

The Children's Literacy Charity

Annual Report and Accounts Year Ended 31st August 2018

Registered Charity Number 1124257
Company Incorporated in England and Wales
Registered Company Number 6251103

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Legal & Administrative Details
as at 31st August 2018

Company Number: 6251103

Charity Number: 1124257

Registered Address: Conrad Court, Cary Avenue, London SE16 7EJ
Telephone: 020 7740 1008
E-mail: info@theclc.org.uk
Website: www.thechildrensliteracycharity.org.uk

Patrons: Sarah, Duchess of York
The Lord Harris of Peckham
The Lord Hastings of Scarisbrick CBE
The Lord Lingfield
Noel Gordon
Margaret McVeigh
Dr Jenny Thomson (stood down August 18)

Trustee Board: For the purposes of the Companies Act 2006, the Board of Trustees is regarded as the Board of Directors of the company. The Trustees of the company throughout the year and to the date of signing this report are as follows:

Jeffrey Defries (Chair)
Isabel Greenwood (Deputy Chair)
Marc Braithwaite (resigned May 18)
Steven Artist
Keith Middlemass (resigned July 18)
Andrew Martin
Neal Lodhia
Michael Momoh
Dr Jenny Thomson (appointed October 18)

Senior Management: Matthew Hickey – Chief Executive
Alex Charalambous – Head of Educational Development
Lesley Mowatt – Finance Manager

Bankers: Lloyds TSB plc, 34 Moorgate, London, EC2R 6PL
Scottish Widows, 25 Gresham Street, London EC2V 7HN

Solicitors: Thackray Williams LLP, Kings House, 32-40 Widmore Road, Bromley, Kent BR1 1RY

Auditors: Begbies Chartered Accountants and Registered Auditor,
9 Bonhill Street, London EC2A 4DJ

Trustees Report

From the Chair

2017/18 saw The Children's Literacy Charity celebrate 25 years since its inception as "Springboard for Children."

Over the course of the year, we have delivered over 24,500 hours of support to 546 children through our tailored one-to-one literacy tuition and peer-mentoring programmes (Expert, Volunteer, Community and Reader Leader). We delivered in 24 literacy labs, including 11 expert schools and 5 Community Literacy Labs including our first after school club. The children we have supported have on average gained 2 years and 5 months in reading age and 2 years 2 months in comprehension. 97% of children narrowed their reading age gap. In this outstanding year, our children graduated 2 months ahead in reading and 4 months ahead in comprehension compared to previous years.

This year, the first full year under our new name and revamped identity, we have driven through our aim to secure a marked increase in the awareness of the charity and aligned to this, we have also refreshed our digital offer and seen a significant increase of recognition and engagement through social media. There has also been an increase in both press and media attention at both national and local level.

Earlier in the year we held our first national education conference; this attracted over 100 delegates and included presentations from a number of experts in the field including Sir Jim Rose and Michael de Souza.

We have worked on developing new partnerships with organisations having common or similar interests in enhancing and promoting the improved education of children, particularly those from deprived areas. Some examples- West London Zone, where we will be delivering our expert intervention in some of the schools with whom they have established a relationship; Streatham Youth and Community Trust to deliver our community Literacy Lab, in some of the most disadvantaged parts of Streatham; and with Onside Youth Zones, where through their Manchester Youth Zone we will be training young people to be literacy peers to children across North Manchester.

With an eye to validating our delivery model and to ensure that we are delivering the quality of support for which we are known, we commissioned the University of Sheffield to review our work and results. We are pleased and proud that their report was most positive, including the comment that ***"The Children's Literacy Charity Expert Programme offers a gold standard in provision of theoretically-informed phonics instruction, delivered with systematicity, reliability and efficiency"***.

Externally and as for everyone who works in the education sector, the environment in which we operate is challenging and uncertain. On the one hand the Government has put a greater emphasis on literacy development with a (delayed) launch of a new initiative and funding from the Department of Education and, on the other, school budgets are under greater pressure than ever before. In the current political climate, it is hard to see improvement in this situation.


Faced with this canvas of uncertainty, the Board of Trustees, together with the Chief Executive have sought to prepare for the future by honing our strategy for development and fundraising and reshaping the internal structure of the organisation. In particular, we need to clarify and sharpen our “message” and move from being reactive in relation to demand from schools to being proactive in relation to meeting such demand in terms of both delivery and fundraising.

This year is perhaps the first year in which the pressure on our fundraising and the pressure on schools funding has really hit our bottom line. Overall we incurred a deficit of £85k.

To meet this financial position and in anticipation of tough times ahead, we have set ourselves constraints on staffing whilst still recognising the need to invest in a fundraising team alongside our high quality educational staff. Nevertheless, it was necessary to utilise our reserves to meet the deficit. The resultant reserve position is still well within Charity Commission guidelines of holding 3-6 months of funds in reserve.

Looking forward to 2018/19, we will start to implement our new strategy, which includes a significant increase in the number of schools we are delivering to, allied with a more robust and proactive approach to income generation. Whilst maintaining our current delivery to schools, our aim for the future is to reach ‘more children in more places more often’. We intend to develop new partnerships whilst maintaining our existing standards of quality, improve the presentation of our results and seek greater recognition of the work we do and its benefit to society.

For me personally, I am immensely proud of the work we do, the people who do that work and the Board I am privileged to chair.



19 February 2019

Jeffrey Defries, Chair of Trustees

Vision, Mission & Values

- The **charity's specially trained literacy tutors** work with some of the **most disadvantaged children** in society in some of the **most deprived areas** in the country.
- The CLC is the only organisation to recruit and train to a high level its own experts and work with schools where the children who need this highly skilled support receive tailored, one to one tutoring.
- The charity believes this form of expert literacy support gives those children who are most behind a crucial and potentially life changing step up.
- By Year 6, the vast majority of children supported by the Children's Literacy Charity have narrowed their literacy gap sufficiently that they are able to start their secondary education with a fair chance of academic achievement alongside their peers.
- Schools work with the CLC because of the strong, independently assessed evidence that the charity's phonics based expert interventions are highly effective in closing the literacy gap for the most disadvantaged children in the country.
- **The ambition is to provide high level literacy support to the most disadvantaged children in society so that all have the chance to achieve their full potential.**

The Children's Literacy Charity's Principles

- **Excellence** – provide specialised, high quality, one to one literacy tuition delivering impactful results.
- **Adaptability** – delivers flexible provision in the place of most need, through working in partnership, in schools or the community.
- **Boldness** – more places, more children, more often.
- **Passion** – ensure children and young people become fully literate.

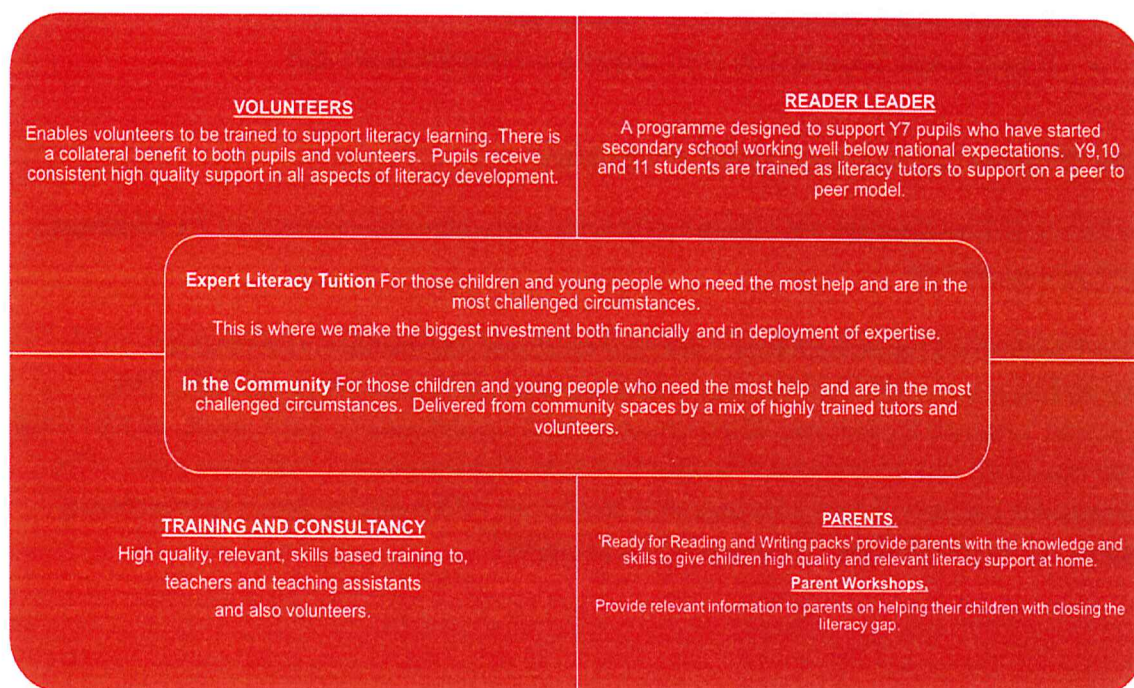
Objectives and activities

- The CLC's primary focus is on the direct provision of expert, one to one literacy support. It is unique in this respect. There are many organisations which support the drive for better literacy, whether through widely regarded local volunteer led reading programmes through to the high level campaigning

work. There are also private organisations who provide well established training programmes for teachers and assistants.

- Where the CLC differs is that in the last academic year, the charity employed 42 expert tutors to support over 550 children in primary schools across deprived areas of London and Manchester, helping them to catch up across the entire range of literacy skills (reading, comprehension, writing, speaking and listening)
 - CLC only works with children who are struggling with literacy and who, even with the best support of the school, are in danger of being left severely behind. The charity works closely with the school to identify those children who have the greatest need and will benefit the most from its expertise.
 - The support is provided through a programme of one to one expert literacy interventions, delivered twice a week by highly experienced and specially trained tutors, using a structured and tested phonics based programme tailored to meet each child's individual needs.
 - The charity places a strong emphasis on delivering the expert intervention in a nurturing, safe environment which allows the child to tackle new challenges. The CLC tutors believe that as the literacy gap closes and the child gains academic confidence this allows them to build resilience, raise expectations of themselves and strengthen their belief in a positive future.
 - Typically the charity will work with each child over the course of 70 sessions delivered out of the main classroom.

Summary of activity



Through our tailored, individualised, one-to-one literacy tuition and peer-mentoring programmes, **The Children's Literacy Charity supported 546 pupils** in the 2017/18 academic year.

The Children's Literacy Charity Expert

In 2017/18 **The Children's Literacy Charity Expert** worked with **284 children** and young people.

The Children's Literacy Charity Expert tutors follow a programme of high quality, intensive, multi-sensory phonics-based literacy tuition, which enables children to learn essential literacy skills at their own pace.

We tailor our sessions to suit children's needs, abilities and learning styles. Last year The Children's Literacy Charity recruited, trained and placed **42 literacy tutors** in our partner schools.

The quality of the tuition we provide and maintain results in many benefits for the pupils we teach. **We know that The Children's Literacy Charity Expert makes a difference to children's lives.**

During the 2017/18 academic year we saw 62% of children who graduated fully closed their reading gap, and 61% fully closed their comprehension gap. 97% closed their literacy gap significantly. Pupils made real and significant progress towards attaining similar literacy standards to those of their peers.

All pupils who graduated from The Children's Literacy Charity's Expert intervention achieved the following average gains, as measured by standardised testing:

- 2 years and 5 months in their reading age.
- 2 years and 2 months in their reading comprehension age.

The Children's Literacy Charity Volunteers

In 2017/18 **The Children's Literacy Charity Volunteers** worked with **70 children** and young people.

The Children's Literacy Charity Essential model of intervention is based on facilitating a volunteer-led literacy support programme in primary schools. The children referred by schools often severely lack confidence to participate, or can read well but need lots of support with their reading and language comprehension. The Children's Literacy Charity Essential is facilitated with a strong focus on mentoring pupils as an integral part of the learning process.

Community Literacy Labs

2017/18 is our second year of developing and delivering our Community Literacy Labs. Our community model is a blend of our Expert intervention and our volunteer programme – running for one hour once a week, pupils will ideally sign up for a 24 week programme. **We piloted at 5 locations, and supported 72 children.**

As part of the pilot we have assessed our delivery model, looking at our costings to ensure that the price is affordable. For us the community literacy labs are a very exciting development so that we can reach more children in a location that suits them, at a time that suits them outside of the classroom. It is our aspiration to support more year 7, 8 and 9 aged children through this approach.

Training

To complement our offer of tuition models to schools, we also provide staff training in a range of literacy areas such as:

- Essential Phonics for both Primary and Secondary Teachers and Support Staff
- Progressing from the Higher Levels of Phonics to the effective teaching of Spelling
- Developing Phonological Awareness
- Supporting Struggling Readers and Writers across the primary age range
- Supporting Struggling Readers and Writers in Key Stage 3
- Creating a Dyslexia Friendly Classroom

In reaching over **151 schools staff** through our training in 2017/18 we have likely improved the literacy skills of a further **3,624** children.

The Children's Literacy Charity Reader Leader

Reader Leader training is provided by The Children's Literacy Charity, offering secondary schools a quick and efficient way to set up an effective cross-peer reading project which raises literacy levels and boosts self-esteem for all pupils involved.

We trained **120 pupils** to deliver this literacy-raising programme in 2017/18.

Support for Parents and Carers

Evidence continues to point to parental involvement and the home environment as being the predominant factors that will affect a child's academic achievement.

We have a range of information and services for parents and carers to help them support and encourage their children to read and write, as well as foster literacy within the family.

Achievements against Objectives 2017/18

Our priorities for the year were to:

- Launch, raise awareness and engage the sector in our new name and brand
- Develop new partnerships for delivery opportunities

These priorities were delivered through our 4 organisational goals, and each was achieved as outlined below:

Deliver – CREATING OPPORTUNITES FOR CHILDREN	
<ul style="list-style-type: none"> ➤ Improve literacy for 500+children and young people through <ul style="list-style-type: none"> ○ 250 Expert places ○ 105 Essential places ○ 25 Community Learning places ○ 100 Reader Leaders ➤ Develop a flexible, efficient education team ➤ Partnership: <ul style="list-style-type: none"> ○ Create new relationships with like-minded organisations to complement our offer ➤ Development: <ul style="list-style-type: none"> ○ Deliver our first National Conference to cement our position in the Education sector ➤ Run 4 Community Pilots delivering tuition to 35+ children 	<ul style="list-style-type: none"> • We have supported and delivered: <ul style="list-style-type: none"> ○ 284 children thru Expert ○ 70 children thru Volunteer ○ 120 thru Reader Leader ○ 72 thru Community • We have a range of Senior Lit and Literacy Tutors who are able to work across all our of literacy labs • We formally created partnerships with West London Zone, Onside Youth and Streatham Youth • We marketed, and hosted our first conference with 100 delegates • We ran Community in 5 sites in south London, including our first as an after school club
Demonstrate – HAVE A CREDIBLE PRESENCE AND SHOW THE FUTURE POTENTIAL TO FUNDERS AND BEYOND	
<ul style="list-style-type: none"> ➤ Monitor quality standards across provision using newly formed Schools Programme Management Team ➤ Respond as appropriate to any new government policy and / or practice developments and the ongoing development of school assessment and SEND systems. ➤ Create a powerful story which shows both the value of the CLC work and the ability of the charity to work at a national level. ➤ Continue to review assessment processes to ensure they are fit for purpose. ➤ Undertake feasibility work done on how CLC will operate across a wider geographical base and/or with more schools, in particular looking at recruitment of staff and management 	<ul style="list-style-type: none"> • Schools programme management team has ensured that our quality standards are embedded into each of our tutors and volunteers. Each of our tutors and volunteers have an observation and monitoring check at least once per term. • We are an active member of the SpLD trust to influence government policy. • Access to school data is problematic. We are working on a model to acquire pupil data over time. Informa's Hand in Hand consortium are supporting our data analysis and looking at trends over time. • We trialed the Helen Arkell Spelling Test and have decided to role this out with all of our pupils, and we assessed and tested with schools which assessments best fit their needs.

Grow our resources	Achievements
<ul style="list-style-type: none"> ➤ Strategy: <ul style="list-style-type: none"> ○ Develop new five year strategy for our aspirations of growth ➤ Achieve our income targets across: <ul style="list-style-type: none"> ○ Fundraised income streams: £363,650 ○ Schools income: £236,200 ○ Community Learning £2,500 ○ Training: £10,000 ➤ Build our impact narrative by building our current and historic data ➤ Be on top of all literacy data published by other bodies, national and international ➤ Generate 80 volunteer enquiries in order to recruit 20 volunteers <ul style="list-style-type: none"> ○ Build our evidence for the future 	<ul style="list-style-type: none"> ➤ Income: <ul style="list-style-type: none"> ○ Fundraised income streams: £303,887 ○ Schools income: £186,186 ➤ Strategy: <ul style="list-style-type: none"> ○ New messaging set for organisation completed ○ 25th Celebrations delivered, including celebration event ○ New trustees shaping focus of charity to be proactively funded ➤ Annual Staff & Volunteer survey <ul style="list-style-type: none"> ○ completed ➤ Volunteer Recruitment <ul style="list-style-type: none"> ○ Our Volunteer recruitment is ongoing, due to the growth of our community programme ○ This year we strategically concluded our volunteer delivery in schools, concentrating on engagement in community
Endorsement – GARNER SUPPORT, CREATE AMBASSADORS AND ADVOCATES	Achievements
<ul style="list-style-type: none"> ➤ Rebrand the charity and launch “The Children’s Literacy Charity” within 2017 ➤ Implement plans for The Children’s Literacy Charity’s 25th anniversary celebration ➤ Draw up an engagement programme of meetings/presentations to take the CLC story to important influencers ➤ Clear objective being to gain support for the CLC’s ambitions to work in more schools and to get practical support as to how to do this ➤ Create CLC/Springboard alumni network and ‘friends of CLC’ group 	<ul style="list-style-type: none"> • We launched our new name and brand through new digital presence and video content to demonstrate our story • We appointed the first child we supported in 1992 to the board of trustees with a view of them leading the development of the Alumni network • We celebrated our 25th year through hosted event at Regents University • We delivered our First National Conference “Mind the Gap’ for schools at Birkbeck University • We had strong media coverage Television, Radio and in National and Regional press • Stakeholder engagement across the sector to demonstrate the new name and the rationale for change • New partnerships with likeminded charities including West London Zone and Onside Youth Zones

Funding partnerships

The work of The Children's Literacy Charity could not be undertaken without the generous support of the individuals, grant making trusts and companies who support our work.

Many of our funders are long term supporters and we are incredibly grateful to have the opportunity to continue to work with them to address the literacy issues faced by the children we serve. As we look to develop our services, we look forward to introducing new partnerships with funders and donors who share our vision.

Many of our supporters have visited individual literacy projects during the year to meet staff, children and volunteers to see exactly how their financial support is making a difference to the lives of children.

We extend our sincere thanks to all the trusts, foundations and companies who have given so generously over the year.

The Lovering Charitable Trust.
William Shelton Education Charity.
The Walcot Foundation.
The Metropolitan Grand Master's Tercentenary Appeal
London Stock Exchange Group Foundation.
The Topinambour Trust.
The Swire Charitable Trust.
The Zochonis Charitable Trust.
The Steel Charitable Trust.
William Wates Memorial Trust.
M&G Investments.
Girdlers' Company Charitable Trust.
Leathersellers' Company Charitable Fund.
Cinven Foundation.
Man Group plc Charitable Trust.
Paper Round.
Informa.
The Big Give Christmas Challenge.
The Childhood Trust.
Bute House School.
United St Saviour's Charity
S. E. Franklin Charitable Trust No. 3.

We would also like to take the opportunity to thank the individuals who provide financial support to The Children's Literacy Charity. Such commitment to the charity is highly valued and very much appreciated. Unrestricted giving enables us to plan effectively to meet the needs of children both now and in the future.

Financial Review

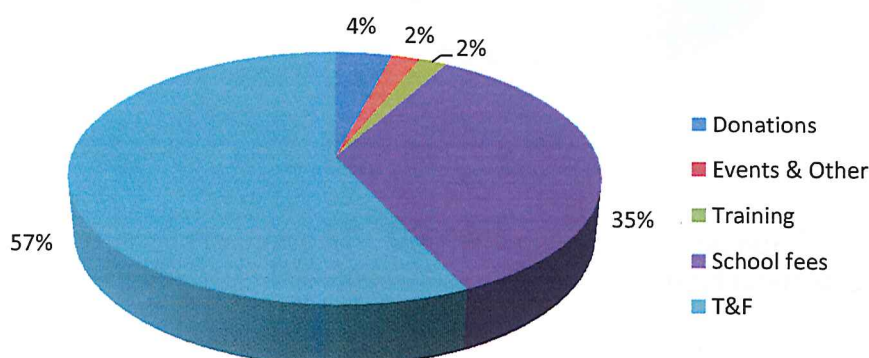
Income

Total income for the year was £490,427 compared with £607,954 in 2016/17.

Normal fundraising activities, carried out from day to day are made up as follows:

	2017/18	2016/17
Donations	£126,118	£237,404
<i>Of which: Trusts & Foundations</i>	<i>£82,787</i>	<i>£104,800</i>
Charitable Activities	£363,956	£369,798
<i>Of which: Trusts & Foundations</i>	<i>£177,769</i>	<i>£137,401</i>
Sponsorship income from fundraising events included in donations above	£8,301	£12,856

Principal Funding Sources – by income category



Trusts and Foundation income is used to fund our core activities in schools, such as Expert and Essential. This income is a mixture of restricted and unrestricted.

School Fees income relates to income from our partner schools and was applied for the purpose of meeting our core objectives and is included under Charitable Activities

Each school is required to contribute to the costs of the service within the school on a per tuition place basis. This ensures that we have full commitment from all the schools we work with and also makes us accountable for the service we provide.

Training income is made up of fees charged for our external training offering carried out by our education team.

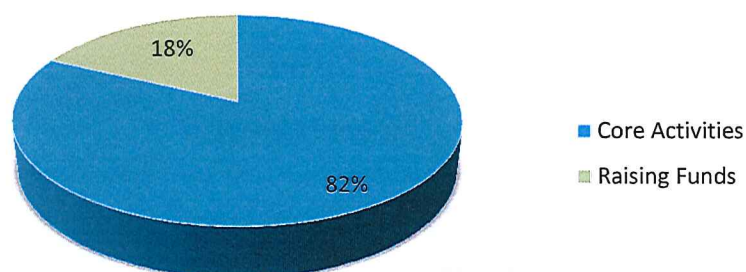
Donations, Events and other income were used to fund the development of the education programme, fundraising activities and support costs incurred by the charity over the year.

Expenditure Review

Expenditure

Total expenditure for 2017/18 was £575,198 compared to £586,484 in 2016/17.

82% of this was spent on **core activities** and **18%** on **raising funds**, compared to 86% and 14% respectively in 16/17.



Reserves Policy

Reserves as at 31st August 2018 totalled **£297,457**. This is made up of restricted funds of £8,452, general funds of £114,005 and designated liquidation funds of £175,000.

The charity's reserves policy is to hold reserves for the purpose of protecting the work of the charity in the short term should funding targets not be met or if the charity should need to cease/curtail its activities. The free reserves of the charity are represented by the designated liquidation fund of £175,000, which was set up for this purpose, and the general fund of £114,005 which the charity will use for future operating purposes.

The reserves policy is reviewed annually, when specific factors affecting the level of reserves are reviewed. These are primarily contractual obligations for employees with changes being made as necessary.

The trustees are satisfied with this position.

See notes 10 & 11 in the annual accounts for more details.

Going concern

To meet the anticipated level of income required to support the increase in our delivery, the charity is investing further in our fundraising function. The focus on trusts, corporates and major donors will increase the volume of potential income and through this we have confidence that the organisation will be viable going forward.

It is noted that we are able to cover expenditure of £289,000: £175,000 from the Designated Fund and £114,000 from the General Fund. This position leaves the charity in a strong position for this year. The trustees are monitoring the charity's spending and cash flow regularly to ensure that its liabilities are met as and when they fall due.

The Trustees will also conduct a cost cutting review to ensure that the organisation is viable going forward.

Principal risks and related matters

The Trustees of The Children's Literacy Charity are responsible for the management of the risks faced by the charity. Detailed consideration of risk is delegated to the Senior Management Team and reviewed in October each year. Risks are identified during the review and are monitored and controlled on an on-going basis.

The Trustees are satisfied that all major risks have been reviewed and procedures put in place to mitigate against those risks. Whilst procedures can mitigate against major risks, the Trustees are aware that they cannot provide absolute assurance against those risks. The Trustees recognise the importance of reviewing the risks associated with the charity and will review major risks on a regular basis.

The principal risks identified by the trustees are as follows:

Principal Risk	Management of risk/Action needed.
Fundraising The Children's Literacy Charity does not reach income targets and runs an unexpected financial deficit	Review of fundraising strategy, including increase resource and appraisal of fundraising staff, to ensure targets are met and appropriate action taken where these are not achieved.
Education Partnerships Partner schools have financial restrictions causing closing of literacy labs	Ongoing dialogue with partner schools over viability of relationship throughout the year Explore new schools' partnerships Increase partnerships relationships to reach more children, such as through West London Zone

<p>Going concern/Future proof The Children's Literacy Charity is too reliant on one source of income</p>	<p>Continue to develop Community Literacy programme which works outside of the school setting. This will spread our risk so that we are more stable should there be large school budget cuts. invest in fundraising team, expand applications out to trusts and develop relationships with corporates. Shifting fundraising strategy to proactive.</p>
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Investment Policy

Reserves are held on deposit with Lloyds Banking Group and Scottish Widows. A review of the investment return is carried out by the Finance Manager and Trustees on a regular basis and decisions on where to hold surplus funds are made on the basis of interest rates and accessibility.

Companies Act 2006 and UK Generally Accepted Accounting Practice as it applied from 1 January 2016. The charitable company is a Public Benefit Entity as defined by FRS 102.

Public Benefit

The trustees have had regard to the Charity Commission's guidance on public benefit and are satisfied that the company meets the public benefit requirement.

Future plans and Goals 2018/19

Headline	Objective
Income Generation	<ol style="list-style-type: none"> 1. Schools income target of £176,960 2. Fundraising income target of £561,810 3. Total income budget of £773,380
Intervention Delivery	<ol style="list-style-type: none"> 1. Deliver Expert in 21 Schools 2. Deliver Community in 5 Literacy Labs 3. Peer to Peer Mentoring (Reader Leader) to 100 young people 4. Support over 500 children in total
Raising the profile of the organisation	<ol style="list-style-type: none"> 1. Build our unique market position and messaging to reflect unique position 2. Finalise and implement five-year Strategy 3. Foster new partnership relationships for new delivery opportunities 4. Develop and deliver engagement with government department(s) and ministers 5. Engage with likeminded charities
Building a robust income base	<ol style="list-style-type: none"> 1. Deliver new corporate relationships aligned to shift from reactive to proactive funded 2. Secure funding to deliver new community literacy labs 3. Income generate from Trust and Foundations 4. Develop a strategy for procuring and nurturing major donors
Creating new engagement opportunities with Schools and Community orgs	<ol style="list-style-type: none"> 1. Build awareness of the organisation in the primary school market 2. Foster new partnership relationships for new delivery opportunities 3. Create new community spaces for our out of school intervention to be delivered in North, East and West London
Be robust	<ol style="list-style-type: none"> 1. Ensure Trustees meet on a quarterly basis 2. Ensure Trustees are updated on financial risk monthly

Jeffrey Defries, Chairman of Trustees

Date:



19 February 2019

Organisational Structure

Structure, Governance and Management

The Children's Literacy Charity is a charitable company limited by guarantee, incorporated on 17th May 2007 and registered as a charity 30th May 2008. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £10.

Statement of Trustees Responsibility

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

Company law requires the Trustees to prepare financial statements for each financial year. These give a true and fair view of the state of affairs of the charitable company and of the incoming and outgoing resources and application of resources, including income and expenditure of the charitable company 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 judgements and 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 company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware;
- they have taken all steps required to ensure that they are aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Recruitment and Training of Trustees

Recruitment of Trustees is carried out through nominations from within the Trustee Board and through open recruitment. In order to assess their personal competence and independence, a skills audit is conducted to assess suitability for any vacancies on the Board.

Detailed role profiles and codes of conduct are set out in the Trustee Information/Induction Pack and appointments are based on the results of the skills audit and an assessment process followed by a vote of the existing Trustees. New Trustees are given the last 3 years' Annual Report and Accounts and are encouraged to read the Charity Commission's document "The Hallmarks of an Effective Charity".

Remuneration of senior staff

Remuneration of the Chief Executive is set by the Trustees and benchmarked using the ACEVO pay review and similar roles in other medium sized charities. The same benchmarks are used to set Senior Management pay. No employee is paid more than £60,000 and employees receive no employee benefits other than their pay.

Senior Management

Responsibility for day-to-day operations and the leadership of the professional and volunteer team is delegated to the Senior Management Team. The Senior Management Team is responsible for all day to day decisions affecting the charity. Decisions of a strategic or directional nature, including the employment of the senior staff, remain the responsibility of the Trustees.

The Trustees keep up to date with charity regulation through reports from the Senior Management Team which is presented as part of the main agenda in Trustees' meetings. Trustees attend relevant training and are expected to share knowledge and best practice at these meetings.

The charity has no subsidiaries and there were no related party transactions during the year. The Trustees give their time voluntarily and receive no benefits from the charity.

The work of The Children's Literacy Charity is carried out by **73 individuals**, comprising 42 paid staff and 31 volunteers.

Auditors

Begbies Accountants have indicated their willingness to continue in office and are deemed to be reappointed in accordance with section 487(2) of the Companies Act 2006.

Preparation of the accounts

The financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102 – Charity SORP (FRS102) Revised) the



The Children's Literacy Charity Annual Accounts



Year Ended
31st August 2018

Registered Charity Number 1124257
Company Incorporated in England and Wales
Registered Company Number 6251103

The Children's Literacy Charity
Statement of Financial Activities
For the year ending 31st August 2018
Including Income and Expenditure Account

		Unrestricted	Restricted	Total 2018	Total 2017
					Note 14
	Note	£	£	£	£
Income and endowments from:					
Donations & Legacies	2a	95,290	30,827	126,118	237,404
Charitable activities	2b	211,187	152,769	363,956	369,798
Investments (bank Interest)		354	0	354	751
Total Income		306,831	183,596	490,427	607,954
Expenditure on:					
	4 & 5				
Raising Funds		101,719	0	101,719	85,402
Charitable Activities		273,334	200,144	473,479	501,083
Total Expenditure		375,054	200,144	575,198	586,484
Net Income/(Expenditure)		(68,223)	(16,548)	(84,771)	21,469
Net Movement in funds		(68,223)	(16,548)	(84,771)	21,469
Reconciliation in Funds					
Total Funds brought Forward		357,227	25,000	382,227	360,758
Total Funds carried Forward	10 & 11	289,004	8,452	297,457	382,227

The statement of financial activities also complies with the requirements for an income and expenditure under the Companies Act 2006.

There were no recognised gains and losses in the period other than those shown above.

All of the above results and derived from continuing activities.

The notes 1-15 form a part of these financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF The Children's Literacy Charity

Opinion

We have audited the financial statements of The Children's Literacy Charity (the "Charity") for the year ended 31st August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow 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 Charity's affairs as at 31st August 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Charity 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 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 Charity'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 trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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 (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report (incorporating the directors' report) have 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 Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.
- 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 directors' report and from the requirement to prepare a strategic report.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees 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 they 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 Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

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: [\[www.frc.org.uk/auditorsresponsibilities\]](http://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 Charity'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 Charity'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 Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Katherine Dee (Senior Statutory Auditor)
For and on behalf of Begbies Chartered Accountants, Statutory Auditor
9 Bonhill Street
London
EC2A 4DJ

Date: 1/5/17

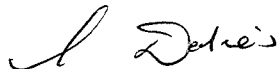
The Children's Literacy Charity
Balance Sheet
As at 31st August 2018

	Note	Total 2018 £	Total 2017 £
Fixed Assets			
Tangible assets	6	6,521	9,354
		6,521	9,354
Current Assets			
Debtors	7	14,046	10,813
Cash at Bank	8	302,895	394,590
		316,941	405,403
Liabilities			
Creditors: Amounts falling due within one year	9	(26,006)	(32,529)
Net Current Assets		290,936	372,873
Net Assets		297,457	382,227
Funds of the Charity			
Restricted		8,452	25,000
General	10	114,005	182,227
Designated	10	175,000	175,000
Total Funds		297,457	382,227

The notes 1-15 form part of these financial statements.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved, and authorised for distribution, by the board on and signed on their behalf by:



Jeffrey Davies, Chairman of Trustees

DATE:

19 February 2019

Registered Company Number 6251103, Charity Number 1124257

The Children's Literacy Charity
Statement of Cashflows
For the year ending 31st August 2018

	Note	Total 2018 £	Total 2017 £
Cashflows from operating activities:			
Net Cash provided by (used in) operating activities	8a	<u>(92,049)</u>	<u>(14,390)</u>
Cashflows from investing activities:			
Interest from investments		354	751
Net cash provided by investing activities		<u>(91,695)</u>	<u>(13,639)</u>
Change in cash and cash equivalents in the reporting period		(91,695)	(13,639)
Cash and cash equivalents at the beginning of the reporting period		394,590	408,229
Cash and cash equivalents at the end of the reporting period	8b	<u>302,896</u>	<u>394,590</u>

The Children's Literacy Charity
Notes to the financial statements
For the Year ending 31st August 2018

Note 1 Accounting Policies

Basis of Accounting

The financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102 – Charity SORP (FRS102) Revised) the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applied from 1 January 2016. The charitable company is a Public Benefit Entity as defined by FRS 102.

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

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the next 12 months. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

The reserves have been reduced by the deficit of £84,771. There are still adequate reserves to absorb this: the Designated Fund of £175,000 to cover three months of running costs and a further £114,005 of general reserves. Of the general reserves £6,521 are invested in fixed assets leaving £107,484 of free reserves.

Funds Structure

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or which have been raised by the charity for particular purposes.

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the charity's objects.

Designated funds are unrestricted funds set aside by the trustees for particular purposes. The funds set aside for this purpose are detailed in the reserves policy.

Incoming Resources

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Grants are recognised at the point when the charity is notified of the grant. Grants shown as donations are only deferred if they relate to a specific future time period as identified by the donor, or the charity is not entitled to the funds without first meeting criteria which are yet to be met at the year end.

Grants are recognised as restricted if they are donated for a purpose more restrictive than the ongoing operations of the charity. Grants are recognised as unrestricted if the donor does not state and restriction on the use of the grant.

Grants that are received for the general operation of the charity, rather than on the basis of a contract or for a specific level of service are treated as donations. Were a grant to be received as part of a service level agreement it would be shown as income from charitable activities and would be deferred to the extent that the charity has yet to fulfil the service level obligations.

School fees and training income are accounted for when they are receivable by the charity to the extent that they are expected to be recoverable.

Income from fundraising activities which are in essence donations, such as sponsorships from marathons and other challenge events are shown in donations and recognised in the year the events took place.

Resources Expended

Expenditure is accounted for in the period to which it relates. The majority of costs are directly attributable to the main activity of the charity which is to teach children with literacy difficulties on a one-to-one basis to help them acquire basic literacy skills to enable them to access the mainstream curriculum in the classroom.

Support costs represent general overheads which cannot be attributed directly to specific activities in furtherance of the charitable object and accordingly have been allocated across activities on the basis of the percentage of staff time or other appropriate cost driver. Governance costs are included in support costs and represent those costs attributable to the management of the charity's assets, organisational administration and compliance with constitutional and statutory requirements.

The costs of generating funds are those costs of seeking potential funders and applying for funding together with any indirect costs incurred in carrying out this work.

Tangible Fixed Assets

All assets costing more than £400 are capitalised and included at cost. Depreciation is recognised so as to write off the cost of the valuation of assets less their residual values over their useful lives of 3 years or 5 years depending on the estimation of their useful life.

The charity does not hold any freehold land or buildings.

Impairment of Fixed assets

At the end of each year the charity reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication of those assets being impaired or damaged. If this is the case the recoverable amount of the asset is estimated in order to determine the extent of the impairment.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and deposits held on call with banks.

Financial Instruments

The charitable company has elected to apply the provisions of Section 11 “basic financial instruments” and Section 12 “Other financial instruments Issues” of FRS 102 to all of its financial instruments.

Financial Instruments are recognised in the charitable company’s balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets include debtors, cash and bank balances, are measured initially at transaction price including transaction costs.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price.

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not they are presented as non-current liabilities.

De-recognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

Operating Leases

Payments made under operating leases are charged to the Statement of Financial Activities as incurred.

Pensions

The charity enrolls eligible workers in workplace pension schemes with NEST and AVIVA. All other employees have a right to join the scheme should they so wish, with The Children's Literacy Charity paying in to the contributions after 6 months of employment. All the pensions are defined contribution bases and as such the assets and liabilities are held separately to those of the charity. Contributions are recorded by the charity as they fall due.

Registered Office

The Charity's registered office is Conrad Court, Cary Avenue, London SE16 7EJ.

The Children's Literacy Charity
Notes to the financial statements (Continued)
For the year ending 31st August 2018

2a. Donations and Legacies

	Notes	Unrestricted £	Restricted £	Total 2018 £	Total 2017 £
Donations		22,426	12,602	35,029	119,748
Trusts/Foundations/Corporates	3	64,562	18,225	82,787	104,800
Sponsorships		8,301	0	8,301	12,856
		95,290	30,827	126,118	237,404

2b. Charitable Activities

	Notes	Unrestricted £	Restricted £	Total 2018 £	Total 2017 £
Trusts/Foundations/Corporates	3	25,000	152,769	177,769	137,401
Fees from schools/parent		176,477	0	176,477	221,640
Training activities and conferences		9,427	0	9,427	10,160
Literacy resource sales		283	0	283	598
		211,187	152,769	363,956	369,798

The Children's Literacy Charity
Notes to the financial statements (Continued)
For the year ending 31st August 2018

3. Income Trusts & Foundations & Corporates

	Unrestricted	Restricted	Total 2018	Total 2017
Within Donations (note 2a)				
The Linbury Trust	0	0	0	41,667
Cinven Foundation	20,000	0	20,000	20,000
The Topinambour Trust	10,000	6,250	16,250	16,500
Aberdeen Asset Management	0	0	0	4,500
Informa	5,150	1,685	6,835	3,784
The Leathersellers' Grant	10,000	0	10,000	10,000
Bute House	0	0	0	4,000
The Freemasons Grand Charity	0	5,000	5,000	0
The Childhood Trust	0	5,290	5,290	0
Other grants £3000 and under	19,412	0	19,412	4,350
Deferred Income (See note 9b)	0	0	0	0
Total Grants - Donations	64,562	18,225	82,787	104,800

Within Charitable Activities (note 2b)	£	£	£	£
The Walcot Foundation	0	22,683	22,683	0
TTEES Man Group Plc	0	29,008	29,008	29,008
The Zochonis Charitable Trust	25,000	0	25,000	18,850
London Stock Exchange Group	0	5,000	5,000	0
M&G	0	24,453	24,453	18,015
William Wates	0	9,000	9,000	10,000
The Girdlers Charitable Trust	0	8,000	8,000	9,100
William Shelton Education charity (inc. deferred)	0	24,006	24,006	12,155
Newmans Own (Rockefeller)	0	0	0	11,627
Santander	0	0	0	4,840
The Draper's Charitable Trust	0	0	0	12,500
The Lovering Charitable Trust (inc. deferred)	0	5,000	5,000	5,000
The Light Fund	0	0	0	5,000
United St Saviors	0	4,000	4,000	0
The Swire Charitable Trust	0	16,859	16,859	0
The Steel Charitable Trust	0	10,000	10,000	0
Other grants £3000 and under	0	2,500	2,500	12,572
Deferred Income (See note 9b)	0	(7,740)	(7,740)	(11,266)
Total Grants - Charitable Activities	25,000	152,769	177,769	137,401

The Children's Literacy Charity
Notes to the financial statements (Continued)
For the year ending 31st August 2018

4a. Summary Expenditure

The Children's Literacy Charity has one main activity - teaching children to read and write. This involves literacy tuition and training volunteers, together with the support costs associated with this activity.

	Raising Funds	Charitable Activities	Total 2018	Total 2017
	£	£	£	£
Direct Costs	53,013	289,515	342,528	411,272
Support Cost	48,706	183,964	232,670	175,212
Total	101,719	473,479	575,198	586,484

4b. Analysis of Support Costs

Support Costs	Raising Funds	Charitable Activities	Total 2018	Total 2017	Basis of allocation
Governance	11,948	55,614	67,561	44,791	Proportion of Literacy Costs to Fundraising
Strategy and Leadership	7,771	13,697	21,468	13,544	Proportion of time spent
Finance	5,378	20,182	25,561	27,243	Proportion of time spent
HR/Admin/IT	4,196	25,762	29,958	31,293	Proportion of time spent
Educational Development	0	46,292	46,292	30,480	Proportion of time spent
Communications	16,730	25,101	41,830	27,861	Purpose of content
Total	46,023	186,647	232,670	175,212	

Total Expenditure for the year include the following:

	Raising Funds	Charitable Activities	Total 2018	Total 2017
	£	£	£	
Depreciation (see Note 6)	501	2,332	2,833	1,529
Premises and Office costs	7,184	15,260	22,444	21,493
Auditors remuneration	666	3,774	4,440	4,440

The Children's Literacy Charity
Notes to the financial statements (Continued)
For the year ending 31st August 2018

5. Staff Costs

	Total 2018	Total 2017
	£	
Salaries	467,580	469,275
Social Security Costs	25,800	23,758
Pension Costs	5,119	3,500
Redundancy costs	0	4,438
Total	498,500	500,971

The actual number of staff (FTE) analysed by function was:

	Total 2018	Total 2017
Charitable Activities	23.0	23.8
Raising Funds	3.0	2.2
	26.0	26.0

Staff Numbers

The average number of staff employed during the year was 40, many of whom are part time. In 2017 the average number of staff was 41.

Key Management Staff

Amounts paid to key management staff during the year was £134,256 (£124,829 in 2017). This represents the salary of the CEO, the Head of Finance, Head of Education and Head of Funding. No employee was paid more than £60,000 in 2017 or 2018.

Redundancy Payment

Redundancy payments are recognised in the period in which the related employment ceases. There were no outstanding redundancy payments at the year end. Redundancy payments are made in line with statutory minimums. No ex gratia redundancy payments were made.

The Children's Literacy Charity
Notes to the financial statements (Continued)
For the year ending 31st August 2018

6. Fixed Assets

	Office & General Equipment	Fixtures & Fittings	Total
Cost:	£	£	£
At 1st September 2017	29,902	428	30,330
Additions	0	0	0
At 31st August 2018	29,902	428	30,330
Depreciation:			
At 1st September 2017	20,655	321	20,976
Disposal	0	0	0
Charge for the period	2,726	107	2,833
At 31st August 2018	23,381	428	23,809
Net Book Value			
At 1st September 2017	9,247	107	9,354
At 31st August 2018	6,521	0	6,521

7. Debtors & Prepayments

	2018	2017
	£	£
Tax reclaimed on gift aid donations	884	1,265
School Fees/Parent Payments	6,357	1,318
Debtors control account	2,453	3,209
Other debtors	460	501
Prepayments	3,892	4,520
Total	14,046	10,813

The Children's Literacy Charity
Notes to the financial statements (Continued)
For the year ending 31st August 2018

8a. Reconciliation of net income/(expenditure) to net cashflow from operating activities

	Total 2018	Total 2017
	£	£
Net income for the reporting period (as per SOFA)	(84,771)	21,469
Adjustments for:		
Depreciation	2,833	1,529
Interest	(354)	(751)
Purchase of tangible Fixed Assets	0	(8,141)
(Increase)/Decrease in debtors	(3,233)	1,925
Increase/(Decrease) in Creditors	(6,524)	(30,421)
Net cash used by operating activities	(92,049)	(14,390)

8b. Analysis of cash and cash equivalents

	Total 2018	Total 2017
	£	£
Current Account	63,457	90,505
Deposit Accounts	239,340	303,986
Petty Cash	98	99
	302,895	394,590

The Children's Literacy Charity
Notes to the financial statements (Continued)
For the year ending 31st August 2018

9a. Creditors	Total 2018	Total 2017
	£	£
Tax and social security	7,893	15,369
Accruals	6,840	4,440
Deferred income (see note 9b)	7,740	11,266
Pension	1,319	446
Other creditors	2,214	1,008
	26,006	32,529

9b. Deferred Income	Total 2018	Total 2017
	£	£
<i>Brought Forward</i>	11,226	47,556
<i>Transferred to income during the year</i>		
Grants	(11,226)	(47,556)
Grants (See note 3)	7,740	11,226
Carried Forward	7,740	11,226

Deferred grants are broken down as follows:

	Total 2018	Total 2017
The Lovering Charitable Trust		5,000
St Giles-in-the Fields & William Shelton Education charity	7,740	6,266
Total Grants Received in advance	7,740	11,266

The Children's Literacy Charity
Notes to the financial statements (Continued)
For the year ending 31st August 2018

10. Movement in Funds

	Balance at 01.09.17 £	Incoming £	Movement in Resources Outgoing £	Transfers £	Balance 31.08.18 £
Unrestricted Funds					
Designated Fund	175,000				175,000
General Funds	182,227	306,831	(375,054)		114,005
Total unrestricted Funds	357,227	306,831	(375,054)	0	289,005
Restricted funds					
Education		158,240	(158,240)		0
CEO	25,000		(25,000)		0
Big Give		25,356	(16,904) ⁿ		8,452
Total Restricted Funds	25,000	183,596	(200,144)	0	8,452
Total Funds	382,227	490,427	(575,198)	0	297,457

2017 Comparative	Balance at 01.09.16 £	Incoming £	Resources Outgoing £	Transfers £	Balance 31.08.17 £
Unrestricted Funds					
Designated Fund	175,000				175,000
General Funds	185,758	371,774	(375,305)		182,227
Total unrestricted Funds	360,758	371,774	(375,305)	0	357,227
Restricted funds					
Education		161,179	(161,179)		
CEO		75,000	(50,000)		25,000
Total Restricted Funds	0	236,179	(211,179)	0	25,000
Total Funds	360,758	607,954	(586,484)	0	382,227

Designated funds

The designated fund is set aside in the event that the charity has to cease operations. It covers roughly 3 months salary and other costs, which is the assumed time that would be needed to close the charity.

Restricted Funds

Restricted funds - Education

These represent funds that have been given by donors at the year end for specific education projects that have not been spent at year end or deferred for the next year.

Restricted Funds - CEO

The restricted fund was a contribution towards the costs of the CEO's salary, now spent at year end.

Restricted Funds - Big Give

These represent funds restricted as part of the Big Give Christmas Challenge in 2017. One third (£8,452) remains unspent at the year end.

Please refer to the Trustees' report for further explanation of all the above funds.

The Children's Literacy Charity
Notes to the financial statements (Continued)
For the year ending 31st August 2018

11. Net Assets by Fund

	General	Designated	Restricted	Total 2018
	£	£	£	£
Fixed Assets	6,521			6,521
Current Assets	125,749	175,000	16,192	316,941
Current Liabilities	(18,266)	0	(7,740)	(26,006)
	114,005	175,000	8,452	297,457

2017 Comparative

	General	Designated	Restricted	Total 2017
	£	£	£	£
Fixed Assets	9,354			9,354
Current Assets	194,137	175,000	36,266	405,403
Current Liabilities	(21,263)	0	(11,266)	(32,529)
	182,227	175,000	25,000	382,227

12. Future Commitments

As at 31st August 2018 The Children's Literacy Charity had total commitments under operating leases as follows:

	Total 2018	Total 2017
	£	£
Operating leases which expires:		
Office Equipment (photocopier lease) within one year		
Office Equipment (photocopier lease) 2 - 5 Years	4,254	5,469

13. Transactions with trustees and related party transactions

Donations from trustees totalled £500 (2017: £3,550)

No trustee received any remuneration in the year in 2018 or 2017

Trustees were paid travel expenses of £6 in 2018 (2017: £0)

There were no transactions with family of key management (2017: £160)

14. Legal Structure

The charitable company's legal structure is that of a company limited by guarantee. In the event of the company winding up, each member is liable to contribute to any deficit to a maximum of £10 per member.

The Children's Literacy Charity
Notes to the financial statements (Continued)
For the year ending 31st August 2018

15. SOFA Comparatives

	Unrestricted	Restricted	Total 2017	Total 2016
	£	£	£	£
Income and endowments from:				
Donations & Legacies	133,054	104,350	237,404	167,681
Charitable activities	242,969	126,829	369,798	489,585
Investments (bank interest)	751	0	751	1,490
Other	0	0	0	0
Total Income	376,774	231,179	607,954	658,756
Expenditure on:				
Raising Funds	85,402	0	85,402	50,122
Charitable Activities	294,903	206,179	501,083	607,814
Total Expenditure	380,305	206,179	586,484	657,936
Net Income/(Expenditure)	-3,531	25,000	21,469	820
Reconciliation in Funds				
Net Movement in funds	(3,531)	25,000	21,469	820
Total Funds brought Forward	360,758	0	360,758	359,938
Total Funds carried Forward	357,227	25,000	382,227	360,758