

Charity Registration No. 1145669

Company Registration No. 07886294 (England and Wales)

**NATIONAL NUMERACY
(LIMITED BY GUARANTEE)
TRUSTEES' REPORT AND CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019**



NATIONAL NUMERACY
(LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019

Trustees	B Vernon (Chair) E Brunel-Cohen P Coffey A Haldane W Jones G Keniston-Cooper Prof C Linton L McClure Prof D Rhind
Chief Executive & Secretary	Mike Ellicock
Charity number	1145669
Company number	07886294
Registered office & principal address	Suite 8 Waterside Centre North Street Lewes East Sussex BN7 2PE
Auditors	TC Group The Courtyard Shoreham Road Upper Beeding Steyning West Sussex BN44 3TN
Main bankers	Clydesdale Bank 5 Peveril Court 6-8 London Road Crawley RH10 8JE

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NATIONAL NUMERACY (LIMITED BY GUARANTEE) TRUSTEES' REPORT

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The trustees of National Numeracy are pleased to present their report together with the audited financial statements of the charitable company for the year 1 January 2019 to 31 December 2019. The trustees confirm that the Annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

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

Objectives and activities

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

Performance and achievements

National Numeracy is an independent charity established in 2012 to help raise low levels of numeracy among adults and children and promote the importance of everyday maths skills. It aims to challenge prevailing attitudes, influence public policy and research, and identify and promote effective approaches to improving numeracy. Where possible, it works in partnership with other organisations to achieve these aims. National Numeracy's aim is to enable everyone to become confident and competent with numbers and data so that they can make good decisions in their daily life.

In 2019 we wanted to focus on helping those people who may have been persuaded to initially engage with numeracy to continue their journey, to learn and improve, to help people replace any anxiety with numbers with a new level of confidence. Across the year we saw:

- 1,300 each week sign up to use the National Numeracy Challenge
- an 80% increase in those undertaking learning compared to 2018
- over 600 people improve their numeracy skills each month
- over 100 organisations partner with us.

2019 also saw the trustees work with the National Numeracy staff to develop a five-year strategy which delineates our activities by strand and sets out strategic aims for each of those strands. This process resulted in an agreed approach for 2020 onwards. All strategic aims fit within the overall Theory of Change and all activities embarked upon by National Numeracy will be examined within this framework.

Below is a summary of activity in 2019, followed by a look ahead to 2020.

Raising awareness

2019 saw us continue to raise broad awareness of poor numeracy as an issue that affects both individuals and the country as a whole, and of the benefits of improving numeracy levels. We did this through major campaigns as well as through ongoing media activity.

National Numeracy Day

National Numeracy Day (NN Day) 2019 was our second annual major public-facing campaign for raising awareness and encouraging people to improve their numeracy. Working with our founding supporter KPMG, we secured the backing of 10 Lead Supporters, over 200 Champion organisations and over 400 educational institutions, and achieved a significant level of national media coverage. To date the campaign has inspired over 48,000 people to start their journey towards improved numeracy by registering to use our online assessment and learning tool, the National Numeracy Challenge, with 250,000 numeracy questions being answered on the Challenge website on the day and almost 1 million across the campaign month of May.

The main story was that the 2019 NN Day saw a growth in Champion organisations compared to 2018, an increase in social media engagement and more effective activity from Lead Supporters – we had fewer supporters than the

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previous year but those we did have engaged in a more meaningful way.

The day started with the launch of a new report, examining the results of a survey carried out by National Numeracy and its research partners Ipsos MORI and the Policy Institute, King's College, London. The report, *Numerate nation? What the UK thinks about numbers*, shed light on some startling statistics about attitudes towards numeracy in the UK and the implications for working adults. Those attending the launch heard from key speakers Bobby Duffy (The Policy Institute), Melanie Richards (KPMG), Sir David Behan (Health Education England) and Belinda Vernon (National Numeracy). The report included the finding that 3 in 10 people say they are 'not a numbers person' and that women are more likely to describe themselves this way. The report also highlighted the finding that 31% of people believe numeracy is not needed by professionals, including police officers, politicians and train drivers, despite numbers and data being prevalent in these workplaces.

To mark NN Day, Santander, official sponsor of the UEFA Champions League, brought their numeracy/ football themed roadshow 'The Numbers Game' to Westfield, Shepherd's Bush, in London. The roadshow used data about football to raise awareness of the importance of numbers in everyday life. Over the course of the football season, over 10,000 people completed the onboard 'Numbers Game' roadshow experience.

NN Day was covered by 55 media outlets including: BBC Radio 4, BBC 6 Music, Financial Times, Guardian, Mail Online, Express, The i, Independent, and Daily Mirror. The hashtag #NationalNumeracyDay trended on Twitter, with thousands of people showing support and sharing information on how they were marking the day. The day also saw the launch of a numeracy-themed social media challenge, calling on participants to post a short video or photo showing the maths they use in everyday life: #EverydayMaths. Rachel Riley kickstarted the challenge in the morning, Bobby Seagull, Martin Lewis and Sanjeev Kohli joined in, and the campaign picked up speed throughout the day. Overall, NN Day achieved 35.8m in social media reach.

NN Day is now an award-winning campaign, winning Best Partnership with a National Charity at The Better Society Awards 2019. In 2019, it was supported by KPMG, Bloomberg, Experian, Education Scotland, Ufi Charitable Trust, Standard Life Aberdeen, TP ICAP, Health Education England, Santander, and Provident Financial Group. Our research partners were Ipsos MORI and The Policy Institute at Kings College London, with Coherence being our digital partner.

Checktember

New research by National Numeracy earlier in 2019 revealed that 1 in 4 people would be put off applying for a job if numbers and data were listed as a requirement. To help combat this, we launched the first ever Checktember (in September) – a month of activity encouraging people to get online and find out their numeracy level, see how it relates to qualifications and access help to improve if needed. We wanted everyone to be aware that they can use the Challenge to check and improve their skills, without having to go back to school or retake their GCSE, and we shared stories from learners who have used the Challenge to help them take the next step in their careers. We are pleased to report that almost 6,000 people began their numeracy journey by signing up to check their numeracy level this Checktember, and we will look to build on that success in 2020.

Influencing policy

During 2019, National Numeracy continued to play an important role in keeping numeracy on the public agenda. Mike Ellicock, CEO, was invited to take part in several prominent events, participating on the panel at the Royal Society Business Forum, discussing the role of post-16 education in ensuring workplace resilience, speaking at the Amazon Data Literacy launch event and giving the keynote at Pearson's Power of Maths conference on maths anxiety. He also participated in the Centre for Cities roundtable at the Labour Party Conference.

National Numeracy also continued to pursue its strategy of working to show the role of numeracy in the area of financial capability and financial wellbeing. Our Data Analyst engaged in research and evaluation with the Behavioural Insights Team and engaged with significant leading organisations in this area, including speaking at a conference hosted by Monzo on the theme of financial inclusion.

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Improving numeracy - adults

Throughout 2019, National Numeracy worked on a range of practical projects. As always, we achieved significant results by working with partners. Our year in numbers:

- 3.5 million numeracy questions were answered on the Challenge online tool
- The learning resources on our partner sites were visited almost 180,000 times
- 68,825 people registered on the National Numeracy Challenge website.

In 2019 we aimed to focus on increasing the depth of engagement with numeracy, especially through the Challenge website. Development work on the site was orientated around getting more people to engage with learning resources after completing a numeracy assessment. A personalised dashboard was added to show users which areas needed work and identify the specific resources needed to help them improve. In addition to this we added message screens to give users a better idea of how far through the assessment they are. We also worked hard to improve our messaging to users after they have left the site to encourage them to return and continue their engagement in learning. These developments went live in April, ready for NN Day in May, and resulted in an increase in the number of learners of 80% from 2018 to 2019.

This focus on deepening the user engagement with learning reflects a thread throughout the year as we learn more about the behaviour of our users and improve our understanding of their motivations through case studies and surveys. Turning those insights into system developments continued to be a large area of work on the Challenge in the latter part of 2019 in preparation for a relaunch of the Challenge in 2020 (see section on Looking ahead below).

Projects

In 2019 National Numeracy worked with two major funders on projects that centred on the Challenge. Both projects had begun the previous year and were completed in 2019. In both cases, we were looking to explore routes to scale up the Challenge, both direct to beneficiaries and through employer routes.

The first was the continuation and conclusion of a Department for Education National Retraining Scheme 'Flexible Learning Fund' research project, 'Using online learning to engage working adults in improving their basic maths skills'. The project tested whether it is possible to engage these adults with a scalable digitally-led approach to improving basic maths skills, with no face-to-face maths teaching.

The project showed that it is possible to persuade significant numbers of adults, who had not planned to improve their maths, to seriously consider doing so by focusing on building their confidence alongside their skills. In total, 59,423 adults engaged with the project, of whom 20,040 both opted into the project and met the eligibility criteria (in work with no current plans to take maths qualifications), which exceeded the target of 15,000 adults. This project suggested that there is an opportunity for government to support this vital early engagement with the millions of adults who lack skills and confidence.

The project also demonstrated the potential of working with enlightened and engaged employers. It showed that employers have a vital role to play in enabling adults to learn throughout their careers. Digital approaches are also vital for scalability; any approach that requires personal teaching is unscalable because of the current under-supply of tutors.

The second project was funded by Ufi and was an 18-month project focusing on enabling more UK adults to assess and improve their core numeracy skills in vocational settings. We worked with health trusts, employers, unions, digital platforms, employment agencies, colleges, banks and credit agencies, looking to help people improve their employment and career progression prospects, while aiming to help organisations to increase their productivity and efficiency. Within the 15-month period to March 2019, 83,106 adults registered on the Challenge website as part of the project.

Success in scaling up the reach of the Challenge was dependent on the support of partner organisations, both strategically and in delivery. Therefore, the project focused on communications and relationship management with partners. We were looking for them to recognise the value of numeracy to their employees, and to embed the Challenge in their processes so that it became part of 'business as usual'. As a result of this project we learned a lot about how best to work with partners and how to develop the right partner communications, which will feed into future work.

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National Numeracy also worked on a further 12-month project with the Ufi Charitable Trust - Firm Foundations Digital. The aim was to research and prototype an app comprising a suite of digital games to build basic 'number sense' in adults with particularly low-level skills. We created games which can be used by intermediaries to support learners during their interaction. A digital approach allows learners to interact in ways impossible with physical tools, as well as taking the opportunity to enable learning outside the classroom. The digital, gamified nature of Firm Foundations makes it scalable in a variety of settings without the need for training. The games do not use language, so avoid barriers of language or literacy. In 2020 we plan to establish how to proceed with the app.

Working with the health service and employers

Throughout 2019, National Numeracy continued to engage in projects within the NHS. Most prominently, the charity was commissioned by Health Education England (HEE) to develop a CPD-accredited programme which would support learning and development staff across the NHS to address maths anxiety amongst their workforce. As part of this project a Becoming a Numeracy Champion workshop was established, along with guidance and resources for trained champions to support learners in improving their numeracy. Maths anxiety presents a huge barrier for healthcare staff who want to progress their career. Introducing numeracy through a one-hour attitudinal session run by champions moves learners from 'I can't do maths' to 'I'll give it a go'. This creates a sustainable, cost-effective and scalable model to support numeracy in the workplace.

HEE also commissioned National Numeracy to create two online networks where numeracy champions can interact with National Numeracy and each other and where anyone in the health and social care sector can find out more about the numeracy issue and how they can support their colleagues in improving their numeracy skills and confidence.

In the meantime, Sussex Community Foundation Trust have embedded the National Numeracy Challenge in their clinical induction process (the Care Certificate) as a mandated module. This has had a significant impact with 86% of healthcare assistants joining the trust achieving the Essentials of Numeracy, the core mathematical skills that we all need to be confident and competent with numbers in daily life and the workplace, within six months. In 2020 we aim to measure the impact to the trust and the individual by monitoring how many of these staff progress to further training programmes.

Overall, in 2019 we partnered with over 40 employers and helped 9,000 people in workplaces (including via NHS trusts and trade unions). We reached over 900 learners with our attitudinal workshops, and 90% of participants agreed that following the session they were more likely to have a go at improving their numeracy. These workshops are proving valuable opportunities for us to engage with learners and examine their responses to numeracy and National Numeracy's approach. We have used our learnings from this area of work to feed into our overall attitudinal approach.

Case studies

Throughout the year we sought case studies that reflected our work and used them to communicate the value of numeracy and the impact of our offering to beneficiaries and partners. The people who we worked with were generous with their time in talking to us and we would like to thank them for their participation.

For example, Jason, 46, a Returns Operative in Castleford used the Challenge after it was suggested by his Union Learning Representative as he wanted to be able to help his kids with homework. Now he says 'Maths is my friend. We've had a pint in the pub and made up!' He also feels more confident in being able to help his kids and adds, 'I've changed to a better role at work and I love my job now, because I'm working with numbers.'

Mel works for Sussex Partnership NHS Foundation Trust and needed to boost her confidence with numbers to move on in her career. She talked to National Numeracy about her experience of engaging with National Numeracy projects. Before taking the Challenge she said 'Numbers scared me. I just did not like maths. I had no confidence.' We asked her what impact this was having on her career. She responded that 'Maths was holding me back from the career that I'd chosen for myself' because of the qualifications needed to progress to the Trainee Nursing Associate course.

Since working with National Numeracy, Mel has found positive impact in several areas of her work and life. 'In my work maths is really important. It's there on a daily basis so it's good to feel more confident. Also, I have been able to help my daughter with her homework. I'm a proud mummy! Actually, my son also benefited from the extra help

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from me. He was also struggling with the maths he needed to move forward in his career and we were able to overcome that hurdle together. We started our new careers on the same day – he is going into policing and I'm starting at university – a perfect moment for mother and son to be honest with you.'

Improving numeracy – children

In 2019, National Numeracy completed working on a delivery project funded by a grant from UBS AG to provide a parental engagement programme in 10 primary schools in London. The project used National Numeracy's Family Maths Toolkit resources to provide support to the schools in building a sustainable strategy to promote parental engagement in children's maths learning. We sent out 4,170 maths scrapbooks, arranged cluster meetings for schools and collected baseline data from pupils, teachers and parents.

Shahana Rahman is a teacher at Bangabandhu Primary School in Tower Hamlets, London, which was one of the participating schools. She said 'The main reason we wanted to get involved was for the children and their parents to engage with the learning – to do maths at home, and open up to maths, to see more outside the box other than to see it as traditional sums.' She continued, 'in fact loads of children used to struggle with completing the home learning but now with this, they are actually motivated to show their workbooks, what they have done, they're feeling good about maths and they love it. They love maths, the children just cannot get enough of the Family Maths home learning, and that's what we want.'

In 2019 we also secured funding from the Garfield Weston Foundation to run a parental engagement project in primary schools for the 2019-20 academic year. We started work with three schools in Scotland, providing them with Family Maths Toolkit resources and initial training on parental engagement. We also secured funding from the Edge Foundation to work with three secondary schools in Nottingham throughout the 2019-20 academic year to trial using National Numeracy resources. In 2019 we agreed approaches with each school, they started to use the Challenge with students, and we ran a Becoming a Numeracy Champion workshop for staff at one of the schools.

In 2019 we continued to run our Passport Maths programme, which is an early intervention programme for pupils entering secondary school below age-related expectations in mathematics. In 2019, 86 schools ordered this product with approximately 3,100 student licences purchased in the year. However, in December 2019 it was decided that National Numeracy Solutions, which sells and manages this product, will discontinue this product as it no longer fits with the wider strategy of National Numeracy. The future of the product is currently under discussion. National Numeracy Solutions will continue to support schools who have purchased licences until their licences expire.

Research and evidence

November 2019 saw the publication of our report, *Building a numerate nation: confidence, belief and skills*, launched at a reception at the Bank of England. The report, published in partnership with TP ICAP, set out the evidence and recommendations which employers, politicians and the wider public need to take to address low numeracy in the UK. Despite a busy pre-election news period, the report was covered by national, regional and trade outlets and discussed on BBC Radio 2.

In preparation for compiling this report, we extended our evidence base through commissioning a series of targeted surveys, including a representative sample of 101 MPs and 591 senior decision-makers in September 2019 to gain insight into their evaluation of the scale and cost of the numeracy issue, as well as a representative survey of UK adults. We then used these new data sets alongside our own data from National Numeracy Challenge users.

The survey revealed that business leaders significantly undervalue the cost of poor numeracy to the UK, estimating a cost of £7 million per week vs the actual £388 million. Over 90% of both business leaders and MPs agreed that there needs to be a renewed focus on adult numeracy from government and employers. Importantly, confidence with numbers was found to be the dominant factor linked to numeracy score and having the belief that you can improve your skills was found to be the biggest indicator that your numeracy score would improve.

As a result of the research, National Numeracy recommended:

- For policymakers to initiate a major new 'Fresh Start for Adult Numeracy' initiative. This could take the form of a national campaign to build the nation's confidence with numbers, and follow influential examples from fitness and wellbeing, such as 'This Girl Can'.
- For business leaders to recognise this critical national issue and enable their staff to work towards getting

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- the Essentials of Numeracy, and show their support for NN Day
- For everyone to understand that they can improve their numeracy skills, in the same way that everyone can get physically fitter.

Improving communication of numbers and data

During 2019 we decided not to progress specific activity to improve the way in which organisations communicate numbers and data. This was partly because of other priorities as part of our new five-year strategy and partly because of limited interest among businesses at present. However, we continue to believe in the importance of 'plain numbers' and will continue to help organisations where possible.

Looking ahead to 2020

In 2020 we will be working in line with our five-year strategy, focusing on building a platform for growth with the aim of accelerating our reach and impact over the next few years. Working in a digital sphere means that we have a wealth of data for analysis but equally important is capturing the stories behind the data; so, in 2020, as well as the stories and case studies, we will also look to conduct some deeper qualitative evaluations of our work.

In the last month of Q1 2020 much has happened to affect the original 2020 plan. The Covid-19 pandemic has impacted National Numeracy, as it has impacted all organisations. Fortunately, the digital nature of our work means that we are well placed to continue to positively impact beneficiaries during the course of the pandemic. Our face-to-face activities and schools-based activities planned for March - June 2020 will be delayed/postponed until later in the year, but we plan to continue our other projects and campaigns as planned and will focus on digital delivery.

Increasing awareness

We are constantly evaluating the ways in which we communicate the importance of numeracy to both potential beneficiaries and stakeholders. We look to build on success and have therefore set challenging targets for raising awareness in 2020. NN Day will enter its third year and at the time of writing we have secured a good range of supporters and will be working for the first time with NN Day heroes, NN beneficiaries who will share their stories as part of their campaign.

It is anticipated that the country will still be in the grip of the Covid-19 pandemic at the time of NN Day 2020 and therefore the messaging has been refocussed to try to help people in these difficult times. In addition, National Numeracy has been reaching out to parents and carers to help them with their children's learning during the period of school closures.

Improving numeracy

In 2020 we will continue the direction of travel by aiming to make the Challenge site more supportive for adults with lower skills or confidence. This will involve the introduction of 'you are not alone' video content prior to registration, supportive videos after registration, more flexibility in how to use the site, and a new ten-minute 'quick check' which will avoid obliging all users to take the longer assessment. These changes went live in mid-March, ahead of this year's NN Day. Early user testing with focus groups at the end of 2019 has indicated that the planned improvements will indeed achieve the aims of this relaunch, and we will monitor responses throughout 2020.

In late 2019 National Numeracy secured funding from the Ufi Charitable Trust for a project starting in spring 2020, which will enable us to make our digital 'building confidence' content within the Challenge system truly effective. It will also allow us to pilot our own skills content to help adults understand the maths behind the questions, rather than directing them to external websites. We will also make our provision work better on mobiles, as a native or web-based app.

We will also continue to work with employers, particularly the NHS, refining our attitudinal workshops and Becoming a Numeracy Champion programme. There are 22 face-to-face sessions planned in the first quarter of 2020, which is a big increase on 2019. Most of these sessions were able to go ahead before the pandemic lockdown with the others being postponed until later in the year. In 2020 we will also be embarking on new developments funded by Provident Financial to build further on the Becoming a Numeracy Champion model for use in community settings.

The work we do in the area of financial capability will continue, with meetings already scheduled for early 2020 with key stakeholders in this area and continued contact with organisations such as the Financial Conduct Authority and the Money and Pensions Service. In addition, our report based on analysis of research conducted by the

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Behavioural Insights Team through multiple experiments in the Financial Capability Lab in 2018 is due to be released in Q1 2020.

In 2020, we will deliver parent workshops at each participating school for the Garfield Weston project (see above), exploring attitudes towards maths and introducing the Challenge to parents. This is the first time that we have extended our parental engagement approach to include these workshops so we will be looking to gain feedback from parents and teachers on the value of this element. The schools in the Edge Foundation project will continue using the Challenge in 2020 with students, and two of the schools will also use our Essentials at 14 resources in lessons. This is our first project of this type in a secondary school and we will look to learn from this project to help us take this area of work forward, in line with our longer-term strategy plans for this strand of activity. We will complete full evaluations of both projects in the summer.

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

Belinda Vernon, Chair
John Griffith-Jones, Vice-Chair (retired October 2019)
Edward Brunel-Cohen, Honorary Treasurer
Andrew Haldane (appointed as Vice Chair October 2019)
Wendy Jones
Chris Rhodes (retired October 2019)
Catherine McClure
Paul Coffey
Mary Curnock Cook (resigned January 2019)
Chris Linton (appointed August 2019)
Graham Keniston Cooper (appointed September 2019)
David Rhind (appointed August 2019)

The trustees have full responsibility for all legal and financial matters. Any additions to the membership of the trustees follows invitation by the Board of Trustees after due consideration.

All the trustees give of their time freely and none of the trustees has any beneficial interest in the company. All the trustees are members of the company and guarantee to contribute £1 in the event of a winding up. Trustees are required to disclose all relevant interests. Details of trustee expenses and related party transactions are disclosed in a note to the accounts.

a. Organisational matters

The work of National Numeracy, including that of the wholly-owned trading subsidiary National Numeracy Solutions, is overseen by the Board of Trustees, which met five times during 2019, four times being the ordinary trustee meetings and one time being an extra meeting to agree the five-year strategy.

During 2019, founding trustees John Griffiths-Jones and Chris Rhodes stood down. Both had served two full terms. The Board would like to thank them both for their contribution and dedication to National Numeracy. Mary Curnock Cook also stepped down as trustee in January 2019 and the Board would like to thank Mary for her contribution.

The Nominations Committee (a sub-committee of the Board, comprising Belinda Vernon, John Griffith-Jones, Paul Coffey, Lynn McClure and Wendy Jones) also met regularly to consider senior appointments and matters of succession and to review the composition of the Board. As a result of the review of the board, Saxton Bampfylde Ltd was appointed to assist in the recruitment of new trustees. In consequence, three new trustees were proposed for approval and appointed by the full board in 2019. New trustees receive a full and comprehensive briefing before their first meeting and receive a copy of National Numeracy's Trustee Handbook with full details of the induction process, plus the relevant Charity Commission guidelines for trustees.

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Significant for the charity was the announcement in 2019 that Mike Ellicock, the founding Chief Executive, will be stepping down in June 2020. The Board would like to express its deep appreciation for Mike's outstanding commitment and achievements over the last eight years in which he has developed National Numeracy from a standing start into a charity with strong foundations and an exciting future. The Nominations Committee appointed Prospectus (recruitment agency) to manage the appointment of a new CEO, due to take over in June 2020.

Staffing levels rose in 2019 to a total of 18 full-time and part-time posts, with the trustees appointing a Partnerships Director in the autumn to take up the post in early 2020. In addition, autumn 2019 saw National Numeracy undertake an organisation design project in order to establish a structure fit for the growth planned in the five-year strategy. The new structure will be rolled out in January 2020.

Another significant organisational change in 2019 was the tender for and appointment of the charity's new audit partner, TC Group of Steyning, West Sussex. The tender process was managed by the Hon. Treasurer, the Financial Controller and the Operations Director.

In line with the charity's remuneration policy and in accordance with the Statement of Recommended Practice (SORP), National Numeracy discloses all payments to trustees (no trustees receive 'pay'), discloses the number of staff in receipt of more than £60,000 and above (in bands of £10,000), and discloses pensions and other benefits.

The Chief Executive and trustees review the salaries of staff annually, approve an annual percentage increase in the payroll for all staff. Consideration will be given to inflation and the cost of living, with the intention to at least match annualised CPI for the previous year whenever possible for those with more than 6 months' service, and approve any staff salary increases outside of the annual review process as recommended from time to time by the Chief Executive. The trustees also determine pension arrangements. In addition, the Nominations Committee advises on the salary of the CEO, for decision by the board.

Mike Ellicock is both Chief Executive and Company Secretary and is responsible for the day-to-day governance of the charity.

National Numeracy Solutions (the trading subsidiary) has a board consisting of Mike Ellicock, Alison Plant and Diane Hume (Financial Controller), who was made a member of the board during 2019. The Directors also met separately four times in 2019 and will continue to meet separately in 2020.

b. Finance and funding

In 2019 National Numeracy continued to build on the first year's success around NN Day funding and attracted a range of financial supporters, including founding supporter KPMG, Bloomberg, Experian, Education Scotland, Ufi Charitable Trust, Standard Life Aberdeen, TP ICAP, Health Education England, Santander, and Provident Financial Group.

In 2019, KPMG and Tullett Prebon Group Ltd also continued their broader support of National Numeracy on a strategic basis, working with us to scale up our activities. They were joined in 2019 by Santander and Provident Financial Group. As a result, the year-end outlook for National Numeracy is positive and has enabled us to set ambitious KPIs for 2020 and begin the new year being able to commit activity and funding to achieve our charitable aims.

In terms of project funding, the charity was able to run all its ongoing projects in 2019 according to the agreed budgets and achieve the necessary milestones to release funding in projects such as those funded by the Ufi Charitable Trust and the Department for Education. Grant funding was received during the year from the Edge Foundation, Garfield Weston, the Department for Education and Ufi Charitable Trust. National Numeracy also received contract funding for development work on behalf of Health Education England in 2019, which was the largest contract it has embarked on to date. This project was completed on time and to budget.

National Numeracy continued to benefit from the free AdWords advertising for the Challenge online system secured from Google in 2017. NN Day also attracted pro bono support from Coherence, the web development company, for its NN Day microsite.

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The activity of National Numeracy Solutions declined in 2019, although it continues to sell Family Maths Toolkit resources for primary schools, both to schools and individuals, and the Passport Maths programme for secondary pupils (see above). NNS will continue to manage contracts for numeracy improvement programmes in the workplace, particularly in the NHS.

Consolidated income in 2019 was £1,651,484 (2018: £1,195,845) with expenditure of £1,397,158 (2018: £1,084,952).

c. Risk assessment

The trustees have regularly assessed the major risks to which the charity is exposed and maintained a detailed risk register during 2019, split between strategic risks and operational risks. The risk register is regularly reviewed by senior staff and the trustees. Trustees are satisfied that systems are in place to mitigate exposure to the major risks. The transition to a new Chief Executive is the main internal risk for 2020, with the impact of Covid-19 currently posing the main external risk.

d. Covid-19

There will no doubt be a financial impact of the Covid-19 pandemic as project adjustments/delays will require more use of unrestricted funds. As a response, National Numeracy's directors, trustees and auditors have worked closely to ensure that systems are in place to monitor the financial situation at all times and have a clear strategy for dealing with any shortfall in budgeted income, including potential use of free reserves.

e. Reserves

The trustees of National Numeracy recognise the need for reserves to create a sustainable organisation into the future. In particular, we seek to maintain our core public offer provision to all stakeholders, to insure against variations in income due to the uncertain nature of funding sources and the uneven profile of income throughout the year, as well as sustaining normal expenditure levels alongside specific investments in future development.

Giving consideration to all of these factors a target range for unrestricted reserves has been calculated at between £400,000 and £500,000 at 31/12/2019.

Actual total reserves at 31/12/19 stand at £605,279, of which £176,393 relates to restricted funds. Unrestricted free reserves are therefore calculated as £428,886 (increased from £258,892 in 2018). This falls within the current target range for reserves. It is recognised that to ensure the sustainability and planned growth over coming years target reserves levels will need to rise. The target reserves calculation is reviewed annually as part of the budget formation process, and current levels are reviewed against targets on a quarterly basis within trustee meeting papers.

f. Investment Policy

As well as operating accounts, National Numeracy also maintains both instant access deposit accounts and longer-term deposit accounts in order to provide interest on funds received. The Hon. Treasurer and the Financial Controller meet at least every four months to assess the best investment options available to maximise use of funds. Investment decisions need to be agreed by the Financial Controller, the Hon. Treasurer and the CEO.

Due to the need for relatively short-term access to funds, long-term options are not available and there is a low-risk policy approach to investment options to safeguard charitable funds. Therefore, National Numeracy invests its financial reserves prudently and subject to the regular review. Funds will only be invested in banks with an A Rating. National Numeracy owns no property. The policy is monitored and reviewed as part of the annual budgeting cycle.

**NATIONAL NUMERACY
(LIMITED BY GUARANTEE)
TRUSTEES' REPORT**

FOR THE YEAR ENDED 31 DECEMBER 2019

Disclosure of Information to Auditors

So far as the Trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's Auditors are unaware, and each Trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

The Trustees' Report and Financial Statements were approved by the Board of Trustees on **30/4/20**

Signed on their behalf by:

A handwritten signature in black ink, appearing to read 'B Vernon', with a stylized flourish at the end.

Belinda Vernon, Chair

NATIONAL NUMERACY
(LIMITED BY GUARANTEE)
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2019

The trustees, who are also the directors of National Numeracy for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard for the UK and Republic of Ireland'.

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities' SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

**NATIONAL NUMERACY
(LIMITED BY GUARANTEE)
REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF NATIONAL NUMERACY**

Opinion

We have audited the financial statements of National Numeracy ('the parent charitable company') and its subsidiary ('the group') for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2019 and of its incoming resources and application of resources for the year then ended;

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

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

Other information

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

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

We have nothing to report in this regard.

**NATIONAL NUMERACY
(LIMITED BY GUARANTEE)
REPORT OF THE INDEPENDENT AUDITOR (CONTINUED)
TO THE MEMBERS OF NATIONAL NUMERACY**

Opinions on other matters prescribed by the Companies Act 2006

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

the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report or the strategic report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 require(s) us to report to you if, in our opinion:

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

Responsibilities of trustees

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

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

**NATIONAL NUMERACY
(LIMITED BY GUARANTEE)
REPORT OF THE INDEPENDENT AUDITOR (CONTINUED)
TO THE MEMBERS OF NATIONAL NUMERACY**

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

This description forms part of our auditor's report.

Use of our report

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

TC Group

Mr Mark Cummins FCCA (Senior Statutory Auditor)

for and on behalf of TC Group

Statutory Auditor

Dated: 1 May 2020

Office: Steyning, West Sussex

**NATIONAL NUMERACY
(LIMITED BY GUARANTEE)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**

FOR THE YEAR ENDED 31 DECEMBER 2019

		Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<u>Income from:</u>	Note				
Donations and legacies	3	516,544	265,000	781,544	429,905
Charitable activities	4	380,300	369,999	750,299	643,613
Other trading activities:					
Commercial trading operations		113,157	-	113,157	121,553
Investments	5	6,484	-	6,484	774
Total income		1,016,485	634,999	1,651,484	1,195,845
<u>Expenditure on:</u>	6				
Raising funds					
Commercial trading operations		147,057	-	147,057	99,128
Charitable activities		700,011	550,090	1,250,101	985,824
Total expenditure		847,068	550,090	1,397,158	1,084,952
Net income/(expenditure) for the year		169,417	84,909	254,326	110,893
Gross transfers between funds	16	577	(577)	-	-
Net movement in funds		169,994	84,332	254,326	110,893
Fund balances at 1 January 2019		258,892	92,061	350,953	240,060
Fund balances at 31 December 2019		428,886	176,393	605,279	350,953

The Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

All activities are classified as continuing. There are no recognised gains or losses other than those reported on the Statement of Financial Activities.

**NATIONAL NUMERACY
(LIMITED BY GUARANTEE)
CONSOLIDATED BALANCE SHEET**

AS AT 31 DECEMBER 2019

	Notes	£	2019 £	2018 £
Current assets				
Debtors	12	21,593	369,325	
Cash at bank and in hand		1,110,902	426,189	
		<u>1,132,495</u>	<u>795,514</u>	
Creditors: amounts falling due within one year	13	(527,216)	(444,561)	
Net current assets			605,279	350,953
Net assets			605,279	350,953
Income funds				
Restricted funds	16	176,393	92,061	
General funds		428,886	258,892	
		<u>605,279</u>	<u>350,953</u>	

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006.

The notes on pages 19 to 30 form part of these accounts.

The accounts were approved by the Board on 30 April 2020.



.....
Belinda Vernon
Trustee (Chair)

Company Registration No. 07886294

**NATIONAL NUMERACY
(LIMITED BY GUARANTEE)
CHARITY BALANCE SHEET**

AS AT 31 DECEMBER 2019

	Notes	£	2019 £	£	2018 £
Fixed assets					
Investments	11		1		1
			<u>1</u>		<u>1</u>
Current assets					
Debtors	12	37,340		354,828	
Cash at bank and in hand		964,408		301,676	
		<u>1,001,748</u>		<u>656,504</u>	
Creditors: amounts falling due within one year	13	(397,342)		(305,554)	
Net current assets			604,406		350,950
Net assets			<u>604,407</u>		<u>350,951</u>
Income funds					
Restricted funds	16		176,393		92,061
Unrestricted funds			428,014		258,890
			<u>604,407</u>		<u>350,951</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006.

The accounts were approved by the Board on 30 April 2020.



.....
Belinda Vernon
Trustee (Chair)

Company Registration No. 07886294

**NATIONAL NUMERACY
(LIMITED BY GUARANTEE)
CONSOLIDATED CASH FLOW STATEMENT**

FOR THE YEAR ENDED 31 DECEMBER 2019

		2019	2018
	Note	£	£
Cash flows from operating activities			
Net income		254,326	110,893
Investment income		(6,484)	(774)
Increase/(decrease) in creditors	13	82,655	292,328
(Increase)/decrease in debtors	12	347,732	(225,251)
Net cash provided by operating activities		678,229	177,196
Cash flows from investing activities			
Investment income		6,484	774
Net cash provided by investing activities		6,484	774
Change in cash and cash equivalents in the reporting period		684,713	177,970
Cash and cash equivalents at the beginning of the year		426,189	248,219
Cash and cash equivalents at the end of the year		1,110,902	426,189
	01.01.19	Cash flow	31.12.19
	£	£	£
Cash at bank and in hand	426,189	684,713	1,110,902

NATIONAL NUMERACY
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

1 Statutory information

National Numeracy is a charitable company, limited by guarantee, registered in England and Wales. The charitable company's registered number and registered office address can be found on the Legal and Administrative information page.

2 Accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) – Charities SORP (FRS102) and the Companies Act 2006.

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

National Numeracy meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). There are no material uncertainties about National Numeracy's ability to continue as a going concern.

2.2 Group financial statements

These financial statements consolidate the results of the charity and its wholly owned subsidiary National Numeracy Solutions Limited. A separate Statement of Financial Activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

2.3 Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity (and its subsidiary) has adequate resources to continue in operational existence for the foreseeable future. This includes taking into account any potential impact of the COVID-19 pandemic, which is further detailed in the trustees report.

For this reason they continue to adopt the going concern basis in preparing the financial statements.

2.4 Income

All income is included in the Statement of Financial Activities when the charity is legally entitled to the income, the amount can be quantified with reasonable accuracy and receipt is probable.

Grant income is recognised over the period for which it is granted.

Contract income is recognised when the charity gains entitlement to the income.

Donations and gifts are recognised when receivable.

Investment income is recognised when receivable.

Trading income is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

**NATIONAL NUMERACY
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019**

2 Accounting Policies (continued)

2.5 Expenditure

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

Cost of raising funds comprise the costs of commercial trading and their associated support costs. Support costs are those costs incurred directly in support of expenditure on the objects of the charity.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support the activities of the charity.

2.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains/losses are taken to the Statement of Financial Activities when incurred.

2.7 Debtors

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

2.8 Cash at bank and in hand

Cash at bank and in hand are basic financial instruments and include cash and short term highly liquid investments. The trustees seek to use short and medium term deposits where possible to maximise the return on monies held at the bank and to manage cash flow. Bank overdrafts are shown within borrowings in current liabilities.

2.9 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

2.10 Pensions

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

2.11 Accumulated funds

Unrestricted general funds comprise those amounts received for use at the discretion of the trustees in the furtherance of the general objectives of the charity.

Restricted funds are subject to specific conditions imposed by donors and includes monies raised for specific projects.

Designated funds comprise general funds set aside by trustees for specific purposes.

NATIONAL NUMERACY
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

2 Accounting Policies (continued)

2.12 Taxation

The parent company is a registered charity. All of the charity's income falls within the exemptions set out in part 11 of the Corporation Tax Act 2010.

2.13 Critical accounting estimates and judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The trustees do not consider that there are any critical estimates or areas of judgement that need to be brought to the attention of the readers of the financial statements.

NATIONAL NUMERACY
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

3 Income from donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Donations	516,544	265,000	781,544	429,405
Total	516,544	265,000	781,544	429,405

4 Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Grants	46,000	369,999	415,999	541,513
Fees and other income	334,300	-	334,300	102,100
	380,300	369,999	750,299	643,613

5 Income from investing activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Interest receivable	6,484	-	6,484	774
	6,484	-	6,484	774

6 Expenditure

	Staff costs £	Other costs £	Total 2019 £	Total 2018 £
Costs of raising funds				
Direct fundraising	70,010	74,292	144,302	94,986
Support costs	-	2,755	2,755	4,142
Total	70,010	77,047	147,057	99,128
Charitable activities				
Activities undertaken directly	446,963	671,426	1,118,389	836,079
Support costs	98,497	33,215	131,712	149,745
	545,460	704,641	1,250,101	985,824
Total expenditure	615,470	781,688	1,397,158	1,084,952

NATIONAL NUMERACY
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

7 Support costs

	2019	2018
	£	£
Staff costs	98,497	130,655
Website & marketing	13,255	2,588
Travelling expenses	4,926	3,185
Rent & rates	19,193	5,352
Office expenses	23,371	20,221
Legal & professional	36,580	7,593
Other	6,654	20,756
Support costs recharged	(121,066)	(68,979)
Governance costs (note 8)	53,057	32,516
	<u>134,467</u>	<u>153,887</u>

Support costs include amounts paid to the current auditors in respect of audit fees totalling £10,761 (2018: amounts paid to the previous auditors in respect of audit fees of £9,800 and other fees of £525).

8 Governance costs

	2019	2018
	£	£
Auditor's remuneration	10,761	9,800
Trustees' expenses	618	307
Trustee recruitment	20,179	-
Staff costs	21,499	22,409
	<u>53,057</u>	<u>32,516</u>

NATIONAL NUMERACY
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

9 Consolidated statement of financial activities comparative funds – 31 December 2018

	Unrestricted funds £	Restricted funds £	Total 2018 £
<u>Income from:</u>			
Donations and legacies	228,340	201,565	429,905
Charitable activities	6,448	637,165	643,613
Other trading activities:			
Commercial trading operations	121,553	-	121,553
Investments	774	-	774
Total income	357,115	838,730	1,195,845
<u>Expenditure on:</u>			
Commercial trading operations	99,128	-	99,128
Charitable activities	190,233	795,591	985,824
Total expenditure	289,361	795,591	1,084,952
Net income/(expenditure) for the year	67,754	43,139	110,893
Gross transfers between funds	24,182	(24,182)	-
Net movement in funds	91,936	18,957	110,893
Fund balances at 1 January 2018	166,956	73,104	240,060
Fund balances at 31 December 2018	258,892	92,061	350,953

10 Staff costs

	2019 £	2018 £
Wages and salaries	535,616	404,779
Social security costs	48,717	40,474
Other pension costs	31,137	22,301
	615,470	467,554

The average number of persons employed by the group was 17 (2018:15); Finance and Administration 2 (2018: 2) and Charitable activities 15 (2018: 13).

NATIONAL NUMERACY
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

10 Staff costs (continued)

The number of employees whose annual emoluments were £60,000 or more were:

	2019	2018
£90,001 - £100,000	1	1

During the year ended 31 December 2019 employer's pension costs in respect of highly paid staff totalled £5,483 (2018: 5,428).

The key management personnel of the charity consist of the management group. Their total remuneration for the year was £186,703 (2018: £185,227).

11 Fixed asset investments

Investment held by parent in subsidiary:

	Charity £
National Numeracy Solutions Limited	1

Holdings of more than 20%

The charity holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
National Numeracy Solutions Limited	UK	Ordinary	100

National Numeracy Solutions Limited

National Numeracy Solutions Limited is a wholly-owned trading company, company number 08700221 is incorporated in England & Wales. The principal activity of the company is mathematics education consultancy, training and school improvement. A summary of the trading results of the subsidiary (as included in the Statement of Financial Activities) is shown below.

Summary profit and loss account

	2019 £	2018 £
Turnover	117,185	123,982
Cost of Sales	(59,971)	(57,470)
Administrative Expenses	(56,344)	(62,394)
Net profit for the year	870	4,118

Summary balance sheet

	2019 £	2018 £
The assets and liabilities of the subsidiary were:		
Current assets	157,211	169,144
Creditors: amounts falling due within one year	(156,338)	(169,141)
Total net assets/share capital and reserves	873	3

NATIONAL NUMERACY
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

12 Debtors

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	11,545	252,287	1,000	237,951
Amounts owed by group undertakings	-	-	24,487	-
Taxation and social security	852	-	2,827	-
Prepayments and accrued income	7,526	115,863	7,355	115,702
Other debtors	1,670	1,175	1,671	1,175
	<u>21,593</u>	<u>369,325</u>	<u>37,340</u>	<u>354,828</u>

13 Creditors: amounts falling due within one year

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	54,067	16,997	53,996	15,674
Amounts owed to group undertakings	-	-	-	30,134
Taxation and social security	12,712	59,409	12,712	12,316
Other creditors	44,027	41,427	4,004	1,404
Accruals and deferred income	416,410	326,728	326,630	246,026
	<u>527,216</u>	<u>444,561</u>	<u>397,342</u>	<u>305,554</u>

14 Controlling party

The charity is a company limited by guarantee and therefore without share capital. No one member has overall control of the charity. The liability of each member is limited to £1, being the amount that each member undertakes to contribute to the assets of the charity in the event of its being wound up.

15 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year. The charity paid travel costs on behalf of two (2018: one) trustees totalling £627 (2018: £307).

NATIONAL NUMERACY
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 Jan 2019	Movement in funds			Balance at 31 Dec 2019
	£	Income £	Expenditure £	Transfers £	£
Ernest Cook Trust	283	-	-	-	283
Google ad words	-	87,829	(87,829)	-	-
The Drapers Company	596	-	-	(596)	-
UBS AG	27,353	-	(27,372)	19	-
Ufi – Digital Solutions to Improve	(11,584)	54,000	(42,008)	-	408
Ufi – Firm Foundations	(65)	22,500	(16,717)	-	5,718
National Numeracy Day	39,889	124,000	(92,570)	-	71,319
Department for Education	3	135,670	(135,673)	-	-
Tullett Prebon Group Ltd	35,586	45,000	(80,586)	-	-
Coherence	-	6,000	(6,000)	-	-
Forster Communications	-	40,000	(40,000)	-	-
Edge Foundation	-	40,000	(8,061)	-	31,939
Garfield Weston	-	30,000	(11,371)	-	18,629
Provident	-	50,000	(262)	-	49,738
UFI 2020/21	-	-	(1,641)	-	(1,641)
	<u>92,061</u>	<u>634,999</u>	<u>(550,090)</u>	<u>(577)</u>	<u>176,393</u>

Restricted funds

Ernest Cook Trust

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

Google ad words

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

The Drapers Company

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

UBS AG

Funding for a parental engagement project in London primary schools.

Ufi – Digital Solutions to Improve

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

Ufi – Firm Foundations

Funding for the Firm Foundations Digital project.

**NATIONAL NUMERACY
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019**

16 Restricted funds (Continued)

National Numeracy Day

The following organisations gave restricted funds to National Numeracy in 2019 to support National Numeracy Day:

KPMG
Bloomberg
Experian
Standard Life Aberdeen
Provident Financial Group
Education Scotland
Scottish Government
TP ICAP
Ufi Charitable Trust
Santander
CISCO
Zurich
St James Place

Department for Education

Funding from Flexible Learning Fund to explore the benefits of 'Using Online Learning to Engage Working Adults in Improving their Basic Maths Skills'.

Tullett Prebon Group Ltd

Funding for a TP ICAP and National Numeracy partnership to generate up to a quarter of a million engagements over three years, with TP ICAP leading an annual campaign focused on addressing low numeracy as a fundamental barrier to social mobility, as well as funding to support National Numeracy Day.

Pro Bono Work

The following organisations gave pro bono to support National Numeracy Day:

Coherence
Forster Communications

Edge Foundation

Funding for an education project supporting secondary school children and parents in Nottingham.

Garfield Weston

Funding for a parental engagement project in primary schools.

Provident

Funding for a project developing numeracy champion programmes in community settings – activity to fall into 2020.

Ufi – 2020/21

Initial restricted activity towards the Mobiles, Skills & Confidence with Numbers project, which will be funded in 2020/21.

NATIONAL NUMERACY
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NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
<u>Fund balances at 31 December 2019 are represented by:</u>			
Current assets	956,102	176,393	1,132,495
Creditors: amounts falling due within one year	(527,216)	-	(527,216)
	<u>428,886</u>	<u>176,393</u>	<u>605,279</u>
 <u>Fund balances at 31 December 2018 are represented by:</u>			
Current assets	703,453	92,061	795,514
Creditors: amounts falling due within one year	(444,561)	-	(444,561)
	<u>258,892</u>	<u>92,061</u>	<u>350,953</u>

18 Commitments under operating leases

At 31 December 2019 the company and the group had total commitments under non-cancellable operating leases payable as follows:

	Land and buildings	
	2019 £	2018 £
Within one year	13,750	15,000
Between one and five years	-	13,750
	<u>13,750</u>	<u>28,750</u>

19 Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund. Contributions totalling £905 were payable to the fund at the year end (2018: £1,403).

**NATIONAL NUMERACY
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019**

20 Related party transactions

During the year the charity purchased design services from Tacon Design, a company run by relations of the Chief executive, amounting to £15,635 (2018: £10,318).

Alison Plant, a director of National Numeracy Solutions Ltd, has acted as a paid consultant to National Numeracy and has provided services totalling £35,300 (2018: £23,750) with related expenses totalling £224 (2018: £186). She has also provided consultancy services to National Numeracy Solutions Ltd in 2019 totalling £nil (2018: £13,100), with related expenses totalling £nil (2018: £455).

The transfer agreement contract entered into with NMP in 2013 was continued. No repayments were made during the year so the creditor balance at the year end of £40,000 (2018: £40,000) remains.

The charity has taken advantage of the exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Details of trustee expense reimbursements are included in note 15.