

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

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

The financial statements comply with the Companies Act 2006, the trust deed and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

**REFERENCE AND ADMINISTRATIVE DETAILS**

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

**TRUSTEES**

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

**PATRON**

Her Royal Highness The Duchess of Cornwall

**PRESIDENT**

Baroness Prashar of Runnymede

**VICE PRESIDENT**

Amanda Jordan OBE

**REGISTERED OFFICE**

68 South Lambeth Road, London SW8 1RL

**CHARITY NUMBER**

1116260

**SCOTTISH CHARITY NUMBER**

SC042944

**COMPANY NUMBER**

05836486

**AUDITOR**

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

**BANKERS**

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

**WEBSITE**

[www.literacytrust.org.uk](http://www.literacytrust.org.uk)

**CHIEF EXECUTIVE**

Jonathan Douglas CBE

**COMPANY SECRETARY**

Catherine Hardwick

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

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The National Literacy Trust was established by Trust Deed dated 19 November 1992 and subsequently registered with the Charity Commission. The status of the Trust was changed with the registration of a new charity incorporated in England and Wales in June 2006 and re-registered with the Charity Commission.

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

### **ORGANISATION OF THE CHARITY**

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

### **RISK ASSESSMENT**

The Trustees are mindful of the need to identify and assess the major risks facing the charity. Appropriate procedures and systems have been implemented to ensure that risks are managed in ways to optimise the appropriate and effective use of all resources. A risk assessment has also been undertaken with regard to the current economic climate. An Audit and Risk Committee was formed in May 2014, to examine financial risks and organisational sustainability in more detail.

Strategic risks are identified on an annual basis as part of the annual delivery plan. Trustees receive a quarterly report on the management of these risks at the Audit and Risk Committee; these are then reported on to the full Board of Trustees. The highest ranked risks for 2021/22 were failure to secure sufficient core income to sustain the organisation and support growth and the risk of moving to a more distributed organisation. These risks were mitigated by the development and implementation of strategies that were regularly reviewed with progress reported to Trustees at each meeting.

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

### **OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT**

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

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

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

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### Our mission

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

### Our values

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

### Our approaches

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

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

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

#### In schools and early years settings

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

#### In communities

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

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

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

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

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

### **OUR PRIORITIES IN OUR THREE-YEAR STRATEGY**

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

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

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

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

We identified the following key aims for 2021-22:

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

The diagram shows how these aims drive our mission.

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



### OUR ACTIVITIES 2021/22

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

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

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

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

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### Our work directly with children and their families

#### Aims

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

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

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

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

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

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

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

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

### Our work with schools and settings

#### Aims

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

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

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

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

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

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

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



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

Our work with criminal justice settings continues to grow. Books Unlocked (our reading programme with the Booker Prize Foundation) grew by 12% to reach 102 settings with reading groups and author visits restarting in early 2022. National Prison Radio broadcasts nightly serialisations of books promoted through the programme across the prison estate. 1,470 copies of featured books were requested and distributed to prisoners. Evaluation has highlighted the impact of Books Unlocked: 61% of prisoners taking part said their reading skills have improved since taking part in the programme; 67% of participants reported they now talk more about reading; 63% said they were more confident with their reading since taking part in Books Unlocked; and 79% reported higher levels of wellbeing as a result of taking part in the programme. Our New Chapters programme is the platform for our work in Young Offender Institutions, where we deliver a combination of reading groups, wing libraries, author visits, reading champions, CPD for staff, audiobooks activities and Creative Writing Groups.

### Our work with communities and partners

#### Aims

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

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

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

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

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

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

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

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

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

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

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

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

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

### **OUR TARGETS FOR 2021/22**

#### **Work with 4,500 schools to address literacy recovery**

We worked with 4,863 schools

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

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

#### **Support 1m young people and families with digital literacy resources**

125,890 downloads supporting over 1m children

### **OUR TARGETS FOR 2022/23**

We will reach 310,000 children and distribute 200,000 books. We will reach 8,000 early years parents

We will work with 5,200 schools

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

### **FINANCIAL REVIEW**

The financial activities of the year are set out in detail on the attached pages. The net movement of funds for the year was an increase of £1,824,264. This comprised an increase in restricted funds of £1,480,406, and an increase in unrestricted funds of £343,858. Overall, the charity's funds increased from £2,929,776 at the beginning of the year to £4,754,040 at the year end, of which £736,368 was in unrestricted funds and £4,017,672 was in restricted funds.

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

Total expenditure for the year increased by £0.8m from £6.4m in 2020/21 to £7.2m in 2021/22.

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

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

### **POLICY ON RESERVES**

Total funds at 31 March 2022 were £4,754,040 (2021: £2,929,776). Restricted funds, not available for the general purposes of the charity, were at £4,017,672 (2021: £2,497,117). There were no designated funds held.

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

The charity holds free reserves in order to:

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

The balance held as unrestricted funds at 31 March 2022 was £736,368, all of which is regarded as free reserves. This is over three months of unrestricted expenditure (this calculation is tailored as appropriate to include only relevant costs for continuing the charity). The strategy is to maintain the reserves at this level and continue to aim to increase them in line with the growing size of the organisation.

The Trustees are confident that this will be achievable.

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**POLICY ON FUNDRAISING**

The charity does not employ any external professional fundraisers or consultants, and is very careful to comply with all proposed and enacted legislation in this space. The relevant fundraising standards have been complied with and no complaints received.

**TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS**

The Trustees (who are also directors of the National Literacy Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

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

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR**

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

This report was approved by the board of Trustees and signed on its behalf on 20 July 2022

Signed   
Trustee Joanna Prior

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

### Chair's Report

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

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


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

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

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

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

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

DocuSigned by:  
  
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**Joanna Prior**  
**Chair**

20 July 2022  
Date .....

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

### Opinion

We have audited the financial statements of the National Literacy Trust (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### Other information

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

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

We have nothing to report in this regard.

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

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

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

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

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

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

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Report of the Trustees and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

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

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

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

### Use of our report

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



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

responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

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

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

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

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

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

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

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

**Joanna Prior**  
Chair

DocuSigned by:  
*Joanna Prior*  
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**Lara White**  
Treasurer

DocuSigned by:  
*Lara White*  
1198BE5B047D4E1

**Date**

20 July 2022

**THE NATIONAL LITERACY TRUST**

**STATEMENT OF CASHFLOWS  
FOR THE YEAR ENDED 31 MARCH 2022**

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

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

## THE NATIONAL LITERACY TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

#### 1. ACCOUNTING POLICIES

##### a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

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

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

##### b) Going Concern

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

##### c) Fixed Assets

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

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

Office Equipment	-	25% per annum
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##### d) Income

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

Voluntary income includes grants and donations from companies, trusts and individuals.

Grants and sponsorships receivable consists of Government Grant Income relating to website development, publications, policy and research and sponsorship of specific projects as well as grants from corporate supporters.

Literacy training courses income is generated from delegate fees charged to attendees of literacy courses and seminars.

Fundraising income consists of sponsorship in respect of events held and donations in return for promotional materials.

Membership subscriptions for online networks are treated as payment for services, and are recognised over the period of membership, i.e. equally over 12 months.

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

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

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

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

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

**f) Fund Accounting**

The unrestricted funds comprise general funds, which are available for use by the Charity for its general objectives. The restricted funds are subject to restrictive conditions made by the grant-making body or donor. Transfers between funds are explained in Note 13.

**g) Taxation**

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

**h) Operating leases**

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

**i) Stocks**

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

**j) Pension Scheme**

The charity operates an auto enrolment defined contribution pension scheme, although the scheme does not have a guaranteed element of pension benefits. The pension costs charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the charity in an independently administered fund. Additional disclosures in respect of the guaranteed element of the pension scheme benefits are given in the notes to the financial statements.

**k) Financial instruments**

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

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

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

**Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

**Basic financial liabilities**

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

**l) Judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

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

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

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

**2. INCOME**

**a. Donations and legacies**

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

Income from donations and legacies is unrestricted in 2021.

**b. Income from charitable activities**

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

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

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

**c. Other trading activities**

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

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

**d. Other income**

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



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

**3. EXPENDITURE**

**a) Analysis of total resources expended**

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

Support costs of £719,468 (2021: £448,338) included within restricted projects above are included within unrestricted expenditure in the Statement of Financial Activities as they are an allocation of core costs covered by restricted income allocated to core funding.

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

**3. EXPENDITURE (continued)**

**b) Analysis of support costs**

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

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

**3. EXPENDITURE (continued)**

**c) Analysis of costs of raising funds**

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

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

**4. NET INCOME**

Net income for the year is stated after charging:

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

**5. STAFF COSTS**

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

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

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

**6. EMPLOYEE AND TRUSTEE INFORMATION**

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

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

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

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

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

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

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

**7. TANGIBLE FIXED ASSETS**

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

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

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

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

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

Included within Other Creditors are amounts totalling £33,343 (2021 £24,490) relating to the Section 75 debt on withdrawal from the Pension Trust Scheme, following the reclassification of some to long term liabilities.

<b>Movement in Deferred Income</b>	2022	2021
	£	£
Brought forward at 1 April 2021	198,649	118,948
Released during year	(860,705)	(739,340)
Deferred during year	<u>766,385</u>	<u>819,041</u>
Carried forward at 31 March 2022	<u>104,329</u>	<u>198,649</u>

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

<b>11. CREDITORS: Amounts falling due after more than one year</b>	2022	2021
	£	£
Other Creditors	<u>98,124</u>	<u>114,797</u>
	<u>98,124</u>	<u>114,797</u>

Included within Other Creditors are amounts totalling £98,124 (2021 £114,797) relating to the Section 75 debt on withdrawal from the Pension Trust Scheme, following the reclassification of some from short term liabilities.

**12. FUTURE FINANCIAL COMMITMENTS**

**Operating leases**

As at 31 March 2022 the charity had total commitments under non-cancellable operating leases as set out below:

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

## THE NATIONAL LITERACY TRUST

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

#### 13. FUNDS

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

## THE NATIONAL LITERACY TRUST

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

**13. FUNDS (continued) 2020-21**

	At 01-Apr-20	Income	Expenditure	Transfers	At 31-Mar-21
	£	£	£	£	£
<b>RESTRICTED FUNDS</b>					
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>
<b>UNRESTRICTED FUNDS</b>					
General Funds	89,938	2,745,806	(2,400,191)	(2,894)	432,659
<b>TOTAL FUNDS</b>	<u>2,233,281</u>	<u>7,083,885</u>	<u>(6,387,389)</u>	<u>-</u>	<u>2,929,776</u>

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

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

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

**13. RESTRICTED FUNDS (continued)**

Our programmes and their funding sources:

1. **Literacy Hubs** - funding for cross-hub working.
2. **Hastings Hub** - a literacy hub established in Hastings.
3. **Nottingham Hub** - funded by Nottingham City Council and Small Steps Big Changes.
4. **Swindon Hub** - originally funded WH Smith Plc.
5. **Stoke Hub** - a literacy hub established in Stoke.
6. **Bradford Hub** - a literacy hub established in Bradford.
7. **Peterborough Hub** - funded by Peterborough City Council.
8. **Middlesbrough Hub** - funded by Middleborough Public Health.
9. **Scarborough Hub** - funded by Scarborough Borough Council.
10. **Redcar Hub** - funded by Public Health NE.
11. **Birmingham Hub** - funded by Birmingham University.
12. **Manchester Hub** - funded by Manchester City Council.
13. **Story Quest** - an innovative project around walk and talk trails in Stoke, funded by Sport England.
14. **Nottingham Big Lottery** - funding from the Big Lottery Fund to support the hub for the next three years with a focus on community consultation and literacy champions.
15. **Peterborough Big Lottery** - funding from the Big Lottery Fund to support the hub for the next three years with a focus on community consultation and literacy champions.
16. **Black Country Hub** – EY funded hub across the area- funded by ACE
17. **Dundee Hub** - starting to bring together funders to create a hub in Scotland.
18. **Inspiring Parents** - engaging with disengaged parents of Year 5 low achieving children to improve their children’s reading levels.
19. **Doncaster Hub** - a literacy hub funded by the Doncaster OA.
20. **Blackpool Hub** - a literacy campaign funded by Blackpool OA and LA.
21. **Nottingham & Peterborough Big Lottery** - funding from Big Lottery to deliver a Doorstep to Digital project during Lockdown.
22. **Connecting Stories** - a cross hub campaign funded by Arts Council. This project is to promote creative writing and reading for enjoyment across 14 hubs and with the aim of engaging 70,000 people.
23. **Suffolk Campaign** - a campaign across Suffolk funded by Suffolk County Council.
24. **Books Unlocked** - a reading initiative targeting enjoyment of reading and access to quality literature, working through prison and young offender institution library reading groups, school, college, public library and community reading groups.
25. **New Chapters** - funded by Rothschild Foundation to work in Aylesbury Youth Offending Institute (YOI) to develop a YOI Reading for Pleasure programme.
26. **Criminal Justice Employability** - a YOI version of Words for Work.
27. **Audible Project** - inspiring Young Offenders through audible books and making a podcast.
28. **Literacy for Learning** - a revolutionary approach to improving secondary school language and literacy. Funding from JJ Charitable Trust received to scale up the previous programme.
29. **Early Years** - training practitioners and volunteers to work with parents and children, building parents’ confidence so that they can support their children’s communication, language and literacy skills at home. Funded by the Department for Education (Ipswich Opportunity Area), Glasgow Local Authority, Manchester Local Authority, The Nuffield Foundation and Trusts and Foundations including Dulverton and Mercers. Our Early Years programmes include Early Words Together, Early Words Together@2, HELLO and Everyone Ready for School.



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

**13. RESTRICTED FUNDS (continued)**

Our programmes and their funding sources (continued):

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

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

**32-33. Premier League Reading Stars, Sport and Literacy** - working with high-profile partners such as the Premier League and England Rugby, we deliver literacy programmes, competitions and events using sport and role models to engage and inspire pupils to read and write more. Funded by Premier League, Football Association, BT Supporters Club, Comic Relief (Try for Change), Clarks and Trusts and Foundations. Our Sport and Literacy Programmes include Premier League Primary Stars, Rugby Reading Champions, Skills Academy and Gamechangers – our programmes in Alternative Provision.

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

**35-36. Young Writers Programme and Newswise** - providing memorable experiences, a real purpose and audience, access to professional writers and structured writing strategies to inspire and improve students' writing. Funded by Trusts and Foundations including Alasol, Paul Hamlyn Foundation and Corporates including Audible, Google (via Guardian Foundation), Royal British Legion. Our Young Writers programmes include NewsWise, Young City Poets and IPEEL.

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

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

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

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

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

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

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

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

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

**THE NATIONAL LITERACY TRUST**

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

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

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

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

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

**15. PENSION COSTS**

Employees are offered the opportunity to contribute from 1% of their basic salary. (There is no obligation to make a personal contribution).

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

**16. GRANTS AWARDED**

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

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

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

**18. FUNDS RECEIVED AS AGENT**

The charity has agreed to administer a bank account on behalf of Annington Management Ltd for a campaign to show the benefits of using subtitles in children's television programmes. At the balance sheet date funds of £24,922 (2021: £105,001 in restricted funds) were held in the account. During the year funds of £6,333 (2021: £132,500) were received into the account and £86,411 were paid out (2021: £91,438). An admin fee of £3,000 was received.