programme for families which has been running for two years, has been expertly integrated into the children's centres' speech and language offer in Birmingham. The programme includes a community campaign.

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 restarting in early 2022. National Prison Radio broadcasts nightly serialisations of books promoted through the programme across the prison estate. 1,470 copies of featured books were requested and distributed to prisoners. 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; and 79% reported higher levels of wellbeing as a result of taking part in the programme. Our New Chapters programme is the platform for our work in 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.

Our work with communities and partners

Aims

- ***Increased sustainable literacy leadership in disadvantaged areas***
- ***More individuals, influencers and partners take action to raise literacy levels***

During 2021/22 the focus of much of the research activity of the National Literacy Trust has been understanding the specific challenges created by the educational disruption caused by the pandemic. The 2021 Annual Literacy Survey gave important insight into the way in which literacy gaps had been exacerbated. The 2022 survey in which 70,000 young people participated, will help us understand its impact on literacy trends. The National Literacy Trust has also now established a Covid and Literacy Observatory, aggregating and synthesising the emerging national and international evidence base of the impact of the pandemic on literacy to help policymakers, teachers and other stakeholders make sense of the challenge. During the year we also hosted a number of webinars on the issue. Minister Damian Hinds, former Secretary of State for Education, spoke at an event in May about the impact of the pandemic on the Home Learning Environment and earlier in the year it was the focus of our annual Talk To Your Baby conference. These activities are proving invaluable in making the argument for a focus on literacy within post-pandemic recovery, alongside public-facing activity such as the campaign we launched with WHSmith and Marcus Rashford in May.

Research has shown that the literacy in some regions and places has suffered disproportionately as a result of education disruption. These places are invariably the poorest regions where literacy was already lagging behind. For instance, primary-aged pupils were found to have between 1.7 and 2 months learning loss in reading, but pupils in the North East and Yorkshire and the Humber lost 2.4 months and 2.2 months respectively. This has increased the significance of our Hubs and regional campaigns and the development of leadership in these areas. In the past year we have established Community Consultation Groups to work alongside the Strategic Steering Groups in our Hubs, to consolidate leadership.

We have also launched local literacy campaigns in non-urban/semi-rural settings. We launched a Suffolk reading campaign in September, focusing on market towns where there is a strong relationship between disadvantage and literacy. Work began in Haverhill in October, Stowmarket in January and Lowestoft will launch in April. In Cornwall we started work to establish a local literacy campaign in Redruth with funding from a philanthropist, which will follow an early years cohort approach.

We have also worked hard to convene and grow business partnerships to support literacy recovery. The Vision for Literacy Business Pledge brings together over 80 businesses who have a shared

THE NATIONAL LITERACY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

commitment to raising literacy levels. We also launched the Business Literacy Awards in January during our annual Business Pledge event. The first year awards were nominated by Dame Julia Cleverdon, our outgoing Chair. In 2022 we will develop a formal process for these awards.

Following a series of webinars in June we launched a business literacy recovery coalition as a subgroup of our wider Literacy Business Pledge. A public letter was sent from this group to No.10 calling for a stronger focus on literacy recovery and asking the Government to acknowledge the powerful role of business in this agenda. The then new Secretary of State for Education, Nadhim Zahawi, met the group at a Business and Literacy Recovery Summit we convened in November.

In November an event with the Literacy All-Party Parliamentary Group and the publication of a policy paper, *The Future of Primary School Libraries*, was used as the platform for the launch of the Primary School Library Alliance, which for the first time has brought together professional bodies, publishers and investors in a united front, to take action on improving the provision of primary school libraries.

Becoming a more diverse and inclusive charity, better at listening to and working with communities

Underpinning all our work is the charity's commitment to equity, diversity and inclusion (EDI). We know that the more diverse and inclusive we become, the more carefully we listen to the communities we work with and the stronger our partnerships are with them, then the more impact we will have on our mission.

The National Literacy Trust has an annual EDI action plan which is reported on at each board meeting. The CEO chairs the internal EDI working group which leads the agenda and focuses on the interlocking aims of organisational transformation – becoming a more diverse and inclusive charity - and service transformation by getting better at listening to and working in partnership with communities.

The result of this activity has been a stronger visible commitment to equalities and diversity. Our school programmes have supported work in schools to promote diversity and inclusion, raising awareness of ethnically diverse authors through all our reading activities. The primary school library programmes have run training for teachers and librarians in the promotion of diverse literature. Diversity, inclusion and community participation is the focus of the Connecting Stories Hub programmes. A highpoint of 2021/22 was the celebration of Black History Month, in which 40,000 young people in our Hub communities participated.

The principles of co-creation and working with Hub communities and participants in our programmes is now embedded in all our activity. In 2021/22 we focused on the creation of community consultation groups in all our Hub areas. This has been the focus of ACE-funded activities in the past year, the aim being to go beyond consultation and co-create Hub content and strategy with the communities themselves.

OUR TARGETS FOR 2021/22

Work with 4,500 schools to address literacy recovery

We worked with 4,863 schools

Provide books for 250,000 children, targeting the 383,000 children who don't own any books

We worked with 743,000 children and distributed 429,275 books and resources

Support 1m young people and families with digital literacy resources

125,890 downloads supporting over 1m children

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

THE NATIONAL LITERACY TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

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

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 increase of £1,824,264. This comprised an increase in restricted funds of £1,480,406, and an increase in unrestricted funds of £343,858. Overall, the charity's funds increased from £2,929,776 at the beginning of the year to £4,754,040 at the year end, of which £736,368 was in unrestricted funds and £4,017,672 was in restricted funds.

Total income for the year has increased from £7.1m in 2020/21 to £9.1m in 2021/22. Following the initial impact of the coronavirus pandemic in the previous year, we had budgeted to maintain income at the 2020/21 level. However, instead we were able to maximise our income from our existing partnerships and due to the current relevance of our work secure some new major partnerships. We anticipate maintaining our income at this level in 2022/23. 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 £0.8m from £6.4m in 2020/21 to £7.2m in 2021/22.

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

POLICY ON RESERVES

Total funds at 31 March 2022 were £4,754,040 (2021: £2,929,776). Restricted funds, not available for the general purposes of the charity, were at £4,017,672 (2021: £2,497,117). 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.

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 2022 was £736,368, all of which is regarded as free reserves. This is 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.

THE NATIONAL LITERACY TRUST
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

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. The relevant fundraising standards have been complied with and no complaints received.

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.

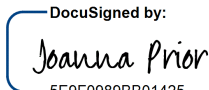
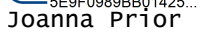
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

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 on 20 July 2022

Signed 
 Trustee 

THE NATIONAL LITERACY TRUST CHAIR'S REPORT FOR THE YEAR ENDED 31 MARCH 2022

Chair's Report

I am immensely proud to have taken on the role of Chair of the National Literacy Trust. For the past seven years Dame Julia Cleverdon has chaired the board and inspired the staff team, leading growth in the impact and scale of the charity's work. Her leadership provided the focus and confidence which the charity required to face the challenges of supporting literacy during the unprecedented closure of libraries and schools during the pandemic. Millions of children and young people have benefited from the work of the Trust under Julia's chairing. The board, the staff team and our partners are all deeply grateful for her hard work and commitment to our mission. We look forward to continuing to work with Julia, as she chairs the Trust's new Business and Literacy Council, leading the national coalition of business leaders committed to raising literacy in the UK.

The challenge the National Literacy Trust now faces is immediate and pressing: The National Literacy Trust's mission is to address education inequality and this gap, between the poorest and the most affluent, has been exacerbated by the pandemic. We now know that the communities with the lowest levels of literacy have borne the brunt of the pandemic not just in terms of health outcomes but also in the damage it has done to the education and literacy of children.

In the past twelve months the National Literacy Trust has redoubled its commitment to young people in these communities. Working with schools, early years settings, libraries, colleges and prisons the Trust is ensuring that children and learners who lost out most during the pandemic are given the most intensive support in a period of recovery.

I am incredibly grateful for the unstinting support of the National Literacy Trust's business supporters in working with us to address this challenge. The 2022 Literacy Business Pledge has been signed by a group of 92 businesses, convened by KPMG. As a publisher, I am heartened to see the publishing community sitting at the heart of this coalition. I am particularly excited by the way in which business support for the Primary School Library Alliance is enabling the National Literacy Trust to transform primary school library provision in some of the UK's poorest communities. Supported by Chase, Burberry and Penguin Random House, the Alliance is providing a powerful and practical resource to support educational recovery.

At the heart of our work are the 14 Literacy Hub communities which have been animated this year by the Connecting Stories programme, generously supported by Arts Council England. Their support has enabled us to inspire thousands of young people to read and write, re-engaging them with literacy activities after the pandemic. Crucially these activities also been designed to support their wellbeing.

The Patronage of Her Royal Highness The Duchess of Cornwall has been a source of great inspiration for the team and our partners during the last year. During the pandemic we were grateful for Her Royal Highness' online engagement with our work, and in the past few months it has been a joy to welcome our Patron back to face-to-face events.

The staff team at the National Literacy Trust is energised and focused. They are supported by a Board of Trustees who are deeply committed to the charity's mission. I look forward to the chairing the National Literacy Trust and working with such an extraordinary group of individuals to ensure that young people from even the most disadvantaged communities have the literacy skills they need to fulfil their futures.

DocuSigned by:

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Joanna Prior
Chair

20 July 2022
Date

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 2022 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 2022 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NATIONAL LITERACY TRUST

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 for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the 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' 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies exemptions in preparing the directors' report, included within the trustees' annual report, and from requirements to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 11, 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NATIONAL LITERACY TRUST

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NATIONAL LITERACY TRUST

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.

DocuSigned by:

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Zoe Longstaff-Tyrrell (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Portland
25 High Street
Crawley
West Sussex
RH10 1BG

Date 05-Sep-22 | 11:48 AM BST

THE NATIONAL LITERACY TRUST
STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE
ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	2021 £
Income:					
Donations and legacies	2 a	1,971,744	77,123	2,048,867	1,708,718
Income from charitable activities	2 b	881,965	5,754,728	6,636,693	4,851,811
Income from other trading activities	2 c	326,021	55,116	381,137	309,507
Other income	2 d	-	-	-	213,472
Investment income		321	-	321	377
Total Income		<u>3,180,051</u>	<u>5,886,967</u>	<u>9,067,018</u>	<u>7,083,885</u>
Expenditure:					
Raising funds	3 c	(800,910)	-	(800,910)	(771,457)
Charitable activities	3 a-b	(2,031,436)	(4,406,561)	(6,437,997)	(5,604,995)
Interest payable		(3,847)	-	(3,847)	(10,938)
Total expenditure		<u>(2,836,193)</u>	<u>(4,406,561)</u>	<u>(7,242,754)</u>	<u>(6,387,390)</u>
Net Income for the year		343,858	1,480,406	1,824,264	696,495
Transfer between funds	13	(40,149)	40,149	-	-
Total funds brought forward	13	432,659	2,497,117	2,929,776	2,233,281
Total funds carried forward		<u>736,368</u>	<u>4,017,672</u>	<u>4,754,040</u>	<u>2,929,776</u>

THE NATIONAL LITERACY TRUST**BALANCE SHEET
AT 31 MARCH 2022**

	Notes	£	2022 £	£	2021 £
FIXED ASSETS					
Tangible Assets	7		<u>39,036</u>		<u>17,434</u>
			39,036		17,434
CURRENT ASSETS					
Stock	8	11,091		-	
Debtors	9	921,808		972,558	
Cash at Bank and in hand		<u>5,010,894</u>		<u>3,176,446</u>	
		5,943,793		4,149,004	
CREDITORS: Amounts falling due within one year	10	<u>(1,130,665)</u>		<u>(1,121,865)</u>	
NET CURRENT ASSETS			4,813,128		3,027,139
CREDITORS: Amounts falling due after more than one year	11		(98,124)		(114,797)
NET ASSETS			<u><u>4,754,040</u></u>		<u><u>2,929,776</u></u>
The funds of the charity:					
Restricted Funds	13		4,017,672		2,497,117
Unrestricted Funds	13		736,368		432,659
			<u><u>4,754,040</u></u>		<u><u>2,929,776</u></u>

These accounts are prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 17-35 were approved by the Trustees and authorised for issue on and signed on their behalf by:

Joanna Prior
Chair

DocuSigned by:
Joanna Prior
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Lara White
Treasurer

DocuSigned by:
Lara White
1198BE5B047D4E1

Date

20 July 2022

THE NATIONAL LITERACY TRUST**STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £	2021 £
Cash provided by operating activities	17	1,868,598	1,632,150
Cash flows from investing activities:			
Investment income		321	377
Purchases of tangible assets		<u>(30,624)</u>	<u>-</u>
Cash used by investing activities		(30,303)	377
Cash flows from financing activities:			
Interest paid		<u>(3,847)</u>	<u>(10,938)</u>
Cash used by financing activities		(3,847)	(10,938)
Increase in cash and cash equivalents in the year		<u>1,834,448</u>	<u>1,621,589</u>
Cash and cash equivalents at the beginning of the year		3,176,446	1,554,857
Total cash and cash equivalents at the end of the year		<u>5,010,894</u>	<u>3,176,446</u>

Analysis of cash and cash equivalents	2022 £	2021 £
Cash in hand	<u>5,010,894</u>	<u>3,176,446</u>

THE NATIONAL LITERACY TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES

a) 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 and Wales.

b) 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.

c) 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
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d) Income

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.

THE NATIONAL LITERACY TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022
(Continued)

e) Expenditure is allocated as follows:

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.

f) 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.

g) 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.

h) 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.

i) Stocks

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

j) 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 company 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.

k) Financial instruments

The company 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 company becomes party to the contractual provisions of the instrument.

THE NATIONAL LITERACY TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022
(Continued)

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.

l) 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.

THE NATIONAL LITERACY TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022
(Continued)

2. INCOME

a. Donations and legacies

	Unrestricted	Restricted	2022 £	2021 £
Donations from individuals	260,384	27,403	287,787	237,657
Donations from companies	605,154	49,720	654,874	542,690
Donations from charitable trusts	95,260	-	95,260	175,636
Other donations	1,010,946	-	1,010,946	752,735
	<u>1,971,744</u>	<u>77,123</u>	<u>2,048,867</u>	<u>1,708,718</u>

Income from donations and legacies is unrestricted in 2021.

b. Income from charitable activities

	Unrestricted £	Restricted £	2022 £	2021 £
Grants and sponsorships receivable	881,965	5,754,728	6,636,693	4,851,811
	<u>881,965</u>	<u>5,754,728</u>	<u>6,636,693</u>	<u>4,851,811</u>

Income from charitable activities of £636,754 was unrestricted income in 2021 and the remainder was restricted income.

Grants of £1,373,364 were received from the government. There are no unfulfilled conditions or other contingencies attached to these funds.

c. Other trading activities

	Unrestricted £	Restricted £	2022 £	2021 £
Literacy training	152,353	33,746	186,099	132,578
Online network subscriptions	115,583	-	115,583	131,393
Early Years - Traded	-	21,120	21,120	6,036
Skills Academy - Traded	23,520	-	23,520	11,400
Toolkits, Bookbenches & Little Ladybird				
Libraries	650	-	650	2,800
Consultancy & advertising	18,915	250	19,165	16,300
Competitions	15,000	-	15,000	-
Internship opportunities	-	-	-	9,000
	<u>326,021</u>	<u>55,116</u>	<u>381,137</u>	<u>309,507</u>

Income from trading activities of £265,236 was unrestricted income in 2021 and the remainder was restricted income.

d. Other income

	Unrestricted £	Restricted £	2022 £	2021 £
Furlough income	-	-	-	213,472
	<u>-</u>	<u>-</u>	<u>-</u>	<u>213,472</u>

THE NATIONAL LITERACY TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022
(Continued)

3. EXPENDITURE

a) Analysis of total resources expended

	Direct costs £	Grants £	Support costs £	Total 2022 £	2021 £
	Note 16				
Costs of Raising Funds	708,726	-	92,184	800,910	771,457
Unrestricted Charitable Activities					
Website, publications, policy & research	481,728	-	121,362	603,090	535,339
Literacy training & consultancy	95,743	-	1,575	97,318	103,017
Online network	51,505	-	8,175	59,680	71,505
Competitions	52,304	-	5,833	58,137	22,888
Early Years - Traded	-	-	-	-	-
Skills Academy - Traded	12,079	-	1,945	14,024	13,776
Hubs Core	130,265	-	1,588	131,853	103,618
North East Campaign	35,216	-	1,388	36,604	13,711
Literacy Communities	84,144	-	12,583	96,727	109,504
Words for Life	40,462	-	10,802	51,264	68,361
My Dear New Friend	3,674	-	-	3,674	5,408
Special Charitable Projects	159,596	-	-	159,596	122,331
Unrestricted Charitable Activities	1,146,716	-	165,251	1,311,967	1,169,458
Restricted Charitable Activities					
Hastings Hub	7,580	-	3,465	11,045	40,700
Nottingham Hub	83,864	-	8,974	92,838	68,842
Swindon Hub	2,603	-	1,845	4,448	25,433
Stoke Hub	1,269	-	(100)	1,169	4,947
Bradford Hub	42,610	-	16,327	58,937	98,082
Peterborough Hub	29,706	-	(100)	29,606	18,724
Middlesbrough Hub	3,703	-	(100)	3,603	26,240
Scarborough Hub	41,104	-	937	42,041	34,496
Redcar Hub	1,022	-	-	1,022	7,285
Birmingham Hub	106,394	-	25,548	131,942	72,833
Manchester Hub	77,366	-	1,109	78,475	64,114
Story Quest	64,484	-	15,940	80,424	168,709
Nottingham Big Lottery	30,043	-	21,934	51,977	74,785
Peterborough Big Lottery	38,462	-	25,713	64,175	75,142
Black Country Hub	3,184	-	(997)	2,187	35,824
Dundee Hub	902	-	(997)	(95)	(2,261)
Doncaster Hub	46,758	-	12,872	59,630	71,409
Blackpool Hub	38,904	-	11,122	50,026	118,080
Nottingham & Peterborough Big Lottery	17,713	-	(997)	16,716	64,670
Connecting Stories	823,165	-	161,575	984,740	209,432
Suffolk Campaign	107,679	-	24,257	131,936	9,345
Literacy hub - transfer	76,200	-	18,686	94,886	(148,147)
Books Unlocked	42,345	-	4,745	47,090	46,469
New Chapters	39,983	-	5,525	45,508	48,081
Criminal Justice Employability	24,808	-	7,138	31,946	23,539
Audible Project	31,818	-	3,280	35,098	24,116
Literacy for Learning	206,343	-	55,290	261,633	217,277
Early Years	311,317	-	37,555	348,872	272,911
Love Our Libraries	472,126	-	35,679	507,805	80,758
Young Readers Programme	461,850	-	55,168	517,018	453,063
Premier League Reading Stars	102,006	-	16,150	118,156	108,966
Sport and Literacy	130,589	-	17,448	148,037	148,041
Words for Work	190,761	-	33,981	224,742	228,423
Young Writers Programme	198,305	-	28,631	226,936	199,474
Newswise	16,403	-	9,074	25,477	107,869
Home Learning Environment	399,720	99,633	64,786	564,139	1,337,866
Literacy Champions	257	-	-	257	-
Cornwall Hub	568	-	(1,994)	(1,426)	-
Gaining Momentum/Oxfordshire Secondaries	443	-	-	443	-
Boots Optician School Challenge	200	-	-	200	-
Game Changers DCMS 2021	32,371	-	-	32,371	-
Restricted Charitable Activities	4,306,928	99,633	719,469	5,126,030	4,435,537
Interest Payable	3,847	-	-	3,847	10,938
TOTAL	6,166,217	99,633	976,904	7,242,754	6,387,390

Support costs of £719,468 (2021: £448,338) 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.

THE NATIONAL LITERACY TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022
(Continued)

3. EXPENDITURE (continued)

b) Analysis of support costs

	Premises £	General Office £	Staff £	Finance £	Information Technology £	Total 2022 £	2021 £
Costs of Raising Funds	22,758	12,753	24,339	14,539	17,795	92,184	31,615
Unrestricted Charitable Activities							
Website, publications, policy & research	26,011	14,576	43,817	16,618	20,340	121,362	70,891
Literacy training & consultancy	1,661	931	(3,377)	1,061	1,299	1,575	(6,921)
Online network	2,907	1,629	(491)	1,857	2,273	8,175	(5,916)
Competitions	935	524	3,046	597	731	5,833	3,262
Skills Academy - Traded	312	175	1,015	199	244	1,945	1,585
Hubs Core	1,852	1,038	(3,933)	1,183	1,448	1,588	1,134
North East Campaign	1,500	841	(3,085)	959	1,173	1,388	(5,738)
Literacy Communities	2,077	1,164	6,391	1,327	1,624	12,583	10,630
Words for Life	1,731	970	5,642	1,106	1,353	10,802	8,426
Unrestricted Charitable Activities	38,986	21,848	49,025	24,907	30,485	165,251	77,353
Restricted Charitable Activities							
Literacy Hubs	2,994	1,678	9,760	1,913	2,341	18,686	-
Hastings Hub	571	320	1,762	365	447	3,465	6,860
Nottingham Hub	1,454	815	4,639	929	1,137	8,974	7,817
Swindon Hub	312	175	915	199	244	1,845	3,221
Stoke Hub	-	-	(100)	-	-	(100)	(226)
Bradford Hub	2,648	1,484	8,433	1,692	2,070	16,327	23,329
Peterborough Hub	-	-	(100)	-	-	(100)	(226)
Middlesbrough Hub	-	-	(100)	-	-	(100)	922
Scarborough Hub	166	93	442	106	130	937	2,359
Redcar Hub	-	-	-	-	-	-	(226)
Birmingham Hub	4,413	2,473	12,392	2,819	3,451	25,548	14,244
Manchester Hub	337	189	103	216	264	1,109	(1,782)
Story Quest	2,570	1,440	8,278	1,642	2,010	15,940	23,902
Nottingham Big Lottery	3,531	1,978	11,409	2,255	2,761	21,934	18,157
Peterborough Big Lottery	4,136	2,318	13,383	2,642	3,234	25,713	19,689
Black Country Hub	-	-	(997)	-	-	(997)	5,973
Dundee Hub	-	-	(997)	-	-	(997)	(2,261)
Doncaster Hub	2,222	1,245	6,247	1,420	1,738	12,872	14,400
Blackpool Hub	1,942	1,088	5,333	1,241	1,518	11,122	25,315
Nottingham & Peterborough Big Lottery	-	-	(997)	-	-	(997)	(2,261)
Connecting Stories	27,487	15,403	79,632	17,560	21,493	161,575	19,326
Suffolk Campaign	4,526	2,536	10,765	2,891	3,539	24,257	(884)
Books Unlocked	1,080	605	1,526	690	844	4,745	(809)
New Chapters	917	514	2,791	586	717	5,525	6,730
Criminal Justice Employability	1,160	650	3,680	741	907	7,138	4,082
Audible Project	685	384	1,237	438	536	3,280	1,416
Literacy for Learning	9,019	5,054	28,403	5,762	7,052	55,290	28,656
Early Years	7,615	4,267	14,854	4,865	5,954	37,555	10,325
Love Our Libraries	6,036	3,383	17,684	3,856	4,720	35,679	1,033
Young Readers Programme	9,830	5,508	25,863	6,280	7,687	55,168	44,577
Premier League Reading Stars	2,907	1,629	7,484	1,857	2,273	16,150	9,878
Sport and Literacy	3,115	1,746	8,161	1,990	2,436	17,448	9,148
Words For Work	6,403	3,588	14,892	4,091	5,007	33,981	28,562
Young Writers Programme	5,227	2,929	13,049	3,339	4,087	28,631	26,382
Newswise	1,454	815	4,739	929	1,137	9,074	21,064
Home Learning Environment	11,978	6,712	29,078	7,652	9,366	64,786	79,646
Cornwall Hub	-	-	(1,994)	-	-	(1,994)	-
Restricted Charitable Activities	126,735	71,019	341,649	80,966	99,100	719,469	448,338
TOTAL	188,479	105,620	415,013	120,412	147,380	976,904	557,306

THE NATIONAL LITERACY TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022
(Continued)

3. EXPENDITURE (continued)

c) Analysis of costs of raising funds

	2022	2021
	£	£
Direct staff costs	626,979	680,103
Other direct costs	81,747	59,739
Support costs	<u>92,184</u>	<u>31,615</u>
	<u>800,910</u>	<u>771,457</u>

Costs of raising funds was all unrestricted in 2022 and 2021.

4. NET INCOME

Net income for the year is stated after charging:

	2022	2021
	£	£
Auditor's remuneration - audit fees	20,000	19,200
Auditor's remuneration - non audit fees	9,360	-
Operating leases - equipment	1,100	1,564
Operating leases - land and buildings	123,760	140,927
Interest payable	3,847	10,938
Depreciation	<u>9,022</u>	<u>7,596</u>

5. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	3,520,732	3,471,325
Social security costs	363,315	352,993
Pension costs	280,603	286,434
Training and recruitment	<u>108,658</u>	<u>29,073</u>
	<u>4,273,308</u>	<u>4,139,825</u>

These costs include redundancy paid in the year of £nil and temporary staff costs of £164,900.

THE NATIONAL LITERACY TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022
(Continued)

6. EMPLOYEE AND TRUSTEE INFORMATION

The average number of employees during the year was 112 (2021: 109).

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

	2022	2021
£60,001 - £70,000	3	3
£70,001 - £80,000	1	1
£90,001 - £100,000	1	1
	<u>5</u>	<u>5</u>

The Trustees were not entitled to and did not receive any emoluments from the charity during the year (2021: £Nil).

No expenses were reimbursed to the Trustees during the year (2021: no expenses).

The charity received donations of £9,303 from the trustees during the year (2021: £nil)

The charity considers its key management personnel to comprise of Jonathan Douglas and the members of the senior management team. Remuneration, benefits and employer's national insurance contributions recorded in the year by key management personnel were £487,605 (2021: £486,313).

7. TANGIBLE FIXED ASSETS

	Office Equipment £	Total £
Cost		
At 1 April 2021	60,027	60,027
Additions	<u>30,624</u>	<u>30,624</u>
At 31 March 2022	<u>90,651</u>	<u>90,651</u>
Depreciation		
At 1 April 2021	42,593	42,593
Charge for the Year	<u>9,022</u>	<u>9,022</u>
At 31 March 2022	<u>51,615</u>	<u>51,615</u>
Net Book Value		
At 31 March 2022	<u>39,036</u>	<u>39,036</u>
At 31 March 2021	<u>17,434</u>	<u>17,434</u>
8. STOCK	2022	2021
	£	£
Where's Wally costumes	<u>11,091</u>	<u>-</u>

THE NATIONAL LITERACY TRUST**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 MARCH 2022****(Continued)**

9. DEBTORS	2022	2021
	£	£
Other Debtors	539,238	292,436
Prepayments and Accrued Income	<u>382,570</u>	<u>680,122</u>
	<u>921,808</u>	<u>972,558</u>

Included within Other Debtors is £32,279 (2021 £32,279) relating to rent deposit. This balance is receivable in > 1 year.

10. CREDITORS: Amounts falling due within one year	2022	2021
	£	£
Trade Creditors	471,269	463,778
Taxation and Social Security	120,627	104,065
Other Creditors	57,222	63,905
Accruals and Deferred Income	<u>481,547</u>	<u>490,117</u>
	<u>1,130,665</u>	<u>1,121,865</u>

Included within Other Creditors are amounts totalling £33,343 (2021 £24,490) 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	2022	2021
	£	£
Brought forward at 1 April 2021	198,649	118,948
Released during year	(860,705)	(739,340)
Deferred during year	<u>766,385</u>	<u>819,041</u>
Carried forward at 31 March 2022	<u>104,329</u>	<u>198,649</u>

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	2022	2021
	£	£
Other Creditors	<u>98,124</u>	<u>114,797</u>
	<u>98,124</u>	<u>114,797</u>

Included within Other Creditors are amounts totalling £98,124 (2021 £114,797) 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 2022 the charity had total commitments under non-cancellable operating leases as set out below:

	Land & Buildings		Other	
	2022	2021	2022	2021
	£	£	£	£
Within one year	17,883	123,760	1,100	1,100
Within 2 to 5 years	<u>-</u>	<u>17,883</u>	<u>1,008</u>	<u>2,108</u>
	<u>17,883</u>	<u>141,643</u>	<u>2,108</u>	<u>3,208</u>

THE NATIONAL LITERACY TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022 (Continued)

13. FUNDS

	At 01-Apr-21 £	Income £	Expenditure £	Transfers £	At 31-Mar-22 £
RESTRICTED FUNDS					
1. Literacy Hubs	148,147	50,453	(76,200)	-	122,400
2. Hastings Hub	427	32,373	(7,580)	-	25,220
3. Nottingham Hub	53,541	74,523	(83,864)	-	44,200
4. Swindon Hub	12,908	862	(2,603)	-	11,167
5. Stoke Hub	-	1,268	(1,268)	-	-
6. Bradford Hub	12,552	110,675	(42,610)	-	80,617
7. Peterborough Hub	22,454	11,740	(29,706)	-	4,488
8. Middlesbrough Hub	7	1,695	(3,703)	2,001	-
9. Scarborough Hub	63,828	28,757	(41,104)	-	51,481
10. Redcar Hub	4,062	-	(1,022)	-	3,040
11. Birmingham Hub	69,143	117,655	(106,394)	-	80,404
12. Manchester Hub	3,638	103,725	(77,366)	-	29,997
13. Story Quest	4,070	60,414	(64,484)	-	-
14. Nottingham Big Lottery	10,191	19,852	(30,043)	-	-
15. Peterborough Big Lottery	(6,903)	45,364	(38,461)	-	-
16. Black Country Hub	9,668	-	(3,184)	-	6,484
17. Dundee Hub	8,475	8,475	(902)	-	16,048
19. Doncaster Hub	1,171	45,588	(46,759)	-	-
20. Blackpool Hub	32,275	48,557	(38,904)	-	41,928
21. Nottingham & Peterborough Big Lottery	17,715	-	(17,715)	-	-
22. Connecting Stories	155,840	1,108,734	(823,166)	-	441,408
23. Suffolk Campaign	(10,229)	289,399	(107,679)	-	171,491
24. Books Unlocked	27,041	42,373	(42,345)	-	27,069
25. New Chapters	35,694	100,868	(39,983)	-	96,579
26. Criminal Justice Employability	15,132	24,915	(24,808)	-	15,239
27. Audible Project	31,435	21,186	(31,818)	-	20,803
28. Literacy For Learning	263,671	59,422	(206,343)	-	116,750
29. Early Years	214,276	358,833	(311,317)	-	261,792
30. Love Our Libraries	264,256	1,203,316	(472,126)	-	995,446
31. Young Readers Programme	383,357	487,672	(461,850)	-	409,179
32. Premier League Reading Stars	38,646	86,054	(102,006)	-	22,694
33. Sport and Literacy	19,620	81,089	(130,589)	29,880	-
34. Words For Work	302,142	194,942	(190,761)	-	306,323
35. Young Writers Programme	127,461	198,308	(198,305)	-	127,464
36. Newswise	11,403	(1,800)	(16,403)	6,800	-
37. Home Learning Environment	50,004	571,167	(499,353)	-	121,818
38. Other Restricted Projects	100,000	100,000	-	-	200,000
39. Literacy Champions	-	-	(257)	257	-
40. Cornwall Hub	-	-	(568)	568	-
41. Gaining Momentum/Oxfordshire Secondaries	-	-	(443)	443	-
42. Boots Optician School Challenge	-	-	(200)	200	-
43. Game Changers DCMS 2021	-	99,956	(32,371)	-	67,585
44. Rural Hubs	-	35,002	-	-	35,002
45. Teachers Wellbeing Campaign	-	63,556	-	-	63,556
	<u>2,497,118</u>	<u>5,886,968</u>	<u>(4,406,563)</u>	<u>40,149</u>	<u>4,017,672</u>
UNRESTRICTED FUNDS					
General Funds	432,659	3,180,051	(2,836,193)	(40,149)	736,368
TOTAL FUNDS	<u>2,929,777</u>	<u>9,067,019</u>	<u>(7,242,756)</u>	<u>-</u>	<u>4,754,040</u>

THE NATIONAL LITERACY TRUST**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 MARCH 2022****(Continued)****13. FUNDS (continued) 2020-21**

	At 01-Apr-20 £	Income £	Expenditure £	Transfers £	At 31-Mar-21 £
RESTRICTED FUNDS					
1. Literacy Hubs	-	-	148,147	-	148,147
2. Hastings Hub	-	34,267	(33,840)	-	427
3. Nottingham Hub	41,655	72,911	(61,025)	-	53,541
4. Swindon Hub	21,796	13,324	(22,212)	-	12,908
5. Stoke Hub	-	2,280	(5,174)	2,894	-
6. Bradford Hub	37,854	40,369	(65,671)	-	12,552
7. Peterborough Hub	23,861	17,543	(18,950)	-	22,454
8. Middlesbrough Hub	611	24,714	(25,318)	-	7
9. Scarborough Hub	55,173	40,792	(32,137)	-	63,828
10. Redcar Hub	11,573	-	(7,511)	-	4,062
11. Birmingham Hub	24,554	103,178	(58,589)	-	69,143
12. Manchester Hub	4,140	65,394	(65,896)	-	3,638
13. Story Quest	401	148,476	(144,807)	-	4,070
14. Nottingham Big Lottery	22,285	44,534	(56,628)	-	10,191
15. Peterborough Big Lottery	(4,746)	53,296	(55,453)	-	(6,903)
16. Black Country Hub	36,773	2,746	(29,851)	-	9,668
17. Dundee Hub	-	8,475	-	-	8,475
18. Inspiring Parents	-	9,081	(9,081)	-	-
19. Doncaster Hub	7,944	50,236	(57,009)	-	1,171
20. Blackpool Hub	46,767	78,273	(92,765)	-	32,275
21. Nottingham & Peterborough Big Lottery	-	84,646	(66,931)	-	17,715
22. Connecting Stories	-	345,946	(190,106)	-	155,840
23. Suffolk Campaign	-	-	(10,229)	-	(10,229)
24. Books Unlocked	31,946	42,373	(47,278)	-	27,041
25. New Chapters	27,566	49,479	(41,351)	-	35,694
26. Criminal Justice Employability	11,552	23,037	(19,457)	-	15,132
27. Audible Project	15,999	38,136	(22,700)	-	31,435
28. Literacy For Learning	255,356	196,936	(188,621)	-	263,671
29. Early Years	156,072	320,790	(262,586)	-	214,276
30. Love Our Libraries	210,658	133,323	(79,725)	-	264,256
31. Young Readers Programme	277,860	513,983	(408,486)	-	383,357
32. Premier League Reading Stars	44,616	93,118	(99,088)	-	38,646
33. Sport and Literacy	(378)	158,891	(138,893)	-	19,620
34. Words For Work	206,360	295,643	(199,861)	-	302,142
35. Young Writers Programme	116,811	183,742	(173,092)	-	127,461
36. Newswise	83,185	15,023	(86,805)	-	11,403
37. Home Learning Environment	275,099	1,033,124	(1,258,219)	-	50,004
38. Other Restricted Projects	100,000	-	-	-	100,000
	<u>2,143,343</u>	<u>4,338,079</u>	<u>(3,987,198)</u>	<u>2,894</u>	<u>2,497,117</u>
UNRESTRICTED FUNDS					
General Funds	89,938	2,745,806	(2,400,191)	(2,894)	432,659
TOTAL FUNDS	<u>2,233,281</u>	<u>7,083,885</u>	<u>(6,387,389)</u>	<u>-</u>	<u>2,929,776</u>

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.

£40,149 (2021: £2,894) was transferred from Unrestricted Funds to Middlesbrough Hub, Sport and Literacy, Newswise, Literacy Champions, Cornwall Hub, Gaining Momentum/Oxfordshire Secondaries and Boots Optician School Challenge from general funds expenditure.

THE NATIONAL LITERACY TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022
(Continued)

13. RESTRICTED FUNDS (continued)

Our programmes and their funding sources:

- 1. Literacy Hubs** - funding for cross-hub working.
- 2. Hastings Hub** - a literacy hub established in Hastings.
- 3. Nottingham Hub** - funded by Nottingham City Council and Small Steps Big Changes.
- 4. Swindon Hub** - originally funded WH Smith Plc.
- 5. Stoke Hub** - a literacy hub established in Stoke.
- 6. Bradford Hub** - a literacy hub established in Bradford.
- 7. Peterborough Hub** - funded by Peterborough City Council.
- 8. Middlesbrough Hub** - funded by Middlesbrough Public Health.
- 9. Scarborough Hub** - funded by Scarborough Borough Council.
- 10. Redcar Hub** - funded by Public Health NE.
- 11. Birmingham Hub** - funded by Birmingham University.
- 12. Manchester Hub** - funded by Manchester City Council.
- 13. Story Quest** - an innovative project around walk and talk trails in Stoke, funded by Sport England.
- 14. 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.
- 15. 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.
- 16. Black Country Hub** – EY funded hub across the area- funded by ACE
- 17. Dundee Hub** - starting to bring together funders to create a hub in Scotland.
- 18. Inspiring Parents** - engaging with disengaged parents of Year 5 low achieving children to improve their children's reading levels.
- 19. Doncaster Hub** - a literacy hub funded by the Doncaster OA.
- 20. Blackpool Hub** - a literacy campaign funded by Blackpool OA and LA.
- 21. Nottingham & Peterborough Big Lottery** - funding from Big Lottery to deliver a Doorstep to Digital project during Lockdown.
- 22. 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.
- 23. Suffolk Campaign** - a campaign across Suffolk funded by Suffolk County Council.
- 24. 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.
- 25. New Chapters** - funded by Rothschild Foundation to work in Aylesbury Youth Offending Institute (YOI) to develop a YOI Reading for Pleasure programme.
- 26. Criminal Justice Employability** - a YOI version of Words for Work.
- 27. Audible Project** - inspiring Young Offenders through audible books and making a podcast.
- 28. 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.
- 29. 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.

**THE NATIONAL LITERACY TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022
(Continued)**

13. RESTRICTED FUNDS (continued)

Our programmes and their funding sources (continued):

30. 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.

31. 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.

32-33. 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.

34. 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).

35-36. 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.

37. 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.

38. 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.

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

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

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

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

43. 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.

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

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

THE NATIONAL LITERACY TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022 (Continued)

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS	Fixed Assets £	Net Current Assets & Creditors > 1 Year £	2022 Total £
Restricted Funds:			
1. Literacy Hubs	-	122,400	122,400
2. Hastings Hub	-	25,220	25,220
3. Nottingham Hub	-	44,200	44,200
4. Swindon Hub	-	11,167	11,167
5. Stoke Hub	-	-	-
6. Bradford Hub	-	80,617	80,617
7. Peterborough Hub	-	4,488	4,488
8. Middlesbrough Hub	-	-	-
9. Scarborough Hub	-	51,481	51,481
10. Redcar Hub	-	3,040	3,040
11. Birmingham Hub	-	80,404	80,404
12. Manchester Hub	-	29,997	29,997
13. Story Quest	-	-	-
14. Nottingham Big Lottery	-	-	-
15. Peterborough Big Lottery	-	-	-
16. Black Country Hub	-	6,484	6,484
17. Dundee Hub	-	16,048	16,048
18. Inspiring Parents	-	-	-
19. Doncaster Hub	-	-	-
20. Blackpool Hub	-	41,928	41,928
21. Nottingham & Peterborough Big Lottery	-	-	-
22. Connecting Stories	-	441,408	441,408
23. Suffolk Campaign	-	171,491	171,491
24. Books Unlocked	-	27,069	27,069
25. New Chapters	-	96,579	96,579
26. Criminal Justice Employability	-	15,239	15,239
27. Audible Project	-	20,803	20,803
28. Literacy For Learning	-	116,750	116,750
29. Early Years	-	261,792	261,792
30. Love Our Libraries	-	995,446	995,446
31. Young Readers Programme	-	409,179	409,179
32. Premier League Reading Stars	-	22,694	22,694
33. Sport and Literacy	-	-	-
34. Words For Work	-	306,323	306,323
35. Young Writers Programme	-	127,464	127,464
36. Newswise	-	-	-
37. Home Learning Environment	-	121,818	121,818
38. Other Restricted Projects	-	200,000	200,000
39. Literacy Champions	-	-	-
40. Cornwall Hub	-	-	-
41. Gaining Momentum/Oxfordshire Secondaries	-	-	-
42. Boots Optician School Challenge	-	-	-
43. Game Changers DCMS 2021	-	67,585	67,585
44. Rural Hubs	-	35,002	35,002
45. Teachers Wellbeing Campaign	-	63,556	63,556
	-	4,017,672	4,017,672
Unrestricted Funds:	39,036	697,332	736,368
	39,036	4,715,004	4,754,040

THE NATIONAL LITERACY TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022
(Continued)

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued) 2020-21	Fixed Assets £	Net Current Assets & Creditors > 1 Year £	2021 Total £
Restricted Funds:			
1. Literacy Hubs	-	148,147	148,147
2. Hastings Hub	-	427	427
3. Nottingham Hub	-	53,541	53,541
4. Swindon Hub	-	12,908	12,908
5. Stoke Hub	-	-	-
6. Bradford Hub	-	12,552	12,552
7. Peterborough Hub	-	22,454	22,454
8. Middlesbrough Hub	-	7	7
9. Scarborough Hub	-	63,828	63,828
10. Redcar Hub	-	4,062	4,062
11. Birmingham Hub	-	69,143	69,143
12. Manchester Hub	-	3,638	3,638
13. Story Quest	-	4,070	4,070
14. Nottingham Big Lottery	-	10,191	10,191
15. Peterborough Big Lottery	-	(6,903)	(6,903)
16. Black Country Hub	-	9,668	9,668
17. Dundee Hub	-	8,475	8,475
18. Inspiring Parents	-	-	-
19. Doncaster Hub	-	1,171	1,171
20. Blackpool Hub	-	32,275	32,275
21. Nottingham & Peterborough Big Lottery	-	17,715	17,715
22. Connecting Stories	-	155,840	155,840
23. Suffolk Campaign	-	(10,229)	(10,229)
24. Books Unlocked	-	27,041	27,041
25. New Chapters	-	35,694	35,694
26. Criminal Justice Employability	-	15,132	15,132
27. Audible Project	-	31,435	31,435
28. Literacy For Learning	-	263,671	263,671
29. Early Years	-	214,276	214,276
30. Love Our Libraries	-	264,256	264,256
31. Young Readers Programme	-	383,357	383,357
32. Premier League Reading Stars	-	38,646	38,646
33. Sport and Literacy	-	19,620	19,620
34. Words For Work	-	302,142	302,142
35. Young Writers Programme	-	127,461	127,461
36. Newswise	-	11,403	11,403
37. Home Learning Environment	-	50,004	50,004
38. Other Restricted Projects	-	100,000	100,000
	-	2,497,118	2,497,117
Unrestricted Funds:	17,434	415,225	432,659
	17,434	2,912,343	2,929,776

THE NATIONAL LITERACY TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022
(Continued)

15. PENSION COSTS

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.

16. GRANTS AWARDED

	Number of grants	2022 £	Number of grants	2021 £
Foundation Years Trust	1	28,996	1	54,687
Coast & Vale Community Action	1	28,454	1	53,964
Early Years Alliance	1	11,361	1	44,611
Institute of Wellbeing	1	30,822	1	45,000
	<u>4</u>	<u>99,633</u>	<u>4</u>	<u>198,262</u>

17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net movement in funds	1,824,264	696,495
Adjustments for:		
Depreciation	9,022	7,596
Investment income	(321)	(377)
Interest paid	3,847	10,938
(Increase) / Decrease in stocks	(11,091)	8,132
(Increase) / Decrease in debtors	50,750	383,557
Increase / (Decrease) in creditors	(7,873)	525,809
Net cash used in operating activities	<u><u>1,868,598</u></u>	<u><u>1,632,150</u></u>

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 £24,922 (2021: £105,001 in restricted funds) were held in the account. During the year funds of £6,333 (2021: £132,500) were received into the account and £86,411 were paid out (2021: £91,438). An admin fee of £3,000 was received.

Accounts

THE NATIONAL LITERACY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

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THE NATIONAL LITERACY TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report together with the financial statements of the charity for the year ended 31 March 2021.

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) (effective 1 January 2019).

REFERENCE AND ADMINISTRATIVE DETAILS

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

TRUSTEES

Julia Cleverdon DCVO CBE (Chairman)
Frank Carter (until 10 February 2021)
Louise Doughty (appointed 24 September 2020)
Luisa Edwards
Ben Fletcher
Natasha McMullen
Joanna Prior (until 10 February 2021)
Liz Robinson
Neil Sherlock CBE
Lara White (Treasurer)
Professor Clare Wood

PATRON

Her Royal Highness the Duchess of Cornwall

PRESIDENT

Baroness Prashar of Runnymede

VICE PRESIDENT

Amanda Jordan OBE

REGISTERED OFFICE

68 South Lambeth Road, London SW8 1RL

CHARITY NUMBER

1116260

SCOTTISH CHARITY NUMBER

SC042944

COMPANY NUMBER

05836486

AUDITOR

RSM UK Audit LLP, Portland, 25 High Street, Crawley RH10 1BG

BANKERS

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

WEBSITE

www.literacytrust.org.uk

CHIEF EXECUTIVE

Jonathan Douglas CBE

COMPANY SECRETARY

Samantha Brookes

THE NATIONAL LITERACY TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

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.

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 an Audit and Risk Committee that meets four times a year.

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. An Audit and Risk Committee was formed in May 2014, to examine financial risks and organisational sustainability in more detail.

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 Audit and Risk Committee; these are then reported on to the full Board of Trustees. Because of the extraordinarily unpredictable environment created by the coronavirus pandemic, the Committee met most months in 2020/21. The highest ranked risks for 2020/21 were failure to secure sufficient core income to sustain the organisation and support growth, and the inability of the charity to deliver in the context of disruption caused by the pandemic. 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.

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.

THE NATIONAL LITERACY TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

Our mission

We give children and young people from disadvantaged communities the literacy skills to succeed in life.

Our values

To achieve our vision we need to be focused, enterprising and connecting.

Our approaches

We have three ways of addressing our mission. They are:

1. **We work with schools to raise literacy levels.**
2. **We maximise our impact by focusing on the most disadvantaged areas.**
3. **We campaign to change behaviours and make literacy a priority.**

These strategies are delivered through a range of projects which receive restricted funding:

In schools and early years settings

- **Young Readers Programme** – inspiring disadvantaged children and young people to read for enjoyment
- **Young Writers** – inspiring children to improve their writing skills through partnerships between schools and cultural venues
- **Words for Work** – promoting literacy for employment through partnerships between schools and business
- **Sport and Literacy programmes** – engaging children in literacy using the motivational power of sport
- **Literacy for Learning** – raising literacy levels in secondary schools
- **Love our Libraries** – improving primary school libraries, including Puffin World of Stories
- **NewsWise** – empowering pupils to access, understand, analyse and participate in the news.

In communities

- **Early Words Together** – working with early years settings to support families with learning in the home
- **Literacy Hubs and local campaigns** – intensive place-based literacy programmes established in Middlesbrough, Peterborough, Bradford, Stoke on Trent, Swindon, Nottingham, Hastings, the North Yorkshire Coast, Manchester, Birmingham and Doncaster, literacy campaigns in Blackpool and the North East and an early years partnership across the Black Country authorities in the West Midlands
- **Books Unlocked** – encouraging prisoners to read for enjoyment
- **Small Talk** – helping parents turn the activities they are already doing with their child every day into opportunities to build their child's language skills.

The National Literacy Trust offers a schools membership programme which gathers and disseminates best practice in teaching literacy through online resources, competitions and enabling schools to work together in clusters. The charity also supports schools with evidence-based training programmes for teachers.

The charity's objectives are met mainly from sponsorship and donations from charitable trusts and foundations and corporate organisations, and from funding from individuals. The principal funders are WHSmith, Slaughter and May, KPMG, McDonald's, the Authors' Licensing and Collecting Society, Morrisons Foundation, the Mercers Company, Rank Foundation, Bupa Foundation, the Big Lottery Fund, Comic Relief, Harper Collins and Sport England who provide funding towards core activities such as website development, our Literacy Hubs, support for schools, research and policy work. The JJ Charitable Trust funds Literacy for Learning. British Land and WHSmith are the main supporters of the Young Readers Programme. Kindred Squared Foundation has funded the development of the Virtual School Library. Premier League Foundation supports Premier League Primary Stars. The

THE NATIONAL LITERACY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

Booker Prize Foundation and the Rothschild Foundation support our work in prisons. The Department for Education funds Small Talk. Penguin Random House funds the Read North East campaign and Puffin World of Stories. Arts Council England funds Connecting Stories.

Our senior management team comprises Jonathan Douglas, Chief Executive; Sam Brookes, Director of Resources; Guy Fowles, Director of Marketing and Communications; Fiona Evans, Director of School Programmes; Darranda Rowswell, Director of Development and Rosemary Thomas, Director of Operations. The pay of the senior management team is agreed by Trustees.

OUR PRIORITIES IN OUR THREE-YEAR STRATEGY

Improving literacy is a national priority for the UK. It sits at the heart of economic success and sustainability, fairness and equal opportunities. The National Literacy Trust exists to lead the national campaign to raise awareness of the issue and find solutions which mobilise the resources of the business, corporate and third sectors.

The focus of the National Literacy Trust's work is children and young people. Our priority is the relationship between low literacy and poverty, which are mutually reinforcing and intergenerational.

The mission of the National Literacy Trust is to break the relationship between low literacy and poverty to give a new generation the skills to fulfil their opportunities.

The National Literacy Trust's work is directed by a three-year rolling strategy which describes how we will deliver our mission. This strategy is extended and reviewed annually, responding to the changing content of our work, through discussions with our partners and beneficiaries.

OUR ACTIVITIES 2020/21

The charity's business plan for 2020/21 was reframed at the end of March 2020 when, as a result of the coronavirus pandemic and the first national lockdown, the majority of children and young people shifted to home learning and families couldn't access public or school library resources.

In this context our mission became more pressing: we were aware that support for children's learning in the poorest communities would be significantly weaker – 1 in 11 children from disadvantaged communities do not own a single book and up to 40% of adults in our Hub communities have literacy issues. School closures would significantly exacerbate the literacy attainment gap.

However, the partnerships and face-to-face mechanisms which we had used to deliver our work became suddenly inoperable as libraries were closed and the vast majority of children were not in school. We needed a new strategy to deliver our mission.

For the majority of families the best way for the National Literacy Trust to offer literacy support during lockdown was through digital platforms. However, we were also aware that 30% of disadvantaged households would not have access to good quality broadband even if they had a laptop or tablet. Therefore, there was also an immediate need to support families with physical resources of books, writing pads, stationery and other tangible resources. We urgently needed routes to get these directly into the hands of families in the UK's most challenging communities.

These two strands – digital support and physical resources for the digitally excluded – became the focus of our strategy in 2020/21.

However, the context changed significantly throughout the year as the nation moved through lockdowns and re-openings of schools and libraries and local services. In response, we maintained an agile approach to delivering our mission throughout the year. As a result, our work in 2020/21 fell into three distinct phases:

THE NATIONAL LITERACY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

Phase 1: First national lockdown, April to June

Aim: Maintain the engagement of children and young people in literacy activities to prevent the literacy gap from widening.

The charity immediately moved to a two-pronged delivery model to fulfil its mission, which was negotiated with existing funders. It built on the established strengths of the charity's programmes and Hubs and ensured that families from disadvantaged communities could continue to access literacy support during lockdown:

Grow digital support direct to learners and families nationally and locally

We launched two new online platforms: Family Zone to support literacy of children out of school up to the age of 11 and Zone In to support the literacy of secondary-aged students. We worked with all our publisher partners to ensure that high-quality resources were available free of charge. We also repurposed content from our schools programmes to enable them to continue to work with children and young people. We launched digital platforms and networks for each of our Hub areas to support social networks and parenting during lockdown. We launched the Book of Hopes with Bloomsbury as an online publication on our website to support literacy and wellbeing.

Support the digitally-excluded with physical resources

We also supported the literacy of the 700,000 children who were out of school and couldn't access digital learning, and who were unlikely to have books and resources to support them at home. Working through our Hubs and community partners, including foodbanks and community charities, we distributed books, literacy resources and writing assets.

Both these approaches built on existing strategic commitments. We had already committed to strengthening our direct digital interface with consumers and the link with a diverse range of community and frontline partnerships is an integral element of our strategy in our Hubs. The pandemic massively accelerated this development.

By the end of July the National Literacy Trust had distributed over 300k books and literacy packs directly into the hands of children and families in the most disadvantaged areas, all our programmes had continued to deliver and over 500k unique users had accessed our new online literacy support.

Phase 2: Reopening of schools, July to December

Aim: Re-engage learners and support young people's wellbeing through literacy activities.

The gradual reopening of schools in the summer term was followed by ongoing disruption in the autumn when local and partial lockdowns were impacting on schools and learners.

During this period the National Literacy Trust delivered its mission in a blended way. We continued to develop digital assets that would be vital in supporting children during ongoing disruption to schools. Her Royal Highness The Duchess of Cornwall launched our Virtual School Library at Ivydale Primary School in Southwark in September. This has provided digital access to children's books for hundreds of thousands of young readers. We also ensured that schools' physical resources and face-to-face support for children was strengthened – we recruited 90 schools in Middlesbrough, Tyneside, Nottingham and London to the Puffin World of Stories campaign that is restocking primary school libraries in disadvantaged areas and training library coordinators.

Re-engaging learners who had been unable to attend schools was a priority and our programmes were a vital resource for many schools in promoting reading and writing for enjoyment. The theme of racial justice in the context of Black Lives Matters was an important focus, resonating strongly with young learners, and the online Sofa Sessions on Zone In with well-known poets from minority ethnic communities were a highlight of the summer.

THE NATIONAL LITERACY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

We aimed to ensure that as well as supporting literacy, all our work would also benefit the emotional wellbeing of children and young people who had been profoundly affected by the pandemic. By September, across our Hubs and schools programmes, we were working with the dual focus of literacy and wellbeing. The Book of Hopes became key to this approach. With the support of the Bupa Foundation and Bloomsbury Publishing, 15,000 copies were sent to 5,000 primary schools with supporting resources and activities. We also launched the massively successful My Dear New Friend letter-writing campaign connecting older people in care homes, isolated because of the pandemic, with children in their communities through letter writing activities.

Phase 3: Return to lockdown, January to March

Aim: Maintain literacy engagement and skills and support wellbeing.

With the announcement of the January lockdown, the majority of children were again not able to be in school. However, a larger number of children continued to attend than in the first lockdown. The online teaching and learning platforms that schools adopted were by this stage more developed than they had been the previous year. The national default solution – although not universally used – had become the Oak National Academy. The DfE and philanthropic interventions meant that more children were able to access learning online. However, it remained the case that many young people couldn't access online learning: irrespective of hardware access. By January, it was also well understood that lockdowns impact negatively on wellbeing. Whilst early years settings were allowed to remain open, research from the first lockdown showed that under-twos in the most disadvantaged homes would be likely to be highly impacted, partly because they could not access books in public libraries.

The National Literacy Trust responded by identifying two priorities, a revised version of the approach used to address the first lockdown:

Deliver content to support children in school and learning at home, ensuring integration with schools' online teaching

Our programmes delivered in partnership with schools' online teaching approaches. Our Virtual School Library was relaunched as an integrated element of the Oak National Academy, attracting a quarter of a million users in the first month. A particular highlight was World Book Day when we delivered mass online activities throughout the day, involving HRH The Duchess of Cornwall, Harry Kane and the England football squad and the Children's Laureate, Cressida Cowell, reaching thousands of children in homes and in schools. In our Hub areas we launched the Arts Council England-funded Connecting Stories programme, with the support of 52 artists and 26 publishers, producing online events inspiring tens of thousands of young people in our Hub communities.

Provide physical resources to support the reading and writing for digitally excluded children and families

Our partners and supporters again responded generously to supporting our work with the donation of an additional 150,000 books. As a result, large-scale distributions of books and stationery resources occurred through frontline partners in our Hubs. We made a successful emergency bid for £250k from the DfE for resources to specifically support families with pre-school children in the most disadvantaged communities.

An important strand of the National Literacy Trust's mission is our work in the criminal justice system. Throughout 2020/21, despite many prisoners being kept in their cells during the pandemic and the closure of prison libraries and learning and skills units, we maintained our work in prisons and Young Offender Institutions. A vital resource for many prisoners has been the thousands of books which are delivered directly by the National Literacy Trust into prisoners' cells as well as the broadcasting of our nightly programme on National Prison Radio, Books Unlocked, in partnership with the Booker Prize Foundation.

THE NATIONAL LITERACY TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

OUR TARGETS FOR 2020/21

Provide books and literacy resources to support 400,000 of the 700,000 children who can't access online learning

We distributed 575,643 books, magazines and writing resources to support children during lockdown in disadvantaged communities.

500,000 families using our online literacy support

We had over 1,000,000 unique users to our family focused website Words for Life.

Support the literacy of over 1m children

We supported the literacy of more than 1.8m children: we reached 267,763 young people through programmes and activities, 575,643 through the distribution of books and literacy reading resources and over a million users online.

Work with 4,000 schools to support a recovery curriculum

We worked with 6,492 schools in 2020/21, supporting their efforts to re-engage and inspire learners.

OUR TARGETS FOR 2021/22

Work with 4,500 schools to address literacy recovery

Provide books for 250,000 children, targeting the 383,000 children who don't own one

Support 1m young people and families with digital literacy resources

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 increase of £696,495. This comprised an increase in restricted funds of £350,880 and an increase in unrestricted funds of £345,615. Overall, the charity's funds increased from £2,233,281 at the beginning of the year to £2,929,776 at the year end, of which £432,659 was in unrestricted funds and £2,497,117 in restricted funds.

Total income for the year has increased from £6.3m in 2019/20 to £7.1m in 2020/21. Following the initial impact of the coronavirus pandemic at the start of the year, we had budgeted to maintain income at the 2018/19 level. However, instead we were able to maximise our income from emergency relief sources as well as maintaining our existing funder relationships. We anticipate maintaining our income at this level in 2021/22. We have new bids in place to maintain income in the absence of emergency relief sources this year, as well as maintaining or growing existing funder relationships.

Total expenditure for the year increased by £0.3m from £6.1m in 2019/20 to £6.4m in 2020/21.

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. Although we view this year as challenging, as businesses evaluate the impact of both Brexit and the coronavirus pandemic, based on both the current position and the forecasts, the Trustees believe that the National Literacy Trust is in a reasonable position and has a robust income and expenditure strategy in place.

The Trustees believe that the charity has sufficient funds to continue its activities for at least twelve months from the date of signing of the financial statements and that there are no material uncertainties impacting upon that assessment.

THE NATIONAL LITERACY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

POLICY ON RESERVES

Total funds at 31 March 2021 were £2,929,776 (2020: £2,233,281). Restricted funds, not available for the general purposes of the charity, were at £ 2,497,117 (2020: £2,143,343). 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.

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 2021 was £432,659, all of which is regarded as free reserves. This is 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.

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 NATIONAL LITERACY TRUST
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021**

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.

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.

THE NATIONAL LITERACY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

I am immensely proud to have chaired the National Literacy Trust in 2020/21. In the toughest of years the charity has had a huge impact on the literacy of children, young people and families in our most disadvantaged communities. Tragically these communities have borne the brunt of the pandemic – health and financial inequalities have been exacerbated and all the evidence is now showing that the literacy gap has grown as a result of the temporary closure of libraries and the fact that the majority of pupils have not been able to attend schools.

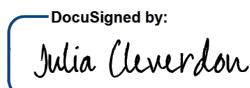
In the past year the National Literacy Trust has worked heroically to minimise the impact of the pandemic on the reading and writing skills in these communities. The agility with which it has met this challenge means that more than half a million digitally excluded children could carry on reading and learning with books and physical resources which the charity delivered to them through frontline partnerships in our Hub communities. And well over a million young people accessed the National Literacy Trust's reading and literacy activities and events online. As the data begins to come through it is apparent that the pandemic has widened the gap more in maths and in other subjects than in literacy for primary aged children. I know that the National Literacy Trust's efforts have played a vital part in softening the impact.

The Patronage of Her Royal Highness The Duchess of Cornwall has been a source of great inspiration for the team and our partners during the last year. It was a great honour to welcome Her Royal Highness to the launch of our Virtual School Library and to our National Assembly for World Book Day. Our Patron's deep understanding of the power of reading and natural empathy with the families we support has strengthened our mission.

I am incredibly grateful for the unstinting support of the National Literacy Trust's business leaders over the past twelve months. They recognise not only the social and moral imperative for raising literacy levels but also that the economy itself can only recover if literacy skills are in place. The 2021 Literacy Business Pledge has been signed by a group of 83 businesses, convened by KPMG, who are committed to addressing the literacy challenge in partnership with the National Literacy Trust. These partnerships have empowered the charity's work in the midst of a pandemic: it is the support of 26 publishers and their generous donations of books that has helped to keep the nation's children reading; it is the investment of British Land in the literacy of the communities that has brought reading alive for the most disadvantaged children in the darkest days of last year; it is the commitment of the Bupa Foundation to reading for wellbeing that has put the Book of Hopes into 5,000 schools. I am grateful for their support and inspired by their commitment.

In the past year we have been thrilled to grow our partnership with Arts Council England. Their support for Connecting Stories, a national festival of reading and writing delivered through our Hubs, is enabling us to engage thousands of young people with activities which engage and excite them and also to convene a new national alliance of publishers working with us to promote reading and writing activities in our Hub communities.

The National Literacy Trust is fortunate to have a highly committed staff team and a group of supportive trustees. Throughout 2020/21 they have worked in partnership, driven by a shared vision of the power of literacy, to ensure that the charity has continued to fulfil its mission in the face of so much suffering and disruption. Together they are committed to ensuring that higher levels of literacy provide a platform for educational and economic recovery.

DocuSigned by:

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Dame Julia Cleverdon DCVO CBE
Chairman

15-Sep-21 | 4:12 PM BST
 Date

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 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 2021 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NATIONAL LITERACY TRUST

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 prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the 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 included within the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 8 and 9, 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NATIONAL LITERACY TRUST

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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NATIONAL LITERACY TRUST

transactions entered into outside the normal course of business and 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 and to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). 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.



Zoe Longstaff-Tyrrell (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Portland

25 High Street

Crawley

West Sussex RH10 1BG

Date 14 October 2021

THE NATIONAL LITERACY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	2020 £
Income:					
Donations and legacies	2 a	1,708,718	-	1,708,718	1,688,789
Income from charitable activities	2 b	636,754	4,215,057	4,851,811	4,057,429
Income from other trading activities	2 c	265,236	44,271	309,507	533,816
Other income	2 d	134,721	78,751	213,472	-
Investment income		377	-	377	1,489
Total Income		<u>2,745,806</u>	<u>4,338,079</u>	<u>7,083,885</u>	<u>6,281,523</u>
Expenditure:					
Raising funds	3 c	(771,457)	-	(771,457)	(825,477)
Charitable activities	3 a-b	(1,617,796)	(3,987,199)	(5,604,995)	(5,259,825)
Interest payable		(10,938)	-	(10,938)	-
Total expenditure		<u>(2,400,191)</u>	<u>(3,987,199)</u>	<u>(6,387,390)</u>	<u>(6,085,302)</u>
Net Income for the year		345,615	350,880	696,495	196,221
Transfer between funds	13	(2,894)	2,894	-	-
Total funds brought forward	13	89,938	2,143,343	2,233,281	2,037,060
Total funds carried forward		<u>432,659</u>	<u>2,497,117</u>	<u>2,929,776</u>	<u>2,233,281</u>

THE NATIONAL LITERACY TRUST**BALANCE SHEET
AT 31 MARCH 2021**

	Notes	£	2021 £	£	2020 £
FIXED ASSETS					
Tangible Assets	7		<u>17,434</u>		<u>25,030</u>
			17,434		25,030
CURRENT ASSETS					
Stock	8	-		8,132	
Debtors	9	972,558		1,356,115	
Cash at Bank and in hand		<u>3,176,446</u>		<u>1,554,857</u>	
		4,149,004		2,919,104	
CREDITORS: Amounts falling due within one year	10	<u>(1,121,865)</u>		<u>(592,337)</u>	
NET CURRENT ASSETS			3,027,139		2,326,767
CREDITORS: Amounts falling due after more than one year	11		(114,797)		(118,516)
NET ASSETS			<u>2,929,776</u>		<u>2,233,281</u>
The funds of the charity:					
Restricted Funds	13		2,497,117		2,143,343
Unrestricted Funds	13		432,659		89,938
			<u>2,929,776</u>		<u>2,233,281</u>

These accounts are prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 15-33 were approved by the Trustees and authorised for issue on and signed on their behalf by:

Julia Cleverdon DCVO CBE
Chairman

DocuSigned by:

Julia Cleverdon

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Lara White
Treasurer

DocuSigned by:

Lara White

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Date

15-Sep-21 | 4:12 PM BST

THE NATIONAL LITERACY TRUST

**STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £	2020 £
Cash provided by operating activities	17	1,632,150	493,781
Cash flows from investing activities:			
Investment income		377	1,489
Purchases of tangible assets		<u>-</u>	<u>(26,994)</u>
Cash used by investing activities		377	(25,505)
Cash flows from financing activities:			
Interest paid		<u>(10,938)</u>	<u>-</u>
Cash used by financing activities		(10,938)	-
Increase in cash and cash equivalents in the year		<u>1,621,589</u>	<u>468,276</u>
Cash and cash equivalents at the beginning of the year		1,554,857	1,086,581
Total cash and cash equivalents at the end of the year		<u>3,176,446</u>	<u>1,554,857</u>

Analysis of cash and cash equivalents	2021 £	2020 £
Cash in hand	<u>3,176,446</u>	<u>1,554,857</u>

THE NATIONAL LITERACY TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

a) 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 and Wales.

b) 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. As can be seen from the Trustees' report, our work was significantly impacted by the global pandemic throughout the year, including the closure of libraries and the impact of lockdown on schools. The organisation immediately moved its delivery model to a blended method of on line and direct delivery of resources to those most in need in order to fulfil its mission. This was agreed with funders. The Trustees met on a monthly basis to review the position for the first 9 months of the year. Monthly financial forecasts, including month by month cash flow forecasts to October 2022 are prepared and shared with the Trustees. These indicate that the charity can meet its liabilities as they fall due. 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. Key moments for this year have been identified where if action is required it can be planned in. A COVID risk register has been produced and is reviewed regularly. On the basis of these forecasts, the Trustees consider that it is appropriate to prepare the accounts on the going concern basis.

c) 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
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d) Income

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.

Furlough income is recorded when applied for.

Interest receivable is included when receivable.

THE NATIONAL LITERACY TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

e) **Expenditure is allocated as follows:**

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.

f) **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.

g) **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.

h) **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.

i) **Stocks**

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

j) **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 company 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.

k) **Financial instruments**

The company 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 company becomes party to the contractual provisions of the instrument.

THE NATIONAL LITERACY TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

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.

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

THE NATIONAL LITERACY TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

2. INCOME

a. Donations and legacies

	2021	2020
	£	£
Donations from individuals	237,657	309,302
Donations from companies	542,690	600,605
Donations from charitable trusts	175,636	67,541
Other donations	752,735	711,341
	<u>1,708,718</u>	<u>1,688,789</u>

Income from donations and legacies is unrestricted in both years.

b. Income from charitable activities

	Unrestricted	Restricted	2021	2020
	£	£	£	£
Grants and sponsorships receivable	636,754	4,215,057	4,851,811	4,057,429
	<u>636,754</u>	<u>4,215,057</u>	<u>4,851,811</u>	<u>4,057,429</u>

Income from charitable activities of £236,471 was unrestricted income in 2020 and the remainder was restricted income.

Grants of £1,706,450 were received from the government. There are no unfulfilled conditions or other contingencies attached to these funds.

c. Other trading activities

	Unrestricted	Restricted	2021	2020
	£	£	£	£
Literacy training	96,593	35,985	132,578	185,440
Online network subscriptions	131,393	-	131,393	154,392
Early Years - Traded	-	6,036	6,036	11,024
Skills Academy - Traded	11,400	-	11,400	11,995
Toolkits, Bookbenches & Little Ladybird Libraries	1,300	1,500	2,800	57,050
Consultancy & advertising	15,550	750	16,300	87,015
Internship opportunities	9,000	-	9,000	26,900
	<u>265,236</u>	<u>44,271</u>	<u>309,507</u>	<u>533,816</u>

Income from trading activities of £402,707 was unrestricted income in 2020 and the remainder was restricted income.

d. Other income

	Unrestricted	Restricted	2021	2020
	£	£	£	£
Furlough income	134,721	78,751	213,472	-
	<u>134,721</u>	<u>78,751</u>	<u>213,472</u>	<u>-</u>

THE NATIONAL LITERACY TRUST

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021
(Continued)

3. EXPENDITURE

a) Analysis of total resources expended

	Direct costs £	Grants £ Note 16	Support costs £	Total 2021 £	2020 £
Costs of Raising Funds	739,842	-	31,615	771,457	825,477
Unrestricted Charitable Activities					
Website, publications, policy & research	464,448	-	70,891	535,339	567,663
Literacy training & consultancy	109,938	-	(6,921)	103,017	266,300
Online network	77,421	-	(5,916)	71,505	112,579
Competitions	19,626	-	3,262	22,888	-
Early Years - Traded	-	-	-	-	2,025
Skills Academy - Traded	12,191	-	1,585	13,776	-
Hubs Core	102,484	-	1,134	103,618	196,546
North East Campaign	19,449	-	(5,738)	13,711	38,002
Literacy Communities	98,874	-	10,630	109,504	66,085
Word for Life	59,935	-	8,426	68,361	-
My Dear New Friend	5,408	-	-	5,408	-
Special Charitable Projects	122,331	-	-	122,331	-
Unrestricted Charitable Activities	1,092,105	-	77,353	1,169,458	1,249,200
Restricted Charitable Activities					
Hastings Hub	33,840	-	6,860	40,700	109,294
Nottingham Hub	61,025	-	7,817	68,842	69,603
Swindon Hub	22,212	-	3,221	25,433	111,608
Stoke Hub	5,173	-	(226)	4,947	1,924
Bradford Hub	65,672	-	15,286	80,958	6,370
Peterborough Hub	18,950	-	(226)	18,724	9,072
Middlesbrough Hub	25,318	-	922	26,240	26,701
Scarborough Hub	32,137	-	2,359	34,496	144,186
Redcar Hub	7,511	-	(226)	7,285	436
Birmingham Hub	58,589	-	14,244	72,833	54,460
Manchester Hub	65,896	-	(1,782)	64,114	18,017
Story Quest	144,807	-	23,902	168,709	174,445
Nottingham Big Lottery	56,628	-	18,157	74,785	61,915
Peterborough Big Lottery	55,453	-	19,689	75,142	70,845
Black Country Hub	29,851	-	5,973	35,824	108,076
Dundee Hub	-	-	(2,261)	(2,261)	-
Inspiring Parents	9,081	-	8,043	17,124	278,221
Our Stories Bradford	-	-	-	-	71,011
Doncaster Hub	57,009	-	14,400	71,409	53,307
Blackpool Hub	92,765	-	25,315	118,080	58,464
Nottingham & Peterborough Big Lottery	66,931	-	(2,261)	64,670	-
Connecting Stories	190,106	-	19,326	209,432	-
Suffolk Campaign	10,229	-	(884)	9,345	-
Literacy hub - transfer	(148,147)	-	-	(148,147)	18,125
Books Unlocked	47,278	-	(809)	46,469	41,006
New Chapters	41,351	-	6,730	48,081	45,599
Criminal Justice Employability	19,457	-	4,082	23,539	7,220
Audible Project	22,700	-	1,416	24,116	17,452
Literacy for Learning	188,621	-	28,656	217,277	183,502
Early Years	262,586	-	10,325	272,911	254,689
Love Our Libraries	79,725	-	1,033	80,758	42,587
Young Readers Programme	408,486	-	44,577	453,063	544,477
Premier League Reading Stars	99,088	-	9,878	108,966	86,384
Skills Academy	-	-	-	-	57,394
Sport and Literacy	138,893	-	9,148	148,041	164,326
Words for Work	199,861	-	28,562	228,423	229,053
Young Writers Programme	173,092	-	26,382	199,474	155,617
Newswise	86,805	-	21,064	107,869	121,346
Home Learning Environment	1,059,958	198,262	79,646	1,337,866	627,466
Turn on the Subtitles	-	-	-	-	(13,573)
Restricted Charitable Activities	3,788,937	198,262	448,338	4,435,537	4,010,625
TOTAL	5,620,884	198,262	557,306	6,376,452	6,085,302

Support costs of £448,338 (2020: £349,082) 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 fund

THE NATIONAL LITERACY TRUST

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021
(Continued)

3. EXPENDITURE (continued)

b) Analysis of support costs

	Premises	General Office	Staff	Finance	Information Technology	Total	
	£	£	£	£	£	2021 £	2020 £
Raising funds	28,750	31,745	(51,451)	5,676	16,895	31,615	44,274
Website, publications, policy & research	32,555	35,947	(23,173)	6,429	19,133	70,891	94,981
Literacy training & consultancy	2,588	2,857	(14,398)	511	1,521	(6,921)	3,978
Online network	3,318	3,663	(15,502)	655	1,950	(5,916)	(3,112)
Competitions	648	716	1,389	128	381	3,262	
Skills Academy - Traded	315	348	675	62	185	1,585	2,025
Hubs Core	4,719	5,210	(12,500)	932	2,773	1,134	11,924
North East Campaign	2,454	2,710	(12,830)	485	1,443	(5,738)	(7,025)
Literacy Communities	2,283	2,521	4,033	451	1,342	10,630	6,629
Words for Life	1,674	1,849	3,588	331	984	8,426	-
My Dear New Friend	-	-	-	-	-	-	-
Special Charitable Projects	-	-	-	-	-	-	-
Sub total	50,554	55,821	(68,718)	9,984	29,712	77,353	109,400
Literacy Hubs	-	-	-	-	-	-	-
Hastings Hub	1,408	1,555	2,791	278	828	6,860	18,422
Nottingham Hub	1,598	1,765	3,199	316	939	7,817	9,051
Swindon Hub	685	756	1,242	135	403	3,221	11,488
Stoke Hub	-	-	(226)	-	-	(226)	(228)
Bradford Hub	3,082	3,404	6,379	609	1,812	15,286	(228)
Peterborough Hub	-	-	(226)	-	-	(226)	(228)
Middlesbrough Hub	228	252	263	45	134	922	(228)
Scarborough Hub	514	567	875	101	302	2,359	4,271
Redcar Hub	-	-	(226)	-	-	(226)	(228)
Birmingham Hub	3,729	4,118	3,469	736	2,192	14,244	2,743
Manchester Hub	95	105	(2,057)	19	56	(1,782)	(2,284)
Story Quest	4,795	5,294	10,048	947	2,818	23,902	19,642
Nottingham Big Lottery	3,653	4,034	7,602	721	2,147	18,157	10,269
Peterborough Big Lottery	3,958	4,370	8,254	781	2,326	19,689	11,675
Black Country Hub	1,636	1,807	1,245	323	962	5,973	8,408
Dundee Hub	-	-	(2,261)	-	-	(2,261)	-
Inspiring Parents	1,598	1,765	3,425	316	939	8,043	29,581
Our Stories Bradford	-	-	-	-	-	-	1,055
Doncaster Hub	3,311	3,656	4,833	654	1,946	14,400	2,776
Blackpool Hub	5,480	6,051	9,481	1,082	3,221	25,315	6,714
Nottingham & Peterborough Big Lottery	-	-	(2,261)	-	-	(2,261)	-
Connecting Stories	8,334	9,202	(4,754)	1,646	4,898	19,326	-
Suffolk Campaign	723	798	(2,973)	143	425	(884)	-
Books Unlocked	1,187	1,311	(4,239)	234	698	(809)	(1,096)
New Chapters	1,427	1,576	2,606	282	839	6,730	4,416
Criminal Justice Employability	856	945	1,609	169	503	4,082	942
Audible Project	731	807	(695)	144	429	1,416	(447)
Literacy for Learning	6,144	6,784	10,904	1,213	3,611	28,656	17,622
Early Years	6,545	7,227	(8,586)	1,292	3,847	10,325	15,623
Love Our Libraries	1,104	1,219	(2,157)	218	649	1,033	6,726
Young Readers Programme	11,644	12,858	10,932	2,299	6,844	44,577	36,893
Premier League Reading Stars	3,311	3,656	311	654	1,946	9,878	7,674
Skills Academy	-	-	-	-	-	-	4,464
Sport and Literacy	3,615	3,992	(1,298)	714	2,125	9,148	8,648
Words For Work	8,372	9,244	4,373	1,653	4,920	28,562	27,928
Young Writers Programme	7,040	7,773	6,041	1,390	4,138	26,382	19,731
Newswise	4,186	4,622	8,969	827	2,460	21,064	12,712
Home Learning Environment	20,321	22,438	20,931	4,013	11,943	79,646	54,575
Total restricted	121,310	133,951	97,823	23,954	71,300	448,338	349,082
	222,418	245,593	(39,613)	43,922	130,724	603,044	567,882

THE NATIONAL LITERACY TRUST**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021
(Continued)****3. EXPENDITURE (continued)****c) Analysis of costs of raising funds**

	2021 £	2020 £
Direct staff costs	680,103	678,264
Other direct costs	59,739	102,939
Support costs	31,615	44,274
	<u>771,457</u>	<u>825,477</u>

Costs of raising funds was all unrestricted in 2020 and 2019.

4. NET INCOME

Net income for the year is stated after charging:

	2021 £	2020 £
Auditor's remuneration - audit fees	19,200	19,200
Operating leases - equipment	1,564	1,767
Operating leases - land and buildings	140,927	131,652
Depreciation	7,596	8,875
	<u>169,287</u>	<u>161,494</u>

5. STAFF COSTS

	2021 £	2020 £
Wages and salaries	3,471,325	3,393,486
Social security costs	352,993	343,317
Pension costs	286,434	270,620
Training and recruitment	29,073	100,129
	<u>4,139,825</u>	<u>4,107,552</u>

These costs include redundancy paid in the year of £6,725 and temporary staff costs of £42,277.

THE NATIONAL LITERACY TRUST**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021
(Continued)****6. EMPLOYEE AND TRUSTEE INFORMATION**

The average number of employees during the year was 109 (2020: 108).

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

	2021	2020
£60,001 - £70,000	3	3
£70,001 - £80,000	1	1
£90,001 - £100,000	1	1
	<u>5</u>	<u>5</u>

The Trustees were not entitled to and did not receive any emoluments from the charity during the year (2020: £Nil).

No expenses were reimbursed to the Trustees during the year (2020: one Trustee £170).

During the year, no donations were received from any Trustee (2020: no donations).

The charity considers its key management personnel to comprise of Jonathan Douglas and the members of the senior management team. Remuneration, benefits and employer's national insurance contributions recorded in the year by key management personnel were £486,313 (2020: £464,157).

There are no related party transactions to disclose.

7. TANGIBLE FIXED ASSETS

	Office Equipment £	Total £
Cost		
At 1 April 2020	60,027	60,027
Additions	-	-
At 31 March 2021	<u>60,027</u>	<u>60,027</u>
Depreciation		
At 1 April 2020	34,997	34,997
Charge for the Year	7,596	7,596
At 31 March 2021	<u>42,593</u>	<u>42,593</u>
Net Book Value		
At 31 March 2021	<u>17,434</u>	<u>17,434</u>
At 31 March 2020	<u>25,030</u>	<u>25,030</u>
8. STOCK	2021	2020
	£	£
Literacy Toolkits	<u>-</u>	<u>8,132</u>

THE NATIONAL LITERACY TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

9. DEBTORS	2021	2020
	£	£
Other Debtors	292,436	701,354
Prepayments and Accrued Income	680,122	654,761
	<u>972,558</u>	<u>1,356,115</u>

Included within Other Debtors is £32,279 (2020 £32,279) relating to rent deposit. This balance is receivable in > 1 year.

10. CREDITORS: Amounts falling due within one year	2021	2020
	£	£
Trade Creditors	463,778	174,276
Taxation and Social Security	104,065	118,960
Other Creditors	63,905	62,502
Accruals and Deferred Income	490,117	236,599
	<u>1,121,865</u>	<u>592,337</u>

Included within Other Creditors are amounts totalling £24,490, (2020 £18,333) 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	2021	2020
	£	£
Brought forward at 1 April 2020	118,948	94,131
Released during year	(739,340)	(868,619)
Deferred during year	819,041	893,436
Carried forward at 31 March 2021	<u>198,649</u>	<u>118,948</u>

The deferred income is made up of Online Network Subscriptions income, 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	2021	2020
	£	£
Other Creditors	114,797	118,516
	<u>114,797</u>	<u>118,516</u>

Included within Other Creditors are amounts totalling £114,797 (2020 £118,516) 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 2021 the charity had total commitments under non-cancellable operating leases as set out below:

	Land & Buildings		Other	
	2021	2020	2021	2020
	£	£	£	£
Within one year	123,760	140,927	1,100	1,473
Within 2 to 5 years	17,883	174,918	2,108	-
	<u>141,643</u>	<u>315,845</u>	<u>3,208</u>	<u>1,473</u>

THE NATIONAL LITERACY TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

13. FUNDS

	At 01-Apr-20 £	Income £	Expenditure £	Transfers £	At 31-Mar-21 £
RESTRICTED FUNDS					
1. Literacy Hubs	-	-	148,147	-	148,147
2. Hastings Hub	-	34,267	(33,840)	-	427
3. Nottingham Hub	41,655	72,911	(61,025)	-	53,541
4. Swindon Hub	21,796	13,324	(22,212)	-	12,908
5. Stoke Hub	-	2,280	(5,174)	2,894	-
6. Bradford Hub	37,854	40,369	(65,671)	-	12,552
7. Peterborough Hub	23,861	17,543	(18,950)	-	22,454
8. Middlesbrough Hub	611	24,714	(25,318)	-	7
9. Scarborough Hub	55,173	40,792	(32,137)	-	63,828
10. Redcar Hub	11,573	-	(7,511)	-	4,062
11. Birmingham Hub	24,554	103,178	(58,589)	-	69,143
12. Manchester Hub	4,140	65,394	(65,896)	-	3,638
13. Story Quest	401	148,476	(144,807)	-	4,070
14. Nottingham Big Lottery	22,285	44,534	(56,628)	-	10,191
15. Peterborough Big Lottery	(4,746)	53,296	(55,453)	-	(6,903)
16. Black Country Hub	36,773	2,746	(29,851)	-	9,668
17. Dundee Hub	-	8,475	-	-	8,475
18. Inspiring Parents	-	9,081	(9,081)	-	-
19. Doncaster Hub	7,944	50,236	(57,009)	-	1,171
20. Blackpool Hub	46,767	78,273	(92,765)	-	32,275
21. Nottingham & Peterborough Big Lottery	-	84,646	(66,931)	-	17,715
22. Connecting Stories	-	345,946	(190,106)	-	155,840
23. Suffolk Campaign	-	-	(10,229)	-	(10,229)
24. Books Unlocked	31,946	42,373	(47,278)	-	27,041
25. New Chapters	27,566	49,479	(41,351)	-	35,694
26. Criminal Justice Employability	11,552	23,037	(19,457)	-	15,132
27. Audible Project	15,999	38,136	(22,700)	-	31,435
28. Literacy For Learning	255,356	196,936	(188,621)	-	263,671
29. Early Years	156,072	320,790	(262,586)	-	214,276
30. Love Our Libraries	210,658	133,323	(79,725)	-	264,256
31. Young Readers Programme	277,860	513,983	(408,486)	-	383,357
32. Premier League Reading Stars	44,616	93,118	(99,088)	-	38,646
33. Sport and Literacy	(378)	158,891	(138,893)	-	19,620
34. Words For Work	206,360	295,643	(199,861)	-	302,142
35. Young Writers Programme	116,811	183,742	(173,092)	-	127,461
36. Newswise	83,185	15,023	(86,805)	-	11,403
37. Home Learning Environment	275,099	1,033,124	(1,258,219)	-	50,004
38. Other Restricted Projects	100,000	-	-	-	100,000
	<u>2,143,343</u>	<u>4,338,079</u>	<u>(3,987,198)</u>	<u>2,894</u>	<u>2,497,117</u>
UNRESTRICTED FUNDS					
General Funds	89,938	2,745,806	(2,400,191)	(2,894)	432,659
TOTAL FUNDS	<u><u>2,233,281</u></u>	<u><u>7,083,885</u></u>	<u><u>(6,387,389)</u></u>	<u><u>-</u></u>	<u><u>2,929,776</u></u>

THE NATIONAL LITERACY TRUST

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021
(Continued)

13. FUNDS (continued) 2019-20

	At 01-Apr-19 £	Income £	Expenditure £	Transfers £	At 31-Mar-20 £
RESTRICTED FUNDS					
1. Literacy Hubs	12,490	5,636	(18,126)	-	-
2. Hastings Hub	49,474	41,398	(90,872)	-	-
3. Nottingham Hub	18,732	83,475	(60,552)	-	41,655
4. Swindon Hub	97,893	9,391	(100,120)	14,632	21,796
5. Stoke Hub	-	(29,218)	(2,152)	31,370	-
6. Bradford Hub	202	16,552	(6,598)	27,698	37,854
7. Peterborough Hub	1,355	31,806	(9,300)	-	23,861
8. Middlesbrough Hub	-	27,540	(26,929)	-	611
9. Scarborough Hub	33,569	161,519	(139,915)	-	55,173
10. Redcar Hub	5,457	6,780	(664)	-	11,573
11. Birmingham Hub	-	76,271	(51,717)	-	24,554
12. Manchester Hub	10,816	13,625	(20,301)	-	4,140
13. Story Quest	8,403	146,801	(154,803)	-	401
14. Nottingham Big Lottery	24,334	49,597	(51,646)	-	22,285
15. Peterborough Big Lottery	4,827	49,597	(59,170)	-	(4,746)
16. Black Country Hub	-	136,441	(99,668)	-	36,773
17. Inspiring Parents	108,276	140,361	(248,637)	-	-
18. Our Stories Bradford	-	97,654	(69,956)	(27,698)	-
19. Doncaster Hub	-	58,475	(50,531)	-	7,944
20. Blackpool Hub	-	98,517	(51,750)	-	46,767
21. Books Unlocked	31,675	42,373	(42,102)	-	31,946
22. New Chapters	25,165	43,584	(41,183)	-	27,566
23. Criminal Justice Employability	-	17,830	(6,278)	-	11,552
24. Audible Project	-	33,898	(17,899)	-	15,999
25. Literacy For Learning	190,173	231,063	(165,880)	-	255,356
26. Early Years	190,645	194,493	(239,066)	10,000	156,072
27. Love Our Libraries	50,770	195,749	(35,861)	-	210,658
28. Young Readers Programme	461,233	424,211	(507,584)	(100,000)	277,860
29. Premier League Reading Stars	19,936	103,390	(78,710)	-	44,616
30. Skills Academy	16,378	36,553	(52,931)	-	-
31. Sport and Literacy	37,300	118,000	(155,678)	-	(378)
32. Words For Work	161,929	245,556	(201,125)	-	206,360
33. Young Writers Programme	52,211	200,486	(135,886)	-	116,811
34. Newswise	226	191,593	(108,634)	-	83,185
35. Home Learning Environment	121,921	726,070	(572,892)	-	275,099
36. Turn on the Subtitles	61,427	(75,000)	13,573	-	-
37. Other Restricted Projects	-	-	-	100,000	100,000
	<u>1,796,817</u>	<u>3,952,067</u>	<u>(3,661,543)</u>	<u>56,002</u>	<u>2,143,343</u>
UNRESTRICTED FUNDS					
General Funds	240,243	2,329,456	(2,423,759)	(56,002)	89,938
TOTAL FUNDS	<u>2,037,060</u>	<u>6,281,523</u>	<u>(6,085,302)</u>	<u>-</u>	<u>2,233,281</u>

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.

£2,894 was transferred from Unrestricted Funds to Stoke Hub from general funds expenditure.

THE NATIONAL LITERACY TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

13. RESTRICTED FUNDS (continued)

Our programmes and their funding sources:

1. **Literacy Hubs** - funding for cross-hub working.
2. **Hastings Hub** - a literacy hub established in Hastings.
3. **Nottingham Hub** - funded by Nottingham City Council and Small Steps Big Changes.
4. **Swindon Hub** - originally funded WH Smith Plc.
5. **Stoke Hub** - a literacy hub established in Stoke.
6. **Bradford Hub** - a literacy hub established in Bradford.
7. **Peterborough Hub** - funded by Peterborough City Council.
8. **Middlesbrough Hub** - funded by Middlesbrough Public Health.
9. **Scarborough Hub** - funded by Scarborough Borough Council.
10. **Redcar Hub** - funded by Public Health NE.
11. **Birmingham Hub** - funded by Birmingham University.
12. **Manchester Hub** - funded by Manchester City Council.
13. **Story Quest** - an innovative project around walk and talk trails in Stoke, funded by Sport England.
14. **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.
15. **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.
16. **Black Country Hub** - mini literacy hubs focused on early years.
17. **Dundee Hub** - starting to bring together funders to create a hub in Scotland.
18. **Inspiring Parents** - engaging with disengaged parents of Year 5 low achieving children to improve their children's reading levels.
19. **Doncaster Hub** - a literacy hub funded by the Doncaster OA.
20. **Blackpool Hub** - a literacy campaign funded by Blackpool OA and LA.
21. **Nottingham & Peterborough Big Lottery** - funding from Big Lottery to deliver a Doorstep to Digital project during Lockdown. This was in deficit at the year end with the income being received in arrears and received post year end
22. **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.
23. **Suffolk Campaign** - a campaign across Suffolk funded by Suffolk County Council. This was in deficit at the end of the year with the income received in May.
24. **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.
25. **New Chapters** - funded by Rothschild Foundation to work in Aylesbury Youth Offending Institute (YOI) to develop a YOI Reading for Pleasure programme.
26. **Criminal Justice Employability** - a YOI version of Words for Work.
27. **Audible Project** - inspiring Young Offenders through audible books and making a podcast.
28. **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.
29. **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.

THE NATIONAL LITERACY TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

13. RESTRICTED FUNDS (continued)

Our programmes and their funding sources (continued):

30. 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) together with Trusts and Foundations including Mercers and NYC Opportunity Area.

31. 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.

32-33. 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.

34. 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).

35-36. 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.

37. 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.

38. Other Restricted Projects - this money has been transferred from Young Readers Programme 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.

THE NATIONAL LITERACY TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS	Fixed Assets £	Net Current Assets & Creditors > 1 Year £	2021 Total £
Restricted Funds:			
1. Literacy Hubs	-	148,147	148,147
2. Hastings Hub	-	427	427
3. Nottingham Hub	-	53,541	53,541
4. Swindon Hub	-	12,908	12,908
Stoke Hub	-	-	-
5. Bradford Hub	-	12,552	12,552
6. Peterborough Hub	-	22,454	22,454
7. Middlesbrough Hub	-	7	7
8. Scarborough Hub	-	63,828	63,828
9. Redcar Hub	-	4,062	4,062
10. Birmingham Hub	-	69,143	69,143
11. Manchester Hub	-	3,638	3,638
12. Story Quest	-	4,070	4,070
13. Nottingham Big Lottery	-	10,191	10,191
14. Peterborough Big Lottery	-	(6,903)	(6,903)
15. Black Country Hub	-	9,668	9,668
16. Dundee Hub	-	8,475	8,475
Inspiring Parents	-	-	-
17. Doncaster Hub	-	1,171	1,171
18. Blackpool Hub	-	32,275	32,275
19. Nottingham & Peterborough Big Lottery	-	17,715	17,715
20. Connecting Stories	-	155,840	155,840
21. Suffolk Campaign	-	(10,229)	(10,229)
22. Books Unlocked	-	27,041	27,041
23. New Chapters	-	35,694	35,694
24. Criminal Justice Employability	-	15,132	15,132
25. Audible Project	-	31,435	31,435
26. Literacy For Learning	-	263,671	263,671
27. Early Years	-	214,276	214,276
28. Love Our Libraries	-	264,256	264,256
29. Young Readers Programme	-	383,357	383,357
30. Premier League Reading Stars	-	38,646	38,646
31. Sport and Literacy	-	19,620	19,620
32. Words For Work	-	302,142	302,142
33. Young Writers Programme	-	127,461	127,461
34. Newswise	-	11,403	11,403
35. Home Learning Environment	-	50,004	50,004
36. Other Restricted Projects	-	100,000	100,000
	-	2,497,117	2,497,117
Unrestricted Funds:	17,434	415,225	432,659
	17,434	2,912,342	2,929,776

THE NATIONAL LITERACY TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued) 2019-20	Fixed Assets £	Net Current Assets & Creditors > 1 Year £	2020 Total £
Restricted Funds:			
1. Nottingham Hub	-	41,655	41,655
2. Swindon Hub	-	21,796	21,796
3. Bradford Hub	-	37,854	37,854
4. Peterborough Hub	-	23,861	23,861
5. Middlesbrough Hub	-	611	611
6. Scarborough Hub	-	55,173	55,173
7. Redcar Hub	-	11,573	11,573
8. Birmingham Hub	-	24,554	24,554
9. Manchester Hub	-	4,140	4,140
10. Story Quest	-	401	401
11. Nottingham Big Lottery	-	22,285	22,285
12. Peterborough Big Lottery	-	(4,746)	(4,746)
13. Black Country Hub	-	36,773	36,773
14. Doncaster Hub	-	7,944	7,944
15. Blackpool Hub	-	46,767	46,767
16. Books Unlocked	-	31,946	31,946
17. New Chapters	-	27,566	27,566
18. Criminal Justice Employability	-	11,552	11,552
19. Audible Project	-	15,999	15,999
20. Literacy For Learning	-	255,356	255,356
21. Early Years	-	156,072	156,072
22. Love Our Libraries	-	210,658	210,658
23. Young Readers Programme	-	277,860	277,860
24. Premier League Reading Stars	-	44,616	44,616
25. Sport and Literacy		(378)	(378)
26. Words For Work		206,360	206,360
27. Young Writers Programme		116,811	116,811
28. Newswise		83,185	83,185
29. Home Learning Environment		275,099	275,099
30. Other Restricted Projects		100,000	100,000
	-	2,143,343	2,143,343
Unrestricted Funds:	25,030	64,908	89,938
	25,030	2,208,251	2,233,281

THE NATIONAL LITERACY TRUST**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021
(Continued)****15. PENSION COSTS**

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.

16. GRANTS AWARDED

	Number of grants	2021 £	Number of grants	2020 £
Foundation Years Trust	1	54,687	1	22,132
Coast & Vale Community Action	1	53,964	1	12,500
Early Years Alliance	1	44,611	1	10,201
Institute of Wellbeing	1	45,000	1	8,000
	<u>4</u>	<u>198,262</u>	<u>4</u>	<u>52,833</u>

17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net movement in funds	696,495	196,221
Adjustments for:		
Depreciation	7,596	8,875
Investment income	(377)	(1,489)
Interest paid	10,938	-
Decrease in stocks	8,132	10,617
Decrease in debtors	383,557	146,150
Increase in creditors	525,809	133,407
Net cash used in operating activities	<u><u>1,632,150</u></u>	<u><u>493,781</u></u>

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 £105,001 (2020: £60,189 in restricted funds) were held in the account. During the year funds of £132,500 (2020: £75,000) were received into the account and £91,438 were paid out (2020: £76,238). An admin fee of £3000 was received.