

Charity registration number 1190848
Company registration number CE023573

UNITED KINGDOM LITERACY ASSOCIATION
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

UNITED KINGDOM LITERACY ASSOCIATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mrs L Graham
Professor T Cremin
Mr D Reedy
Ms T Parvin
Professor C Burnett
Mrs C Lockwood
Ms J Court
Dr R McDonald
Dr L Rodriguez Leon
Dr K Daniels
Dr C Dowdall
Ms J Douglas Gardner
Mrs E Broad
Prof D Myhill
Ms J Tregenza
Mx B Guerriero (Appointed 23 June 2021)
Mr N Govender (Appointed 14 October 2021)
Ms C Satchwell (Appointed 14 October 2021)

Charity number

1190848

Company number

CE023573

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UNITED KINGDOM LITERACY ASSOCIATION

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UNITED KINGDOM LITERACY ASSOCIATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report and financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's constitution, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

On 1 August 2021, the charitable activities, assets and liabilities were transferred from the previously unincorporated charity (Charity number: 313714) to the new Charitable Incorporated Organisation (Charity number: 1190848).

The United Kingdom Literacy Association (UKLA) is the UK's leading association dedicated to literacy in education and brings together teachers, teacher educators, researchers and many others working in literacy education for all ages. The sole object of the United Kingdom Literacy Association is to advance education in Literacy, and its principal activity during the year has been to encourage progress in language and literacy at all levels.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake. The Association's activities fall into three main areas:

- Membership, subscriptions and awards
- Conferences
- Publications and research

Achievements and performance

How our activities deliver public benefit

The sole objective of UKLA is the advancement of education in literacy. It achieves this by:

- creating a supportive community for those working in literacy, language and communication
- championing, supporting and providing access to the latest research for use by practitioners and policymakers
- providing an informed national voice

Impact: UKLA's performance and achievements throughout 2021-2022

Due to the COVID-19 pandemic, there continued to be some disruption to UKLA activities during the 2021-2022 financial year. Whilst face-to-face activities and events were constrained, members from across the UK and internationally came together virtually to exchange ideas, disseminate research, debate possibilities, share enthusiasm and expertise to advocate for a truly fulfilling and empowering literacy education.

The following report offers a summary of UKLA's activities and achievements.

UNITED KINGDOM LITERACY ASSOCIATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance

1. The UKLA Awards Programme

The UKLA awards programme, which is generously supported by sponsors, showcases the work of schools and individual teachers whose practice inspires others, celebrates high quality books for both young people and educational professionals, and honours outstanding research papers. Members are offered a range of opportunities for active involvement, in some cases also including their students, and many schools and individuals have joined the Association as a result.

During 2021-2022, eight awards raise the profile of UKLA and contribute significantly to the aim of promoting the advancement of education in literacy.

- The Brenda Eastwood Award, for good practice in teaching for Diversity and Inclusion.
- The UKLA Literacy School of the Year Award, for schools where innovative practice puts literacy and literature at the heart of learning.
- Our Class Loves This Book.
- The UKLA Book Awards, the only children's book awards judged by teachers.
- The UKLA Student Shadowing Award – as above but judged by student teachers.
- The Academic Book Award, for a book that makes a lasting, significant contribution to the teaching of English.
- The UKLA / Wiley Research in Literacy Education Award, for outstanding articles from UKLA's journals *Literacy* and the *Journal of Research in Reading*.
- The UKLA Student Research Prize, for an outstanding student dissertation at Undergraduate, Postgraduate or Higher Degree level.

Despite the pandemic, the standard of nominations in 2021-2022 was high. The scope of UKLA's Awards programme is unique, and it has become increasingly prestigious among schools, publishers and academics.

2. UKLA Publications: journals, books and web resources

UKLA's publications play a key role in supporting members in schools, universities and other educational settings through disseminating research findings as well as practical, principled approaches for use in teaching at all levels.

UKLA's peer-reviewed International Journals *Literacy* and *Journal of Research in Reading* (JRiR) are prestigious and popular. Both attract an international authorship and readership and make important contributions to global discussions of vital contemporary issues in literacy research. Both editorial teams continue a strong tradition of research excellence as they expand offerings with more international submissions.

English 4-11, jointly produced by the English Association and UKLA and free to members, is a print publication which focuses on practice in Early Years and primary schools, with the occasional article about older students. It is highly regarded by teachers and student teachers as both practical and inspiring. Many contributors are classroom teachers, educational consultants or teacher educators.

UKLA Voices – formally UKLA News, the Association's electronic newsletter, provides a forum for members to share aspects of their work that will be of interest to other members.

UKLA Viewpoints, outline UKLA's position in relation to different aspects of literacy education and are freely available on the website.

Minibooks and **Ideas in Practice** are UKLA's book series, both of which are written for busy professionals who want practical ways forward, underpinned by a coherent theoretical perspective.

UNITED KINGDOM LITERACY ASSOCIATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

3. Supporting and disseminating research

UKLA has a robust and vibrant research profile. In furtherance of its core aim to advance education in literacy, UKLA seeks to inform educational professionals and policymakers at all levels by supporting and disseminating cutting edge research of high quality, and thus supporting excellent educational practice which is strongly based on secure evidence. UKLA's stringent criteria ensure that only research of high quality is promoted. Activities include:

- small Research Grants - four new projects awarded funding this year. Four other projects are currently in progress, some of which have been delayed due to the pandemic. Three projects have been completed in this year's activity.
- encouraging successful members to disseminate their work by presenting at the next International Conference and publishing in one of UKLA's journals.
- student Research Prizes to students from UK institutions. In 2022 two prizes were awarded, one for undergraduate work and one for a PhD thesis. A special commendation for an outstanding Ed D was also made.
- enabling the dissemination of research into literacy at UKLA's Conferences, through presentations, seminars and workshops, as well as through publications in UKLA's journals and books.
- encouraging Masters and Doctoral students through a Post Graduate Student Research Network, using a social media platform. An event is planned for the International Conference.
- hosting UKLA Special Interest Groups (SIGs) at the request of members, enabling groups of practitioners with a common interest to develop their own practice and research. In 2021-2022, seven SIGS have been active, with vibrant activity reported in the annual statement (May 2022).

4. Conferences

UKLA's highly regarded conferences play a key part in bringing members together, facilitating networking as well as promoting the dissemination of cutting-edge research and offering more practical workshops which are always popular. Non-members are also warmly welcomed. The International Conference provides a platform for new and established researchers, teachers and other educators, as well as a community to welcome and celebrate the winners of UKLA's prestigious Awards. Due to the pandemic, the 56th International Conference was held online in July 2021 – the successful event attracted 190 delegates from across the globe.

UKLA's National Conference, ***Reflecting Reality: Equity and inclusion in Literacy*** was held online in March 2022.

In November 2021, the association held its first student conference which focused on the knowledge and application of Grammar in the primary phase of education – Getting to Grips with Grammar.

UNITED KINGDOM LITERACY ASSOCIATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

5. UKLA Special Interest Groups

During 2021 - 2022, seven Special Interest Groups (SIGs) allowed members to network with others in the UK and across the globe who share their enthusiasm for a specific topic. Despite, and because of the unusual circumstances, some activities have been curtailed whilst others have flourished. UKLA SIGs comprise;

- The English in Initial Teacher Education SIG
- The Early Years Literacy in Education SIG
- The Literacy and Multilingualism SIG
- The Storytelling SIG
- The Critical Literacy SIG
- The Teaching Writing SIG
- The Everyday Literacies SIG

SIGs are unfunded and form an energetic and vibrant part of the UKLA network, bringing together a wide range of practitioners and academics in ways that foster collaboration, innovation and research, and in some cases lead to initiatives seeking to influence policy and practice.

6. Teachers' Reading Groups (TRGs)

UKLA and the Open University continue their partnership aiming to build communities of readers, drawing on the OU/UKLA Teachers as Readers research. These groups provide free evidence-based CPD for school-based educators, in ways that will enrich their understanding of children's reading for pleasure (RfP) and their knowledge about how to support it. During 2021– 2022 there were over 100 virtual teachers' reading groups across the UK and beyond offering CPD online and in person.

During 2021 – 22, plans have been developed to introduce an OU / UKLA Reading for Pleasure Quality Mark. The scheme has been piloted during 2022 and will be advertised for schools to join in September 2022.

7. Regional Representatives

UKLA's Regional Representatives continue their invaluable work as key members of UKLA, raising its profile and attracting new members in all countries of the UK. As a result of their dedication and passion for advancing literacy throughout the UK, a wealth of regional events and activities is offered, intended to help teachers critically engage with alternative perspectives, values and understanding about literacy and how best to support children in developing these.

During 2021 – 2022 Regional Reps have continued to host **'#UKLAchats'** on Twitter; the engagement and response levels are growing and successfully attract a wide range of audiences each month, with accompanying 'Padlets' to facilitate further online discussion. Many regional reps have worked to keep engagement levels high among their members through;

- Regular newsletters
- Blogs
- RfP panels, using these platforms to promote their work with UKLA

UNITED KINGDOM LITERACY ASSOCIATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8. International links

UKLA continues its focus on building connections with literacy colleagues across the globe, using its connections to ensure UKLA's continuing influence both at home and abroad.

As a member of the Federation of European Literacy Associations (FELA) UKLA continues to be strongly represented at FELA meetings in Europe, which provide opportunities for International sub-committee members to discuss research and policy with international colleagues. The work of the Association is also promoted through the International Ambassador scheme. The Ambassadors are increasingly promoting the work of UKLA in their own countries, at no cost to UKLA, and now include representatives from the USA, Australia, New Zealand, Canada, Brunei, Ireland, Slovenia, and Iceland.

The International Sub-Committee is responsible for Project Connect, which supports two literacy charities: the Donkey Library in Ethiopia and the Children's Book Project in Zanzibar. Our major fundraising opportunity is during the International Conference, but as this was online in 2021, it was not possible to generate income. Thus, no monies were distributed in 2021-22.

9. Providing an informed national voice

UKLA continues to work energetically to influence UK education policy on behalf of its members, welcomes participation in government consultations on policy relating to literacy education and endeavours to support teachers in implementing policy requirements. UKLA is represented on a number of expert groups and maintains close links with other subject associations. Collegiate relationships with academic institutions are also important and have led to some partnership working, including the Teachers' Reading Groups with the Open University. The Primary Literacy Research Collective work is an important collaboration with other Literacy focused subject associations and groups. The purpose is to explore the breadth of research around literacy with a focus as to how this can support ongoing development of the group's activities. The current work is focused on the impact of the pandemic and developing recommendations around the wide range of activities that have been devised to support children's progress.

Further information and details of the work can be found on the UKLA website via the following link: https://ukla.org/ukla_resources/primary-literacy-research-collaborative/

Financial review

As detailed in the preceding sections, despite the pandemic, UKLA's activity continued during 2021/22 to ensure that it furthers its objective of advancing education in literacy, supported by the outcomes of financial decisions made by trustees.

The royalties made by the UKLA journals was less than expected in 2021, totalling £47,985 received by the unincorporated charity. However, the numbers of new members have slowly grown, and book sales have slowly recovered following the pandemic. Furthermore, the continued reduction in face-to-face meetings has reduced expenditure.

2021 – 2022 income – expenditure summary

During the 2021/22 financial year, UKLA generated total income of approximately £378,000, total expenditure was approximately £89,000, meaning that there was a net surplus of approximately £289,000, with £286,000 being attributed to a donation from the previous unincorporated charity upon transferring the charitable activities and assets to the new CIO.

Stock depreciation

Due to the rapid depreciation of academic books, the value of UKLA stock was re-evaluated during 2021-22 and valued at £14,000, in contrast to the £59,000 previous valuation included within UKLA's previously unincorporated charity accounts.

UNITED KINGDOM LITERACY ASSOCIATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Financial reserves

On 31 March 2022, UKLA's designated reserves totalled £142,213 (Teachers Building Society £60,011 and Charity Bank £82,202).

Total Net Assets

The association's total net assets as of 31 March 2022 totalled £289,000.

Governance:

The Trustees of the Association consider the overall performance of the charity for the year 2021/22 to be reasonably satisfactory and take the view that the Charity's activities continue to represent excellent value for money.

Looking Ahead

Looking forward to the year ahead, UKLA projected journal royalties is expected to be approximately £50,000 (due to changes to academic publishing worldwide and a move to greater open access of academic work). The trustees have agreed a deficit budget for the 2022-2023 financial year, drawing on reserves to ensure UKLA activities continue, and the organisation continues to provide an informed and influential voice in literacy education. The introduction of the OU / UKLA quality mark is expected to increase membership and generate some new income. In addition, the work of the SIGs and the continuing popularity of the Awards Programme will continue to attract members to the Association. There will be a campaign to promote membership and discussions have been held with Wiley to agree ways to increase subscriptions to the UKLA journals. Bookings for the 2022 UKLA International Conference are encouraging, and a small surplus is predicted. However, ways of balancing the budget will be a key focus for the F&GP subcommittee during 2022-2023.

In summary, UKLA remains in a strong position to inform the debate and continues to play an important part in multi-partner initiatives set up to influence education policy as well as practice.

Risk policy

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operation and finance of the charity and are satisfied that systems are in place to mitigate exposure to the major risks of normal times. We are also satisfied that the charity should be able to survive the additional risks as a result of the pandemic. Financial monitoring will enable the trustees to review UKLA's finances throughout 2022/23.

No government grants have been applied for.

Reserves policy

The trustees have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be between 6 and 9 months of the annual expenditure. At this level the management committee feel that they would be able to continue the current activities of the charity.

Monies have been set aside as a designated fund, the purpose of which is to guard against the event of the charity being wound up. This is not expected to happen in the foreseeable future; however, the trustees consider this to be prudent.

Structure, governance and management

The principal activities, assets and liabilities of the previous unincorporated charity (Charity number: 313714) were transferred to the new Charitable Incorporated Organisation (CIO) on 1 August 2021. The existing constitution of the previous unincorporated charity remains and existing trustees appointed.

UNITED KINGDOM LITERACY ASSOCIATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

The Trustees who served during the year and up to the date of signature of the financial statements were:

Professor H Dombey	(Resigned 23 June 2021)
Dr D Challen	(Resigned 23 June 2021)
Mrs L Graham	
Professor T Cremin	
Mr D Reedy	
Ms T Parvin	
Professor C Burnett	
Mrs C Lockwood	
Dr G Cliff Hodges	(Resigned 23 June 2021)
Ms J Court	
Dr R McDonald	
Dr J McClay	(Resigned 23 June 2021)
Dr L Rodriguez Leon	
Dr K Daniels	
Dr C Dowdall	
Ms J Douglas Gardner	
Mrs E Broad	
Prof D Myhill	
Ms K Vallely	(Resigned 22 January 2022)
Ms J Tregenza	
Mx B Guerriero	(Appointed 23 June 2021)
Mr N Govender	(Appointed 14 October 2021)
Ms C Satchwell	(Appointed 14 October 2021)

Appointment of trustees is governed by the Constitution and Standing Orders of the charity. The trustees are authorised to appoint a new trustee, should any officer be unable to complete their term of office.


Each trustee is a member of the Executive Committee. Prior to becoming a member each nominee is checked to ensure they are in good standing. The Executive Committee of the Association includes the Convenors of the Association's committees. Each Convenor manages a budget and is able to obtain electronically, details of income and expenditure for a particular budget.

Each meeting of the Executive Committee systematically reviews the Association's income and expenditure against the annual budget to ensure the continuing financial stability and strength of the Association.

UKLA's Constitution allows a minority of trustees to receive fees for specialist services provided within a given financial year (in addition to allowable expenses).

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

The Trustees' report was approved by the Board of Trustees.


.....
Dr L Rodriguez Leon
Trustee

Date: 26/07/2022
.....

UNITED KINGDOM LITERACY ASSOCIATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

The Trustees 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).

The law applicable to charities in England and Wales 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 Incorporated Organisation (charity) and of the incoming resources and application of resources of the charity for that year.

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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

UNITED KINGDOM LITERACY ASSOCIATION

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF UNITED KINGDOM LITERACY ASSOCIATION

I report to the Trustees on my examination of the financial statements of United Kingdom Literacy Association (the charity) for the year ended 31 March 2022.

This report is made solely to the charity's trustees, as a body, in accordance with Section 145 of the Charities Act 2011. My examination has been undertaken so that I might state to the CIO's trustees those matters I am required to state to them in an Independent Examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the CIO and the CIO's trustees as a body, for my examination, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the Trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Peter Taaffe FCA CTA DChA
Independent Examiner

BWM

BWM
Suite 5.1
12 Tithebarn Street
Liverpool
L2 2DT

Dated: 01.08.2022.....

UNITED KINGDOM LITERACY ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
<u>Income and endowments from:</u>					
Donations and legacies	3	285,471	108	285,579	-
Charitable activities	4	90,075	120	90,195	-
Investments	5	12	-	12	-
Other income	6	2,207	-	2,207	-
Total income		377,765	228	377,993	-
<u>Expenditure on:</u>					
Charitable activities	7	86,829	-	86,829	-
Other	12	2,355	-	2,355	-
Total expenditure		89,184	-	89,184	-
Net income for the year/ Net movement in funds		288,581	228	288,809	-
Fund balances at 1 April 2021		-	-	-	-
Fund balances at 31 March 2022		288,581	228	288,809	-

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

UNITED KINGDOM LITERACY ASSOCIATION

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	13		3,213		-
Current assets					
Stocks	15	13,991		-	
Debtors	16	63,599		-	
Cash at bank and in hand		233,505		-	
		311,095		-	
Creditors: amounts falling due within one year	17	(25,499)		-	
Net current assets			285,596		-
Total assets less current liabilities			288,809		-
The funds of the CIO:					
Restricted funds	18		228		-
<u>Unrestricted funds</u>					
Designated funds	19	142,213		-	
General unrestricted funds		146,368		-	
			288,581		-
			288,809		-

The financial statements were approved by the board of Trustees and authorised for issue on 2nd July 2022 and are signed on its behalf by:

Lucy R Leon

Dr L Rodriguez Leon
Trustee

UNITED KINGDOM LITERACY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

United Kingdom Literacy Association is a charitable incorporated organisation (CIO) registered in England.

The charity was incorporated as a Charitable Incorporated Organisation (CIO) and registered with the Charity Commission on 14 August 2020 and started trading on 1 August 2021. United Kingdom Literacy Association unincorporated charity transferred its charitable activities, assets and liabilities on this date to the United Kingdom Literacy Association CIO.

1.1 Accounting convention

The financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

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

1.2 Going concern

At the time of approving the financial statements and as detailed in the Trustees' report, the Trustees have considered the impact of Covid-19 on the charity and the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Funds held by the charity are:

Unrestricted funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds - these funds are set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Restricted funds - these are funds that can be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

UNITED KINGDOM LITERACY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(continued)

1.4 Income

Voluntary income is received by way of donations, gifts, royalties, subscriptions and grants, and is included in full in the Statement of Financial Activities (the SOFA) when receivable.

Income from investments, including interest received, is included when receivable.

Grants are included in the SOFA when receivable.

Conference fees are included when services are provided to delegates.

1.5 Expenditure

Expenditure is included in the statement of financial activities on an accruals basis, inclusive of any VAT which cannot be recovered. Resources expended, where directly attributable, are allocated to charitable activities and governance costs.

Direct charitable expenditure includes all expenditure incurred in the provision of charitable services, together with support costs, in pursuance of the charity's objectives.

Support costs and governance costs are apportioned on staff time basis.

Value added tax is not recoverable by the charity and is included in the relevant cost in the statement of financial activities.

Grant payments are included in the Statement of Financial Position once agreed. UKLA awards small grants to individuals to enable them to conduct high quality research in the field of literacy. Recipients are selected twice a year by the Research Sub-Committee on the basis of rigorous criteria and conditions.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings and equipment	33.3% per annum on cost
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

UNITED KINGDOM LITERACY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(continued)

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 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 in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

UNITED KINGDOM LITERACY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(continued)

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Taxation

The charity benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions. Recovery is made of tax deducted from income and from receipts under Gift Aid.

The charity is not able to recover Value Added Tax. Expenditure is recorded in the accounts inclusive of VAT.

1.13 Pensions

The charity makes contributions to an individual employee's pension arrangement. The pension costs are charged in the Statement of Financial Activities as incurred.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees 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.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Total
	2022 £	2022 £	2022 £	2021 £
Donations and gifts	285,471	108	285,579	-

During the year United Kingdom Literacy Association (charity number: 313714) donated net assets at a value of £285,579 to the charity. This charity has now been closed with all its charitable activities, assets and liabilities being transferred to the new CIO (charity number: 1190848)

UNITED KINGDOM LITERACY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

4 Charitable activities

	Conferences	Publications	Subscriptions	Total 2022	Total 2021
	2022	2022	2022		
	£	£	£	£	£
Sales within charitable activities	3,115	57,279	29,681	90,075	-
Other income	-	120	-	120	-
	<u>3,115</u>	<u>57,399</u>	<u>29,681</u>	<u>90,195</u>	<u>-</u>
Analysis by fund					
Unrestricted funds	3,115	57,279	29,681	90,075	-
Restricted funds	-	120	-	120	-
	<u>3,115</u>	<u>57,399</u>	<u>29,681</u>	<u>90,195</u>	<u>-</u>

5 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Interest receivable	12	-
	<u>12</u>	<u>-</u>

6 Other income

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Other income	2,207	-
	<u>2,207</u>	<u>-</u>

UNITED KINGDOM LITERACY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

7 Charitable activities

	Conferences	Publications	Subscriptions	Total 2022	Total 2021
	2022 £	2022 £	2022 £	£	£
Project costs	2,867	6,805	7,208	16,880	-
Other costs	-	-	4,632	4,632	-
Bad debts	500	-	-	500	-
	<u>3,367</u>	<u>6,805</u>	<u>11,840</u>	<u>22,012</u>	<u>-</u>
Grant funding of activities (see note 8)	-	2,629	-	2,629	-
Share of support costs (see note 9)	20,604	13,736	11,447	45,787	-
Share of governance costs (see note 9)	<u>7,381</u>	<u>4,920</u>	<u>4,100</u>	<u>16,401</u>	<u>-</u>
	<u>31,352</u>	<u>28,090</u>	<u>27,387</u>	<u>86,829</u>	<u>-</u>
Analysis by fund					
Unrestricted funds	<u>31,352</u>	<u>28,090</u>	<u>27,387</u>	<u>86,829</u>	<u>-</u>
	<u>31,352</u>	<u>28,090</u>	<u>27,387</u>	<u>86,829</u>	<u>-</u>

8 Grants payable

	2022	2021
	£	£
Grants to individuals - publications	<u>2,629</u>	<u>-</u>
	<u>2,629</u>	<u>-</u>

UNITED KINGDOM LITERACY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

9 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £
Staff costs	36,972	-	36,972	-	-	-
Depreciation	1,606	-	1,606	-	-	-
Premises and other costs	4,883	-	4,883	-	-	-
Office and website costs	2,326	-	2,326	-	-	-
Committee expenses	-	940	940	-	-	-
Bank charges	-	1,179	1,179	-	-	-
Independent examination fees	-	1,500	1,500	-	-	-
Accountancy fees	-	5,122	5,122	-	-	-
Bookkeeping fees	-	7,660	7,660	-	-	-
	<u>45,787</u>	<u>16,401</u>	<u>62,188</u>	<u>-</u>	<u>-</u>	<u>-</u>
Analysed between						
Conferences	20,604	7,381	27,985	-	-	-
Publications	13,736	4,920	18,656	-	-	-
Subscriptions	11,447	4,100	15,547	-	-	-
	<u>45,787</u>	<u>16,401</u>	<u>62,188</u>	<u>-</u>	<u>-</u>	<u>-</u>

Support costs including staff costs and governance costs were allocated between the charitable activities using the percentages 45% conferences, 30% publications and 25% subscriptions.

Governance costs includes payments to the Independent Examiner for independent examination fees of £1,500 (2021 - £nil), payments of £5,122 for accountancy fees (2021 - £nil) and payments of £7,660 for bookkeeping fees (2021- £nil)

10 Trustees

Trustees' travel and other expenses amounted to £1,378 which related to 6 trustees for the year (2021: None)

11 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Administration	<u>3</u>	<u>-</u>

UNITED KINGDOM LITERACY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

11 Employees (continued)

Employment costs	2022 £	2021 £
Wages and salaries	35,657	-
Other pension costs	1,315	-
	<u>36,972</u>	<u>-</u>

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

12 Other

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Other expenditure	2,355	-
	<u>2,355</u>	<u>-</u>

13 Tangible fixed assets

	Fixtures, fittings and equipment £
Cost	
At 1 April 2021	-
Additions	4,819
At 31 March 2022	<u>4,819</u>
Depreciation and impairment	
At 1 April 2021	-
Depreciation charged in the year	1,606
At 31 March 2022	<u>1,606</u>
Carrying amount	
At 31 March 2022	<u>3,213</u>
At 31 March 2021	<u>-</u>

UNITED KINGDOM LITERACY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

14	Financial instruments	2022	2021
		£	£
	Carrying amount of financial assets		
	Debt instruments measured at amortised cost	297,102	-
		<u> </u>	<u> </u>
	Carrying amount of financial liabilities		
	Measured at amortised cost	25,499	-
		<u> </u>	<u> </u>
15	Stocks	2022	2021
		£	£
	Goods for resale	13,991	-
		<u> </u>	<u> </u>
16	Debtors	2022	2021
		£	£
	Amounts falling due within one year:		
	Trade debtors	5,170	-
	Other debtors	58,429	-
		<u> </u>	<u> </u>
		63,599	-
		<u> </u>	<u> </u>
17	Creditors: amounts falling due within one year	2022	2021
		£	£
	Trade creditors	1,058	-
	Accruals and deferred income	24,441	-
		<u> </u>	<u> </u>
		25,499	-
		<u> </u>	<u> </u>

UNITED KINGDOM LITERACY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds		Movement in funds			
	Balance at 1 April 2020	Incoming resources	Balance at 1 April 2021	Incoming resources	Transfers	Balance at 31 March 2022
	£	£	£	£	£	£
Project Connect (previously Books for Africa)	-	-	-	120	108	228
	-	-	-	120	108	228

Project Connect (previously Books for Africa)

This supplies books for pleasurable reading, bought locally, to schools in two African countries. The Children's Book Project in Tanzania supplies books to 16 school libraries in Zanzibar, and Link Ethiopia organises a Donkey Library which delivers books to rural schools in Ethiopia.

19 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds		Movement in funds			
	Balance at 1 April 2020	Incoming resources	Balance at 1 April 2021	Incoming resources	Transfers	Balance at 31 March 2022
	£	£	£	£	£	£
Closure costs	-	-	-	11	142,202	142,213
	-	-	-	11	142,202	142,213

The purpose of the designated fund is to enable the trustees to guard against the event of the charity being wound up. This is not expected to happen in the foreseeable future; however, the trustees consider this is prudent. This money is held separately in the charity's bank accounts.

UNITED KINGDOM LITERACY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

20 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:				
Tangible assets	3,213	-	3,213	-
Current assets/(liabilities)	285,368	228	285,596	-
	<u>288,581</u>	<u>228</u>	<u>288,809</u>	<u>-</u>

21 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	<u>18,840</u>	<u>-</u>

Transactions with related parties

During the year the following payments were made to trustees for services rendered other than as trustees of the charity:

	Project work/Consultancy fee 2022 £	2021 £
Total payments	<u>950</u>	<u>-</u>

During the year the following payments were made to related parties for work undertaken in respect of Bookkeeping services.

	Consultancy fees 2022 £	2021 £
Ms G M Officer, T/A GMO Bookkeeping & Accounts	<u>7,660</u>	<u>-</u>
	<u>7,660</u>	<u>-</u>

UNITED KINGDOM LITERACY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

21 Related party transactions

(continued)

Ms G M Officer (T/A GMO Bookkeeping & Accounts) is the sister of Dr D Challen, UKLA Trustee and former Treasurer, who resigned as a Trustee on 23 June 2021.

Payments made to the trustees are at a commercial rate. At 31 March 2022 there was £nil (2021: £nil) owed to the trustees for expenses.

One trustee received an Honorarium during the financial year to the value of £250 (2021: £nil)

No guarantees have been given or received.

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