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**NATIONAL NUMERACY**  
(A company limited by guarantee)

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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

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**NATIONAL NUMERACY**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

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**Trustees**

Chris Humphries CBE, Chair  
Jill Cornish  
John Griffith-Jones  
Diana Hatchett  
Wendy Jones  
Lord (Claus) Moser  
Chris Rhodes  
Belinda Vernon  
Lynn Churchman (resigned 16 July 2013)  
David Frost (appointed 14 January 2014)

**Company registered number**

07886294

**Charity registered number**

1145669

**Registered office**

Phoenix House, Lewes, East Sussex, BN27 2QJ

**Company secretary**

Mike Ellicock

**Chief executive officer**

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

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**NATIONAL NUMERACY**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

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The trustees of National Numeracy are pleased to present their report and accounts for the period ended 31 December 2013.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice, 'Accounting and Reporting by Charities', issued in March 2005.

**Structure, governance and management**

The charity is a company limited by guarantee which was incorporated 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:

Jill Cornish  
John Griffith-Jones  
Diana Hatchett  
Chris Humphries CBE  
Wendy Jones  
Lord (Claus) Moser  
Chris Rhodes  
Belinda Vernon  
Lynn Churchman (resigned 16 July 2013)

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 during this period, Wendy Jones and Lynn Churchman, also acted as part-time 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 two trustees, and the organisation has followed the Charity Reporting and Accounting Rules in its legal agreements with them both.

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

**Organisational structure**

National Numeracy's trustees meet four times a year. In these meetings they agree the broad strategy and areas of activity for the charity, and cover other areas such as planning for growth and financial management.

In addition, the management group meets every six weeks. The management group consists of Lynn Churchman, Mike Ellicock, Sarah Gibb, Wendy Jones, Alison Plant (consultant) and Belinda Vernon.

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

There are also occasional advisory groups bringing together relevant experts, such as the pedagogy group. External advisers' attendance at these meetings is unpaid.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

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### **Risk assessment**

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. A risk register is in place and key staff members have been assigned areas of responsibility and a schedule of regular assessments is in place.

### **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 objective 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.

### **Achievements and performance**

#### **Progress in 2013 and the year ahead**

National Numeracy was established to bring an unrelenting spotlight onto the importance of numeracy for adults and children across the UK, in the knowledge that everyone can improve their everyday maths skills provided they receive the right support and make a sustained effort. After a very promising inaugural year, National Numeracy grew as an organisation during 2013, expanded its activities and spread its message to yet more audiences. We have developed new partnerships and forms of collaborative working, and have now launched our first major long-term project designed to have a practical impact on low levels of numeracy. Below is a summary of our achievements during our second year and a look ahead to 2014.

#### **Practical projects**

After an encouraging first year, 2013 was the year that National Numeracy hit its stride in developing practical projects. The biggest of these was the National Numeracy Challenge, a five-year UK-wide project aiming to improve the numeracy of a million adults, through working in partnership with public and private sector employers, TUC Unionlearn, community and education organisations.

At the heart of this project is an interactive website – the Challenge Online – which allows people to test their own numeracy, gives them a detailed assessment and suggests learning resources to help in areas needing improvement. Users are encouraged to re-assess their numeracy after undertaking learning in order to measure their progress. As a basis for the Challenge Online, we completed work on the Essentials of Numeracy (see the section on Research and Evidence), a key part of our 2013 objectives.

During the year, the concept and development materials were presented to a wide range of employers, education bodies and outreach organisations and won the support of key partners. We partnered with 54 different organisations to pilot the Challenge Online and 1,500 people participated. In response to feedback, we revised and improved the Challenge Online and in particular the diagnostic tool, the 'Challenge Check-up', and introduced further learning resources. Following this, we prepared to launch the Challenge to the wider public in March 2014. Key support for the project came from our lead partner and core funder, the Nationwide Building Society. Funds for developing the Challenge were received from NIACE, with additional funding from the Mercers' Charitable Foundation and continuing support from the Rayne Foundation.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

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National Numeracy also continued its work with eight London primary schools in the second year of Raising Achievement, a three-year pilot project to improve the engagement and progress of children aged 7 to 9. The project funders, The John Lyon's Charity, expressed satisfaction with the end-of-academic-year report and the next phase began with increased numbers of participating schools.

After successfully securing funding from the Paul Hamlyn Foundation, we were able to begin work on two inter-related projects: Firm Foundations for All, which will provide practical support and resources for those with the very lowest levels of numeracy, and Parental Engagement, which will help parents to play a more positive part in supporting their children with maths. Expert panels and a series of focus groups were established for both projects by the end of 2013.

The summer months saw National Numeracy join the BBC for its CBeebies Summer Tour, which offered learning opportunities to families with young children. It lasted for nine weeks, travelled to eight locations across the UK and reached over 123,000 people. The popular children's TV personality Mr Bloom was the 'headliner' with other CBeebies characters there to draw in the crowds. Learning opportunities underpinned everything that the tour delivered and National Numeracy played a strong role in ensuring this. Our contribution was led by Bryony Crutcher, a qualified primary school teacher with previous event management and presenting experience, who developed the idea of delivering maths on the tour through an exercise and fitness theme.

Team members sought feedback from parents on their attitudes and beliefs in relation to maths, and gained valuable insights. Maths challenge cards were created as a hand-out for the children, with simple maths activities to do at home. As well as providing fun for the children, these proved helpful reminders to parents of practical everyday maths activities they could do with their children. A further information and advice booklet was available for parents. BBC Learning reported the CBeebies tour as their most successful yet and commented on National Numeracy's important contribution.

### **Communications and influence**

During 2013, National Numeracy continued to have regular contact with officials at Whitehall government departments (Business, Innovation and Skills, Education and Work and Pensions) and established contact with devolved administrations, with meetings in Glasgow, Cardiff and Belfast. Meetings were held with Skills and Enterprise Minister, Matthew Hancock, and with a range of MPs and peers. National Numeracy provided evidence to MPs for the debate on adult skills in the House of Commons, responded to relevant government consultations and was quoted by the Department for Education (DfE) in a news release on the post-16 maths curriculum.

We expanded our range of contacts in education, business and the third sector, increasing interest in the issue of numeracy and bringing in new support for National Numeracy. We gained significant endorsements for our work from a number of high-profile 'ambassadors' in the media and in business.

During 2013 National Numeracy was represented at a wide range of conferences and seminars and we made many presentations on our work and issues related to numeracy to a variety of audiences. We actively supported the Maths4Us campaign led by NIACE, and established a new Numeracy Forum, aimed at spreading ideas among all those with an interest in maths and numeracy; the inaugural meeting was held in December.

We continued to attract media interest, particularly in relation to World Maths Day, our response to the DfE consultation on the national curriculum and the OECD PIAAC survey. We were quoted in various press articles and interviewed on BBC TV and Radio and we wrote pieces for specialist and online publications. We also expanded the National Numeracy website and developed and distributed new marketing literature.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

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## **Research and evidence**

During the year we completed and published the Essentials of Numeracy for All, which defines the mathematical understanding and skills needed in everyday life. This underpins our practical projects, including the National Numeracy Challenge.

Another important tool developed was a model for measuring improvement – or ‘distance travelled’ – as part of the Challenge. This will be vitally important in giving weight to the data produced by the Challenge project and will help inform subsequent activities.

We also held a series of focus groups with teachers, parents, young people and adult learners throughout the country in order to give us new insights into people's perceptions of maths and numeracy.

National Numeracy responded to relevant national and global evidence published throughout the year, including the PIAAC and PISA reports, published by the OECD. These reports were among many summarised and commented on on our website, which over the course of the year markedly increased its traffic with 134,494 visits to the site of which 77% were new visitors. New ‘infographics’ were also introduced on the site with the aim of providing clear graphical explanations of the issues.

A second YouGov poll on attitudes to maths and numeracy was commissioned and the results published and shared with our partners. This form of market research is an ongoing contribution to our understanding of people's approaches towards maths and numeracy and their perceptions of how the subjects affect their lives.

National Numeracy also began discussions with the Cabinet Office's Behavioural Insights Team on developing new ways to encourage people to improve their numeracy. This research will inform and be informed by the Challenge and could help us to reach those most in need of improved numeracy.

## **Organisation and funding**

During 2013 National Numeracy received funding towards core activities from the Rothschild Foundation and ongoing support from the Nationwide Building Society, the Mercers' Charitable Foundation and the Man Charitable Trust.

In line with our strategic plans, we established a trading arm, National Numeracy Solutions Ltd (NNS), which in turn acquired the maths education consultancy, training and school improvement business, National Mathematics Partnership. This is allowing us to start to expand our practical work in schools and colleges and begin a consultancy project for the Welsh government, developing training and support materials for teachers and school leaders on the topic of numerical reasoning – NNS's first major commission.

In the latter part of the year we began discussions to find a new Chair to replace our founding Chair, Chris Humphries CBE, who wished to step down for personal and family reasons but who remains on the board. The trustees and staff wish to record their gratitude for Chris's energy and inspiring leadership during National Numeracy's first two years. We were pleased to announce that Chris's successor is David Frost CBE DL, who was formally appointed to the Board and chairmanship in January 2014.

The range of activities embarked on or committed to in 2013 required an increase in staffing at our Lewes headquarters. Key new members of staff were added to the small team and structural adjustments made to the management.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

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## **Plans for 2014**

The current year looks set to be a productive and exciting one for National Numeracy. Planned 2014 activity includes:

- Launch the National Numeracy Challenge on 12 March: with support from Nationwide Building Society and our other partners, we aim to achieve significant public interest. We will continue to promote the Challenge and expand participation, and consider how to extend reach into new areas. We will begin to track overall progress.
- Support the launch and early work of a new All Party Parliamentary Group on Maths and Numeracy: we have accepted an invitation to fulfil a co-secretariat role (with the Institute of Chartered Accountants in England and Wales) for this new group. This invitation represents considerable recognition for a charity barely two years old.
- Complete scoping for Firm Foundations and Parental Engagement projects: the research phase of these projects is well under way and piloting and development of the 'toolkits' for these projects is scheduled to be completed by the end of 2014.
- Expand practical work in schools and colleges through National Numeracy Solutions, trading as National Mathematics Partnership (NMP), and disseminate evidence of what works. The work of NMP will provide valuable evidence to inform the work of National Numeracy.
- Continue the Raising Achievement project in London schools and disseminate findings.
- Hold further meetings of the Numeracy Forum, establishing it as key platform for debate and spread of ideas.
- Commission a further YouGov poll to continue our annual examination of public attitudes to numeracy.
- Continue to extend National Numeracy's influence and contact with government, including the devolved administrations, politicians and policy-makers, business, education and the media.
- Widen our support base and attract new funding in order to build activity further.

## **Reserves**

As a young organisation experiencing significant growth, the Trustees are looking to establish free reserves of up to 2 years of 2013 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 will also give the organisation some flexibility to respond to unforeseen opportunities as they arise in the early years. The trustees will regularly review the level of reserves and aim to establish a free reserve position of a year's expenditure when the annual budget has reached a more stable equilibrium.



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

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**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;
- 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.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees on 29 April 2014 and signed on their behalf by:

David Frost



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL NUMERACY**

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We have audited the financial statements of National Numeracy for the year ended 31 December 2013 set out on pages 10 to 25. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with section 151 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 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 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 151 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 2013 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 Companies Act 2006.

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**NATIONAL NUMERACY**  
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL NUMERACY**

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**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.

*Knill James*

**Knill James**

Chartered Accountants  
Statutory Auditor

One Bell Lane  
Lewes  
East Sussex  
BN7 1JU

Date: *19 May 2014*

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

**NATIONAL NUMERACY**  
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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
(incorporating income and expenditure account)  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds:					
Voluntary income	2	703	-	703	152,019
Activities for generating funds	3	160,182	-	160,182	-
Investment income	4	1,378	-	1,378	100
Incoming resources from charitable activities	5	140,000	416,600	556,600	701,717
<b>TOTAL INCOMING RESOURCES</b>		<b>302,263</b>	<b>416,600</b>	<b>718,863</b>	<b>853,836</b>
<b>RESOURCES EXPENDED</b>					
Costs of generating funds:					
Fundraising expenses and other costs	3	183,043	-	183,043	-
Charitable activities		98,737	482,800	581,537	355,390
Governance costs	6	15,275	-	15,275	7,692
<b>TOTAL RESOURCES EXPENDED</b>	9	<b>297,055</b>	<b>482,800</b>	<b>779,855</b>	<b>363,082</b>
<b>MOVEMENT IN TOTAL FUNDS FOR THE YEAR - NET INCOME/(EXPENDITURE) FOR THE YEAR</b>		<b>5,208</b>	<b>(66,200)</b>	<b>(60,992)</b>	<b>490,754</b>
<i>Total funds at 1 January 2013</i>		<i>180,857</i>	<i>309,897</i>	<i>490,754</i>	<i>-</i>
<b>TOTAL FUNDS AT 31 DECEMBER 2013</b>		<b>186,065</b>	<b>243,697</b>	<b>429,762</b>	<b>490,754</b>

The notes on pages 14 to 25 form part of these financial statements.

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

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2013**

	Note	£	2013 £	£	2012 £
<b>FIXED ASSETS</b>					
Intangible assets	14		120,000		-
<b>CURRENT ASSETS</b>					
Debtors	16	276,209		192,164	
Cash at bank and in hand		465,096		311,481	
		<u>741,305</u>		<u>503,645</u>	
<b>CREDITORS:</b> amounts falling due within one year	17	(311,543)		(12,891)	
<b>NET CURRENT ASSETS</b>			<u>429,762</u>		<u>490,754</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>549,762</u>		<u>490,754</u>
<b>CREDITORS:</b> amounts falling due after more than one year	18		(120,000)		-
<b>NET ASSETS</b>			<u><u>429,762</u></u>		<u><u>490,754</u></u>
<b>CHARITY FUNDS</b>					
Restricted funds	19		243,697		309,897
Unrestricted funds	19		186,065		180,857
<b>TOTAL FUNDS</b>			<u><u>429,762</u></u>		<u><u>490,754</u></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 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 for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2013 and of its net resources expended for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

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**NATIONAL NUMERACY**  
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**CONSOLIDATED BALANCE SHEET (continued)**  
**AS AT 31 DECEMBER 2013**

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The financial statements were approved by the Trustees on 29 April 2014 and signed on their behalf, by:

**David Frost**



The notes on pages 14 to 25 form part of these financial statements.

**NATIONAL NUMERACY**  
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REGISTERED NUMBER: 07886294

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2013**

	Note	£	2013 £	£	2012 £
<b>FIXED ASSETS</b>					
Investments	15		1		-
<b>CURRENT ASSETS</b>					
Debtors	16	66,690		192,164	
Cash at bank and in hand		435,736		311,481	
		<u>502,426</u>		<u>503,645</u>	
<b>CREDITORS:</b> amounts falling due within one year	17	(48,988)		(12,891)	
<b>NET CURRENT ASSETS</b>			<u>453,438</u>		<u>490,754</u>
<b>NET ASSETS</b>			<u>453,439</u>		<u>490,754</u>
<b>CHARITY FUNDS</b>					
Restricted funds	19		239,617		309,897
Unrestricted funds	19		213,822		180,857
<b>TOTAL FUNDS</b>			<u>453,439</u>		<u>490,754</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 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 for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2013 and of its net resources expended for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Act relating to the financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Trustees on 29 April 2014 and signed on their behalf, by:

David Frost



The notes on pages 14 to 25 form part of these financial statements.

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**NATIONAL NUMERACY**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, applicable accounting standards and the Companies Act 2006.

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

**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.

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.



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 Incoming resources**

All incoming resources are included in the consolidated statement of financial activities when the company has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the company where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

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.

Grant received are treated in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities'. Grants are credited to the Statement of Financial Activities when receivable, unless they relate to a specified future period, in which case they are deferred..

**1.5 Resources expended**

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

All resources expended are 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 results of subsidiaries acquired during the year are included from the effective date of acquisition.

The company 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 company was a deficit of £38,131 (2012 surplus - £490,754).

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**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 in the consolidated statement of financial activities over its estimated economic life.

Amortisation is provided at the following rates:

Goodwill	- 10 years
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**1.8 Investments**

Investments are stated at market value at the balance sheet date. The Statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

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

**1.9 Pensions**

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

**2. VOLUNTARY INCOME**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	<i>Total funds 2012 £</i>
Donations & gifts	703	-	703	152,019

**3. TRADING ACTIVITIES**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	<i>Total funds 2012 £</i>
<b>Charity trading income</b>				
Consultancy services - NNS	160,182	-	160,182	-
<b>Charity trading expenses</b>				
Costs of providing consultancy - NNS	183,043	-	183,043	-
Net expenditure from trading activities	(22,861)	-	(22,861)	-

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**4. INVESTMENT INCOME**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Interest receivable	1,378	-	1,378	100

**5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Grants	135,000	416,600	551,600	693,200
Fee income	5,000	-	5,000	8,517
	<u>140,000</u>	<u>416,600</u>	<u>556,600</u>	<u>701,717</u>

**6. GOVERNANCE COSTS**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Support costs - Governance	8,577	-	8,577	4,319
Wages and salaries	6,698	-	6,698	3,373
	<u>15,275</u>	<u>-</u>	<u>15,275</u>	<u>7,692</u>

**NATIONAL NUMERACY**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**7. DIRECT COSTS**

	Advancement of numeracy £	Total 2013 £	Total 2012 £
Consultants	134,356	134,356	33,198
Research	7,106	7,106	7,307
Website & marketing	92,053	92,053	23,224
Travelling & meeting costs	9,875	9,875	9,244
Stationery & office	3,319	3,319	1,524
General expenses	254	254	758
Project costs	-	-	91,161
Telephone & computer	2,063	2,063	2,670
Staff costs	438	438	-
Support costs recharged	39,981	39,981	-
Wages and salaries	183,806	183,806	25,611
National insurance	19,051	19,051	2,795
Pension cost	4,607	4,607	811
	<u>496,909</u>	<u>496,909</u>	<u>198,303</u>

**8. SUPPORT COSTS**

	Governance £	Advancement of numeracy £	Total 2013 £	Total 2012 £
Professional fees	8,577	30,573	39,150	66,166
Staff costs	-	1,468	1,468	5,938
Website & marketing	-	6,216	6,216	18,097
Travelling expenses	-	6,965	6,965	662
Rent & rates	-	5,123	5,123	-
Stationery & office expenses	-	2,115	2,115	1,188
General expenses	-	1,003	1,003	1,000
Telephone & computer	-	6,912	6,912	2,080
Bank costs	-	44	44	-
Support costs recharged	-	(39,981)	(39,981)	-
Wages and salaries	6,698	54,764	61,462	61,051
National insurance	-	5,668	5,668	6,663
Pension cost	-	3,758	3,758	1,934
	<u>15,275</u>	<u>84,628</u>	<u>99,903</u>	<u>164,779</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**9. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE**

	Staff costs 2013 £	Other costs 2013 £	Total 2013 £	Total 2012 £
Fundraising expenses	3,427	179,616	183,043	-
<b>Costs of generating funds</b>	<b>3,427</b>	<b>179,616</b>	<b>183,043</b>	<b>-</b>
Advancement of numeracy	271,654	309,883	581,537	355,390
Governance	6,698	8,577	15,275	7,692
	<b>281,779</b>	<b>498,076</b>	<b>779,855</b>	<b>363,082</b>

**10. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES**

	Activities undertaken directly 2013 £	Support costs 2013 £	Total 2013 £	Total 2012 £
Advancement of numeracy	496,909	84,628	581,537	355,390

**11. NET INCOMING RESOURCES / (RESOURCES EXPENDED)**

This is stated after charging:

	2013 £	2012 £
Pension costs	8,365	2,745

During the year, no Trustees received any remuneration (2012 - £NIL).  
During the year, no Trustees received any benefits in kind (2012 - £NIL).  
During the year, no Trustees received any reimbursement of expenses (2012 - £NIL).

**12. AUDITORS' REMUNERATION**

	2013 £	2012 £
Fees payable to the group's auditor and its associates for the audit of the group's annual accounts	7,500	3,900

**NATIONAL NUMERACY**  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**13. STAFF COSTS**

Staff costs were as follows:

	2013 £	2012 £
Wages and salaries	248,434	86,662
Social security costs	24,979	9,458
Other pension costs	8,365	2,745
	<u>281,778</u>	<u>98,865</u>

The average monthly number of employees during the year was as follows:

	2013 No.	2012 No.
Finance and administration	3	2
Charitable activities	5	1
	<u>8</u>	<u>3</u>

The number of higher paid employees was:

	2013 No.	2012 No.
In the band £70,001 - £80,000	<u>1</u>	<u>1</u>

**14. INTANGIBLE FIXED ASSETS**

Group Cost	Goodwill £
Additions	120,000
At 31 December 2013	<u>120,000</u>
<b>Net book value</b>	
At 31 December 2013	<u>120,000</u>

National Numeracy Solutions Limited, a wholly owned subsidiary of the charity, purchased the business of NM Partnership Limited as a going concern on 27 September 2013, for the agreed price of £120,000.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**15. FIXED ASSET INVESTMENTS**

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

<b>Company</b>	<b>Shares in group undertakings £</b>
<b>Market value</b>	
At 1 January 2013	-
Additions	1
	<hr/>
At 31 December 2013	1
	<hr/> <hr/>

**16. DEBTORS**

	<b>Group</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	£	£	£	£
Trade debtors	234,428	191,968	-	191,968
Amounts owed by group undertakings	-	-	65,944	-
Other debtors	170	-	171	-
Prepayments and accrued income	41,611	196	575	196
	<hr/>	<hr/>	<hr/>	<hr/>
	276,209	192,164	66,690	192,164
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

	<b>Group</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	£	£	£	£
Trade creditors	27,836	-	6,152	-
Other taxation and social security	52,008	3,821	8,258	3,821
Other creditors	608	-	608	-
Accruals and deferred income	231,091	9,070	33,970	9,070
	<hr/>	<hr/>	<hr/>	<hr/>
	311,543	12,891	48,988	12,891
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

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

	<u>Group</u>		<u>Company</u>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Other creditors	<b>120,000</b>	-	-	-

Creditors include amounts not wholly repayable within 5 years as follows:

	<u>Group</u>		<u>Company</u>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Repayable other than by instalments	<b>120,000</b>	-	-	-

**19. STATEMENT OF FUNDS**

	<b>Brought Forward</b>	<b>Incoming resources</b>	<b>Resources Expended</b>	<b>Carried Forward</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>				
Unrestricted group funds	<b>180,857</b>	<b>302,263</b>	<b>(297,055)</b>	<b>186,065</b>



**NATIONAL NUMERACY**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**19. STATEMENT OF FUNDS (continued)**

**Restricted funds**

John Lyon's Charity	35,252	46,600	(69,570)	12,282
NIACE	147,833	200,000	(262,795)	85,038
Man Charitable Trust	24,905	50,000	(33,349)	41,556
The Skills Show	1,058	-	(1,058)	-
The Rayne Foundation	100,849	-	(100,849)	-
Paul Hamlyn Foundation	-	120,000	(15,179)	104,821
	<u>309,897</u>	<u>416,600</u>	<u>(482,800)</u>	<u>243,697</u>

John Lyon's Charity  
Funding towards raising achievement in schools.

**NIACE**

Action on Maths: National Numeracy Challenge

To develop and pilot the core elements of the National Numeracy Challenge thereby providing tangible outputs for Action on Adults Maths and also providing a platform for improving adult numeracy in 2013 and beyond.

**Man Charitable Trust**

Funding towards achieving the organisation's goals, but restricted to salaries and marketing consultancy costs.

**The Skills Show**

Funding towards the Have a Go Numeracy Activity Project.

**The Rayne Foundation**

Funding towards practical projects, helping those with low numeracy and addressing poor public attitudes to numeracy.

**Paul Hamlyn Foundation**

Funding towards the Firm Foundations and Parental Engagement projects.

Total of funds	<u>490,754</u>	<u>718,863</u>	<u>(779,855)</u>	<u>429,762</u>
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**SUMMARY OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Carried Forward £
General funds	180,857	302,263	(297,055)	186,065
Restricted funds	309,897	416,600	(482,800)	243,697
	<u>490,754</u>	<u>718,863</u>	<u>(779,855)</u>	<u>429,762</u>

**NATIONAL NUMERACY**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	<i>Total funds 2012 £</i>
Intangible fixed assets	120,000	-	120,000	-
Current assets	497,609	243,697	741,306	503,645
Creditors due within one year	(311,544)	-	(311,544)	(12,891)
Creditors due in more than one year	(120,000)	-	(120,000)	-
	<u>186,065</u>	<u>243,697</u>	<u>429,762</u>	<u>490,754</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 (2012 - £nil).

**22. RELATED PARTY TRANSACTIONS**

L Churchman is a director of National Mathematics Partnership Limited (NMP), as well as trustee of National Numeracy during the year. She provided consultancy services to the charity through NMP totalling £18,000 (2012 - £23,484) in the year.

NMP also supplied consultancy services for the John Lyon's Charity project during the year of £69,590.

The Nationwide Foundation, of which C Rhodes is a director, granted the charity £100,000 during the year (2012 - £150,000).

Tacon Design, a company run by relatives of the Chief Executive Officer, supplied design services to National Numeracy totalling £17,663 (2012 - £17,575) in the year. Mark Sawtell, who is also a relation of the Chief Executive, provided accountancy services to the charity totalling £1,881 during the year.

A trustee, W Jones, is a paid consultant under contract to National Numeracy and supplied services totalling £19,920 in the year.

D Hatchett, a trustee, provided consultancy services to National Numeracy totalling £1,500 in the year.

J Cornish, a trustee, is an employee of Oxford University Press, which has commercial arrangements with National Numeracy Solutions Ltd. OUP supplied products totalling £14,115 during the year and £4,185 was owed as at the year end.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

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**23. PRINCIPAL SUBSIDIARIES**

<b>Company name</b>	<b>Country</b>	<b>Percentage Shareholding</b>	<b>Class</b>
National Numeracy Solutions Ltd	UK	100	Ordinary

The company was incorporated on 20 September 2013 as a private company limited by shares. Entity statutory accounts were not produced for the accounting period up to 31 December 2013. The net loss for the period and balance sheet total as at 31 December 2013 was £23,678.