
NATIONAL NUMERACY
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NATIONAL NUMERACY
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the charity, its trustees and advisers	1
Trustees' report	2 - 11
Independent auditor's report	12 - 14
Consolidated statement of financial activities	15
Consolidated balance sheet	16
Company balance sheet	17
Consolidated statement of cash flows	18
Notes to the financial statements	19 - 35

NATIONAL NUMERACY
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2017**

Trustees

Belinda Vernon, Chair
John Griffith-Jones, Vice-Chair
Edward Brunel-Cohen, Honorary Treasurer
Jill Cornish
Mary Curnock Cook (appointed 21 January 2018)
Andrew Haldane
Diana Hatchett
Wendy Jones
Catherine McClure (appointed 1 February 2018)
Chris Rhodes

Company registered number

07886294

Charity registered number

1145669

Registered office

Phoenix House, 32-33 North Street, 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 2017

The Trustees present their annual report together with the audited financial statements of the charitable company for the year 1 January 2017 to 31 December 2017. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), 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 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the company and the group qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

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.

Performance and achievements

Good numeracy is vital to us all – and vital to the UK. Millions of people struggle with their everyday maths skills. We want this to change – and we believe that change is possible. We want everyone in the UK to have the numeracy that allows them to make the most of their lives. We believe that a major shift in attitudes is key to this.

Since 2012, we have worked to help raise low levels of numeracy among both adults and children and to promote the importance of everyday maths skills. We aim to challenge negative attitudes, influence public policy and offer practical ways of helping adults and children improve their numeracy - in the community, the workplace and formal education. Our aim is to enable everyone across the UK to be confident and competent in using numbers and data, to be able to make good decisions in their daily life and at work.

In 2017 we clarified our activities along three main strands:

Raising awareness of the scale of the issue, the importance of 'number sense' (different from mathematics) and the recognition that everyone can improve.

Improving numeracy. Focused on enabling everyone to check whether they have the Essentials of Numeracy – and to help them if they don't.

Improving communication of numbers and data. Enabling organisations to communicate in a more appropriate way given current adult numeracy levels - a 'Plain Numbers' approach.

Below is a summary of activity in 2017, followed by a look ahead to 2018.

Improving numeracy - adults

2017 saw the very successful redevelopment of the National Numeracy Challenge website, which contains our online skills assessment, and a strategic focus on the Essentials of Numeracy (the skills and attitudes that everyone needs to use numbers and data to make good decisions at work and at home). National Numeracy (NN) worked with Cambridge Mathematics to define the Essentials of Numeracy. We then rebuilt the assessment website to be the mobile-friendly tool people can use to see if they have the Essentials. If they do not yet have the Essentials, then they are set a target and directed to a bespoke range of curated resources to help them improve. When they do get the Essentials, they can claim a digital badge or a certificate. We were able to fund this through the Money Advice Service What Works Fund, as these elements were central to

NATIONAL NUMERACY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

engaging adults via the Money Saving Expert website and Prospects employment centres (see below).

The key motivation for this development was that we wanted our assessment to be friendlier, mobile-friendly, more accurate, still deliver recognised levels, give granularity at higher levels, use 'real-life' questions, be easier to use and allow users to save progress. We chose to use multiple choice for all questions, to ease adults' anxiety. The assessment was taken 26,664 times between launch in July 2017 and the end of the year, and 1,488,000 questions were answered, giving us an extensive data-set of everyday maths skills in the UK. In 2018 we would like to spend some more time examining this valuable data in greater depth.

We worked with the Applied Psychology Team at Portsmouth University to develop a psychometric attitudinal assessment within our assessment tool. It measures an individual's self-confidence, confidence with numbers and money, appetite for learning, and appreciation of the value, belief and effort that they need to improve their numeracy skills. 4,049 people had taken the assessment between the August launch and the end of 2017. We anticipate being able to generate a wealth of interesting learning as we analyse the data against demographics, attainment and improvement. We also introduced a suite of 'Building Confidence' resources into the site, featuring videos presented by Rachel Riley, as well as interactive exercises.

In July we launched our new report ***The Essentials of Numeracy, A New Approach to Making the UK Numerate***. With financial support from KPMG, we hosted a launch event at the Bank of England which focused on the state of numeracy in the UK, the cost of low numeracy to UK Plc, and NN's offer to employers. The report told a story through the eyes of some of the beneficiaries of a project we completed in an NHS trust and used their words to articulate the impact of their involvement in the project. *'Achieving the Essentials has given me a lot more confidence in the workplace, to have the courage to say, actually I can do this. I'm thankful that I've now got the opportunity to progress.'* (Jane Bell). The report contained statements of support from many industry leaders, for example: *'Making the numbers add up is as important in the NHS as it is in all workplaces. That's why all staff must understand the Essentials of Numeracy and this work is not just essential but critical to providing 21st century healthcare.'* (David Roberts, Non-Executive Director, NHS)

A major project for us in 2017 was funded by the Money Advice Service as part of their What Works Fund. This fund provided financial support for projects which were focused on building evidence of the types of interventions that can make a measurable difference to people's financial capability. National Numeracy's project had two strands. In the first we worked with MoneySavingExpert.com (MSE) on digital engagement. Activities included:

- posting on MSE's user forum on a weekly basis, trialling different content which included links to the online assessment
- featuring three times in MSE's weekly Tips email, which goes out to 15 million subscribers
- mentions on Martin Lewis and MSE's Twitter accounts
- liaising with MSE to feature the project in a page on their website.

The activity with MSE was successful, resulting in over 19,000 registrations on the online assessment in 2017. Findings and impact will be collated in 2018 but the project showed us the power of having a public figure like Martin Lewis supporting and encouraging engagement. His support was a significant factor in how many registrations we got from this project.

In the second strand we partnered with Prospects in the South West, who work to support the long-term unemployed in finding work. The aim was to see if we could use our assessment tool to improve the numeracy skills of this group and show that this also increased their confidence with managing their money. It proved to be exceptionally hard to engage this group, even with good support from the teams at Prospects. The project has yet to be evaluated, but our conclusions are likely to be that we can have impact in this area but that it is intensive work.

In 2017 National Numeracy worked with Q-Step centres in nine universities as part of a Nuffield-funded project. The aim has been to engage universities and their social sciences students in using the assessment tool to benchmark and improve numeracy skills. In total, the activity resulted in nearly 700 registrations in the year.

NATIONAL NUMERACY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

Findings and impact will be collated in 2018, but the early indications are that poor numeracy is widespread amongst the cohort involved in the project, more so than expected and showing a wide need for improved focus on numeracy for undergraduates. The final outcomes of this project will inform our approach in this area in 2018.

2017 was the year that we deepened our understanding of the numeracy needed in the healthcare sector and refined our offer to the industry to maximise impact on efficiency, in-work progression and with implicit implications for patient safety. We have gathered case studies, conducted small-scale research and disseminated our findings through a video and in the media. For instance, in 2016/17 NN brought a big numeracy campaign to Blackpool Teaching Hospitals in partnership with Unison. We worked with them for over a year on numeracy initiatives and are delighted that the Union Learning Reps we worked with have been recognised for their part in the project with the Unionlearn ULR award for promoting numeracy. The work we did highlighted numeracy as an important skills challenge among the hospitals' workforce. A significant benefit from the project was that it gave staff greater opportunity for career progression – as strong numeracy skills are required for those who aim to move into nursing.

Similarly, NN is working with NHS trusts in Kent, Surrey & Sussex to deliver numeracy reviews to give the trusts a detailed insight into the numeracy levels in their workforce. We have funding to work with up to 21 trusts across the region over 2017/2018 and have just secured a contract for a similar project across NHS trusts in Wessex. Overall, we worked with 1,118 participants in these projects.

Other work with employers, such as John Lewis, has demonstrated that employers have significant reach to learners. However, a project with Skills Training UK has taught us that engaging workplace training providers can be difficult – whilst we were able to get agreement from many subcontractors to engage, they then didn't take the action necessary to engage their learners. NN has learnt from this that we need to be more proactively supportive in giving partners the engagement tools they need to make an impact and this will feed into our plans for employer engagement in 2018.

Improving numeracy - children

National Numeracy has developed two main resources for children. Passport Maths is a Year 7 intervention scheme aimed at those children who enter secondary education below age-related expectations. This scheme has been growing in popularity and in 2017, 111 schools used Passport Maths over the year (71 in 2016), of which 66 were new schools. In total, 2,729 new licences were bought (for individual children) in the year. Recent feedback from schools has included the following comments:

'The online resources, in particular, seem perfectly aimed at our students' level. The pupils [...] find increasing success at tasks improves their self-confidence.'

'It's a great intervention programme for students entering year 7/8 to finally close the gaps in their basic knowledge, bringing students the confidence to continue with their core lessons.'

Our first bursary project providing Passport Maths to secondary schools started in 2017 with generous funding from the Ernest Cook Trust. Five schools in the south of England started using Passport Maths with their pupils in the autumn term 2017, and this will continue into 2018. Impact data will be collected in summer 2018. Further funding for a Passport Maths bursary scheme has been won from the Drapers Fund and will be a focus for our work in this area in 2018 (see below).

Meanwhile, our Family Maths Toolkit (FMT) website is full of ideas and activities to help families enjoy maths together. It contains downloadable resources that can be used by schools to encourage parents/carers to engage in their children's maths education, or by individuals. In 2017, 48 schools bought Family Maths Toolkit resources (25 in 2016), and 91 individuals bought our resources through the online shop (28 in 2016). We increased our traffic to the FMT website (30,850 in 2017 compared to just over 26,000 in 2016). A recent survey of our customers showed that 100% of school respondents felt that using the Family Maths resources had helped to increase parental engagement in maths in their school and 100% would also recommend the Family Maths resources to another school. We also won funding in the year from UBS for a 2018 project in Hackney primary schools, expanding on our previous parental engagement work (see below for details).

NATIONAL NUMERACY

(A company limited by guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

In 2017, we produced a good practice guide based on our 2015-16 project 'Becoming Numerate in Hackney', which worked with eight primary schools in Hackney (as outlined in last year's Trustees' Annual Report).

Increasing awareness

As part of all our work, we aim to promote the value of practical numeracy and create a positive 'can-do' attitude among adults and children. This is central to each of our practical projects. But we also work on a wider canvas, seeking to drive home our messages to the public at large and so chip away at the anti-maths culture that is still so prevalent in the UK. We continue to maintain a high media profile and use whatever media we can to put across our messages. Our views and activity were sought and reported in national and regional press, both online and in print, by publications and organisations such as the BBC, The Times, The Financial Times, the Guardian and sector publications such as FE Week, among others. We took part in discussions on radio and television, both national and local, as well as contributing to industry blogs, conferences and events. Across our main engagement channels in 2017:

- the number of unique visitors to our three websites stood at 459,000 compared to 359,000 in 2016
- our Facebook fans went up to 938 and we had 21,000 Twitter engagements (24,500 in 2016)
- we sent newsletters three times in the year to over 3,200 subscribers, with news versioned for three different interest groups: partners, schools and parents
- we published six new case studies on our website
- we introduced a blog to our website in 2017, which has attracted several ambassadors and supporters to write for us and is helping us to engage, spread ideas and build credibility in a relatable way and we will continue to expand this in 2018.

In total, our digital engagement figure for the year stood at 484,108, up nearly 84,000 on the previous year.

In the main, **influencing policy** continues to be difficult but important, and we continue to press home our messages. We continued to talk to Department for Work and Pensions, Department for Education and the Skills Minister on the potential for scalable digital solutions to improve skills levels among working-age adults, and we met with Sir Adrian Smith as part of his review of post-16 mathematics. We also responded to the Industrial Strategy consultation in the spring of 2017, emphasising our message that GCSE mathematics, frequently required by employers, does not provide everyone with the practical maths skills required in the workplace. We also commented on the principle of norm referencing and our point about GCSE was reinforced by Sir Kevan Collins of the Educational Endowment Foundation. In 2017 we also continued our involvement in external groups – such as the Fair Education Alliance, although we saw nominal activity with the All Party Parliamentary Group, for which we are co-secretariat, due to it being a busy year politically.

The spring Numeracy Forum brought together a diverse range of speakers to discuss ways of improving numeracy at secondary school and in the workplace. Leading figures from Cambridge Maths, the exam board OCR, Whitbread, Health Education England and the Chartered Institute of Personnel and Development, among others, gathered at Nationwide Building Society's London headquarters to talk about what numeracy skills secondary school students need and the links between numeracy and workplace productivity. Both sessions sparked some lively debate in the room.

Evidence and research

The report we launched in July (mentioned above) draws on a wide range of evidence, including a recent survey carried out for National Numeracy by YouGov and new research from the Money Advice Service (MAS). The YouGov poll revealed that only one in six people (17%) were able to answer three simple numeracy questions accurately. The MAS research published later in the year provides the strongest evidence to date on how good number skills help people manage their money and keep out of debt. The report, Numeracy and Financial Capability: Exploring the Links, indicates that 18.5m adults, nearly half the UK working-age population, have 'poor' or 'low' numeracy. Even allowing for differences in income, housing tenure and other demographics these adults are less likely to save money and more likely to fall behind with bills than those with 'moderate' or 'high' numeracy. The report concludes: 'improving one's numeracy – as well as confidence - would result in

NATIONAL NUMERACY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

improved financial capability, all else being equal.' National Numeracy is now calling for action from government, financial services, employers and debt advice agencies to help people improve their numeracy and, with it, their financial capability.

Improving communication of numbers and data

During 2017 we clarified our offer on how we could help businesses. Our work with employers to date has proven that we can help staff improve their numeracy through our systems. The other angle to this is the development of our Plain Numbers work where we have started to work with organisations to improve the way they communicate numbers and data with their customers and to help them produce numerical information that's clear, simple, and allows people to understand their options, regardless of their numeracy level.

Many organisations talk about numbers with the assumption that the reader will fully understand what they mean for them. Yet 49% of the working-age population in England have numeracy levels at the equivalent expected of primary school children. This can lead to difficulties when it comes to decision making. National Numeracy is starting to work with organisations to help them to take a 'Plain Numbers' approach, helping them think about customer or client numeracy levels, look at information the customer might be struggling with, and present it in a way which is easier to understand. Initial work with Nationwide looking at letters to customers has shown the impact this work can achieve and we will seek to expand this in 2018.

Looking ahead

We aim to inform all our work with robust evidence, to disseminate useful research findings from our own work and that of others, and to seek new ways of evaluating the effectiveness and impact of our activity to inform future strategy. The issue of poor maths skills among adults is too big a problem to be left to the education and training system alone – and we have developed an alternative approach that we know can make a big difference to people's confidence and competence with numbers. We now want to work with employers and others to embed the Essentials of Numeracy into their organisations.

Improving numeracy in 2018

National Numeracy is working with the Ufi Trust on an 18-month project to allow more UK adults to assess and improve their core numeracy skills in vocational settings. This started at the end of 2017 but will form a focus for our engagement work in 2018. We will work with health trusts, employers, unions, digital platforms, employment agencies, colleges, banks and credit agencies, to encourage adults to get the Essentials of Numeracy, thereby improving their employment and career progression prospects, while helping organisations to increase their productivity and efficiency.

Another new project is Firm Foundations Digital, a project designed to help adults with the lowest levels of number sense improve through the use of pedagogically sound online resources. Having created a digital prototype, we have secured funding from Ufi to take this to the next stage in 2018. This project will fill a vital gap in our provision for adults with such low numeracy levels that they are unable to access our online assessment tool. Firm Foundations Digital will contain no written instructions, in a deliberate effort to engage adults for whom low levels of numeracy are consistent with low levels of literacy.

Close collaboration with the Money Advice Service in 2017 has given us the evidence we need to back up what we have long asserted – that good numeracy is a fundamental building block in improving financial capability. The trustees have established this as a key strategic area of work for the coming year and we will be looking to build our relationships in this sector. In particular, we would like to work more closely with those offering debt advice.

In 2017 we have received funding for another bursary project, which will provide Passport Maths resources to seven schools in London in 2018. The schools will start using the programme in January 2018, and impact data will be collected in summer 2018. We have also received funding for a 2018 project from UBS AG to continue working in primary schools in Hackney in 2018, this time with a focus on parental engagement and making use of our Family Maths Toolkit.

NATIONAL NUMERACY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

The next step in the Cambridge Mathematics 'Essentials at 14' project, completed in 2017, is for us to map that framework across to GCSE (and potentially new Functional Skills content). We would like to seek funding to pilot this in schools in 2018 and potentially extend our Q-Step project along similar lines in the HE sector.

Increasing awareness

A major part of the UFI project will be the inaugural National Numeracy Day on 16th May 2018, of which KPMG is the founding supporter. National Numeracy Day will celebrate the critical role of numbers in everyday life and we will be using the tagline 'We are all numbers people'. We're planning to reach as many people as possible across the UK through the media, social media and through partner organisations such as MoneySavingExpert.com, the Money Advice Service, employers, unions, universities, colleges and community organisations. Martin Lewis has agreed to champion the day, alongside Rachel Riley and our trustee Andy Haldane and we will focus our messaging on family finances and job prospects. Our objectives are to encourage people to see why good number sense is important and to check whether they have the Essentials of Numeracy using our online tool. This fits with our key engagement objectives for 2018. We hope this will become an annual event.

Improving communication of numbers and data

The work we did in 2017 on the development of this strand will form the basis of an examination of the market potential for this, as well as seeking to establish more evidence of its relevance to customers.

Sustainability in 2018

We believe that the three main strands of activity should remain and we should continue the primary focus on 'Have you got the Essentials?'. KPMG coming on board in 2017 as a strategic partner, with committed support through to 2019, has been vital and we hope to engage other corporates over the next year. Since the year end, we have been successful with a Department for Education funding round that directly fits our current work. This is worth £421,000 to the charity over a 12 month period.

Through a series of projects we now understand the barriers to improved numeracy and have created and piloted elements of a unique, proven solution which improves adult numeracy. In 2018 we would like to combine the elements and will be actively seeking partners and environments to test the whole solution at medium scale with a view to refining it before finding partners for a mass roll out.

Like all charities, sustainability will be key this year and we will be working to further develop our commercial activities to help sustain our charitable activities. We will look to produce an impact report in 2018 to help demonstrate our impact to supporters and funders.

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 year were:

Belinda Vernon, Chair
John Griffith-Jones, Vice-Chair
Edward Brunel-Cohen, Honorary Treasurer
Jill Cornish
Andrew Haldane
Alison Halstead (resigned 11 June 2017)
Diana Hatchett
Wendy Jones
Chris Rhodes

NATIONAL NUMERACY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

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.

All the trustees give of their time freely and none of the trustees has any beneficial interest in the company. All the trustees are members of the company and guarantee to contribute £1 in the event of a winding up. One of the named trustees, Wendy Jones, also acted as paid specialist consultants to National Numeracy in 2017. In this aspect, National Numeracy has acted fully within the terms of its constitution and the Charities Act in agreeing to pay this trustee, 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 the wholly-owned trading subsidiary National Numeracy Solutions (NNS), is overseen by the Board of Trustees, which met five times during 2017, four times being the ordinary trustee meetings and one time being an extra meeting to review the long-term strategy of the charity.

The Nominations Committee (a sub-committee of the Board, comprising four trustees: Belinda Vernon, John Griffith-Jones, Di Hatchett and Wendy Jones) also met regularly to consider senior appointments and matters of succession and to review the composition of the Board. New trustees are proposed by the Committee for approval by the full Board. As a result of this process, two new trustees joined the board in January 2018. In addition, the board decided to implement the exceptional circumstance clause in the governing document which allows trustees to serve more than two terms. Four ordinary members of the board will be remaining on the board beyond April 2018 under this provision. During 2017, Alison Halstead stood down as trustee. The Board would like to thank Alison for her contribution to National Numeracy.

New trustees receive a full and comprehensive briefing before their first meeting and receive a copy of National Numeracy's Trustee Handbook with full details of the induction process, plus the relevant Charity Commission guidelines for trustees. They are then invited to visit the offices to meet the team and learn first-hand about the projects and activities of the charity. In 2017 National Numeracy held two strategy days where trustees and staff were invited to take part in a series of activities and group meetings to discuss the aims and objectives of the charity within the wider strategy and establish priorities and direction for the upcoming period. We have also improved our own evidence gathering and the trustees have looked to the charity's theory of change to provide useful clarity. National Numeracy's theory of change was developed in 2016/2017 as a tool that shows the path the organisation takes from needs to activities to outcomes to impact. It describes the change we want to make and the steps involved in making that change happen. As a result, we have narrowed down the KPIs to be included on the scorecard to seven key items from a much more wide-ranging scorecard previously. Key metrics are tracked consistently and reported to trustees quarterly. We use them to direct strategy decisions and revisit them annually. 2018 will see one or two tweaks to our KPIs to align them more closely to 2018 planned activity.

In line with the charity's remuneration 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 trustees review the salaries of staff annually, approve an 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

NATIONAL NUMERACY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

Committee advises on the salary of the CEO, for decision by the board.

There is a Strategy Group which meets every six weeks. Members of this group include Mike Ellicock, Wendy Jones, Belinda Vernon, Emily Kramers, Alison Plant and Paul Milner. This group decides on priority areas for action.

There is also a Management Group, which meets monthly to discuss operational issues, cover specific project matters and 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.

Staffing levels remained static in 2017, with the only addition being a fully-funded intern post funded by Sussex University in the summer. No new positions were created and recruitment was on a replacement basis.

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. Matters relating to NNS are discussed at the Strategy Group meetings of National Numeracy. The NNS Board of Directors also met separately four times in 2017 and will continue to meet separately in 2018.

b. Finance and funding

In terms of core and strategic funding, NN is delighted to say that KMPG has committed funds as well as pro bono support to help achieve the charity's strategic aims in 2017 and 2018. However, despite this positive development, NN has not been able to find enough new funding streams to cover costs this year and therefore some of the designated funds put aside to support the Challenge Online website the previous year have been used in 2017 and reserve funds have been used to fund some organisational costs. The charity still maintains adequate reserves according to its policy (see section d below). The overall sector has experienced difficulties in funding this year and National Numeracy is no exception. In the light of this, the charity decided to commit more staff time to fundraising during 2017 than previously and 2017 saw an increase in the number of bids to trusts and foundations compared to previous years.

Consolidated income in 2017 was £701,459 with expenditure of £899,959.

In terms of project funding, the charity was able to run all its ongoing projects according to the agreed budgets and achieve the necessary milestones to release funding in projects such as the MAS What Works Fund and the Nuffield Foundation project on schedule (see Performance and Achievements report above). NN also secured several new funds for 2017 and into 2018. New funds include a major project on digital engagement funded by the Ufi Charitable Trust which started at the tail end of 2017, plus support from Ufi for the development of the Firm Foundations Digital project for 2018 (see plans for 2018). We also had generous support this year from the Garfield Weston Foundation towards the Challenge project, and we continued to benefit from the free Adwords advertising for the Challenge secured from Google the previous year.

A new development has been the setting up of bursaries to supply schools that have high levels of Free School Meals children with our Passport Maths Year 7 intervention and we have secured new funding in 2017 for 2017/2018 expenditure for two projects in London and the South East from Ernest Cook Trust and the Drapers Foundation. We would like to extend these projects into other areas in 2018. National Numeracy is grateful to all its generous funders.

National Numeracy also secured several contracts for development work in 2017 which enabled us to work with organisations as diverse as Premier League and Cambridge Maths.

National Numeracy Solutions has performed well with strong sales of Family Maths Toolkit resources for primary schools and the Passport Maths programme for secondary schools. New contracts have also been

NATIONAL NUMERACY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

secured for numeracy improvement programmes in the workplace, particularly in the NHS, with some funding already secured for contracts running into 2018.

c. Risk assessment

The trustees have assessed the major risks to which the charity is exposed and maintained a detailed risk register during 2017. Key staff members have been allocated areas of responsibility and trustees are satisfied that systems are in place to mitigate exposure to the major risks. The register was regularly updated by senior management and reviewed by trustees at board meetings during 2017.

d. Reserves

In 2017 National Numeracy reviewed its reserves policy and now aims to have reserves levels at any time to cover a minimum of four months of expenditure. This would allow for a closure/handover process should the charity be no longer viable. Consideration has been given to notice periods of key staff, running costs of key technical projects and the amount needed to cover short-term unforeseen circumstances. The situation at the end of the 2017 financial period sees total reserves of £240,059, which is very close to the four-month expenditure figure according to the 2018 prospective expenditure expectations. Trustees will review the position on a regular basis throughout 2018 to ensure that the charity retains sufficient reserves to fulfil this policy.

e. 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' 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

NATIONAL NUMERACY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

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 24 April 2018 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

OPINION

We have audited the financial statements of National Numeracy (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the group Consolidated statement of financial activities incorporating income and expenditure account, the group Consolidated balance sheet, the group Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 group's and of the parent charitable company's affairs as at 31 December 2017 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; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

NATIONAL NUMERACY
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NATIONAL NUMERACY

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 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 sufficient 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.

RESPONSIBILITIES OF TRUSTEES

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, 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

NATIONAL NUMERACY
(A company limited by guarantee)


INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NATIONAL NUMERACY

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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



Knill James

Chartered Accountants
Statutory Auditor

One Bell Lane
Lewes
East Sussex
BN7 1JU
24 April 2018

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 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:					
Donations and legacies	2	41,184	29,165	70,349	108,815
Charitable activities	3	47,340	461,362	508,702	390,916
Other trading activities:					
Commercial trading operations		121,808	-	121,808	255,573
Investments	4	600	-	600	2,990
TOTAL INCOME		210,932	490,527	701,459	758,294
EXPENDITURE ON:					
Raising funds:					
Commercial trading operations		101,560	-	101,560	217,810
Charitable activities		229,146	569,253	798,399	858,919
TOTAL EXPENDITURE	7	330,706	569,253	899,959	1,076,729
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES		(119,774)	(78,726)	(198,500)	(318,435)
NET MOVEMENT IN FUNDS		(119,774)	(78,726)	(198,500)	(318,435)
RECONCILIATION OF FUNDS:					
Total funds brought forward		286,729	151,830	438,559	756,994
TOTAL FUNDS CARRIED FORWARD		166,955	73,104	240,059	438,559

The notes on pages 19 to 35 form part of these financial statements.

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

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	£	2017 £	£	2016 £
CURRENT ASSETS					
Debtors	12	144,074		30,667	
Cash at bank and in hand		248,219		518,956	
		<u>392,293</u>		<u>549,623</u>	
CREDITORS: amounts falling due within one year	13	(152,234)		(111,064)	
NET CURRENT ASSETS			<u>240,059</u>		<u>438,559</u>
NET ASSETS			<u>240,059</u>		<u>438,559</u>
CHARITY FUNDS					
Restricted funds	15	73,104		151,830	
Unrestricted funds	15	166,955		286,729	
TOTAL FUNDS			<u>240,059</u>		<u>438,559</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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 has been undertaken at the request of the trustees in accordance with section 151 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 and authorised for issue by the Trustees on 24 April 2018 and signed on their behalf, by:



Belinda Vernon, Chair

The notes on pages 19 to 35 form part of these financial statements.

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

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Investments	11		1		1
CURRENT ASSETS					
Debtors	12	132,479		43,966	
Cash at bank and in hand		163,219		441,447	
		<u>295,698</u>		<u>485,413</u>	
CREDITORS: amounts falling due within one year	13	(51,523)		(40,687)	
NET CURRENT ASSETS			<u>244,175</u>		<u>444,726</u>
NET ASSETS			<u>244,176</u>		<u>444,727</u>
CHARITY FUNDS					
Restricted funds			73,104		151,830
Unrestricted funds			171,072		292,897
TOTAL FUNDS			<u>244,176</u>		<u>444,727</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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 has been undertaken at the request of the trustees in accordance with section 151 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 and authorised for issue by the Trustees on 24 April 2018 and signed on their behalf, by:



Belinda Vernon, Chair

The notes on pages 19 to 35 form part of these financial statements.

NATIONAL NUMERACY
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash used in operating activities	17	(270,737)	(277,834)
Change in cash and cash equivalents in the year		(270,737)	(277,834)
Cash and cash equivalents brought forward		518,956	796,790
Cash and cash equivalents carried forward	18	248,219	518,956

The notes on pages 19 to 35 form part of these financial statements.

NATIONAL NUMERACY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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 applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 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.

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

1.2 Company status

The charity is a private 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 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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.

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.

NATIONAL NUMERACY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES (continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

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 section 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 £200,551 (2016 deficit - £312,267).

1.7 Intangible fixed assets and amortisation

Intangible assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Goodwill	- 3 years
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NATIONAL NUMERACY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES (continued)

1.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the consolidated statement of financial activities.

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 charity; 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 prepaid 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 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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.

NATIONAL NUMERACY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES (continued)

1.15 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.

1.16 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

The charity exercises judgment to determine the rate of amortisation of goodwill. The goodwill on the balance sheet is amortised over the period that future economic benefits are probable.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
Donations & gifts	41,184	29,165	70,349	<i>108,815</i>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total 2016</i>	<i>1,042</i>	<i>107,773</i>	<i>108,815</i>	
	<hr/>	<hr/>	<hr/>	

NATIONAL NUMERACY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
Grants	-	372,053	372,053	293,583
Fee and other income	47,340	89,309	136,649	97,333
	<u>47,340</u>	<u>461,362</u>	<u>508,702</u>	<u>390,916</u>
<i>Total 2016</i>	<u>35,853</u>	<u>355,063</u>	<u>390,916</u>	

4. INVESTMENT INCOME

	Unrestricted funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
Interest receivable	600	600	2,990
	<u>600</u>	<u>600</u>	
<i>Total 2016</i>	<u>2,990</u>	<u>2,990</u>	

NATIONAL NUMERACY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

5. DIRECT COSTS

	Advancement of numeracy £	Total 2017 £	Total 2016 £
Consultants	53,446	53,446	160,164
Research	-	-	960
Website & marketing	199,981	199,981	51,398
Travelling & meeting costs	10,151	10,151	14,631
Stationery & office	1,382	1,382	1,620
General expenses	991	991	2,441
Project costs	1,332	1,332	-
Telephone & computer	3,227	3,227	118,790
Google adwords	89,309	89,309	87,563
Support costs recharged	65,187	65,187	50,128
Wages and salaries	228,329	228,329	181,470
National insurance	20,886	20,886	16,895
Pension cost	10,429	10,429	9,590
	<u>684,650</u>	<u>684,650</u>	<u>695,650</u>
<i>Total 2016</i>	<u>695,650</u>	<u>695,650</u>	

6. SUPPORT COSTS

	Advancement of numeracy £	Total 2017 £	Total 2016 £
Education consultants	4,250	4,250	3,089
Staff costs	4,502	4,502	3,183
Website & marketing	3,716	3,716	9,752
Travelling expenses	3,611	3,611	4,953
Rent & rates	4,861	4,861	6,538
Stationery & office expenses	2,270	2,270	4,246
General expenses	4,066	4,066	4,099
Legal & professional	12,474	12,474	14,217
Telephone & computer	15,623	15,623	17,236
Bank costs	128	128	60
Support costs recharged	(65,187)	(65,187)	(50,128)
Wages and salaries	105,164	105,164	129,262
National insurance	13,717	13,717	11,113
Pension cost	7,362	7,362	5,649
	<u>116,557</u>	<u>116,557</u>	<u>163,269</u>
<i>Total 2016</i>	<u>163,269</u>	<u>163,269</u>	

NATIONAL NUMERACY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

6. SUPPORT COSTS (continued)

During the year ended 31 December 2017, the company incurred the following Governance costs:
£36,639 (2016 - £24,703) included within the table above in respect of Advancement of numeracy.

During the year ended 31 December 2017, the charity incurred staff costs related to time spent on researching, preparing and submitting funding bids amounting to £24,692 (2016 - £10,074).

7. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff costs 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Trading activities	39,313	62,247	101,560	217,810
	<u>39,313</u>	<u>62,247</u>	<u>101,560</u>	<u>217,810</u>
Advancement of numeracy	385,887	412,512	798,399	858,919
	<u>425,200</u>	<u>474,759</u>	<u>899,959</u>	<u>1,076,729</u>
<i>Total 2016</i>	<u>397,085</u>	<u>679,644</u>	<u>1,076,729</u>	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Amortisation - intangible fixed assets	-	7,000
Auditor's remuneration - audit	9,600	9,150
Auditor's remuneration - other services	525	950
	<u>10,125</u>	<u>17,100</u>

During the year, no Trustees received any remuneration (2016 - £NIL).

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2016 - £904).

NATIONAL NUMERACY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

9. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	367,877	348,248
Social security costs	37,815	31,493
Other pension costs	19,508	17,344
	<u>425,200</u>	<u>397,085</u>

The average number of persons employed by the group during the year was as follows:

	2017 No.	2016 No.
Finance and administration	2	3
Charitable activities	12	9
	<u>14</u>	<u>12</u>

The number of higher paid employees was:

	2017 No.	2016 No.
In the band £80,001 - £90,000	1	1

The total amount of employee benefits received by key management personnel is £182,964 (2016 - £176,804). The group considers its key management personnel to comprise of those sitting on the Strategy Group.

During the year ended 31 December 2017 employer's pension contributions for higher paid employees amounted to £5,397 (2016 - £5,292).

NATIONAL NUMERACY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

10. INTANGIBLE FIXED ASSETS

Group	Goodwill
Cost	£
At 1 January 2017 and 31 December 2017	120,000
Amortisation	<hr/>
At 1 January 2017 and 31 December 2017	120,000
Carrying amount	<hr/>
At 31 December 2017	-
<i>At 31 December 2016</i>	<hr/> <hr/> -

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 of the year end 31 December 2016 there were no new income streams arising from this goodwill and consequently the trustees agreed that it should be impaired to a carrying value of £nil.

NATIONAL NUMERACY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

11. FIXED ASSET INVESTMENTS

Further details of the subsidiary company are provided in note 21.

Company	Shares in group undertakings £
Market value	
At 1 January 2017 and 31 December 2017	<u><u>1</u></u>

12. DEBTORS

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	46,920	23,150	33,641	31,941
Amounts owed by group undertakings	-	-	2,061	7,873
Other debtors	1,159	192	1,159	192
Prepayments and accrued income	95,995	7,325	95,618	3,960
	<u>144,074</u>	<u>30,667</u>	<u>132,479</u>	<u>43,966</u>

13. CREDITORS: Amounts falling due within one year

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Trade creditors	6,439	11,758	5,688	4,570
Other taxation and social security	13,240	35,443	9,944	25,271
Other creditors	42,829	43,529	2,757	3,488
Accruals and deferred income	89,726	20,334	33,134	7,358
	<u>152,234</u>	<u>111,064</u>	<u>51,523</u>	<u>40,687</u>

NATIONAL NUMERACY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

14. FINANCIAL INSTRUMENTS

	2017 £	2016 £
Financial assets measured at amortised cost	<u>296,298</u>	<u>542,298</u>
Financial liabilities measured at amortised cost	<u>62,508</u>	<u>90,730</u>

Financial assets measured at amortised cost comprise cash and debtors, excluding prepayments and accrued income.

Financial liabilities measured at amortised cost comprise creditors, excluding accruals and deferred income.

15. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2017 £	Income £	Expenditure £	Balance at 31 December 2017 £
Designated funds				
Designated Funds	<u>190,000</u>	<u>-</u>	<u>(65,171)</u>	<u>124,829</u>
General funds				
General unrestricted funds	<u>96,729</u>	<u>210,932</u>	<u>(265,535)</u>	<u>42,126</u>
Total Unrestricted funds	<u>286,729</u>	<u>210,932</u>	<u>(330,706)</u>	<u>166,955</u>

NATIONAL NUMERACY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

15. STATEMENT OF FUNDS (continued)

Restricted funds

	Balance at 1 January 2017 £	Income £	Expenditure £	Balance at 31 December 2017 £
Money Advisory Service (MAS)	-	227,106	(213,687)	13,419
Nuffield - Q-Step	-	27,623	(29,693)	(2,070)
Ernest Cook Trust	-	9,000	(6,640)	2,360
The Drapers Company	-	14,800	(735)	14,065
Google Grants	-	89,309	(89,309)	-
Behavioural Insights Team	102,180	-	(102,180)	-
UBS AG	29,375	-	(4,851)	24,524
Aspect Capital 2	6,509	-	(5,009)	1,500
Man Charitable Trust 2	13,766	-	-	13,766
Garfield Weston	-	50,000	(50,000)	-
Ufi Charitable Trust	-	10,000	(4,460)	5,540
Ufi Charitable Trust 2	-	30,024	(30,024)	-
University of Sussex	-	3,500	(3,500)	-
Forster Communications	-	29,165	(29,165)	-
	151,830	490,527	(569,253)	73,104
Total of funds	438,559	701,459	(899,959)	240,059

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2016 £
Designated funds					
Designated Funds	190,000	-	-	-	190,000
	190,000	-	-	-	190,000
General funds					
General unrestricted funds	254,133	295,458	(432,056)	(20,806)	96,729
	254,133	295,458	(432,056)	(20,806)	96,729
Total Unrestricted funds	444,133	295,458	(432,056)	(20,806)	286,729

NATIONAL NUMERACY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

15. STATEMENT OF FUNDS (continued)

Restricted funds

	<i>Balance at 1 January 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 December 2016 £</i>
Google Grants	-	87,563	(87,563)	-	-
Behavioural Insights Team	130,840	-	(28,660)	-	102,180
UBS AG	25,890	87,773	(84,288)	-	29,375
Aspect Capital 2	-	20,000	(13,491)	-	6,509
Man Charitable Trust 2	18,443	-	(4,677)	-	13,766
Garfield Weston	-	50,000	(50,000)	-	-
Ufi Charitable Trust	4,644	155,000	(180,450)	20,806	-
Department for Business Innovation & Skills	133,044	62,500	(195,544)	-	-
	<u>312,861</u>	<u>462,836</u>	<u>(644,673)</u>	<u>20,806</u>	<u>151,830</u>
Total of funds	<u>756,994</u>	<u>758,294</u>	<u>(1,076,729)</u>	<u>-</u>	<u>438,559</u>

SUMMARY OF FUNDS - CURRENT YEAR

	<i>Balance at 1 January 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 December 2017 £</i>
Designated funds	190,000	-	(65,171)	124,829
General funds	96,729	210,932	(265,535)	42,126
	<u>286,729</u>	<u>210,932</u>	<u>(330,706)</u>	<u>166,955</u>
Restricted funds	151,830	490,527	(569,253)	73,104
	<u>438,559</u>	<u>701,459</u>	<u>(899,959)</u>	<u>240,059</u>

NATIONAL NUMERACY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

15. STATEMENT OF FUNDS (continued)

SUMMARY OF FUNDS - PRIOR YEAR

	<i>Balance at 1 January 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 December 2016 £</i>
Designated funds	190,000	-	-	-	190,000
General funds	254,133	295,458	(432,056)	(20,806)	96,729
	<u>444,133</u>	<u>295,458</u>	<u>(432,056)</u>	<u>(20,806)</u>	<u>286,729</u>
Restricted funds	312,861	462,836	(644,673)	20,806	151,830
	<u>756,994</u>	<u>758,294</u>	<u>(1,076,729)</u>	<u>-</u>	<u>438,559</u>

Designated funds have been set aside to secure the continuation of the National Numeracy Challenge in 2018.

Money Advisory Service (MAS)

Funding from the MAS What Works Fund. This fund provided financial support for projects which were focused on building evidence of the types of interventions that can make a measurable difference to people's financial capability.

Nuffield - Q-Step

Funding towards working with Q-Step centres in nine universities. The aim has been to engage universities and their social sciences students in using the Challenge assessment tool to benchmark and improve numeracy skills.

Ernest Cook Trust

Funding towards running a bursary scheme to bring the Passport Maths Yr7 intervention into secondary schools with high levels of FSM in South East England.

Drapers Fund

Funding towards running a bursary scheme to bring the Passport Maths Yr7 intervention into secondary schools with high levels of FSM in London.

Google Grants

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

Behavioural Insights Team

Funding towards 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.

UBS AG

Funding to develop approaches to building numerate behaviour in primary schools in Hackney, focusing

NATIONAL NUMERACY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

15. STATEMENT OF FUNDS (continued)

on numeracy beyond the maths lesson.

Aspect Capital 2

Funding to maintain the FMT website and promote family maths.

Man Charitable Trust 2

Funding towards a National Numeracy Challenge project.

Garfield Weston

Funding towards the National Numeracy Challenge project costs.

Ufi Charitable Trust

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

Ufi Charitable Trust 2

Funding towards scaling up the Challenge to help working-age adults.

University of Sussex

Funding for an intern on the Challenge.

Forster Communications

The value of marketing services provided by Forster Communications and paid for by KPMG.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Current assets	319,189	73,104	392,293
Creditors due within one year	(152,234)	-	(152,234)
	<u>166,955</u>	<u>73,104</u>	<u>240,059</u>

NATIONAL NUMERACY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2016 £</i>	<i>Restricted funds 2016 £</i>	<i>Total funds 2016 £</i>
Current assets	397,792	151,830	549,622
Creditors due within one year	(111,063)	-	(111,063)
	<u>286,729</u>	<u>151,830</u>	<u>438,559</u>

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

	Group	
	2017	2016
	£	£
Net expenditure for the year (as per Statement of Financial Activities)	(198,500)	(318,435)
Amortisation		
Depreciation charges	-	21,000
(Increase)/decrease in debtors	(113,407)	128,588
Increase/(decrease) in creditors	41,170	(108,987)
Net cash used in operating activities	(270,737)	(277,834)

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group	
	2017	2016
	£	£
Cash in hand	248,219	518,956
Total	248,219	518,956

19. 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 £2,179 were payable to the fund at the year end (2016 - £1,866).

NATIONAL NUMERACY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

20. RELATED PARTY TRANSACTIONS

During the year, the charity purchased design services from Tacon Design, a company run by relations of the Chief Executive, amounting to £13,263 (2016 - £5,575). There were no amounts due at the year end (2016 - £nil).

Wendy Jones, a trustee, is also a paid consultant under contract to National Numeracy and supplied services totaling £24,370 (2016 - £33,750) in the year. An amount of £900 (2016 - £nil) was due at the year end and is included in creditors.

Alison Plant, a director of National Numeracy Solutions, has acted as a paid consultant to National Numeracy and has provided services totaling £9,450 (2016 - £4,050) with related expenses totaling £809 (2016 - £88). She has also provided consultancy services to National Numeracy Solutions in 2017 totaling £2,475 (2016 - £10,800) with no related expenses (2016 - £346). An amount of £1,414 (2016 - £70) was due at the year end and is included in creditors.

In addition, the Transfer Agreement contract entered into with NMP in 2013 was continued. No repayments were made during the year so the creditor balance at the year-end of £40,000 (2016 - £40,000) remains.

There were no Trustee expense reimbursements for trustee-related duties during the year (2016 - £904).

(All figures include VAT where appropriate)

The company has taken advantage of the exemption available in section 33 of FRS 102 "Related Party Disclosures" whereby it has not disclosed transactions with any wholly owned subsidiary undertaking.

21. PRINCIPAL SUBSIDIARIES

National Numeracy Solutions Limited

Subsidiary name	National Numeracy Solutions Limited
Company registration number	08700221
Basis of control	Ownership of equity shares
Equity shareholding %	100%
Total assets as at 31 December 2017	£ 98,654
Total liabilities as at 31 December 2017	£ 102,771
Total equity as at 31 December 2017	£ (4,117)
Turnover for the year ended 31 December 2017	£ 122,431
Expenditure for the year ended 31 December 2017	£ 120,380
Profit for the year ended 31 December 2017	£ 2,051