
NATIONAL NUMERACY
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

NATIONAL NUMERACY
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the charity, its trustees and advisers	1
Trustees' report	2 - 12
Independent auditor's report	13 - 14
Consolidated statement of financial activities	15
Consolidated balance sheet	16
Company balance sheet	17
Notes to the financial statements	18 - 32

NATIONAL NUMERACY
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Trustees

Belinda Vernon, Chair
John Griffith-Jones, Vice-Chair
Jill Cornish
Professor Alison Halstead (appointed 15 November 2015)
Diana Hatchett
Wendy Jones
Chris Rhodes

Company registered number

07886294

Charity registered number

1145669

Registered office

Phoenix House, Lewes, East Sussex, BN27 2QJ

Secretary

Mike Ellicock

Chief Executive

Mike Ellicock

Independent auditor

Knill James, One Bell Lane, Lewes, East Sussex, BN7 1JU

Bankers

Clydesdale Bank, 5 Peveril Court, 6-8 London Road, Crawley, RH10 8JE

NATIONAL NUMERACY
(A company limited by guarantee)

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

The trustees of National Numeracy are pleased to present their report and accounts for the year ended 31 December 2015.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charities Act 2011, the Companies Act 2006, the charity's Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities.

Structure, governance and management

National Numeracy is a company limited by guarantee which was established on 19 December 2011. It was registered as a charity on 30 January 2012.

The trustees, who are also the directors for the purpose of company law, and who served during the period were:

David Frost, CBE DL, Chair (resigned 10 June 2015)
Belinda Vernon, Chair (appointed Chair July 2015)
John Griffith-Jones, Vice-Chair
Jill Cornish
Alison Halstead (appointed 15 November 2015)
Diana Hatchett
Wendy Jones
Lord (Claus) Moser (deceased September 2015)
Chris Rhodes

The trustees have full responsibility for all legal and financial matters. Any additions to the membership of the trustees follows invitation by the Board of Trustees after due consideration. New trustees receive a full and comprehensive briefing before their first meeting.

All the trustees give of their time freely and none of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up. Two of the named trustees, Wendy Jones and Diana Hatchett, also acted as paid specialist consultants to National Numeracy. In this aspect National Numeracy has acted fully within the terms of its constitution and the Charities Act in agreeing to pay these trustees, and the organisation has followed the Charity Reporting and Accounting Rules in its legal agreements with them.

Trustees are required to disclose all relevant interests. Details of trustee expenses and related party transactions are disclosed in a note to the accounts.

a. Organisational matters

The work of National Numeracy, including that of National Numeracy Solutions Limited (NNS), is overseen by the board of trustees, which met five times during 2015. In July we were pleased to appoint founding trustee Belinda Vernon as chair following the resignation of David Frost. We thank David for his service from 2014 to 2015. Professor Alison Halstead was also welcomed onto the board of trustees in November 2015.

In November we set up a nominations sub-committee of the board to consider senior appointments and succession planning. This sub-committee will meet quarterly.

New trustees are proposed by the Nominations Committee and approval is by the whole board. New trustees are provided with the relevant Charity Commission guidelines for trustees and all relevant documentation for National Numeracy. They are then invited to visit the offices to meet the team and learn first-hand about the

NATIONAL NUMERACY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015

projects and activities of the charity. In 2015 National Numeracy held a strategy day where trustees and staff were invited to take part in a series of activities and group meetings to establish the aims and objectives for 2016 within the wider strategy.

In 2015 the trustees also approved a remunerations policy to establish guidelines on pay and pay structure for employees of the charity. In line with that policy and in accordance with the Statement of Recommended Practice (SORP): National Numeracy discloses all payments to trustees (no trustees receive 'pay'), discloses the number of staff in receipt of more than £60,000 and above (in bands of £10,000), and discloses pensions and other benefits.

The Chief Executive and National Numeracy trustees review the salaries of staff annually, approve the annual percentage increase in the payroll for all staff (which can be zero) taking into account RPI as at 31 December for the previous year, and approve any staff salary increases outside of the annual review process as recommended from time to time by the Chief Executive. The trustees also determine pension arrangements. In addition, the Nominations Committee (comprising 4 trustees) advises on the salary of the CEO, for decision by the board.

There is also a Strategy Group which meets every six weeks. Members of this group include; Mike Ellicock, Wendy Jones, Belinda Vernon, Di Hatchett, Emily Kramers, Alison Plant and Paul Milner. This group decides on priority areas for action and makes decisions pertaining to the direction of the main projects and their progress.

Further to this there is a Management Group, which meets monthly to discuss operational issues, cover specific project matters, decide on capacity priorities and staffing issues. In addition, the Lewes office staff meet every two weeks to discuss general office matters and ongoing project business.

Mike Ellicock is both Chief Executive and Company Secretary and is responsible for the day-to-day governance of the charity, including liaison with partner organisations.

National Numeracy Solutions (the trading subsidiary) has a board consisting of Mike Ellicock and Alison Plant. During this period, Lynn Churchman and Serge Tasic resigned as board members. Matters relating to NNS are discussed at the Strategy Group meetings of NN.

We were deeply saddened by the death in September of our colleague Lord (Claus) Moser, a founding trustee and an inspiring force behind National Numeracy's formation. A former head of the Central Statistical Service, his subsequent work exposed the extent of low numeracy in the UK and increased political and public awareness of the issue. We are indebted to him for the wisdom and dedication that he brought to the work of the board. He is greatly missed.

b. Finance and funding

In 2015, after four years of organisational growth, we reviewed our activities in order to set priorities for the next few years. We agreed a new business plan with a clearer focus on key projects and areas where we believe we can have the greatest impact: in particular, work with adults, young people outside formal education and families – underpinned by our ongoing activity in influencing public attitudes and advising on policy.

Income to the charity in 2015 was slightly down on the previous year at £732,781 largely because several sums were received at the end of 2014 and accounted for in that year but spent in 2015, which also means that expenditure for the charity for the year was higher than income, at £932,103. Staffing levels remained similar to those of the previous year.

During the year National Numeracy received funding from Nationwide Building Society, the Department for Business, Innovation and Skills, Ufl Charitable Trust, UBS AG, Aspect Capital Ltd and Google Ad Grants. We were funded by the Mayor's Fund for London to work with them on a project. We also received support from Brighton University towards the employment of graduates as interns. Grants carried over from 2014 and partly

NATIONAL NUMERACY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015

spent in 2015 came from the Rayne Foundation, Mercers' Company, Man Charitable Trust, Paul Hamlyn Foundation and the Behavioural Insights Team. We are grateful to all our generous funders.

Overall the trading arm, National Numeracy Solutions (NNS), had a total turnover of £724,705, achieving a profit of £7,098 and contributing to the work of the charity.

At the turn of the year (2015/16), NNS's contractual agreement with Lynn Churchman was terminated by mutual consent. This was in line with our agreed greater focus in future on activities outside formal education where we believe we can have the greatest impact. Lynn's school improvement business, National Mathematics Partnership (NMP), was acquired by National Numeracy in 2013, with Lynn leading a team of specialist education consultants. Lynn is a former trustee of National Numeracy and was instrumental in its early development and we are very grateful for her specialist work and expertise over the past four years. We also congratulate her on being awarded an OBE in the New Year's Honours List.

The 2013 acquisition of the business of NMP by NNS included a sum for goodwill and an element of this is carried forward into the 2016 accounts as part of the amortisation process. We have adjusted the amortisation period from five to three years, to reflect the reality of the situation as it now stands. We are continuing to deliver services and products to schools and businesses through NNS, working with a range of consultants, but with less emphasis on in-school teaching and curriculum projects.

c. Risk assessment

The trustees have assessed the major risks to which the charity is exposed and maintained a detailed risk register during 2015, and are satisfied that systems are in place to mitigate exposure to the major risks. There is a risk register and key staff members have been allocated areas of responsibility. The register was regularly updated by senior management and reviewed by trustees at quarterly board meetings.

d. Objectives and activities

The objectives of the charity are to promote education for the public benefit in mathematics and numeracy. The policies and activities adopted in furtherance of these objects are set out below. The trustees have paid due regard to guidance on public benefit issued by the Charity Commission in deciding what activities the charity should undertake.

e. Reserves

As a young organisation, the trustees have been looking to establish free reserves of up to one year of unrestricted level expenditure in order to ensure the uninterrupted continuation of what is inevitably a long-term programme of work vital to the UK economy. This policy has been pursued in order to give the organisation some flexibility to respond to unforeseen opportunities as they arise in the early years. The trustees regularly review the level of reserves and have established designated funds of £190,000 to secure the continuation of the National Numeracy Challenge in 2016 in the event of no further specific funding becoming available. This leaves a free reserves level, after allowing for funds earmarked for contract provision, of £249,941 which is broadly in line with policy (unrestricted expenditure for 2015 being £277,302).

f. Investment Policy

As well as operating accounts, National Numeracy also maintains both instant access deposit accounts and longer term deposit accounts in order to provide interest on funds received. National Numeracy owns no property and has no further capital investment plans.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015

Achievements and performance

a. Progress in 2015

National Numeracy was established at the beginning of 2012 to help improve numeracy – or everyday maths skills – among adults and children in the UK. Besides developing practical projects, it aims to change negative attitudes towards maths and works with a range of organisations, including government, to help develop effective policies and approaches to raising numeracy levels.

During the past year, National Numeracy has developed and extended its work in a number of areas, building on earlier activity but also initiating new projects and responding to new opportunities. The challenge of improving numeracy is huge and there is a great deal to be done. However, the trustees recognise that, after four years of considerable growth, the time is now right to concentrate effort on those areas where the charity can be the most effective and make the greatest difference.

Below is a summary of activity in 2015, followed by a look ahead to 2016.

b. Numeracy for adults and young people

The trustees believe that helping to improve numeracy levels among adults and teenagers must be a key activity for National Numeracy since this is an area of particularly great need, one that is relatively under-served and one where the charity can have real impact.

Our main focus consequently is the National Numeracy Challenge, a UK-wide initiative launched in 2014 to target the millions of adults with practical everyday maths skills below Level 2 (regarded as the same level as a GCSE A*-C pass). We know from government statistics that three-quarters of the adult population in England are in this category, including many younger adults who do in fact have GCSE maths but who nonetheless appear unable to apply their school maths to real-life mathematical problems in the workplace and other areas of everyday life. The Challenge is therefore designed to help people develop the practical mathematical skills and understanding that is missing among so large a section of the population. It encourages positive attitudes to maths, helps people test their own numeracy through a Challenge Check-up, assesses their level, signposts tailored online learning and offers a subsequent re-assessment. It is underpinned by our Essentials of Numeracy for All model, which delineates the skills and attitudes needed for good numeracy.

During 2015 the Challenge website was visited by 131,000 people, 24,000 of whom went on to register for the Challenge. Of these, almost 2,000 followed the whole journey through and demonstrated a measurable improvement in their numeracy. That figure does not include many others who completed the assessment and engaged in some learning but did not take the assessment a second time. We also estimate (by scaling up survey data) that the site helped to create more positive attitudes to maths among 12,000 of these people. We sent regular reminders and information about the project to 60,000 Challenge users to keep them motivated and engaged.

The Challenge is therefore beginning to show results, but we recognise that it has the potential to engage many more people and make a difference to their lives. So, in order to understand how we might improve these early results, tackle the drop-off points and translate more initial interest into real achievement, we carried out considerable analysis and user-testing during the year. This led to a number of changes to the site towards the end of 2015. Early results have indicated that these changes are beginning to improve the level of real engagement. For example, the proportion of those who registered and went on to undertake some learning went up from 17% to 33% (by early 2016). We are continuing to monitor the changes to assess their effectiveness.

Partnerships are key to the success of the Challenge through identifying and connecting us to more people with

NATIONAL NUMERACY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015

real numeracy needs. During the year – and building on our initial engagement in 2014 with Nottingham University Hospitals NHS Trust – we made particular efforts to engage partners in the healthcare sector. In July a webinar hosted by the Skills Academy for Health allowed us to introduce National Numeracy and the Challenge to a number of NHS trusts. This led to a partnership with Health Education England with a range of work proposed and plans for a numeracy review (explained below) in three NHS trusts.

We began working with the Department for Work and Pensions (DWP) on proposals for helping to improve the numeracy of benefit claimants and arranged focus groups in six Jobcentre Plus offices. We also tested a five-minute, paper-based 'numeracy screener' that we developed during the year and are now ready to trial more widely. This tool will allow Jobcentre Plus staff to quickly and easily identify those people with low numeracy. We are continuing discussions with DWP on ways of incorporating the Challenge into the new Universal Credit system being rolled out over the next two years. We believe this represents a significant new opportunity to reach people with real numeracy needs.

During the year we developed a 'Numeracy Review' model for employers. This uses the Challenge to assess staff numeracy levels and attitudes, analyses results against national and sector data and suggests next steps. We hope this will lead to new recognition of the importance of numeracy in the workplace, as well as generating a revenue stream for National Numeracy. The first review was carried out for Premier Inn, part of the Whitbread Group, and others are due for delivery in 2016 in a number of organisations, including Sheffield City Council which has commissioned a review of 1,000 staff as part of its plan to improve confidence and in-work progression. We also began work on a new 'supervisor access' function allowing organisations to access specific data, and a manual version is being tested before developing digital provision.

We worked with the Money Advice Service to create a simple digital quiz, the aim being to allow adults to see the value of everyday maths skills in helping them manage their money. The quiz features in six places on the MAS website and our aim now is to version it for inclusion in other relevant online settings.

We continued to improve and update our material supporting the Challenge Champions initiative, which encourages people to volunteer to help others improve their numeracy. We worked closely with the retail and distribution union, USDAW, which signed up 20 champions and engaged over 260 workers with the Challenge.

Work also began with the Workers' Educational Association (WEA) to embed numeracy more strongly across its activity. In a project funded by Man Charitable Trust, materials were created to train tutors to bring out the numeracy and mathematical thinking in non-maths courses. Nine tutors and nearly 800 students were involved in the 2015 pilot and 15 volunteers were signed up as Challenge Champions. Although this initial work led to only a small number of learners registering for the Challenge Check-up, WEA have indicated that they are keen to develop further materials and expand the programme in 2016/17 to include 250-300 tutors and reach up to 10,000 students.

One new project which started during 2015 with funding from the Ufl Charitable Trust was the development of a numeracy app for mobile phones. This aims to engage 16-25 year-olds, encouraging numerate thinking and improving numeracy skills. This is a key target group for us because OECD research suggests that, compared to other nations, the UK is failing to improve the numeracy of its young people in particular. The app will be launched in the coming year.

We continued our Firm Foundations for All project which explores how physical resources familiar in primary schools can be used to develop conceptual understanding and number sense among adults with very low numeracy – those who need preliminary help before being able to progress to the Challenge. The pilot phase, funded by the Paul Hamlyn Foundation, tested materials specially adapted to the adult maths curriculum with 70 adult learners in four different groups. Feedback from tutors and learners suggested that such resources can play an important part in developing conceptual mathematical understanding and that they are acceptable to most learners. We are now seeking funds to progress the initial work into a further phase where we create a separate digital version of the physical resources used, in order to expand access and reach more people.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015

c. Numeracy for children and families

Alongside our emphasis on improving people's numeracy after they have left school, we recognise the need to inculcate positive attitudes to maths in children while they are at school and before, starting to build solid understanding and skills from the earliest age.

Helping parents and carers to support their children's maths learning is therefore an increasing focus for us and an area where we feel we can add particular value. We completed the first phase of our parental engagement project, funded by the Paul Hamlyn Foundation. This involved creating new resources and testing them over several months between 2014 and 2015 in seven primary and three secondary schools in England and Wales. We carried out surveys of parents, teachers and children at the start and end of the project and found that 72% of parents felt more able to support their children with maths, while the proportion of staff saying they often engaged parents in their child's maths learning went up from 17% to 42%.

During 2015, with funding from Aspect Capital, we built upon this success by updating and improving our website for parents of children up to the age of 13, responding to feedback from the initial site pilot and improving accessibility, navigation and search functions. Relaunched in September as the Family Maths Toolkit, it now offers extensive advice and resources for parents on developing children's appreciation and understanding of maths outside school, information for schools on how best to engage parents in children's maths learning, as well as activities for children themselves. In keeping with our overall aim of creating more positive 'can-do' attitudes to maths, the site encourages parents to be positive about maths, to praise their children's efforts not talent and to point out the maths in everyday life. The site attracted 13,000 visitors during the year, with a significant increase in the last four months of the year following the re-launch. We are continuing to seek new ways to increase the site's reach and engagement.

We also devised 90 new activities for our Family Maths Scrapbook, which sets weekly challenges for parents, carers and children in years 1-4 to work on together, solving everyday maths problems linked to events on the calendar. We sold nearly 7,000 of these to schools during the year and anecdotal evidence and individual feedback entered into the scrapbooks suggested the resources were highly appreciated; parents told us that their children were enjoying the everyday problem-solving that the scrapbooks offered and that the problems were pitched at the right level.

We also started work, with funding from the Mayor's Fund for London, on a project, Count on Us, to improve parental engagement in 25 London primary schools and to assess more methodically the effectiveness of the scrapbooks. Surveys were carried out to test parents' and children's attitudes to maths and to assess what parents need to help their children better. The results were reported back on a school-by-school basis and the schools then built the findings into their own action plans. Initial feedback from two schools suggested that between a half and two-thirds of children and parents were making use of the scrapbooks. Further surveys will be carried out in mid-2016 to assess changes over the project period and teachers are also being asked to track the attendance, behaviour and maths attainment of a sample of children.

We worked with children's publishers, Hachette, to carry out a survey of 300 parents – linked to the publication of a new maths picture book, *One Thing*, by the author Lauren Child – and this revealed that parents were much more likely to do reading and language activities with their children than maths-related activities. In addition our annual YouGov survey showed that helping their children with maths was the main reason that parents wanted to improve their own numeracy. These findings all help to inform our future work with families.

We also extended our reach to practitioners through contributing a foreword to a specialist book, *Mathematics in the Early Years*, published by the Professional Association for Childcare and Early Years and we wrote a blog for the Oxford University Press website, explaining the importance of engaging parents in their children's maths learning.

We continued more formal improvement work directly in schools through our trading arm, National Numeracy

NATIONAL NUMERACY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015

Solutions (NNS), and the school improvement business led by Lynn Churchman and acquired by National Numeracy in 2013, National Mathematics Partnership. Consultants working through NNS provided a range of tailored support in 102 primary and secondary schools during 2015; this ranged from one-off training events to longer-term improvement programmes and covered many aspects of mathematics teaching and learning.

Considerable development work was carried out on Passport Maths, our resource for students starting secondary school below the expected standard. The website was completely rebuilt with new activities added and the accompanying student book was re-designed. Nearly two-thirds of schools who had previously bought Passport Maths renewed their licence on expiry and overall nearly 60 schools used the resource during the year. We hope to expand interest and use in 2016.

During the year we won funding from the financial firm, UBS AG, to work with staff and pupils in primary schools in Hackney, north London, on building numerate behaviour and understanding in children. Development work towards the end of the year led to a launch in eight schools in January 2016.

In September National Numeracy worked with Professor Jo Boaler of Stanford University on a project involving nearly 300 primary and secondary schools in England and Wales. Designed to change children's attitudes to maths, the Week of Inspirational Maths was based on a successful US approach and offered participating schools a set of five complete lesson plans with other free resources aimed at motivating students to learn differently and dispel myths that some people 'can't do maths'.

d. Supporting policy initiatives

National Numeracy aims to shine a spotlight on the issue of poor numeracy, contributing to the political and wider discourse on the subject. We work with policy-makers and practitioners to ensure awareness of the importance of practical maths skills and to help achieve changes that will help improve the numeracy of adults, young people and children.

In the run-up to the 2015 general election, we presented our Manifesto for a Numerate UK to key politicians and political advisers, discussing with them ways to support the development of everyday maths skills. Before and after the election, we met ministers and officials from the Department for Business, Innovation and Skills, the Department for Education and the Department for Work and Pensions to discuss a range of issues. We also responded to a number of government and parliamentary consultations.

We were pleased to note increasing recognition of the need for a post-16 alternative to GCSE maths and towards the end of the year started to contribute to early work on the review of Functional Skills, proposing the incorporation of our Essentials of Numeracy into a revised maths qualification. This work, being led by the Education and Training Foundation, is continuing in 2016.

We continued our contact with the administrations in Scotland and Wales, completing our contract with the Welsh government to provide numerical reasoning training and support for teachers, and in Scotland contributing to the work of the National Numeracy Network and a new cross stakeholder project, Making Maths Count, aimed at generating more enthusiasm for maths among children, parents and the wider public.

At Westminster we supported the work of the All-Party Parliamentary Group on Maths and Numeracy, providing co-secretariat services and helping to re-form the group in the new parliament. We organised a session for the group with Ofsted's National Mathematics Lead, Jane Jones, who gave her view on the state of maths education in England.

We held two further sessions of the Numeracy Forum, established to bring together a range of bodies and individuals with different perspectives on numeracy. Subjects discussed included parents' support for their children's maths learning, the changes needed in policy and practice on adult numeracy, and the part played by numeracy in both health and money management. As a member of the Fair Education Alliance, we contributed to a range of work preparing for a 2016 Report Card on the state of educational equality in the UK. We also

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015

continued to spread our messages and win support through attending and speaking at a number of conferences, seminars and festivals.

e. Influencing culture and attitudes

Creating a more positive 'can-do' approach to mathematics and helping people appreciate the importance of numeracy in everyday life are elements of all of our practical projects. But in addition we constantly look for ways to take our messages to people more widely and so work towards changing the culture broadly. This is a long-term ambition but one that goes hand-in-hand with the practical work of helping to raise numeracy levels across the UK: we know that people will be more likely to take steps to improve their numeracy if they understand why it is both important and possible. We recognise that progress in creating more positive attitudes will be gradual and uneven and in some respects hard to measure, but initial steps are being taken and we have been encouraged by some successes.

Throughout the year we maintained a high media profile, with our activities and views covered in national, regional and specialist press and on online sites. We took part in a number of interviews on radio and television, both local and national. We contributed to public debate on several issues, including changes in the odds of winning the Lottery, numeracy as part of personal finance, the importance of parents engaging in their children's maths learning and the increase in the number of GCSE Maths re-takes.

One particular success was in using social media to persuade the cosmetics company L'Oréal Paris UK to drop its negative 'no good at maths' advertising tagline. The company's positive response to our request attracted a good deal of media coverage.

We also continued to work with the BBC on its Maths of the Day campaign, which highlighted the maths in football, with several short films, quizzes and online guides, together with celebrity support from Rachel Riley and a number of sports personalities. The project, which coincided with the 2014-15 football season, helped to attract many additional visitors to the National Numeracy Challenge website.

In July we took part in a five-day CBeebies show run by the BBC in Weston-super-Mare, Devon. This attracted 42,000 visitors and, as part of our parental engagement work, allowed us to talk directly to many families with young children, helping them with early years maths learning in areas such as weights and measures. We were supported by two volunteers. We also worked closely with the publishers of a new children's picture book with a maths theme and featured an interview with its author, Lauren Child, on our website and on YouTube.

In the early part of the year we carried out a major refreshment of our website, improving content and navigation and presenting significant content more clearly. The number of unique visitors to the National Numeracy site (separate from the Challenge site) was over 184,000 in 2015, a very slight decrease on the previous year when visits had been boosted by publicity surrounding the launch of the Challenge. In June we secured a grant from Google to run free Adwords advertising for the Challenge and in the second half of the year this started to generate extra traffic.

On social media, our Twitter following grew by 60% to over 5,000 and our Facebook fans grew in number by 40% to over 650. We sent out regular updates by email to a database of nearly 3,000, with news tailored to different interest groups.

f. Research and evidence

We aim to inform our work with relevant research findings, including evidence produced externally and data gathered from our own projects. We also aim to evaluate the effectiveness of different aspects of our work so as to decide the best ways of improving future performance.

One particular research focus during 2015 was numeracy in health. We recognised that number understanding

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015

and skill are crucial both to healthcare professionals and to patients in looking after their health and that the NHS could be an important route to reach large numbers of people. We carried out extensive desk research on how numeracy among NHS staff affects the delivery of healthcare and also on the impact of individuals' numeracy in managing their own health and fitness. We then worked with researchers from the Behavioural Insights Team on how best to motivate healthcare assistants to improve their numeracy. We prepared the ground with focus groups and observations at two hospital trusts, and then ran a trial among healthcare assistants at Cambridge University Hospitals Trust, comparing responses to different messages about reasons for improving numeracy. The results delivered some valuable insights which we are feeding into our offer of numeracy reviews for hospital trusts; we hope to expand this work with more trusts during 2016.

In March we carried out our fourth annual online survey of public attitudes to numeracy with YouGov. A third of the adults polled said they wanted to improve their numeracy and the most common reason they gave for wanting to do so was to manage their finances better. The poll also suggested a reduction in people bragging about poor numeracy (which has long been a concern of National Numeracy), with more people than in the previous year admitting they would be embarrassed to admit to being no good at maths; however the number of people embarrassed to say the same about their reading and writing skills remained significantly higher.

During the year we sought out and published on our website relevant UK and international research with explanatory summaries and we produced a number of short reports of our own on current thinking on various aspects of numeracy.

Measuring the effectiveness of our work is a significant challenge, especially when it comes to assessing changes in people's attitudes to numeracy, both individually and across the population. We continued to seek better ways of doing this, developing and starting to implement an internal monitoring and assessment framework that will ensure consistency of approach across different projects. Towards the end of the year we also developed a 'scorecard' which allows the organisation to report more consistently to the trustees against set key performance indicators, making use of standardised measures and evaluation criteria and for the first time using existing data to set new targets so that we can track performance more accurately.

Aims for 2016

During the coming year, National Numeracy will focus on a clear set of priorities where we believe the charity can have the greatest impact. We now have a range of well-developed products and services and aim to extend the reach and impact of these so that we can deliver real improvements to even more people. We also have a voice and expertise to help bring about significant and lasting change. Our overriding long-term aims remain to help eradicate low numeracy in the UK – to the benefit of people individually and society more broadly – and to dispel negative attitudes towards maths. We are ambitious in our goals and will need funding to achieve them, but we are confident that we can succeed.

Our plans for the year therefore include work in the following areas.

Adults and young people

Improving the numeracy of adults remains our key priority – and the National Numeracy Challenge is at the heart of this. We aim to extend the reach of the Challenge and help more participants to continue their journey through to real improvement in their numeracy; building on the 2015 data, we have set a target of exceeding 100,000 registrations by the end of 2016, with more than 6,000 people improving after taking part in learning. We will begin to make the Challenge sustainable through establishing new business models with employers and others, most especially creating workplace numeracy reviews.

We will develop tailored versions of the Essentials of Numeracy for particular work sectors in order to show the real maths needed in the workplace. We will work with NHS trusts and other health bodies to strengthen the understanding of good numeracy in recruitment and staff progression and in patients' own health management.

We aim to develop the next phase of Firm Foundations for All, offering a digital version of the physical

NATIONAL NUMERACY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015

resources for adults with the lowest numeracy skills, and we will complete the development of a maths app for 16-25 year-olds, launching the product during 2016.

Children and families

During the coming year we will focus in particular on helping parents to support their children's maths and encouraging schools to improve engagement with parents. This is in line with our priorities agreed towards the end of 2015. We will continue our work on family maths supported by the Mayor's Fund for London, assessing its impact through a further survey of participating parents, teachers and children. We aim to extend the reach and use of our Family Maths Toolkit, attracting a further 12,000 users during 2016.

We will complete the UBS-funded project on numerate behaviour in schools and disseminate the results, and we will aim to extend use of Passport Maths in secondary schools.

Policy

We will continue to contribute to the political and wider debate on numeracy. In particular we will offer our expertise and insights to the review of Functional Skills so that the revised maths qualification becomes a robust alternative to GCSE post-16.

Culture

We will continue to seek and make use of all opportunities to improve public understanding of the importance of numeracy, maintaining our profile in the media, responding to negative messages and unhelpful stereotypes and winning new supporters to the cause. In particular we aim to increase public interest in the National Numeracy Challenge and our family maths work, developing individual stories and case histories.

Organisation and funding

We will fully implement our new systems for monitoring, evaluating and reporting our work and seek further ways of better understanding and assessing our progress.

We will seek new working partnerships and strengthen existing ones to enable us to become more effective in improving numeracy and creating positive attitudes to maths.

We aim to broaden our funding base in 2016. Although we will create additional sources of income through selling our services and products, we recognise that full sustainability is unlikely in the near future and that we therefore need to attract new external support for the charity's work of improving numeracy and changing attitudes. This will include funds both for specific projects and for National Numeracy's core work of shining a spotlight on the issue of numeracy, creating a more positive maths culture in the UK and working with other agencies to develop effective policies and approaches to raising numeracy levels.

NATIONAL NUMERACY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of National Numeracy 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting 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 group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

This report was approved by the Trustees on 12 April 2016 and signed on their behalf by:



Belinda Vernon, Chair

NATIONAL NUMERACY
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NATIONAL NUMERACY

We have audited the financial statements of National Numeracy for the year ended 31 December 2015 set out on pages 15 to 32. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's Trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's Trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its Trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' responsibilities statement, 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.

The Trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditor under section 145 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2015 and of the group's 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 (applicable to smaller entities); and
- have been prepared in accordance with the requirements of the Charities Act 2011.

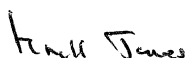
NATIONAL NUMERACY
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NATIONAL NUMERACY

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- the parent charitable company has not kept adequate accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Group strategic report.



Knill James

Chartered Accountants
Statutory Auditor

One Bell Lane
Lewes
East Sussex
BN7 1JU
12 April 2016

Knill James is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

NATIONAL NUMERACY
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account)
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOME FROM:					
Donations and legacies	2	3,520	75,207	78,727	14,781
Commercial trading operations	3	500,684	-	500,684	715,160
Investments	4	4,113	-	4,113	4,379
Charitable activities	5	231,023	418,918	649,941	1,184,431
TOTAL INCOME		739,340	494,125	1,233,465	1,918,751
EXPENDITURE ON:					
Raising funds:					
Commercial trading operations	3	473,940	-	473,940	617,127
Charitable activities	8,9	277,302	654,801	932,103	801,812
TOTAL EXPENDITURE	9	751,242	654,801	1,406,043	1,418,939
NET INCOME / (EXPENDITURE)		(11,902)	(160,676)	(172,578)	499,812
NET MOVEMENT IN FUNDS		(11,902)	(160,676)	(172,578)	499,812
RECONCILIATION OF FUNDS:					
Total funds at 1 January 2015		456,035	473,537	929,572	429,760
TOTAL FUNDS AT 31 DECEMBER 2015		444,133	312,861	756,994	929,572

All activities relate to continuing operations.

The notes on pages 18 to 32 form part of these financial statements.

NATIONAL NUMERACY
(A company limited by guarantee)
REGISTERED NUMBER: 07886294

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	£	2015 £	2014 £
FIXED ASSETS				
Intangible assets	14		21,000	96,000
CURRENT ASSETS				
Debtors	16	159,254		90,894
Cash at bank and in hand		796,790		1,011,756
		<u>956,044</u>		<u>1,102,650</u>
CREDITORS: amounts falling due within one year	17	(220,050)		(229,078)
NET CURRENT ASSETS			735,994	873,572
TOTAL ASSETS LESS CURRENT LIABILITIES			756,994	969,572
CREDITORS: amounts falling due after more than one year	18		-	(40,000)
NET ASSETS			<u>756,994</u>	<u>929,572</u>
CHARITY FUNDS				
Restricted funds	19		312,861	473,537
Unrestricted funds	19		444,133	456,035
TOTAL FUNDS			<u>756,994</u>	<u>929,572</u>

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 145 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements were approved by the Trustees on 12 April 2016 and signed on their behalf, by:



Belinda Vernon, Chair

The notes on pages 18 to 32 form part of these financial statements.

NATIONAL NUMERACY
(A company limited by guarantee)
REGISTERED NUMBER: 07886294

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Investments	15		1		1
CURRENT ASSETS					
Debtors	16	103,419		148,214	
Cash at bank and in hand		735,004		828,119	
		<u>838,423</u>		<u>976,333</u>	
CREDITORS: amounts falling due within one year	17	(81,429)		(46,761)	
NET CURRENT ASSETS			<u>756,994</u>		<u>929,572</u>
NET ASSETS			<u>756,995</u>		<u>929,573</u>
CHARITY FUNDS					
Restricted funds	19		312,861		473,537
Unrestricted funds	19		444,134		456,036
TOTAL FUNDS			<u>756,995</u>		<u>929,573</u>

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 145 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements were approved by the Trustees on 12 April 2016 and signed on their behalf, by:



Belinda Vernon, Chair

The notes on pages 18 to 32 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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 for Smaller Entities published on 16/07/14, the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006.

National Numeracy meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the company alone as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

1.2 Company status

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

NATIONAL NUMERACY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. ACCOUNTING POLICIES (continued)

1.4 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.5 Expenditure

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

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Costs of raising funds comprise the costs of commercial trading and their associated support costs. Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

1.6 Basis of consolidation

The financial statements consolidate the accounts of National Numeracy and all of its subsidiary undertakings ('subsidiaries').

The charity has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own income and expenditure account.

The income and expenditure account for the year dealt with in the accounts of the charity was a deficit of £199,322 (2014 surplus - £401,781).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. ACCOUNTING POLICIES (continued)

1.7 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the consolidated statement of financial activities over its estimated economic life.

Amortisation is provided at the following rates:

Goodwill	-	3 years
----------	---	---------

1.8 Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Investments in subsidiaries are valued at cost less provision for impairment.

1.9 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

1.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 Creditors and provisions

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.13 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

NATIONAL NUMERACY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. ACCOUNTING POLICIES (continued)

1.14 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations & gifts	3,520	75,207	78,727	14,781

In 2014, of the total income from donations & gifts, £6,781 was income from unrestricted funds and £8,000 was income from restricted funds.

3. TRADING ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Charity trading income				
Consultancy services - NNS	500,684	-	500,684	715,160
Charity trading expenses				
Costs of providing consultancy - NNS	473,940	-	473,940	617,127
Net income from trading activities	26,744	-	26,744	98,033

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Interest receivable	4,113	-	4,113	4,379

In 2014, of the total investment income, £4,379 was income from unrestricted funds and £NIL was income from restricted funds.

NATIONAL NUMERACY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Grants	200,000	372,500	572,500	1,184,431
Fee and other income	31,023	46,418	77,441	-
	<u>231,023</u>	<u>418,918</u>	<u>649,941</u>	<u>1,184,431</u>

In 2014, of the total income from charitable funds, £279,721 was income from unrestricted funds and £904,711 was income from restricted funds.

6. DIRECT COSTS

	Advancement of numeracy £	Total 2015 £	Total 2014 £
Consultants	212,518	212,518	194,213
Research	1,183	1,183	5,958
Website & marketing	88,905	88,905	130,270
Travelling & meeting costs	14,510	14,510	17,343
Stationery & office	1,628	1,628	2,629
General expenses	446	446	1,387
Telephone & computer	2,572	2,572	3,981
Staff costs	926	926	1,295
Google adwords	44,385	44,385	-
Support costs recharged	67,845	67,845	56,901
Wages and salaries	246,321	246,321	265,648
National insurance	22,396	22,396	27,102
Pension cost	8,944	8,944	10,512
	<u>712,579</u>	<u>712,579</u>	<u>717,239</u>

NATIONAL NUMERACY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

7. SUPPORT COSTS

	Governance	Advancement of numeracy	Total 2015	Total 2014
	£	£	£	£
Education consultants	-	93,415	93,415	22,067
Staff costs	-	3,292	3,292	1,474
Website & marketing	-	40,568	40,568	17,713
Travelling expenses	388	10,158	10,546	6,672
Rent & rates	-	4,568	4,568	4,654
Stationery & office expenses	-	2,515	2,515	3,332
General expenses	-	4,924	4,924	2,739
Legal & professional	8,957	3,350	12,307	13,103
Telephone & computer	-	16,739	16,739	10,208
Bank costs	-	38	38	123
Support costs recharged	-	(67,845)	(67,845)	(56,901)
Wages and salaries	11,392	73,995	85,387	54,345
National insurance	-	8,612	8,612	1,929
Pension cost	-	4,458	4,458	3,115
	20,737	198,787	219,524	84,573

8. GOVERNANCE COSTS

	Unrestricted funds 2015	Restricted funds 2015	Total funds 2015	Total funds 2014
	£	£	£	£
Legal and professional & travel	9,345	-	9,345	12,417
Wages and salaries	11,392	-	11,392	8,583
	20,737	-	20,737	21,000

9. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2015	Other costs 2015	Total 2015	Total 2014
	£	£	£	£
Trading activities	41,056	432,884	473,940	617,127
Costs of generating funds	41,056	432,884	473,940	617,127
Advancement of numeracy	364,726	546,640	911,366	780,810
Expenditure on governance	11,392	9,345	20,737	21,001
	417,174	988,869	1,406,043	1,418,938

NATIONAL NUMERACY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

10. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2015 £	Support costs 2015 £	Total 2015 £	Total 2014 £
Advancement of numeracy	712,579	198,787	911,366	780,810

11. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2015 £	2014 £
Amortisation - intangible fixed assets	75,000	24,000
Pension costs	14,652	14,653

During the year, no Trustees received any remuneration (2014 - £NIL).

During the year, no Trustees received any benefits in kind (2014 - £NIL).

1 Trustee received reimbursement of expenses amounting to £415 in the current year, (2014 - 1 Trustee - £278).

12. AUDITORS' REMUNERATION

	2015 £	2014 £
Fees payable to the group's auditor and its associates for the audit of the group's annual accounts	8,700	8,300
Fees payable to the company's auditor and its associates in respect of:		
All other non-audit services not included above	600	-

NATIONAL NUMERACY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

13. STAFF COSTS

Staff costs were as follows:

	2015	<i>2014</i>
	£	£
Wages and salaries	368,842	<i>347,770</i>
Social security costs	33,680	<i>31,183</i>
Other pension costs	14,652	<i>14,653</i>
	<u>417,174</u>	<u><i>393,606</i></u>

The average monthly number of employees was: 13 (2014: 13) and the average monthly number of equivalent employees during the year was as follows (including casual and part-time staff):

	2015	<i>2014</i>
	No.	No.
Finance and administration	4	<i>4</i>
Charitable activities	9	<i>9</i>
	<u>13</u>	<u><i>13</i></u>

The number of higher paid employees was:

	2015	<i>2014</i>
	No.	No.
In the band £80,001 - £90,000	1	<i>1</i>

During the year ended 31 December 2015 employer's pension contributions for higher paid employees amounted to £5,253.

NATIONAL NUMERACY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

14. INTANGIBLE FIXED ASSETS

Group	Goodwill
Cost	£
At 1 January 2015 and 31 December 2015	120,000
Amortisation	
At 1 January 2015	24,000
Charge for the year	75,000
At 31 December 2015	99,000
Net book value	
At 31 December 2015	21,000
<i>At 31 December 2014</i>	<i>96,000</i>

National Numeracy Solutions Limited, a wholly owned subsidiary of the charity, purchased the business of NM Partnership Limited as a going concern on September 2013 for an agreed price of £120,000.

As noted in the Trustees Report the life of the goodwill has been estimated downwards to 3 years, hence the increased amortisation charge for the year.

NATIONAL NUMERACY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

15. FIXED ASSET INVESTMENTS

Further details of the subsidiary company are provided in note 23.

Company	Shares in group undertakings £
Market value	
At 1 January 2015 and 31 December 2015	1

16. DEBTORS

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	149,299	63,422	99,319	1,805
Amounts owed by group undertakings	-	-	-	137,860
Other debtors	88	-	88	-
Prepayments and accrued income	9,867	27,472	4,012	8,549
	159,254	90,894	103,419	148,214

**17. CREDITORS:
Amounts falling due within one year**

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade creditors	70,639	54,287	47,302	19,424
Amounts owed to group undertakings	-	-	13,761	-
Other taxation and social security	11,118	10,470	8,851	9,536
Other creditors	47,182	48,414	2,372	2,886
Accruals and deferred income	91,111	115,906	9,143	14,915
	220,050	229,077	81,429	46,761

NATIONAL NUMERACY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

18. CREDITORS:
Amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£	£	£	£
Other creditors	-	40,000	-	-

19. STATEMENT OF FUNDS

	<u>Brought Forward</u>	<u>Incoming resources</u>	<u>Resources Expended</u>	<u>Carried Forward</u>
	£	£	£	£
Designated funds				
Designated funds	190,000	-	-	190,000
General funds				
General unrestricted funds	266,035	739,340	(751,242)	254,133
Total Unrestricted funds	456,035	739,340	(751,242)	444,133
	<u>Brought Forward</u>	<u>Incoming resources</u>	<u>Resources Expended</u>	<u>Carried Forward</u>
	£	£	£	£
Restricted funds				
The Mercers' Company	20,000	-	(20,000)	-
The Rayne Foundation	40,000	-	(40,000)	-
Paul Hamlyn Foundation	25,745	-	(25,745)	-
Behavioural Insights Team	145,444	-	(14,604)	130,840
Department for Business Innovation & Skills	192,348	337,500	(396,804)	133,044
Man Charitable Trust 2	50,000	-	(31,557)	18,443
UBS AG	-	65,207	(39,317)	25,890
Ufi Charitable Trust	-	35,000	(30,356)	4,644
Google Grants	-	44,385	(44,385)	-
Aspect Capital	-	10,000	(10,000)	-
Internships	-	2,033	(2,033)	-
	<u>473,537</u>	<u>494,125</u>	<u>(654,801)</u>	<u>312,861</u>
Total of funds	<u>929,572</u>	<u>1,233,465</u>	<u>(1,406,043)</u>	<u>756,994</u>

NATIONAL NUMERACY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

19. STATEMENT OF FUNDS (continued)

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Carried Forward £
Designated funds	190,000	-	-	190,000
General funds	266,035	739,340	(751,242)	254,133
	<u>456,035</u>	<u>739,340</u>	<u>(751,242)</u>	<u>444,133</u>
Restricted funds	473,537	494,125	(654,801)	312,861
	<u>929,572</u>	<u>1,233,465</u>	<u>(1,406,043)</u>	<u>756,994</u>

The Mercers' Company

Funding towards an initial project, being the National Numeracy Challenge.

The Rayne Foundation

Funding towards the national Numeracy Challenge.

Paul Hamlyn Foundation

Funding towards the Firm Foundations for All and Parental Engagement projects.

Behavioural Insights Team

Funding toward working with the Behavioural Centre for Adult Skills and Knowledge (ASK) to evaluate data from the National Numeracy Challenge, to run trials and to cover the costs of partner engagement for the project.

Department for Business Innovation & Skills

Funding was received under 2 grant agreements. The first was received in January to enable National Numeracy to continue to work on the Challenge and produce a business plan. The second grant, received in April, was to support and sustain the Challenge.

Man Charitable Trust 2

Funding towards developing and trialling approaches to engage adults with low numeracy skills in disadvantaged communities and encourage them to routes that help them improve their numeracy, including the creation of an e-learning course on how to draw out the numeracy in non-maths classes for 260 WEA tutors and 10,000 learners in the next year.

UBS AG

Funding to develop approaches to building numerate behaviour in primary schools in Hackney, focusing on numeracy beyond the maths lesson.

Ufi Charitable Trust

Funding to develop an app aimed at engaging 16 to 25 year-olds in developing numerate understanding and behaviour.

NATIONAL NUMERACY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

19. STATEMENT OF FUNDS (continued)

Google Grants

Funding for PPC (pay per click) advertising on Google to be spent in attracting people to the National Numeracy Challenge. Part of the Adwords for Nonprofits programme.

Aspect Capital

Funding towards updating the Family Maths Toolkit website and to enable National Numeracy to update the resources to be more inclusive, while improving accessibility, navigability and search functions.

Internships

National Numeracy received grants to help fund internships for 2 Brighton University graduates.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Intangible fixed assets	21,000	-	21,000	96,000
Current assets	643,183	312,861	956,044	1,102,650
Creditors due within one year	(220,050)	-	(220,050)	(229,078)
Creditors due in more than one year	-	-	-	(40,000)
	<u>444,133</u>	<u>312,861</u>	<u>756,994</u>	<u>929,572</u>

21. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund. Contributions totalling £nil were payable to the fund at the year end (2014 - £NIL).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

22. RELATED PARTY TRANSACTIONS

During the year, National Numeracy expended funds received from the Rayne Foundation and the Paul Hamlyn Foundation; the late Lord (Claus) Moser, a former trustee, was a trustee of both these foundations.

Chris Rhodes, a trustee, is also a director of Nationwide, which granted the charity £200,000 (2014 - £212,000) in the year.

During the year, the charity purchased design services from Tacon Design, a company run by relations of the Chief Executive, amounting to £8,641 (2014 - £24,023).

Wendy Jones, a trustee, is also a paid consultant under contract to National Numeracy and supplied services totalling £33,975 (2014 - £25,550) in the year. An amount of £2,925 (2014 £NIL) was owed at the year end.

Jacob Sacks-Jones, the son of Wendy Jones, trustee, was paid £150 (2014 - £NIL) for making a film of an interview with Lauren Child for use on the National Numeracy website and YouTube.

Di Hatchett, a trustee, has provided consultancy services to National Numeracy for projects, totalling £2,500 (2014 - £4,000) plus reimbursed expenses of £632 (2014 - £302) in the year (split between consultancy related expenses (£217) and trustee duty related expenses (£415)). She also provided consultancy services through National Numeracy Solutions Ltd totalling £500 (2014 - £NIL) with related expenses of £105 (2014 - £NIL). An amount of £NIL (2014 - £1,070) was outstanding at the year end.

Jill Cornish, a trustee, is an employee of Oxford University Press (OUP), which has commercial arrangements with National Numeracy Solutions Ltd. OUP supplied products totalling £9,544 (ex VAT) (2014 - £24,450) during the year and £561 (ex VAT) (2014 - £208) was owed at the year end. National Numeracy Solutions (NNS) supplied OUP with consultancy services totalling £50,291 (ex VAT) during the year, with a further £4,167 (ex VAT) to be recognised in 2016, and £1,547 (ex VAT) was owed to NNS at the year end.

Lynn Churchman, who was a director of the subsidiary, National Numeracy Solutions Ltd, until 31 December 2015, was reimbursed for expenses during the year in the amount of £3,668 (2014 - £4,400) and £NIL (2014 - £1,358) was owed at the year end.

Lynn Churchman provided consultancy services to National Numeracy Solutions Ltd through NMP totalling £94,931 (2014 - £110,088) and £4,176 (2014 - £31,667) was owed at the year end.

In addition, the Transfer Agreement contract entered into with NMP in 2013 was continued. Repayments totalling £40,000 were made during the year with a remaining creditor balance at the year end of £40,000 (2014 - £80,000).

Redpoint Direct Ltd, which is owned by S Tasic, a director of National Numeracy Solutions Ltd until 11 November 2015, provided consultancy services totalling £61,133 (2014 - £89,201) during the year and £NIL (2014 - £6,309) was owed at the year end.

NATIONAL NUMERACY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

23. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Class
National Numeracy Solutions Ltd	UK - 08700221	100	Ordinary

The aggregate of the share capital and reserves as at the year end and the turnover and expenditure of the subsidiary for the year ended 31 December 2015 was:-

	2015	2014
	£	£
Aggregate of assets, liabilities and funds	1	1
Turnover	724,705	930,167
Expenditure	724,705	930,167
Profit	-	-