

Registered number: 04385537
Charity number: 1092698

The Centre for Literacy in Primary Education
(A Company Limited by Guarantee)

Trustees' Report and Financial Statements
For the Year Ended 31 August 2019

CHARITY COMMISSION
FIRST CONTACT

10 FEB 2020

ACCOUNTS
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The Centre for Literacy in Primary Education

(A Company Limited by Guarantee)

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The Centre for Literacy in Primary Education

(A Company Limited by Guarantee)

**Reference and Administrative Details of the Charity, its Trustees and Advisers
For the Year Ended 31 August 2019**

Trustees

Elaine McQuade
Caroline Pidgeon
Ali Mawle
Jackie Gillan
Nicky Parker
Justin Shinebourne
Catherine Rose
Antonia Byatt
Charlie Meredith (resigned 1st September 2019)
Beverley Greathead
Ronald Woods
Cecilia Weiler

Company registered number

04385537

Charity registered number

1092698

Registered office

Webber Street
London
SE1 8QW

Company secretary

Maria Deady

Chief executive officer

Louise Johns-Shepherd

Independent auditor

Goldwins
75 Maygrove Road
London
NW6 2EG

The Centre for Literacy in Primary Education

(A Company Limited by Guarantee)

**Reference and Administrative Details of the Charity, its Trustees and Advisers
For the Year Ended 31 August 2019 (continued)**

Bankers

The Co-operative Bank plc
PO Box 101
1 Balloon Street
Manchester
M60 4EP

Barclays Bank plc
53 The Broadway
London
W5 5JS

Santander Business Banking
Bridle Road
Bootle
Liverpool
L30 4GB

Solicitors

Bates Wells
10 Queen Street Place
London
EC4R 1BE

The Centre for Literacy in Primary Education

(A Company Limited by Guarantee)

Trustees Report

For the Year Ended 31 August 2019

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their annual report together with the audited financial statements of the charity for the year ended 31 August 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) and update Bulletin 2 (effective 1 January 2019).

Since the charity 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.

Review of activities

Nicky Parker, Chair of Trustees

We have spent the year of 2018-19 completing our 2014-19 five-year plan and working on our new strategic plan for 2019-2024.

The last five years have been a time of enormous growth for us. In 2013 we worked with Pilotlight to develop our ambitious 2014-19 business plan, which set out to reach more teachers and more schools in more places than ever before – and we have certainly achieved that. We wanted to refurbish our building and we succeeded in opening our beautiful new Literacy Library in November 2018. Since then we have had more people pass through the door of our building than ever before. And we've ended 2019 by being able to share our wonderful space with two other charities, Drivers Youth Trust and First Story. Our team at Centre for Literacy in Primary Education "CLPE" have achieved all this in a very difficult and uncertain economic and policy climate. The underfunding of our schools and public services is well documented and we have had to negotiate tricky financial times. Yet we have still managed to reach more teachers in more places and develop more resources. In addition, we have continued to develop new research that advances literacy pedagogy and practice.

Our new strategic plan is the result of close collaboration between the staff and trustee team. We look forward to the next stage of development where we will deepen our learning and our offer to all those who work with children. We will support more teachers to develop good practice, enabling more children to flourish as lifelong readers, writers and learners.

Louise Johns-Shepherd, Chief Executive

We are extremely proud of all we have achieved at CLPE over the last five years. Our research, our resources and our training are all having an enormous impact on the teaching of literacy in schools across our country and beyond.

In 2014 we said we wanted to double the number of schools we worked with and to increase the number of teachers who benefited from our work and we've achieved this, which is a significant and substantial achievement. We take pride in the fact that more children than ever before are in lessons where our resources and planning are used. But our work is about so much more than numbers, our real pride comes from the fact that we know that those children in those lessons are benefiting from sound pedagogical practice which is evidenced based and carefully researched.

Whilst we've increased our reach massively over the last five years, we have also ensured that we've developed our evaluation practices, carefully investigating everything we use and pass on to teachers. We know that our research, our training and our resources have an impact on children in classrooms because we are constantly and consistently checking, reviewing and researching that impact. Our team at CLPE and our wider team of Associates and Partners work tirelessly to do this, and then to get our messages and our materials out into the world.

The Centre for Literacy in Primary Education

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Trustees' Report (continued) For the Year Ended 31 August 2019

We are also in the unique position of working in partnership with every part of the literacy landscape, from authors, illustrators, poets and publishers to other literacy charities, researchers and universities. Our work is widely used and referenced within and across sectors and our research, resources and training influences practice and changes cultures. The partnerships we've built, the rigorous approaches we've developed and our proven commitment to quality provide us with rock-solid foundations as we begin this new plan and a new phase in the development of our charity.

Our Team

CLPE team is made up of teachers, librarians, communicators, project managers and administrators from a range of backgrounds working together in a beautiful old school building in the very middle of London. All our teaching team have very recent classroom and leadership experience and they use this to support their research, writing and development all our courses and materials. We now have a staff of 20 people in full and part-time positions as well as Associate Teachers working with us around the country. This year we were pleased to add 11 Associate Schools to our 'team' – beacons of practice across England where schools can visit and see CLPE practice thriving. We have a wider team of associates working with us to fundraise, research and support our marketing and communications work. We continue to build partnerships with like-minded organisations ensuring our work and research is disseminated and communicated as widely as possible. We are committed to being part of our community and work placement students from The Park College work as part of our team every week.

Our Trustees

We are a charity and governed by a board of trustees. Our trustees meet four times a year as an entire board, and we have two committees: Finance Committee and Operations Committee. Some of our trustees also meet regularly to support the implementation of our strategic plan and to take forward particular projects. There have been no retiring trustees or new appointments in 2018-19 although we will say goodbye to Charlie Meredith who retires as a Trustee on September 1st 2019. Charlie has made a big career change and is now an English Teacher in a Secondary School – we wish him every success in the future. Our Trustees are committed to ensuring that we have the full range of skills and knowledge on our board and have worked with the Association of Chairs for the last two years to ensure we are implementing the principles of good governance and working as an effective board. Our plan for 2019-20 is to continue this work, reviewing our skills, identifying any knowledge gaps and reviewing our committee structure to ensure we have a board that is fully skilled to develop the new five-year strategic plan.

CLPE Trustees

- Antonia Byatt
- Jackie Gillan – Chair of Finance Committee
- Beverley Greathead
- Ali Mawle
- Elaine McQuade – Vice-Chair of Trustees
- Charlie Meredith (resigned 1st Sept 2019)
- Caroline Pidgeon
- Nicky Parker – Chair of Trustees
- Catherine Rose – Chair of Operations Committee
- Justin Shinebourne
- Cecilia Weiler
- Ronald Woods

Louise Johns-Shepherd – Chief Executive

Company Secretary: Maria Deady, Centre and HR Manager.

Farrah Serroukh, Learning Programmes Leader works with the Trustees Special Projects Group and Rachel Doran, Finance Manager works with the Finance Committee. Other members of the Staff Senior Leadership Teamwork with the full board and committees as required.

The Centre for Literacy in Primary Education

(A Company Limited by Guarantee)

Trustees' Report (continued)

For the Year Ended 31 August 2019

What do we do and what difference does it make?

CLPE works with teachers and others that work in primary schools. We offer high-quality training, resources and support to help teachers to develop their subject knowledge to improve their teaching of literacy and their knowledge about children's literature.

In 2014 we embarked on an ambitious programme of growth.

We wanted to

- bring our work to more children, teachers and schools.
- take our training to more places and to work across the country.
- grow our online resources so that more teachers could access our high-quality materials.
- add to the research base in all areas of literacy and support teachers to access that research.
- develop and implement robust and rigorous evaluation processes to help us to ensure and review the effectiveness of our work.

We've achieved all these aims and more.

In August 2014 we calculated that our work was benefiting approximately 30,000 children. In 2019 we calculate that our work is improving literacy learning for around 5 million children.

How we've increased the numbers of beneficiaries of our work.

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Teachers on all our programmes	991	2,282	2,883	2,646	2,918	2,966
Schools we work with	631	1,457	1,376	1,725	1,729	2,559
Teachers on power of reading training	458	500	542	613	664	630
Schools subscribing to power of reading	580	915	1,000	1,109	1,218	1,671
Books given away to schools	9,160	11,500	12,213	13,622	15,470	15,752
Users of our online resources	No available figures	100,502	145,409	211,526	383,985	381,544
Children involved in CLIPPA	0	30	1,000	2,000	4,000	4,000
Schools involved in CLIPPA	0	1	40	79	150	150

- We now work in more areas of the country than ever before – in the last five years we have had projects and programmes in all nine regions of England and we have developed a network of Associate Teachers and Associate Schools who work with us developing capacity in their local areas and helping us to show how our work makes a difference in classrooms.
- We have run three major research projects involving more than 100 primary schools. We've published research reports on the importance of poetry, picture books and the writing process and the representation of Black, Asian and minority ethnic "BAME" children in books.
- We've shared our research as widely as possible and made sure that we are referencing and sharing recent research from elsewhere. We've produced four summary pamphlets and published the Reading and Writing Scales in partnership with all the other major subject associations.
- We've worked to develop our own evaluation processes so that we now have a multi-layered approach to quality assuring our work and training. We use this process to ensure that we are always offering the best continued professional development (CPD) informed by recent, relevant and valid research.
- We have increased the number of free resources available to teachers. We keep our research publications totally free and have made Core Books, our online 'library' free to all users.

The Centre for Literacy in Primary Education

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Trustees' Report (continued) For the Year Ended 31 August 2019

- We have developed a resource bank of videos and teaching sequences to support teachers to work with picture books and added to our Poetryline site so that is now the go-to place for teaching children's poetry. We work with publishers, other national organisations and awards to make teaching notes for books freely available.
- We've used our research project The Power of Pictures to develop a free site for teachers who want to work with picture books across the primary age range. We've shared the research outcomes from the project as well as a range of video and teaching resources. We've worked with publishers to develop new resources and to ensure the sustainability of the project.
- We provide free resources for national celebrations like National Poetry Day and World Book Day as well as providing free resources for a range of national book prizes and special days.
- We now have Teaching Sequences for 283 books on our sites as well as more than 500 videos of authors, illustrators and poets reading and talking about their work and more than 45 regularly updated booklists.
- Our staff have shared their knowledge through a wide range of published articles, chapters and blogs, as well as contributing to national and international conferences. In 2020 Sage will publish our book; The Power of a Rich Reading Classroom
- We have refurbished our library of 23,000 children's books creating a resource which benefits the whole literacy community and the building project was supported by more than 250 poets, teachers, authors, illustrators, publishers, schools, academics, librarians, book lovers, educationalists, printers, booksellers, magazines and charities.
- We've worked with and for other national charities, forging long-term partnerships with other literacy charities and like-minded organisations to ensure the whole community learns from and about our expertise.
- We've more than doubled the number of authors we work with over the last five years and continue to work in partnership with all the major and independent publishers as well as industry organisations like the Authors Collecting and Licencing Society, CILIP, the Publishers Association and the Booksellers' Association.

We work with all those who are involved in literacy teaching in schools and the wider system. We also work with the publishing industry and everyone involved in the creation and promotion of children's literature.

We provide training courses and programmes, we produce resources to support teaching and we undertake classroom-based research. This means we provide schools with the tools to teach literacy effectively and creatively and that we test and share the evidence about the effectiveness of our approaches. We also increase awareness of how literacy is taught effectively and how teaching can be supported.

We do this because we want to improve teaching in all areas of literacy and to influence the practice and policy so that there is a better understanding and support for good literacy teaching.

In all our work we are aiming to raise the literacy achievement of children and to put quality children's literature at the heart of all learning. We do this because we know that success in literacy improves children's chances in all areas of their life. Through our training, our resources and our online work we estimate that we are supporting the literacy teaching of more than **5 million** primary age children each year.

Our Funding Sources

All the money we make from our training courses and materials is used to add to our free resources, fund research and find out more about how to support children's developing literacy.

Centre for Literacy in Primary Education's income comes predominantly from fees for attending our training and from our educational resources (86%). In addition to this, income is also generated from grant funding, donations and sponsorship (12%) and from rent and hire fees generated from our Centre (2%). We receive no government funding for our work.

It has been increasingly difficult to depend on training income coming from school budgets, so our work this year would not have been possible without additional support and funds from organisations, grants and foundations who support our work. This year we have received financial support from Siobhan Dowd Trust, Arts Council England, The Authors' Licensing and Collecting Society, and the Education Endowment Foundation.

The Centre for Literacy in Primary Education

(A Company Limited by Guarantee)

Trustees' Report (continued) For the Year Ended 31 August 2019

Investment Policy

The charity's funds are expected to be spent in the medium term, so there are no funds held in investments.

Financial Review

We have maintained the number of teachers trained, but income from training has not met our budget set for the year. Squeezed education budgets and economic and political uncertainty, meant we have needed to freeze or reduce our fees, whilst many of our own costs have increased. This has resulted in an operating deficit of £132k this year.

We have budgeted to break even this year on the basis that the current environment persists and continue to look for efficiencies and to reduce our costs. Our plans to avoid a recurring deficit also includes targeting an increase in our subscriptions income and increasing income from events and rentals at our premises.

The Trustees review the finance reports each term and are aware of major dependencies and potential mitigations. The Trustees are confident that the charity is a going concern on the basis that the organisation can continue to meet its obligations, and generate positive cash flow, for the foreseeable future.

Reserves Policy

This policy is reviewed regularly in line with our strategic plan. The current total reserves stand at £290k, £43k of which is restricted for use on two ongoing funded projects.

In deciding the level of reserves that the charity needs to hold, the trustees consider what the reserves are represented by in terms of net assets, and therefore what funds are freely available to spend on any of the charity's purposes. The Trustees consider the funds freely available to spend, to be limited to the net value of assets and liabilities that represent cash or are readily converted into cash. On this basis, cash funds available are approximately £24k lower than our total free reserves of £247k. Therefore, the Trustees consider £223k of total reserves is represented by available funds, £43k represents restricted funds, and £24k represents funds that are unavailable for general CLPE spending as they are tied up in the net assets of the charity.

Taking into account the resources needed for working capital to cope with fluctuations in cash flow, and an assessment of the major risks to which the charity is exposed, the Trustees have determined that an appropriate level of funds to designate as an operating cost reserve should be broadly equivalent to 3 months operating costs plus a further 3 months' rent. As at 31 August 2019, this equates to £315k. Currently, unrestricted reserves are lower than the targeted operating cost reserve as a result of the current year operating deficit. The new 5-year plan budgets for a return to an accounting surplus by 2020/21 and therefore to start to rebuild reserves to the targeted operating reserve level.

This policy is reviewed regularly in line with our strategic plan.

Recruitment and Appointment of Trustees

There are 12 Trustees for the charity (11 from 1st September 2019) who share their extensive expertise from backgrounds in education, finance, law and local government to support the work of the charity. Trustees are reviewing the skills, knowledge and expertise of the board as well as the committee structure to ensure that the board is fit for purpose to deliver the new plan. Trustees have decided to carry the one vacancy until this work is completed.

The Centre for Literacy in Primary Education

(A Company Limited by Guarantee)

**Trustees' Report (continued)
For the Year Ended 31 August 2019**

Risk Management

The Board of Trustees has conducted a review of the major risks to which the charity is exposed. A risk register has been established and is discussed at every committee and full meeting and updated as a consequence of these discussions. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Significant external risks to funding have led to the development of a strategic plan where the operating costs of the charity are generated from the charged work. This makes the charity self-sustaining and ensures a long-term future that is not dependent on government or local authority funding. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients and visitors to the centre. These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

Organisational Structure

The Charitable Company was set up in November 2001 when the organisation was transferred from the Local Education Authority (LEA) control.

CLPE is a registered charity and a company limited by guarantee. Its registered office is as shown on page 1. It is governed by its Articles of Association. The management of the Charity is the responsibility of the Trustees who are appointed under the terms of the Articles of Association.

CLPE has a Board of Trustees that meets quarterly, a Finance committee and an Operations Committee. One of the trustee meetings is a 'consultative' meeting between staff and trustees where the strategic planning for the following year is undertaken.

Trustees are provided with an induction pack which includes the Articles of the Company, information about the duties and responsibilities of charity trustees and further information from the Charities Commission.

There are currently 11 Trustees with a variety of professional backgrounds relevant to the work of the charity.

CLPE board of Trustees meets in November, February and June and the trustees attended whole board training in May to support their development as a board.

There are special projects groups convened by the vice-chair of trustees to develop various projects and the longer-term strategy. This group is an advisory rather than a decision-making body but does have terms of reference agreed by the full trustee board and reports to the full trustee meetings.

A scheme of delegation is in place and day to day responsibility for the provision of the services rest with the Chief Executive along with the Senior Managers. This is guided by a Manual of Authorities which is reviewed annually.

The Chief Executive is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. The management team has responsibility for the day to day operational management of the Centre, income generation and individual supervision and development of the staff team.

Public benefit

The Charity has had regard to the Charity Commission's guidance on public benefit. We work to improve the life chances of children by ensuring that every child has access to quality experiences of literacy and that all teachers have the knowledge and resources to support children become confident, happy and enthusiastic readers and writers, with all the benefits this brings. We help schools to teach literacy in the most effective way. Our training and resources are all based on credible research and on the principles of effective continuing professional development.

The Centre for Literacy in Primary Education

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Trustees' Report (continued) For the Year Ended 31 August 2019

Future plans

During the last five years, we have worked towards considerable growth in our organisation. We want to sustain that growth. We aren't intending to expand our services over the next five years but we do want to deepen our engagement in all regions and all areas of our work.

We have a well-evidenced, proven, and very successful CPD programme. We have developed a methodology for professional training which is proven to support schools to develop. We want all schools to know about this success and to use our resources for the benefit of all the children in our schools.

We want to:

- Increase the number of practitioners in schools who can access effective professional development to support them to improve standards in literacy.
- Provide an increasing number of high quality, well researched and evidenced resources that support effective literacy teaching to as many teachers as possible;
- Evidence the importance of books and literature in enabling children to become confident, happy and enthusiastic readers and writers, with all the benefits this brings.

And through all of this, put quality children's literature at the heart of all learning.

Responsibilities of Trustees

The Trustees (who are the directors of The Centre for Literacy in Primary Education for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 detection and prevention of fraud and other irregularities.

The Centre for Literacy in Primary Education

(A Company Limited by Guarantee)

**Trustees' Report (continued)
For the Year Ended 31 August 2019**

Statement of disclosure of information to auditors

The Trustees have confirmed that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

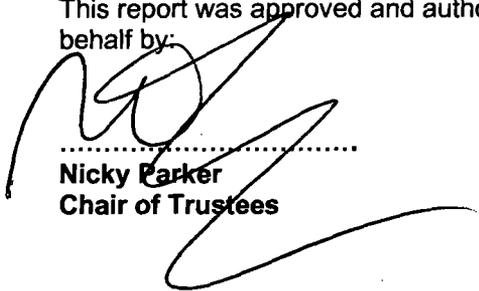
Preparation of the report

This report of the Trustees has been prepared taking advantage of the small companies exemption of section 415A of the Companies Act 2006.

Auditors

The trustees have appointed Goldwins as their auditors. Goldwins have accepted this appointment under Section 485 of the Companies Act 2006.

This report was approved and authorised for issue by the Trustees on 5 February 2020 and signed on their behalf by:



.....
Nicky Parker
Chair of Trustees

The Centre for Literacy in Primary Education

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Independent Auditor's Report to the Members of The Centre for Literacy in Primary Education

Opinion

We have audited the financial statements of The Centre for Literacy in Primary Education (the 'charity') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 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.

The Centre for Literacy in Primary Education

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Independent Auditor's Report to the Members of The Centre for Literacy in Primary Education

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.

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- 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 our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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; 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.

The Centre for Literacy in Primary Education

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Independent Auditor's Report to the Members of The Centre for Literacy in Primary Education

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charity 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company 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. 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 Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Anthony Epton (Senior Statutory Auditor)
for and on behalf of
Goldwins Limited
Statutory Auditor
Chartered Accountants
75 Maygrove Road
West Hampstead
London NW6 2EG

5 February 2020

The Centre for Literacy in Primary Education

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Statement of Financial Activities

(Incorporating Income and Expenditure Account)

For the Year Ended 31 August 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:					
Donations	2	6,205	13,637	19,842	154,634
Charitable activities	3	1,237,900	152,316	1,390,216	1,384,859
Other trading activities	4	34,682	-	34,682	44,982
Investments	5	347	-	347	544
Total income		1,279,134	165,953	1,445,087	1,585,019
Expenditure on:					
Charitable activities	6	1,445,524	131,179	1,576,703	1,606,163
Total expenditure		1,445,524	131,179	1,576,703	1,606,163
Net movement in funds		(166,390)	34,774	(131,616)	(21,144)
Reconciliation of funds:					
Total funds brought forward		413,526	7,749	421,275	442,419
Total funds carried forward		247,136	42,523	289,659	421,275

All of the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above.

The attached notes form part of these financial statements.

The Centre for Literacy in Primary Education

(A Company Limited by Guarantee)

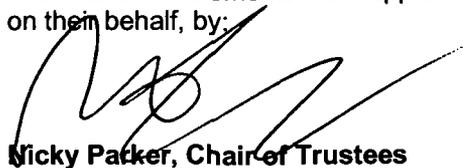
Registered number: 04385537

Balance Sheet
As at 31 August 2019

	Note	£	2019 £	£	2018 £
Fixed assets:					
Tangible assets	11		339,002		283,734
Intangible assets	12		<u>34,813</u>		<u>46,538</u>
			373,815		330,272
Current assets:					
Stocks	13	43,057		76,218	
Debtors	14	242,040		154,962	
Cash at bank and in hand		<u>147,495</u>		<u>386,143</u>	
		432,592		617,323	
Creditors: amounts falling due within one year	15	<u>(516,748)</u>		<u>(526,320)</u>	
Net current (liabilities)/assets			(84,156)		91,003
Total net assets			<u>289,659</u>		<u>421,275</u>
Charity Funds					
Restricted funds	16		42,523		7,749
Unrestricted funds	16		247,136		413,526
Total funds			<u>289,659</u>		<u>421,275</u>

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

The financial statements were approved and authorised for issue by the Trustees on 5 February 2020 and signed on their behalf, by:



Nicky Packer, Chair of Trustees

The attached notes form part of these financial statements.

The Centre for Literacy in Primary Education

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**Statement of Cash Flows
For the Year Ended 31 August 2019**

	Note	2019 £	2018 £
Cash flows from operating activities	18	(90,495)	102,252
Net cash (used in)/provided by operating activities			
Cash flows from investing activities:			
Cash flows from interest		347	544
Purchase of tangible fixed assets		(148,500)	(205,247)
Net cash used in investing activities		(148,153)	(204,703)
Change in cash and cash equivalents in the year		(238,648)	(102,451)
Cash and cash equivalents brought forward		386,143	488,594
Cash and cash equivalents carried forward		147,495	386,143

The Centre for Literacy in Primary Education

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Notes to the Financial Statements For the Year Ended 31 August 2019

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Centre for Literacy in Primary Education meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Company status

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

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

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

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

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Notes to the Financial Statements For the Year Ended 31 August 2019

1.4 Income

All income is recognised once the charity has an entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' Report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Bank interest is included when receivable.

Income from charitable trading activity is accounted for when earned.

Income from grants where related to performance and specific deliverable is accounted for as the charity earns the right to consideration by its performance.

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

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

Support costs are those costs incurred directly in support of expenditure on the objects of the charity.

Governance costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

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

All expenditure is inclusive of irrecoverable VAT.

Notes to the Financial Statements
For the Year Ended 31 August 2019

1.6 Fixed assets and depreciation
Tangible fixed assets

All assets costing more than £500 are capitalised.

Tangible fixed assets are carried at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	20% (5 years) Straight line with nil residual value
Library	-	12.50% (8 years) Straight line with nil residual value
Furniture and fittings	-	20% (5 years) Straight line with 5% residual value
Computers and equipment	-	25% (4 years) Straight line with 5% residual value

1.7 Intangible assets

Website development costs are capitalised as intangible assets only when the following criteria are met: (i) it is technically feasible to complete the product so it will be available to use; (ii) management intends to complete the product or sell it; (iii) there is ability to use or sell the product; (iv) it can be demonstrated how the software product will generate future economic benefits; (v) the expenditure attributable to the product during its development can be measured reliably. Website development costs are amortised over their useful economic life of 4 years.

1.8 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1.11 Debtors

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

1.12 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

The Centre for Literacy in Primary Education

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Notes to the Financial Statements For the Year Ended 31 August 2019

1.13 Liabilities and provisions

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

1.14 Pensions

Teaching staff employed by the charity are eligible for membership of the Teachers' Pension Scheme, which is a national, statutory, contributory, unfunded defined benefit scheme administered by the Teachers' Pension Agency, an executive agency of the Department for Education and Skills. Pension costs are assessed in accordance with the advice of the Government Actuary.

Non-teaching staff up to 2008-09 were eligible for membership of the Local Government Pension Scheme (LGPS), administered by the London Borough of Southwark, which acts as an Administering Authority. The scheme was closed to new non-teaching staff during that year. The Local Government Pension Scheme was a defined benefit scheme based on final pensionable salary, but from The Centre for Literacy in Primary Education's perspective became a defined contribution scheme during 2013-14. Pension costs charged in the Statement of Financial Activities represent the contributions recommended by the independent actuary and payable by the charity in the year.

Non-teaching staff not in the Local Government Pension Scheme are eligible for inclusion in a defined contribution scheme. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the scheme.

1.15 Critical accounting estimates and areas of judgment

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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. Depreciation and accruals are the areas which give rise to judgement and estimates.

The Centre for Literacy in Primary Education

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Notes to the Financial Statements
For the Year Ended 31 August 2019

2. Income from donations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
CLIPPA Awards	-	13,637	13,637	20,500
Literacy library	380	-	380	134,134
Fundraising	5,825	-	5,825	-
Total donations	6,205	13,637	19,842	154,634
<i>Total 2018</i>	<i>-</i>	<i>154,634</i>	<i>154,634</i>	

3. Income from charitable activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Power of Reading	947,764	-	947,764	987,487
Courses and conferences	137,488	-	137,488	74,616
Funded projects	-	152,316	152,316	237,419
Regional work	143,292	-	143,292	73,178
Publications	9,212	-	9,212	11,121
Other income	144	-	144	1,038
	1,237,900	152,316	1,390,216	1,384,859
<i>Total 2018</i>	<i>1,281,574</i>	<i>103,285</i>	<i>1,384,859</i>	

4. Income from other trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Rental income	10,000	-	10,000	23,750
Parking income	8,392	-	8,392	10,519
Room hire	16,290	-	16,290	10,713
Total income from other trading income	34,682	-	34,682	44,982
<i>Total 2018</i>	<i>44,982</i>	<i>-</i>	<i>44,982</i>	

The Centre for Literacy in Primary Education

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Notes to the Financial Statements
For the Year Ended 31 August 2019

5. Income from investments

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest receivable	347	-	347	544
<i>Total 2018</i>	<u>544</u>	<u>-</u>	<u>544</u>	

6. Analysis of resources expended by activities

	Direct costs 2019 £	Staff costs 2019 £	Support costs 2019 £	Total 2019 £	Total 2018 £
Awards and Donations	13,737	18,041	11,352	43,130	49,975
Funded projects	46,314	18,041	11,352	75,707	62,613
Courses and conferences	20,708	209,270	131,682	361,660	389,391
Power of Reading	196,083	438,024	275,624	909,731	895,746
Regional courses	25,275	13,711	8,627	47,613	36,919
Publication sales	4,803	21,649	13,622	40,074	45,737
Other charitable activities	8,199	-	90,589	98,788	125,782
Total	<u>315,119</u>	<u>718,736</u>	<u>542,848</u>	<u>1,576,703</u>	<u>1,606,163</u>

The Centre for Literacy in Primary Education

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**Notes to the Financial Statements
For the Year Ended 31 August 2019**

7. Support costs

	Total 2019 £	Total 2018 £
Legal and professional	763	12,060
Rent	102,900	101,369
Telephone	12,628	10,403
Computer and other maintenance	24,397	23,880
Light and heat	13,014	13,575
Rates	10,805	7,313
Insurance	9,134	9,987
Other premises costs	12,113	13,676
Cleaning	10,994	11,090
Security	877	2,100
Publicity and marketing	42,820	65,406
Printing, postage and stationery	10,965	36,557
Bank charges	1,312	3,475
Bad debts	3,379	1,469
Other operating costs	24,467	4,226
Wages and salaries	125,923	120,671
Development	-	21,007
Depreciation	104,958	81,516
Governance Costs (note 8)	31,399	33,154
	542,848	572,934

The basis of allocation for support costs is according to staff time spent on projects as well as actual expenses incurred.

8. Governance costs

	Unrestricted funds 2019 £	Total funds 2018 £
Auditor's remuneration	10,417	13,716
Trustees' meetings and other costs	1,393	356
Reimbursement of trustees' expenses	1,549	1,794
Wages and salaries	18,040	17,288
	31,399	33,154

The Centre for Literacy in Primary Education

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Notes to the Financial Statements For the Year Ended 31 August 2019

9. Net income/(expenditure)

This is stated after charging:

	2019	2018
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	104,958	62,751
Auditor's remuneration - audit	10,417	18,765
Operating lease rentals	113,679	112,248
Pension costs	80,199	77,490
	<u>862,699</u>	<u>826,202</u>

During the year, no trustee received any remuneration (2018 - £NIL).

During the year, no trustee received any benefits in kind (2018 - £NIL).

During the year, two trustees received reimbursement of expenses amounting to £1,549 (2018 - £1,794).

10. Staff costs

Staff costs were as follows:

	2019	2018
	£	£
Wages and salaries	711,429	678,816
Social security costs	71,071	69,896
Pension costs	80,199	77,490
	<u>862,699</u>	<u>826,202</u>

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

	2019	2018
	No.	No.
Educational staff	7	7
Support staff	13	12
	<u>20</u>	<u>19</u>

The number of higher-paid employees was:

	2019	2018
	No.	No.
In the band £70,001 - £80,000	1	1

Key management personnel comprise six members of senior management and the Chief Executive. The total benefits received by key management personnel in the year amounted to £360,377 (2018: £400,931).

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Notes to the Financial Statements
For the Year Ended 31 August 2019

11. Tangible fixed assets

	Leasehold improvements £	Library £	Furniture and fittings £	Computers and equipment £	Total £
Cost or valuation					
At the start of the year	146,385	144,202	26,665	102,087	419,339
Additions	9,830	109,919	10,313	6,625	136,687
At the end of the year	<u>156,215</u>	<u>254,121</u>	<u>36,978</u>	<u>108,712</u>	<u>556,026</u>
Depreciation					
At the start of the year	48,134	-	16,646	70,825	135,605
Charge for the year	30,099	27,973	5,253	18,094	81,419
At the end of the year	<u>78,233</u>	<u>27,973</u>	<u>21,899</u>	<u>88,919</u>	<u>217,024</u>
Net book value					
At the end of the year	<u>77,982</u>	<u>226,148</u>	<u>15,079</u>	<u>19,793</u>	<u>339,002</u>
At the start of the year	<u>98,251</u>	<u>144,202</u>	<u>10,019</u>	<u>31,262</u>	<u>283,734</u>

12. Intangible Fixed Assets

	Website & App development £	Total £
Cost or valuation		
At the start of the year	102,643	102,643
Additions	11,813	11,813
At the end of the year	<u>114,456</u>	<u>114,456</u>
Depreciation		
At the start of the year	56,105	56,105
Charge for the year	23,538	23,538
At the end of the year	<u>79,643</u>	<u>79,643</u>
Net book value		
At the end of the year	<u>34,813</u>	<u>34,813</u>
At the start of the year	<u>46,538</u>	<u>46,538</u>

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Notes to the Financial Statements
For the Year Ended 31 August 2019

13. Stocks

	2019	2018
	£	£
Book stock	<u>43,057</u>	<u>76,218</u>

14. Debtors

	2019	2018
	£	£
Trade debtors	170,722	111,183
Other debtors	4,344	4,888
Prepayments and accrued income	66,974	38,891
	<u>242,040</u>	<u>154,962</u>

15. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	50,308	33,178
Other taxation and social security	18,753	17,589
Other creditors	11,559	45,296
Accruals and deferred income	436,128	430,257
	<u>516,748</u>	<u>526,320</u>

Deferred income

	£
Deferred income at the start of the year	299,560
Amounts released from previous years	(299,560)
Project income	410,768
Deferred income at the end of the year	<u>410,768</u>

Deferred income comprises invoiced or received in the year relating to services to be provided in the next financial year.

The Centre for Literacy in Primary Education

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Notes to the Financial Statements
For the Year Ended 31 August 2019

16. Statement of funds

Statement of funds - current year

	Balance at the start of the year £	Income £	Expenditure £	Transfers in/(out) £	Balance at the end of the year £
Unrestricted funds:					
<u>Designated funds</u>					
Operating Cost Reserve	335,000	-	-	(20,000)	315,000
<u>General funds</u>					
General reserves	78,526	1,279,134	(1,445,524)	20,000	(67,864)
Total unrestricted funds	413,526	1,279,134	(1,445,524)	-	247,136
Restricted funds:					
Reflecting Realities, Stage 2	-	69,866	(48,689)	-	21,177
CLiPPA	-	13,637	(13,637)	-	-
EEF – ILCL	-	11,250	(11,250)	-	-
EEF – POP	7,749	71,200	(57,603)	-	21,346
Total restricted funds	7,749	165,953	(131,179)	-	42,523
Total funds	421,275	1,445,087	(1,576,703)	-	289,659

Designated Funds

The operating cost reserve represents amounts set aside to provide financial stability should CLPE suffer unexpected events, losses of income or large unbudgeted expenses.

Restricted Funds

Reflecting Realities, Stage 2 – The Reflecting Realities project is anticipated to be ongoing. This phase of the project was funded by Arts Council England and will be completed in 2020.

CLiPPA – The CLiPPA is an award for published poetry for children in the UK. All funding for this event was received and spent within the financial year. The award was presented at the CLPE hosted CLiPPA Poetry Show at the National Theatre, London on 3 July 2019. Funding was received from The Authors Licensing and Collection Society and The Siobhan Dowd Trust.

Education Endowment Fund – Improving Literacy, Changing Lives - This was a two-year programme funded by the EEF. This project was completed in the year.

Education Endowment Fund – Power of Pictures - This programme, funded by the EEF, was completed in the year.

The Centre for Literacy in Primary Education

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Notes to the Financial Statements
For the Year Ended 31 August 2019

16. Statement of funds (continued)

Statement of funds - prior year

	Balance at the start of the year £	Income £	Expenditure £	Transfers in/(out) £	Balance at the end of the year £
Unrestricted funds:					
<u>Designated funds</u>					
Operating Cost Reserve	310,000	-	-	25,000	335,000
<u>General funds</u>					
General reserves	126,121	1,327,100	(1,349,695)	(25,000)	78,526
Total unrestricted funds	436,121	1,327,100	(1,349,695)	-	413,526
Restricted funds:					
Arts Council Power of Poetry grant	6,298	-	(6,298)	-	-
Arts Council RR grant	-	40,785	(40,785)	-	-
CLIPPA	-	20,500	(20,500)	-	-
Literacy Library	-	134,134	(134,134)	-	-
EEF – ILCL	-	22,500	(22,500)	-	-
EEF – POP	-	40,000	(32,251)	-	7,749
Total restricted funds	6,298	257,919	(256,468)	-	7,749
Total of funds	442,419	1,585,019	(1,606,163)	-	421,275

The Centre for Literacy in Primary Education

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Notes to the Financial Statements
For the Year Ended 31 August 2019

17. Analysis of net assets between funds

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	339,002	-	339,002
Intangible fixed assets	34,813	-	34,813
Current assets	390,069	42,523	432,592
Creditors due within one year	(516,748)	-	(516,748)
	247,136	42,523	289,659

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	283,734	-	283,734
Intangible fixed assets	46,538	-	46,538
Current assets	669,574	7,749	677,323
Creditors due within one year	(586,320)	-	(586,320)
	413,526	7,749	421,275

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(131,616)	(21,144)
Adjustment for:		
Depreciation charges	104,957	81,516
Dividends, interest and rents from investments	(347)	(544)
Increase/(decrease) in stocks	33,161	2,527
(Increase)/decrease in debtors	(87,078)	(1,278)
Increase/(decrease) in creditors	(9,572)	41,175
Net cash (used in)/provided by operating activities	(90,495)	102,252

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**Notes to the Financial Statements
For the Year Ended 31 August 2019**

19. Analysis of cash and cash equivalents

	2019	2018
	£	£
Cash in hand	147,495	386,143
Total	147,495	386,143

20. Pension commitments

The charity's employees belong to one of three pension schemes: The Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; the Local Government Pension Scheme (LGPS) and The Pension Trust scheme (PT), for non-teaching staff. The TPS is a defined benefit scheme and up until 31st March 2014 the LGPS scheme was also defined benefit, but since then has become a defined contribution scheme. The PT scheme is a defined contribution scheme.

Contributions amounting to £6,459 were payable to the TPS at 31 August 2019 (2018: £6,395), contributions amounting to £1,383 were payable to the LGPS at 31 August 2019 (2018: £1,363) and contributions amounting to £2,943 were payable to the PT as at 31 August 2019 (2018: £1,678). All amounts are included within creditors at the year-end.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following an appointment or a change of contract, although they are able to opt-out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

20. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (as amended) ('the Directions'). The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- Employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge) (currently 16.48%);
- Total scheme liabilities (pension currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million;
- An employer cost cap of 7.3% of pensionable pay will be applied to future valuations; and
- The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

During the previous year, the employer contribution rate was 16.4%. The TPS valuation for 2016 determined an employer rate of 23.6%, which was payable from September 2019.

The total contribution made for the year ended 2019 was £77,914 (2018: £76,744), of which employer's contributions totalled £48,262 (2018: £47,572) and employees' contributions totalled £29,652 (2018: £29,207).

A copy of the valuation report and supporting documentation is available on the Teachers' Pension website <https://www.teacherspensions.co.uk/-/media/documents/member/documents/news-items/teachers-pension-scheme-actuarial-valuation-2016>.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The Company has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Company has set out above the information available on the scheme.

Local Government Pension Scheme

The Local Government Pension Scheme (LGPS) is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds.

Since 1 April 2014, the London Borough of Southwark has introduced a policy whereby Centre for Literacy in Primary Education's pension risk as an admitted body is underwritten by London Borough of Southwark. Centre for Literacy in Primary Education's contribution rate has been fixed at the rate certified by the 2010 triennial actuarial valuation for as long as the charity remains an employer in the fund. As the Council is now taking responsibility for any deficits and the charity has a fixed contribution rate, the scheme is now a defined contribution scheme for accounting purposes.

The agreed contribution rates for future years are 24.1% of pensionable pay for CLPE in respect of future accrual of benefits for active members. For employees, contributions are dependent on the level of their full-time equivalent salary ranging from 5.5% to 10%.

The total contribution made for the year ended 2019 was £16,596 (2018: £16,352), of which employer's contributions totalled £13,186 (2018: £12,991) and employees' contributions totalled £3,410 (2018: £3,361).

The Centre for Literacy in Primary Education

(A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 August 2019

20. Pension commitments (continued)

The Pension Trust Scheme

The Pension Trust Scheme (PT) is a defined contribution scheme.

The employer contribution rates during the year were 6%. The employee contribution rates during the year were 2% at the start of the year, increasing to 5% from April 2019.

The total contribution made for the year ended 2019 was £29,043 (2018: £22,666), of which employer's contributions totalled £18,751 (2018: £16,927) and employees' contributions totalled £10,293 (2018: £5,739).

21. Operating lease commitments

At the year-end, the total of Charity's future minimum lease payments under non-cancellable operating leases was:

	Land and buildings			Other
	2019	2018	2019	2018
	£	£	£	£
Amounts payable:				
Within 1 year	102,900	102,900	11,070	15,327
Between 1 and 5 years	411,600	411,600	15,761	6,505
After more than 5 years	831,775	935,121	1,806	-
Total	1,346,275	1,449,621	28,637	21,832

22. Related party transactions

One Trustee is nominated by the London Borough of Southwark, as outlined in Centre for Literacy in Primary Education's Articles of Association. This Trustee is not involved in any negotiations with the London Borough of Southwark with respect to service delivery, income negotiations or staff matters.

In the year CLPE provided services to Kings Cross Academy, of which Louise Johns-Shepherd is a director. Total transactions during the year were £1,028 (2018: £790) and £150 (2018: £145) was owed by Kings Cross Academy at the year-end.