

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

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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:

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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.

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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.

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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:

DB07E25F49F849C...

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.

RSM UK Audit LLP

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><u>2,929,776</u></u>		<u><u>2,233,281</u></u>
The funds of the charity:					
Restricted Funds	13		2,497,117		2,143,343
Unrestricted Funds	13		432,659		89,938
			<u><u>2,929,776</u></u>		<u><u>2,233,281</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 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 £	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	Staff	Finance	Information	Total	
	£	Office £	£	£	Technology £	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	<u>31,615</u>	<u>44,274</u>
	<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	<u>7,596</u>	<u>8,875</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	<u>29,073</u>	<u>100,129</u>
	<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><u>2,037,060</u></u>	<u><u>6,281,523</u></u>	<u><u>(6,085,302)</u></u>	<u><u>-</u></u>	<u><u>2,233,281</u></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
	<u>17,434</u>	<u>2,912,342</u>	<u>2,929,776</u>

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.