

Charity registration number 1205439 (England and Wales)

THE LITERACY INITIATIVE
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD 26 OCTOBER 2023 TO 31 MARCH 2025



THE LITERACY INITIATIVE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	C J Bacon	(Appointed 26 October 2023)
	M J Mathew	(Appointed 26 October 2023)
	G C De Villiers	(Appointed 26 October 2023)
Charity number (England and Wales)	1205439	
Principal address	The Literacy Initiative Ty Merlin Caerphilly Business Park Van Road Caerphilly CF83 3GS	
Independent examiner	John Caladine FCCA CTA FCIE Caladine Limited Chantry House 22 Upperton Road Eastbourne East Sussex BN21 1BF	
Bankers	CAF Bank Ltd Kings Hill West Malling Kent ME19 4JQ	

THE LITERACY INITIATIVE

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THE LITERACY INITIATIVE

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 MARCH 2025

The trustees present their annual report and financial statements for the period ended 31 March 2025.

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 CIO's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" 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)".

Objectives and activities

The objects of the CIO are for the benefit of the public to advance education.

In particular, not exclusively, by:

- Identifying people groups whose first language exists only in spoken form.
- Developing a written form of that language.
- Teaching the written form of that language to members of the people group.
- Teaching the written and spoken forms of any languages of wider communication used in that region to members of the people group, whether directly or in partnership with others and in each case with a view to improving the standards of literacy among the people using that language.

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the CIO should undertake.

Achievements and performance

Significant activities and achievements against objectives

During its first financial year, the Charity has focused on developing minority language literacy projects in Nepal. Following appropriate due diligence, a partner has been identified, a planning visit was undertaken in December 2024, and detailed project proposal documents have been prepared using professional advice.

The charity has also implemented the necessary foundational steps for its future growth including opening a bank account; registering with HMRC; developing suitable policies for its work in line with Charity Commission and other relevant guidance; and securing £84,518 in grant funding to support its growth and initial projects. In addition, during the year, the Charity undertook a detailed scoping exercise to identify potential additional trust & foundation funding partners.

It is anticipated that the first project will begin in Nepal in Q3 of the 2024 – 2025 financial year, following the completion of suitable literacy textbooks. The Charity will monitor the delivery – and impact – of all projects closely, in dialogue with the partner. In addition, the Charity continues to seek to identify additional opportunities for joint working on minority language literacy projects in other countries. The trustees have identified digital means of supporting literacy (developing literacy 'apps' for phones/tablets) as a primary way to maximise literacy growth and reach. The Charity will consider how it can develop and promote such apps via partners over the next financial year, with a potential focus on minority languages in Southern Africa.

THE LITERACY INITIATIVE

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2025

The trustees consider safeguarding a governance priority and we require the same of our partners. As such, we require all partners to identify the steps they are taking to protect from harm all people with whom they come into contact, and we have clear requirements in our written partnership arrangements around properly reporting – and acting on – any incidents or allegations of harm.

The literacy projects in Nepal and other countries will have significant and sustained public benefit. They are being developed with language growth in mind and will enable local communities who (due to the previous lack of a suitable orthography in their mother tongue) have no means of becoming literate in those languages. Through such learning, they will also be enabled to 'bridge' to the language of wider communication, giving the communities access to government forms; health messaging; and other written materials which will improve social outcomes. We believe nobody should be left behind because of the language community that they were born into and we look forward to providing an update about the positive impacts of our work throughout the year, including via our website (www.theliteracyinitiative.org).

Financial review

During the period, the charity had a surplus on unrestricted funds of £70,069, arising from grants received for anticipated future expenditure.

Reserves policy

It is the policy of the CIO that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the CIO's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the period.

Risk management

The Board of Trustees has conducted its own review of the major risks to which the charity is exposed, and systems have been established to mitigate those risks. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

Structure, governance and management

The charity is a Charitable Incorporated Organisation (CIO). It was registered with the Charity Commission on 26th October 2023 (no. 1205439).

The trustees who served during the period and up to the date of signature of the financial statements were:

C J Bacon	(Appointed 26 October 2023)
M J Mathew	(Appointed 26 October 2023)
G C De Villiers	(Appointed 26 October 2023)

Recruitment and appointment of trustees

Trustees with relevant knowledge and experience with a heart for achieving the objects of the charity are recruited from time to time as needed by recommendation of the existing Trustees.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

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



C J Bacon

Trustee

Date: 19/12/2025

THE LITERACY INITIATIVE

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE LITERACY INITIATIVE

I report to the trustees on my examination of the financial statements of The Literacy Initiative (the CIO) for the period ended 31 March 2025.

Responsibilities and basis of report

As the trustees of the CIO you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011.

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

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared the financial statements in accordance with the relevant version of the Statement of Recommended Practice applicable to charities preparing their financial statements 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 the financial statements to provide a true and fair view in accordance with UK Generally Accepted Accounting Practice.

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 CIO as required by section 130 of the Charities Act 2011.
- 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 financial statements set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the financial statements 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.



John Caladine FCCA CTA FCIE

Caladine Limited
Chantry House
22 Upperton Road
Eastbourne
East Sussex
BN21 1BF

Date: 22 December 2025

THE LITERACY INITIATIVE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 MARCH 2025

	Notes	Unrestricted funds 2025 £
Income from:		
Grants and donations	3	84,518
Investments	4	263
Total income		84,781
Expenditure on:		
Charitable activities	5	14,712
Total expenditure		14,712
Net income and movement in funds		70,069
Reconciliation of funds:		
Fund balances at 26 October 2023		-
Fund balances at 31 March 2025		70,069

The statement of financial activities includes all gains and losses recognised in the period. All income and expenditure derive from continuing activities.

THE LITERACY INITIATIVE

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Notes	2025 £	£
Current assets			
Cash at bank and in hand		84,715	
Current liabilities	10	(14,646)	
		<u> </u>	
Net current assets			70,069
			<u> </u>
The funds of the CIO			
Unrestricted funds	11		70,069
			<u> </u>
			<u>70,069</u>
			<u> </u>

The financial statements were approved by the trustees on **13/12/2025**



C J Bacon
Trustee

THE LITERACY INITIATIVE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2025

1 Accounting policies

Charity information

The Literacy Initiative is registered with the Charity Commission for England and Wales (no. 1205439). It is governed in accordance with its Constitution dated 26 October 2023.

1.1 Reporting period

The accounting period for this set of financial statements is 26th October 2023 to 31 March 2025. This is the first period of reporting the activities of the CIO Charity.

1.2 Basis of preparation

The financial statements have been prepared in accordance with the CIO's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" 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)". The CIO is a Public Benefit Entity as defined by FRS 102.

The CIO has taken advantage of the provisions in the SORP for charities not to prepare a statement of cash flows.

The financial statements are prepared in sterling, which is the functional currency of the CIO. 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.

1.3 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the CIO 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.

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the CIO.

1.5 Income

Income is recognised when the CIO is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the CIO has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the CIO has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE LITERACY INITIATIVE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2025

1 Accounting policies (Continued)

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.7 Cash and cash equivalents

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

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 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 trade and other payables 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 payables 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 payables 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 CIO's contractual obligations expire or are discharged or cancelled.

2 Critical accounting estimates and judgements

In the application of the CIO'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.

THE LITERACY INITIATIVE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2025

3 Income from grants and donations

Unrestricted
funds
2025
£

Grants and donations 84,518

4 Income from investments

Unrestricted
funds
2025
£

Interest receivable 263

5 Expenditure on charitable activities

Charitable
activities

2025
£

Direct costs

Share of support and governance costs (see note 6)

Support 13,506

Governance 1,206

14,712

Analysis by fund

Unrestricted funds 14,712

THE LITERACY INITIATIVE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2025

6 Support costs allocated to activities

2025
£

Consultancy	12,500
Travelling expenses	1,006
Governance costs	1,206

14,712

Analysed between:

Charitable activities	14,712
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2025
£

Governance costs comprise:

Independent examination fees	240
Accountancy	900
Bank fees	66

1,206

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the CIO during the period.

8 Employees

The average monthly number of employees during the period was:

2025
Number

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

9 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

THE LITERACY INITIATIVE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2025

10 Current liabilities

2025
£

Accruals and deferred income	14,646
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11 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 26 October 2023 £	Incoming resources £	Resources expended £	At 31 March 2025 £
General funds	-	84,781	(14,712)	70,069

12 Related party transactions

There were no disclosable related party transactions during the period.