
NATIONAL NUMERACY
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

NATIONAL NUMERACY
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2014**

Trustees

David Frost CBE DL, Chair (appointed 14 January 2014)
Jill Cornish
John Griffith-Jones
Diana Hatchett
Chris Humphries CBE (resigned 12 December 2014)
Wendy Jones
Lord (Claus) Moser
Chris Rhodes
Belinda Vernon

Company registered number

07886294

Charity registered number

1145669

Registered office

Phoenix House, Lewes, East Sussex, BN27 2QJ

Secretary

Mike Ellicock

Chief Executive

Mike Ellicock

Independent auditor

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

Bankers

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

NATIONAL NUMERACY
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

The trustees of National Numeracy are pleased to present their report and accounts for the year ended 31 December 2014.

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 and the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

Structure, governance and management

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

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

David Frost, CBE DL Chair (Appointed 14 January 2014)
Chris Humphries, CBE (Resigned 12 December 2014)
Jill Cornish
John Griffith-Jones
Diana Hatchett
Wendy Jones
Lord (Claus) Moser
Chris Rhodes
Belinda Vernon

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. One of the named trustees, Wendy Jones, also acts as paid specialist consultant 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 this Trustee, and the organisation has followed the Charity Reporting and Accounting Rules in its legal agreements with her.

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 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 January 2014 David Frost was appointed Chair of the Trustees, taking over from the founding Chair Chris Humphries.

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

Further to this there are regular general staff meetings to cover specific project matters, decide on capacity priority and staffing.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014

M 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. Attendance at these meetings is unpaid.

National Numeracy Solutions (the trading subsidiary) has a board consisting of Mike Ellicock, Lynn Churchman, Serge Tasic, Margaret Haseler and Alison Plant. For the first half of 2014, NNS board members met regularly every 6 weeks, separate to NN meetings. However, in the latter half of 2014 these meetings were held as part of the main Strategy Group meetings.

b. Finance and funding

In 2014 National Numeracy secured income totalling £1,199,213 from grants and donations.

National Numeracy Solutions had a total income in 2014 of £769,985.

The main funders of NN were: the Department of Business, Innovation and Skills, Nationwide Building Society, The Rothschild Foundation, the Man Charitable Trust, The Mercers' Company and The Paul Hamlyn Foundation.

In 2014 NN produced an Internal Financial Controls policy which was agreed with the Trustees. This established clear internal guidelines and processes, and clarified the expenses policy.

In the summer of 2014 NN appointed a Financial Controller to control and monitor the budget and expenditure and produce the management accounts.

c. 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 has been drawn up and key staff members have been allocated areas of responsibility and a schedule of regular assessments has been issued.

d. Objectives and activities

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

Achievements and performance

a. Progress in 2014 and the year ahead

National Numeracy was established to help raise low levels of numeracy among adults and children in the UK and to promote the importance of everyday maths skills. It aims to challenge negative attitudes, influence public policy and identify and disseminate effective approaches to improving numeracy. Where possible it works in partnership with other organisations.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014

Now three years old, the charity has continued its unique and unrelenting focus on the importance of numeracy. Over the past year it has extended its work and influence in a range of areas, introduced new activities, formed new partnerships and continued to spread the message that numeracy is fundamental to daily life and that everyone – with support and effort – can improve their maths skills. Below is a summary of achievements in 2014 and a look ahead to plans for the coming year.

b. Improving adults' numeracy

In March 2014, we formally launched the National Numeracy Challenge, a UK-wide project aimed at the millions of adults with numeracy skills below those considered equivalent to a GCSE A*-C pass (government statistics suggest this is three-quarters of the adult population). Following the previous year's pilot, the Challenge was rolled out to the wider public in partnership with public and private sector employers, workplace, community and education organisations: these included our funder Nationwide Building Society, Portsmouth City Council, TUC unionlearn, Nottingham University Hospitals NHS Trust, Merseytravel, the Workers' Educational Association and a number of public libraries.

Central to the project is the Challenge Online, an interactive website underpinned by our Essentials of Numeracy for All model. This allows people to test their own numeracy, provides a detailed assessment, signposts tailored online learning and offers a subsequent re-assessment. By the end of 2014, over 43,000 people had registered, over 31,000 had completed the Challenge Check-up, 2,239 had retaken it and 1,373 had shown significant improvement in their numeracy. At the end of the year the number of partner organisations stood at 140, each of them with their own unique link to the site.

As part of Volunteers' Week in June, we introduced the Challenge Champions programme which encourages people to volunteer to help others in improving their numeracy skills. We developed a Champions' self-study workbook which gained independent accreditation for continuing professional development and we produced tailored versions of the workbook for TUC unionlearn and Workplace Learning Advocates.

For those adults with the lowest numeracy skills, we developed Firm Foundations for All, as a stepping stone to the Challenge. The initial phase of this project, funded by the Paul Hamlyn Foundation, tested whether physical resources familiar in primary schools can be used to develop conceptual understanding among adults with very low numeracy. The testing took place in four different settings, including a college and a prison.

Feedback from those involved showed that such resources do have a place in adult numeracy learning, with students reporting improved confidence and understanding and tutors reporting that the project had changed their approach to teaching numeracy. We believe this approach has considerable potential and we will be seeking funding for the further development of materials, including a digital resource, and a follow-up pilot to collect stronger data and, in particular, to measure actual improvement in numeracy skills.

c. Improving childrens' numeracy

During 2014, National Numeracy made significant progress in its work to improve children's numeracy, following the formation at the end of the previous year of its education business and trading arm, National Numeracy Solutions (NNS), and the acquisition of National Mathematics Partnership and its team of experienced school improvement consultants.

The aim of the new business is to allow us to operate directly in schools and colleges, offering a range of services to improve teaching and learning, while at the same time providing National Numeracy with both additional educational expertise and a new revenue stream to support the charity's wider activities.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014

The education team, under the leadership of Lynn Churchman, worked under contract in over 90 schools during 2014, providing a range of bespoke support from one-off training events to long-term improvement programmes and covering every aspect of mathematics teaching and learning. In addition NNS offered schools its published resources, in particular Passport Maths for students starting secondary school below the expected standard, and it began to plan new resources to support the teaching and learning of maths.

The team also worked with the Welsh government, developing numerical reasoning training and support materials for teachers to help schools implement the requirements of Wales' new Literacy and Numeracy Framework.

Overall National Numeracy Solutions exceeded its earning target and its surplus target, achieving a turnover of over £766,000 and contributing over £68,000 to the work of the charity.

Raising Achievement, our three-year pilot project looking at ways to improve the engagement and progress in mathematics of children aged seven to nine, was completed and, although extremely challenging, was generally successful in meeting its objectives. The work, funded by the John Lyon's Charity, involved 30 London schools and explored ways of avoiding the loss of learning momentum for children at this stage of primary education. As well as benefitting the schools taking part, the project led to wider recommendations for heads, teachers, parents and government (detailed in the project's final report) and learning from it will feed into future National Numeracy work.

d. Improving the numeracy of both adults and children

We explored ways to increase family involvement in children's maths – with the dual aim of helping children's learning and encouraging parents and carers to think more about their own numeracy skills. The Parental Engagement project highlights opportunities for everyday mathematical activity and conversation within families, overcoming parents' reluctance and resistance and building more positive attitudes among both adults and children. It also offers another route into the National Numeracy Challenge.

The initial phase, funded by the Paul Hamlyn Foundation, involved working with parents, children and staff in nine schools in England and one in Wales and helping them to create their own strategies for improving engagement. A range of resources was developed, including maths scrapbooks for children to use with their parents and a pilot online Parent Toolkit which offers a bank of ideas and advice and which attracted nearly 6,000 users in three months.

Among parents taking part, 72% said they felt more able to support their children with maths, while 81% of staff reported that the project had helped to break down barriers to parental engagement in their school. Funding is being sought to develop ideas and resources further and carry out another pilot to gather stronger data on achievement; we are also discussing a similar project with the Mayor's Fund for London. In addition we aim to develop the scrapbooks so they can be made more widely available and eventually to offer a family engagement service to schools.

e. Influencing policy and practice

2014 saw the launch of our 'Manifesto for a numerate UK', which proposed a series of radical measures designed to transform attitudes, influence policy and establish a new approach to numeracy throughout school and beyond. These proposals will guide our future work and determine our priorities. The Manifesto won considerable support in the education sector, was distributed to a wide range of stakeholders and attracted media attention.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014

We continued to seek to influence government policy on maths and numeracy, maintaining regular contact with Whitehall officials, particularly in the Department for Education and the Department for Business, Innovation & Skills, and attracting government funding for work with the Behavioural Insights Team on the National Numeracy Challenge (see below). We had meetings with both the new skills minister and the new schools minister, as well as with opposition politicians and advisers. A strong theme of our political lobbying was the need for an additional qualification alongside GCSE maths and there was clear evidence by the end of the year of political interest in a post-16 alternative for those young people who have not achieved at least a C grade.

We also maintained contact with the administrations in Scotland, Northern Ireland and especially Wales, with the aim of ensuring that our messages feed into decision-making in all parts of the UK.

During the year we started to develop new strategic partnerships with a number of organisations, including City & Guilds, Oxford University Press and Achievement for All. We became part of the Fair Education Alliance, supporting the publication of its inaugural Report Card outlining the state of educational inequality in the UK. And we sought to influence policy through responding to a number of relevant consultations, from both government and other organisations.

At the beginning of 2014 we were invited to provide co-secretariat support to the newly established All-Party Parliamentary Group for Maths & Numeracy and our chief executive spoke at the Group's launch event in March. We helped to prepare the Group's initial briefing paper and to set up an enquiry into maths in early years settings, resulting in the publication of a short paper on the subject in November.

We held two further sessions of the Numeracy Forum, established at the end of the previous year to spread ideas and good practice among all those with an interest in maths and numeracy. These included presentations from the Behavioural Insights Team, leading maths educator Jo Boaler and broadcaster Kate Bellingham, and a very lively discussion on maths in the workplace.

We continued to extend contacts with the education, business and not-for-profit sectors and to be represented or speak at many conferences, seminars and festivals. We gained support for our work from a number of high-profile figures in entertainment and the media, politics, business, sport and academia.

f. Changing public attitudes

National Numeracy maintained a high media presence during 2014, continuing to spread its message about the vital importance of good numeracy. The launch of the Challenge Online and the publication of the Pro Bono Economics report on the economic cost of poor numeracy (see below) were extensively covered, and we continued to be approached by newspapers and broadcasters for comment on relevant news developments.

We worked very closely with the BBC on the development of its 'Maths of the Day' campaign. Involving BBC Learning, BBC Sport and CBBC, this was launched to coincide with the return of the FA Cup to BBC TV. It highlighted the maths in football, with a number of bespoke films and online guides, and versions for younger viewers and primary schools, and featured television personalities, Rachel Riley, Robbie Savage, Gary Lineker and Dan Walker. The campaign increased traffic to the Challenge Online where we established a dedicated landing page. This work is continuing in 2015 and we hope that it will provide a precedent for other collaboration with the BBC.

In the autumn National Numeracy featured in an edition of ITV's flagship current affairs show 'Tonight'. 'Trouble with Numbers' looked at what could be done to solve the problem of poor numeracy in the UK. It attracted over two and a half million viewers, led to an article in the Daily Telegraph and created a spike of interest in the National Numeracy Challenge Online.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014

In November, National Numeracy took part in The Skills Show at the NEC, Birmingham, with a presence on stands run by NIACE and TUC unionlearn, handing out materials and promoting the Challenge and Parent Toolkit. We were also involved with the BBC in the CBeebies' Peter Pan event in Salford in October, running numeracy activities and spreading the 'be positive about maths' message to parents.

During the year, traffic to our website increased, with a particular peak on the launch of the Challenge Online in March. The number of unique visitors for 2014 totalled 187,850. We began to review the site and plan a major refreshment, in order to improve content and navigation and present information about the different areas of National Numeracy's work more effectively. We also produced a range of new printed materials aimed at various audiences.

Our presence on social media attracted more interest, with a growth in Twitter followers (standing at over 3,000 by the end of 2014) and an increase in Facebook engagement.

g. Research and evidence

We became a key partner of the Behavioural Research Centre for Adult Skills and Knowledge (ASK), set up by the Behavioural Insights Team (originally part of the Cabinet Office), and began work on collaborative projects to find the most effective ways to engage people in improving their numeracy. As part of this strategic partnership, we are working with ASK team members to evaluate and improve data from the Challenge, linking them to our Challenge partners and trialling different ways of optimising the Challenge offer.

In March, to coincide with the launch of the National Numeracy Challenge, we published a report commissioned from Pro Bono Economics, which estimated the cost of poor numeracy at around £20.2 billion per year (1.3% of the UK's GDP). This provided valuable new evidence of the economic impact of low numeracy and has been widely referred to since publication.

We also commissioned and published our annual online survey on attitudes to maths and numeracy. Carried out by YouGov, this showed, among other things, that nearly a third of adults wanted to improve their maths skills, rising to 50% among those who rated their skills as poor.

We generated new evidence from our own on-the-ground projects, with end-of-phase analysis and evaluation. We improved our understanding of the effectiveness of our projects through additional and more detailed data collection digitally; with the Challenge Online in particular, this began to contribute to a deeper understanding of the use of the resource by individuals and of its impact.

On the National Numeracy website, we continued to expand our bank of evidence on all aspects of numeracy and maths education, presented it in new ways to make it clearer and to create greater impact, reviewed its use in supporting our messages and responded to requests to use our material externally. We began too to look specifically at evidence about the links between health and numeracy and responded to new research from Cancer Research UK on the correlation between people's numeracy, their understanding of risk and their attitude to cancer screening.

h. Organisation and funding

National Numeracy continued to grow as an organisation, in particular following the formation at the end of 2013 of National Numeracy Solutions and the move into education consultancy. We made some changes to our management structure in the light of these changes and continued to work to integrate the different parts of the organisation. We also recruited extra staff to the small team at our office in Lewes to support work in research and outreach activities.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014

The board met four times during the year and we were pleased to welcome our new chairman, David Frost CBE, who took up his post in January. Our former – and founding – chairman Chris Humphries CBE retired from the board for personal reasons in December. We are indebted to him for his inspiration and commitment.

During 2014 National Numeracy received funding from Nationwide Building Society, the Rayne Foundation, the Mercers' Company, the Man Charitable Trust, the Rothschild Foundation, the Paul Hamlyn Foundation, the Department for Business, Innovation & Skills, the Behavioural Insights Team and TUC unionlearn, and continued to seek other funding opportunities. We are grateful for the generous support of all our funders.

Aims for 2015

The coming year will be a busy and challenging one for National Numeracy. We aim to increase the number of children and adults we help through our practical projects and to continue to work to change public attitudes to numeracy, in particular seeking support for a new drive to spread positive messages. We also aim to influence the new government's policies on maths and numeracy and the education sector's practices.

Setting priorities among many competing demands and opportunities will require tough decisions but we will pay particular attention to work supporting the proposals in our Manifesto.

Our plans therefore include:

- Expanding the work of the Challenge, in collaboration with existing and new partners, reaching more participants and exploring new delivery and funding models
- In partnership with others, developing new approaches to numeracy for 14-19 year-olds, based on the components of the Essentials of Numeracy for All, and beginning to win support for these from government, the education and training sector and employers
- Continuing the consultancy work of National Numeracy Solutions in schools and developing and marketing new resources to improve the teaching and learning of mathematics
- Developing the next stages of the Firm Foundations for All and Parental Engagement projects
- Establishing relationships with the new government after the election in order to influence policy on maths and numeracy, in particular around the development of GCSE alternatives
- Helping to attract support in the new parliament for the All-Party Group on Maths and Numeracy
- Carrying out a further opinion poll with YouGov to assess public attitudes to numeracy
- Working with the BBC to build on the success of the Maths of the Day campaign and develop new ideas in other areas
- Completing the redesign of the National Numeracy website
- Identifying areas where further research is needed and working with others to get this carried out
- Implementing new ways of measuring performance.
- Securing more funding to enable us to develop our work further, especially in the areas identified in the Manifesto proposals.

Reserves

As a young organisation, the Trustees have been looking to establish free reserves of one year of unrestricted level expenditure in order to ensure the uninterrupted continuation of what is inevitably a long-term programme of work vital to the UK economy. This policy has been pursued in order to give the organisation some flexibility to respond to unforeseen opportunities as they arise in the early years. The Trustees regularly review the level of reserves and have established designated funds of £190,000 to secure the continuation of the National Numeracy Challenge in 2015 in the event of no further specific funding becoming available. This leaves a free reserves level of £266,038 which is broadly in line with policy.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014

TRUSTEES' RESPONSIBILITIES STATEMENT

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

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

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

DISCLOSURE OF INFORMATION TO AUDITOR


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

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

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 31 March 2015 and signed on their behalf by:

David Frost



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

We have audited the financial statements of National Numeracy for the year ended 31 December 2014 set out on pages 12 to 28. 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 2014 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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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL NUMERACY

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- the parent charitable company has not kept adequate accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Knill James

Chartered Accountants
Statutory Auditor

One Bell Lane
Lewes
East Sussex
BN7 1JU
31 March 2015

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

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account)
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	2	6,781	8,000	14,781	703
Activities for generating funds	3	715,160	-	715,160	160,182
Investment income	4	4,379	-	4,379	1,378
Incoming resources from charitable activities	5	279,721	904,711	1,184,432	556,600
TOTAL INCOMING RESOURCES		1,006,041	912,711	1,918,752	718,863
RESOURCES EXPENDED					
Costs of generating funds:					
Trading activities	3	617,127	-	617,127	183,043
Charitable activities		63,571	717,239	780,810	581,538
Governance costs	6	21,001	-	21,001	15,275
TOTAL RESOURCES EXPENDED	9	701,699	717,239	1,418,938	779,856
NET INCOMING / (OUTGOING)					
RESOURCES BEFORE TRANSFERS		304,342	195,472	499,814	(60,993)
Transfers between Funds	19	(34,368)	34,368	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR		269,974	229,840	499,814	(60,993)
<i>Total funds at 1 January 2014</i>		<i>186,064</i>	<i>243,697</i>	<i>429,761</i>	<i>490,754</i>
TOTAL FUNDS AT 31 DECEMBER 2014		456,038	473,537	929,575	429,761

The notes on pages 16 to 28 form part of these financial statements.

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REGISTERED NUMBER: 07886294

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Intangible assets	14		96,000		120,000
CURRENT ASSETS					
Debtors	16	90,894		276,209	
Cash at bank and in hand		1,011,756		465,096	
			<u>1,102,650</u>	<u>741,305</u>	
CREDITORS: amounts falling due within one year	17	(229,075)		(311,544)	
NET CURRENT ASSETS			<u>873,575</u>		<u>429,761</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>969,575</u>		<u>549,761</u>
CREDITORS: amounts falling due after more than one year	18		(40,000)		(120,000)
NET ASSETS			<u><u>929,575</u></u>		<u><u>429,761</u></u>
CHARITY FUNDS					
Restricted funds	19		473,537		243,697
Unrestricted funds	19		456,038		186,064
TOTAL FUNDS			<u><u>929,575</u></u>		<u><u>429,761</u></u>

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CONSOLIDATED BALANCE SHEET (continued)
AS AT 31 DECEMBER 2014

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.

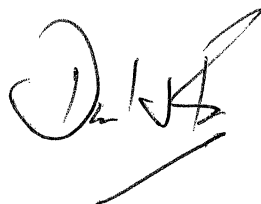
The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2014 and of its net incoming resources for 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).

The financial statements were approved by the Trustees on 31 March 2015 and signed on their behalf, by:

David Frost

The notes on pages 16 to 28 form part of these financial statements.



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

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2014

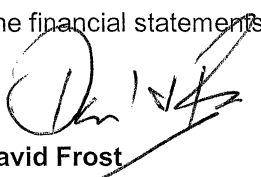
	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Investments	15		1		1
CURRENT ASSETS					
Debtors	16	148,215		66,690	
Cash at bank and in hand		828,119		435,736	
		<u>976,334</u>		<u>502,426</u>	
CREDITORS: amounts falling due within one year	17	(46,762)		(48,988)	
NET CURRENT ASSETS			<u>929,572</u>		<u>453,438</u>
NET ASSETS			<u>929,573</u>		<u>453,439</u>
CHARITY FUNDS					
Restricted funds	19		473,537		243,697
Unrestricted funds	19		456,036		209,742
TOTAL FUNDS			<u>929,573</u>		<u>453,439</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 2014 and of its net incoming resources 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 31 March 2015 and signed on their behalf, by:


David Frost

The notes on pages 16 to 28 form part of these financial statements.

NATIONAL NUMERACY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

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.

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

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

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

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.

NATIONAL NUMERACY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1. ACCOUNTING POLICIES (continued)

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

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 surplus of £401,781 (2013 deficit - £38,131).

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	- 5 years
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NATIONAL NUMERACY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1. ACCOUNTING POLICIES (continued)

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 2014 £	Restricted funds 2014 £	Total funds 2014 £	<i>Total funds 2013 £</i>
Donations & gifts	6,781	8,000	14,781	703

3. TRADING ACTIVITIES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	<i>Total funds 2013 £</i>
Charity trading income				
Consultancy services - NNS	715,160	-	715,160	160,182
Charity trading expenses				
Costs of providing consultancy - NNS	617,127	-	617,127	183,043
Net income/(expenditure) from trading activities	98,033	-	98,033	(22,861)

4. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	<i>Total funds 2013 £</i>
Interest receivable	4,379	-	4,379	1,378

NATIONAL NUMERACY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Grants	279,721	904,711	1,184,432	551,600
Fee income	-	-	-	5,000
	<u>279,721</u>	<u>904,711</u>	<u>1,184,432</u>	<u>556,600</u>

6. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Support costs - Governance	12,418	-	12,418	8,577
Wages and salaries	8,583	-	8,583	6,698
	<u>21,001</u>	<u>-</u>	<u>21,001</u>	<u>15,275</u>

7. DIRECT COSTS

	Advancement of numeracy £	Total 2014 £	Total 2013 £
Consultants	26,611	26,611	6,837
Research	5,958	5,958	7,106
Website & marketing	130,270	130,270	92,053
Travelling & meeting costs	17,343	17,343	9,875
Education consultants	167,602	167,602	127,519
Stationery & office	2,629	2,629	3,319
General expenses	1,386	1,386	254
Telephone & computer	3,981	3,981	2,063
Staff costs	1,295	1,295	439
Support costs recharged	56,901	56,901	39,981
Wages and salaries	265,648	265,648	183,806
National insurance	27,102	27,102	19,051
Pension cost	10,512	10,512	4,607
	<u>717,238</u>	<u>717,238</u>	<u>496,910</u>

NATIONAL NUMERACY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

8. SUPPORT COSTS

	Governance	Advancement of numeracy	Total 2014	<i>Total 2013</i>
	£	£	£	£
Education consultants	-	22,067	22,067	26,881
Staff costs	-	1,474	1,474	1,468
Website & marketing	-	17,713	17,713	6,216
Travelling expenses	-	6,672	6,672	6,965
Rent & rates	-	4,654	4,654	5,123
Stationery & office expenses	-	3,332	3,332	2,115
General expenses	-	2,739	2,739	1,003
Legal & professional	12,418	685	13,103	12,269
Telephone & computer	-	10,208	10,208	6,912
Bank costs	-	123	123	44
Support costs recharged	-	(56,901)	(56,901)	(39,981)
Wages and salaries	8,583	45,762	54,345	61,462
National insurance	-	1,929	1,929	5,668
Pension cost	-	3,115	3,115	3,758
	21,001	63,572	84,573	99,903

9. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2014	Other costs 2014	Total 2014	<i>Total 2013</i>
	£	£	£	£
Trading activities	30,955	586,172	617,127	183,043
Costs of generating funds	30,955	586,172	617,127	183,043
Advancement of numeracy	354,068	426,742	780,810	581,538
Governance	8,583	12,418	21,001	15,275
	393,606	1,025,332	1,418,938	779,856

10. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2014	Support costs 2014	Total 2014	<i>Total 2013</i>
	£	£	£	£
Advancement of numeracy	717,238	63,572	780,810	581,538

NATIONAL NUMERACY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

11. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2014 £	2013 £
Amortisation - intangible fixed assets	24,000	-
Pension costs	14,653	8,365
	<u>14,653</u>	<u>8,365</u>

During the year, no Trustees received any remuneration (2013 - £NIL).

During the year, no Trustees received any benefits in kind (2013 - £NIL).

During the year, 1 Trustee received reimbursement of expenses of £278 (2013 - £NIL).

12. AUDITORS' REMUNERATION

	2014 £	2013 £
Fees payable to the group's auditor and its associates for the audit of the group's annual accounts	8,300	7,500
	<u>8,300</u>	<u>7,500</u>

13. STAFF COSTS

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	347,770	248,435
Social security costs	31,183	24,979
Other pension costs	14,653	8,365
	<u>393,606</u>	<u>281,779</u>

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

	2014 No.	2013 No.
Finance and administration	4	3
Charitable activities	9	5
	<u>13</u>	<u>8</u>

NATIONAL NUMERACY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

13. STAFF COSTS (continued)

The number of higher paid employees was:

	2014 No.	2013 No.
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	1	0
	<u>1</u>	<u>1</u>

During the year ended 31 December 2014 employer's pension contributions for higher paid employees amounted to £6,415.

14. INTANGIBLE FIXED ASSETS

Group	Goodwill £
Cost	
At 1 January 2014 and 31 December 2014	<u>120,000</u>
Amortisation	
Charge for the year	<u>24,000</u>
At 31 December 2014	<u>24,000</u>
Net book value	
At 31 December 2014	<u><u>96,000</u></u>
<i>At 31 December 2013</i>	<u><u><i>120,000</i></u></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 an agreed price of £120,000.

NATIONAL NUMERACY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

15. FIXED ASSET INVESTMENTS

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

Company Market value	Shares in group undertakings £
At 1 January 2014 and 31 December 2014	1

16. DEBTORS

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	63,422	234,428	1,805	-
Amounts owed by group undertakings	-	-	137,861	65,944
Other debtors	-	170	-	170
Prepayments and accrued income	27,472	41,611	8,549	576
	<u>90,894</u>	<u>276,209</u>	<u>148,215</u>	<u>66,690</u>

17. CREDITORS:
Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Trade creditors	54,287	27,836	19,424	6,152
Other taxation and social security	10,470	52,009	9,536	8,258
Other creditors	48,411	608	2,887	608
Accruals and deferred income	115,907	231,091	14,915	33,970
	<u>229,075</u>	<u>311,544</u>	<u>46,762</u>	<u>48,988</u>

NATIONAL NUMERACY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

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

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Other creditors	40,000	120,000	-	-

19. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
Designated funds					
National Numeracy Challenge	-	-	-	190,000	190,000
General funds					
General unrestricted funds	186,064	1,006,041	(701,699)	(224,368)	266,038
Total Unrestricted funds	186,064	1,006,041	(701,699)	(34,368)	456,038

NATIONAL NUMERACY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

19. STATEMENT OF FUNDS (continued)

Restricted funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
John Lyon's Charity	12,282	-	(46,650)	34,368	-
NIACE	85,038	-	(85,038)	-	-
Man Charitable Trust 1	41,556	-	(41,556)	-	-
Man Charitable Trust 2	-	50,000	-	-	50,000
Paul Hamlyn Foundation	104,821	29,431	(108,507)	-	25,745
The Rayne Foundation	-	40,000	-	-	40,000
The Mercers' Company	-	20,000	-	-	20,000
Unionlearn	-	10,000	(10,000)	-	-
Nationwide	-	12,000	(12,000)	-	-
Behavioural Insights Team	-	200,000	(54,556)	-	145,444
Department for Business Innovation & Skills	-	543,280	(350,932)	-	192,348
Internship Programmes	-	8,000	(8,000)	-	-
	<u>243,697</u>	<u>912,711</u>	<u>(717,239)</u>	<u>34,368</u>	<u>473,537</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 1
Funding towards achieving the organisation's goals, but restricted to salaries and marketing consultancy costs.

Man Charitable Trust 2
Funding towards the National Numeracy Challenge, enabling National Numeracy to collaborate with the Workers' Educational Association in a project focusing on engaging adults with low numeracy skills.

Paul Hamlyn Foundation
Funding towards the Firm Foundations and Parental Engagement projects.

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

The Mercers' Company
Funding towards an initial project, being the National Numeracy Challenge.

NATIONAL NUMERACY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

19. STATEMENT OF FUNDS (continued)

Unionlearn

Funding towards adapting the Challenge Champions materials to be bespoke to Unionlearn representatives and to cover the production of three videos which support the Challenge Champions.

Nationwide

In addition to the grant from Nationwide towards National Numeracy's core costs, Nationwide also granted National Numeracy an additional £12,000 to cover the costs of engaging a PR company to support the launch of the National Numeracy Challenge in March 2014.

Behavioural Insights Team

Funding towards working with the Behavioural Centre for Adult Skills and Knowledge (ASK) to evaluate data from the NN Challenge Online and implement improved ways of capturing data in the future, for running trials on the NN customer base and to cover the costs of partner engagement for the NNC.

Department for Business Innovation & Skills

Funding initially to support the launch of the National Numeracy Challenge in March 2014 by supporting the charity's organisational capacity to deliver the Challenge and supporting the development of the web platform. Further funding was granted to scale up the National Numeracy Challenge.

Internship Programmes

National Numeracy received a number of grants during the year to fund four separate graduate internships.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
Designated funds	-	-	-	190,000	190,000
General funds	186,064	1,006,041	(701,699)	(224,368)	266,038
	<u>186,064</u>	<u>1,006,041</u>	<u>(701,699)</u>	<u>(34,368)</u>	<u>456,038</u>
Restricted funds	243,697	912,711	(717,239)	34,368	473,537
	<u>429,761</u>	<u>1,918,752</u>	<u>(1,418,938)</u>	<u>-</u>	<u>929,575</u>

The transfer to designated funds relates to securing the activity of the National Numeracy Challenge through 2015. The transfer to restricted funds represents the use of core funds to support the John Lyon's Charity fund which was fully spent in the year.

NATIONAL NUMERACY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	<i>Total funds 2013 £</i>
Intangible fixed assets	96,000	-	96,000	120,000
Current assets	629,116	473,537	1,102,653	741,305
Creditors due within one year	(229,078)	-	(229,078)	(311,544)
Creditors due in more than one year	(40,000)	-	(40,000)	(120,000)
	<u>456,038</u>	<u>473,537</u>	<u>929,575</u>	<u>429,761</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 (2013 - £nil).

NATIONAL NUMERACY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

22. RELATED PARTY TRANSACTIONS

During the year, the Rayne Foundation and the Paul Hamlyn Foundation, of which Lord (Claus) Moser, a director, is a trustee, awarded £40,000 and £29,431 respectively (2013 - £nil and £120,000) in grant funding to NN.

C Rhodes, a trustee, is also a director of Nationwide, which has granted the charity £212,000 in the year (2013 - £100,000).

During the year, the charity purchased design services from Tacon Design, a company run by relations of the Chief Executive, amounting to £24,023 (2013 - £17,663).

Wendy Jones, a trustee, is also a paid consultant under contract to National Numeracy and supplied services totalling £25,550 (2013 - £19,920) in the year. In addition expenses amounting to £46 were reimbursed in the year.

Di Hatchett, a trustee, has provided consultancy services to National Numeracy for the Parental Engagement and Firm Foundations for All projects, totalling £4,000 (2013 - £1,500) plus reimbursed expenses of £302 in the year. An amount of £1,070 (2013 - £863) was owed at the year end.

Jill Cornish, a trustee, is an employee of Oxford University Press, which has commercial arrangements with National Numeracy Solutions Ltd. OUP supplied products totalling £24,450 (2013 - £14,115) during the year and £208 (2013 - £4,185) was owed at the year end. National Numeracy is in negotiations with OUP in connection with further potential consultancy contracts.

L Churchman, who is a director of the subsidiary, National Numeracy Solutions Ltd, was reimbursed for expenses during the year in the amount of £4,400 (2013 - £nil) and £1,358 (2013 - £nil) was owed at the year end.

L Churchman is also a director of National Mathematics Partnership Ltd (NMP). In the year, she provided consultancy services to National Numeracy Solutions Ltd through NMP totalling £110,088 (2013 - £16,579) and £31,667 (2013 - £16,579) was owed at the year end.

In addition, a Transfer Agreement contract was entered into with NMP in the prior year for £120,000. Repayments totalling £40,000 were made during the year with a remaining creditor balance at the year end of £80,000 (2013 - £120,000).

Redpoint Direct Ltd, who is owned by S Tasic, a director of National Numeracy Solutions Ltd, provided consultancy services totalling £89,201 (2013 - £14,476) during the year and £6,309 (2013 - £nil) was owed at the year end.

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with any wholly owned subsidiary undertaking of the group.

NATIONAL NUMERACY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

23. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Class
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 have been prepared for the first accounting period up to 31 December 2014.