

**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 2020**

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

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## **The Centre for Literacy in Primary Education**

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### **Reference and Administrative Details of the Charity, its Trustees and Advisers For the Year Ended 31 August 2020**

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#### **Trustees**

Elaine McQuade  
Caroline Pidgeon  
Ali Mawle  
Jackie Gillan  
Nicola Parker  
Justin Shinebourne  
Catherine Rose  
Antonia Byatt  
Beverley Greathead  
Ronald Woods  
Cecilia Weiler  
Rukhsana Yasmin (Appointed 1 July 2020)

#### **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 Limited  
75 Maygrove Road  
London  
NW6 2EG

**The Centre for Literacy in Primary Education**

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**Reference and Administrative Details of the Charity, its Trustees and Advisers  
For the Year Ended 31 August 2020 (continued)**

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**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**

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### **Trustees Report**

**For the Year Ended 31 August 2020**

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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.

#### **Nicky Parker, Chair of Trustees**

Like the rest of the world, we could not have predicted what 2020 would bring. CLPE is a venue-based charity and a significant proportion of our activity relies both on teachers travelling to our Centre and our staff travelling to other locations in the UK. This meant that the changes that happened in March had an immediate and enormous impact on our work, while we were acutely aware that the people we support in schools needed our help more than ever. However, we have worked hard this year to turn the situation around - we have been busy 'bending adversity', as a fellow Trustee says. I am therefore very proud to be able to begin this report by saying that in 2019-2020 we have supported more teachers, in more schools, than ever before. We have developed a new online mode of delivery and additional resources without compromising on quality. We have delivered our industry-changing Reflecting Realities report, our poetry award and have begun new partnerships and projects. We are presenting this report in a stronger financial position than we could ever have hoped for, having been generously supported throughout the year by the Arts Council and by other trusts and foundations who have understood the benefits, worth and importance of our work. Everything has been helped by our deservedly strong reputation and our standing within the literacy landscape. Integral to it all has been the vital input of our Board and staff, who have worked with energy, enthusiasm and agility throughout. There is no doubt that it has been an extremely challenging year, but we are proud to present a report that shows the tremendous impact and outreach of our work. We are now able to look forward to the future, to continuing the work of our award-winning charity and to building on what we have learnt in 2020.

#### **Louise Johns-Shepherd, Chief Executive**

This has been a year like no other, for us in the charity and of course for all the schools and teachers we work with. I am tremendously proud of all we have achieved at CLPE this year. Not only have we continued to work with and support schools through very difficult times we have managed to double the number of teachers we work with, increase the range of resources and courses on offer and ensure that our charity is there to support schools for years to come. We made sure that all our work was focussed on the best ways of supporting literacy teaching – wherever that was taking place – and we have continued to focus on making sure that all our resources and our professional development continue to meet the fast changing needs of schools and teachers. Although this has been a very hard year for all of us, and we know that this journey is not yet over, we are confident that we have played our part in helping schools to help children have a broad and balanced literary experience, developing their love of reading and writing in a broad cultural and creative context. We began this year by winning the Eleanor Farjeon Award for our contribution to children's literature and we are ending it as Southwark Charity of the Year and with a nomination for the Astrid Lindgren Memorial Award. We are confident that our work is having an impact across the publishing, literature and education landscapes and we are looking forward to continuing that work – whatever the future landscapes look like.

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#### **Our Team**

The 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 recent classroom and leadership experience and they use this to support their research, writing and development of 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. We have 16 Associate Schools who are 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 likeminded organisations ensuring our work and research is disseminated and communicated as widely as possible.

#### **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. 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. At the beginning of 2019-20 our board reviewed their skills and experience and our committee structure. We were pleased that Rukhsana Yasmin was appointed to our board in April 2020. Rukhsana brings a wealth of skills to our board including a deep knowledge about the publishing industry, particularly nurturing new talent and the importance of ensuring representation in all aspects of the literary world. Our board has worked with agility during the time of the pandemic, meeting more frequently and regularly reviewing finance and activity as well as planning for stability in a time of change. We have been keen to ensure that our work is guided by delivering our new Strategic Plan throughout these difficult times.

#### **CLPE Trustees**

- Antonia Byatt
- Jackie Gillan – Chair of Finance Committee
- Beverley Greathead
- Ali Mawle
- Elaine McQuade – Vice Chair of Trustees
- Caroline Pidgeon
- Nicky Parker – Chair of Trustees
- Catherine Rose – Chair of Operations Committee
- Justin Shinebourne
- Cecilia Weiler
- Ronnie Woods
- Rukhsana Yasmin (appointed April 2020)

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. Maria Deady and Charlotte Hacking work with the Operations Committee. Other members of the Staff Senior Leadership Team work with the full board and committees as required.

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### **2019-2020 – Review of the Year and Impact.**

*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.*

### **We began 2019-20 by publishing a new 5 year Strategic Plan.**

#### **By 2024 we want to:**

- Be recognised as **the** national Centre of Excellence in primary literacy practice and the national champion for children's literature
- Have a defined research and development programme and a publication strategy which builds on the CLPE legacy of expert knowledge, practice and research and which evidences the impact of our work
- Share our practice and research as widely as possible by developing our online resources and working to enable as many teachers as possible to access them, becoming the natural first choice for primary literacy resources online;
- Establish our Literacy Library as a 'destination' in the charity, education and publishing worlds and beyond ensuring we have a strategy to maintain and develop the building.
- Have maintained our presence outside London remaining accessible from places of identified need and build our national profile in order that we are seen as the trusted national expert for literacy teaching.

We began the year well and were on track with all of these aims. By February 2020 we had delivered our training to 2,500 practitioners from more than 1,800 schools. Our online resources were well used and we had secured funding from the Mercers' Foundation to develop an innovative new Early Years initiative in partnership with Dolly Parton's Imagination Library. Our Literacy Library programme was becoming established and we had sold out two major conferences. We had received funding from the Arts Council to deliver our Children's Poetry Award and our Reflecting Realities Survey and secured support and sponsorship for both. We were named as the winners of the 2019 Eleanor Farjeon Award for our contribution to children's literature.

Like everyone else in the world, in March 2020 we faced unprecedented challenges. We closed our building on the 19<sup>th</sup> March when school closures were announced and moved all of our staff to home working to comply with government requirements. We were facing the loss of our major income streams through closure of our face to face training at our Centre and regionally as well as the difficulties of delivering our funded projects. We were looking at immediate revenue losses of more than £165K and a drop of £210K in future bookings. In the face of all these challenges we had to focus our work on ensuring we were continuing to support children's learning, on maintaining and supporting teachers' learning and on keeping children's literature at the forefront of our work.

We were due to run our annual Children's Poetry Award (the CLIPPA) in the summer at the National Theatre. All our plans for this award were severely disrupted. Our chair of judges, Michael Rosen, was very ill with coronavirus and the National Theatre was closed. We were determined to go ahead with the 2020 award and began to look for alternative ways in which we could deliver. Our Reflecting Realities work was also delayed as the processing of the books has traditionally taken place over Easter supported by UCL.

We planned an immediate response to support home schooling and to help children to learn positively at home. We shared all of our free resources as widely as possible and created 65 new 'Take 5' home learning resources for our 1,500 Power of Reading schools. We built a partnership with BBC Learning who listed our free resources weekly. As a result the use of our web-based resources has more than doubled in 2020 with 704,741 unique users of our website between March – December 2020 (compared with 342,006 for the same period in 2019)

During the first lockdown, when teachers were working to support children in school and at home, we wanted to support their learning with low cost, practical, good quality CPD and developed our first webinar training which was extremely popular and sold out within 20 minutes of us launching it. We continued to highlight our free resources and worked with publishers to produce 28 new resources for even more books. We commissioned and publicised blog posts from associate schools and teachers to give other teachers practical peer to peer support.

It became clear to us that we were not going to be able to deliver our Mercers funded project face to face in the way that we hoped and that we also needed to fulfil our commitment to the 419 teachers who were part of our 2019 Power of Reading project. We were able to plan effective alternative delivery mechanisms and managed to complete the recruitment to our Early Years funded project as well as delivering final Power of Reading

## **The Centre for Literacy in Primary Education**

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sessions remotely to 277 schools as recorded sessions. This allowed them to share these sessions with their wider staff more flexibly as part of their whole school professional development at this challenging time.

We continued to work in partnership with other organisations and to meet our commitments to publishers. During the summer months we were able to produce support materials for ALCS, 18 new sets of teaching notes for the Greenaway, Klaus Flugge and Oscar's Book Prize Awards and to meet our commitments to partner organisations like National Writing Day and Poetry By Heart.

We made use of all the government support and furloughed 50% of our staff. We were able to take out government guaranteed Bounce Back Loan. We were wonderfully supported by the Mercers' Foundation and the Arts Council who supported our decisions to find alternative ways to deliver our funded projects and gave us extended timescales to do so. In addition, we were grateful to receive grants from the City Bridge Trust (via London Funders), the Arts Council Coronavirus Support fund and from the Garfield Weston Foundation to support the development of our online work. This additional funding and support made an enormous difference to us being able to continue our work at this time.

We were initially hoping to re-open our building at the end of Lockdown 1 but we had the opportunity to work in partnership with Southwark Council to begin work on the roof of our listed building. As we traditionally have limited opportunities to earn income over August we decided to schedule the work at this time and to turn the closure from a disaster into an opportunity.

From the summer through to October half term and lockdown 2 we concentrated on supporting the literacy learning of children and teachers returning to school. We wanted to support them by providing a resource that encouraged a sense of community across the entire school, to help them reflect on the last few months, settle back into the school routine and also help schools look forward to the future in a positive way – a curriculum for recovery. Our expert teaching team created a free, 2 week long, whole school unit of work for Early Years through to Year 6 which was free for schools to download from our website.

Our recovery curriculum was based on the book *Here We Are: Notes for Living on Planet Earth* by Oliver Jeffers because it was perfect for children of all ages and ideal for helping schools engage their whole community with literacy learning. At the end of the unit we planned an activity where pupils were asked to write their own notes for living on planet Earth, including thoughts and feelings following the COVID-19 pandemic and about the events around Black Lives Matter.

The teaching notes were released in June 2020, ready for schools to implement in September. Over 13,000 copies of the teaching notes were downloaded between June and September and we estimate that around 8,000 primary schools implemented our recovery curriculum.

On the 24<sup>th</sup> September, we invited schools who took part in our recovery curriculum to share their classroom work with us using the hashtag #CLPEWordsForTheWorld. Hundreds of schools shared their children's notes with us alongside a wide range of children's authors and illustrators including Oliver Jeffers, Michael Rosen, Shirley Hughes, Ed Vere and Konnie Huq to provide their own "words for the world". We worked with the Kings Cross Estate, Kings Cross Academy, Harper Collins and Oliver Jeffers to put together a 180ft artwork in Lewis Cubitt Square, N1 displaying notes from children alongside authors' written and illustrated notes as part of a community initiative celebrating those who live and learn at Kings Cross.

We were fortunate to receive funding from the Arts Council Culture Recovery Fund in October 2020 to support our work during this time. This has enabled us to continue to deliver our free resources and to maintain staffing to support our important literature work.

We were able to work with The Times and Sunday Times Cheltenham Festival to put on the CLIPPA poetry award as a virtual event. We produced a live show with performances from all the poets and from the judges. The show was illustrated live by Chris Riddell and we even had an appearance from Mike Rosen who is thankfully on the mend. The live audience for the show was estimated by the festival at 4,000 as it was beamed into classrooms across the country and beyond. More than 500 schools have since watched the show on the Cheltenham platform. 570 schools have taken part in the CLIPPA Shadowing scheme, more than ever before, and more than 100 teachers attended the associated Poetry CPD that we ran at the virtual festival. We had tremendous support from National Poetry Day, Poetry by Heart and the National Poetry Archive as well as generous sponsorship and support from the Authors' Licensing and Collecting Society.

We used our own team and two student interns to help us to process the books for Reflecting Realities and were pleased to publish our third survey on 11<sup>th</sup> November 2020. This survey received enormous coverage and the work is widely regarded as ground breaking and important across the publishing, literature and education sectors. It includes a toolkit for the entire sector to use when choosing books and is supplemented by a blog series from prominent authors and illustrators whose work represents the children in our classrooms. We have developed a partnership with BookTrust and are working together to ensure a long term and impactful future for this work. This important work provides the foundation for much of our future development as well as being



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widely hailed as instrumental in the systemic changes taking place across the publishing industry. During this time we have developed partnerships with the Royal Africa Society and are jointly presenting CPD for teachers with poets from the African Diaspora. We have also recruited 30 teachers to our Mercers' funded Early Years project and begun the work with the teachers. We have worked in partnership with Dolly Parton's Imagination Library and more than 850 children in Hackney, Tower Hamlets and Camden are now registered to receive books to their home every month. We have produced an online module on film literacy to support the Cambridge University DIALLS project and worked with First Story, Driver Youth Trust and the Fair Education Alliance to bring together key literacy organisations to make the case for future and further government funding for support for teachers.

We have continued to work in partnership with publishers and have produced teaching notes for Bloomsbury, Walker Books and Andersen Press. We are working in partnership with HarperCollins to develop a new set of notes for the new Oliver Jeffers book and to start the new calendar year in schools. We already have 1000 teachers registered for these notes and are expecting many more before the end of December. We have also maintained and developed partnerships with independent booksellers including Letterbox Library and Peter's Books as well as giving away more than 500 books to primary schools through our competitions and #FridayGiveaways.

### **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.

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.

### **Plans for future periods**

In order to secure and ensure our future and to make sure that we can continue to offer a range of high quality professional development to teachers we have spent March – December 2020 developing a sustainable online training offer. Our plan is to continue to offer this alongside our face to face training for the foreseeable future. We have been generously supported in this endeavour by funding from the Paul Hamlyn Foundation and this, along with the support from Garfield Weston has meant that we have been able to develop a well-received, well attended offer as well as beginning developments on our website which will make this offer even more sustainable.

Between May and December 2020 we have run 27 low cost or free webinars to support teachers from Nursery through to Y6 to plan with a book at the centre of their curriculum. 1,630 teachers have attended these sessions. We have developed a 'research series' where we investigate key aspects of our research and support teachers' to develop their subject knowledge. We have run 16 of these sessions reaching a total of 753 teachers. We have also run four author focussed events that are 'virtual' representations of our 'Literacy Library' sessions and allow teachers to develop their knowledge of available texts and get to know the creators of the work. These sessions have included 10 authors and been attended by 522 teachers. As well as these shorter events we have developed an online Power of Reading programme which is due to begin in January 2021 and has already recruited 32 participants.

This online programme has met a need in the system providing both subject knowledge and pedagogical content knowledge for teachers in a convenient, low cost way without compromising on quality. They have been extremely well received with 99% of teachers who have attended rating them as effective. Teachers appreciate both the high quality of the input and the practical nature of the sessions which translate directly into practice. Through the online sessions we have reached nearly 3000 teachers from across the United Kingdom and beyond. We know we have widened our reach and we have more than doubled the numbers of teachers who are accessing our CPD. Our data shows us that this increase is coming from teachers and schools outside London and the South East who would previously not have been able to access our work. The number of teachers attending CPD from outside the London area has doubled in 2020 from 969 (March 2020) to 1947 (December 2020).

This work and the continual growth of our Power of Reading membership means that we have been able to develop content and delivery mechanisms in this time which will serve us well and create alternative income streams in the future. This online delivery will enable us to continue to broaden our offer and reach more teachers in more schools than ever before without compromising on the quality of our work or our offer.

We are proud of all we have achieved this year and despite the very bleak outlook and very difficult circumstances we were facing in March we have been able to use this time to develop and improve our work, increasing the breadth of our work and the reach of what we do. We are ending 2020 in a relatively stable

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financial position and have delivered on all our funded projects. We have used the time to work in partnership with Southwark and will be returning to an improved building in 2021 with a new lease and a new roof. We are planning new research projects and additional courses and building on our reputation for quality, delivery and impact. In October we received a nomination for the world wide Astrid Lindgren Memorial Award and in November we were pleased to be named as Southwark Charity of the Year.

### **Financial Review**

CLPE's income traditionally comes predominantly from fees for attending our training and from [our educational resources](#). In addition to this, income is also generated from grant funding, donations and sponsorship and from rent and hire fees generated from our Centre. During 2020 this profile has been different as we have had to utilise government relief funding as well as receiving generous support from the Arts Council, the City Bridge Fund, Garfield Weston Foundation, Paul Hamlyn Foundation. We also received support from the Authors' Licensing and Collecting Society for our Poetry Award and a grant from the Mercers' Foundation to support an early years project for the next three years. So this year, fees for attending our training and from [our educational resources](#) were 71% of total income (2019: 85%), income generated from grant funding, donations and sponsorship were 24% (2019: 13%) and income from rent and hire fees generated from our Centre were 5% (2019: 2%).

We have increased the number of teachers trained, but income from training has not met our budget set for the year. Income from our training and resources has fallen £142k (11.5%) versus the prior year, and this income reduction has continued in the new financial year. The specific circumstances of the pandemic have resulted in us developing a new income stream from online training. This has proved very popular but the fees are much lower than face to face training. We have also been unable to raise the income we would normally raise from our building through room hire.

We have been able to reduce both our direct costs and variable overhead costs as a result of the pandemic, and temporary closures of our Centre. Our Centre was eligible for Business Rates Relief as part of the Government's Coronavirus support. We have furloughed a number of staff in order to make best use of government support. Our Chief Executive took a 20% pay cut from March 2020 and we have withdrawn our staff from the Teachers Pension Scheme shortly after our year end due to the high contribution rates. Despite the very difficult circumstances we have ended the year in a relatively strong financial position. Unrestricted reserves marginally exceed the target operating reserve level. We have made use of the government Coronavirus Bounce Back Loan scheme and took out a loan of £50k in order to support our cashflow. Due to the current shift in our activities caused by the pandemic, we have considered whether there is an impairment of any of our asset values. We do not consider any of our fixed assets to be impaired but we have provided for a reduction in the value of our book stock, given the reduction in sales that would usually occur at or from our Centre.

### **Going concern**

The Trustees are confident that the charity is a going concern on the basis that the organisation can continue to meet its obligations, for the foreseeable future. Trustees receive the finance reports each month, and consider major dependencies and potential mitigations within the financial risk assessment reviewed at each meeting.

### **Investment Policy**

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

### **Reserves Policy**

This policy is reviewed regularly in line with our strategic plan. The current total reserves stand at £402k, £89k of which is restricted for use on three 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 exceed our total reserves. Therefore the Trustees consider the full £402k total reserves are available funds.

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 2020 this equates to £312k. Currently unrestricted reserves of £313k marginally exceed the targeted operating cost reserve. The Trustees consider that this is a satisfactory position that will allow CLPE to weather the uncertainties of the coming financial year. This policy is reviewed regularly in line with our strategic plan.

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#### **Structure, Governance and Management**

##### **Recruitment and Appointment of Trustees**

There are 12 Trustees for the charity who share their extensive expertise from backgrounds in education, publishing, finance, law and local government to support the work of the charity. Trustees reviewed 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. A new trustee, Rukhsana Yasmin, was appointed in April 2020.

##### **Risk Management**

Throughout this year, the Board of Trustees has conducted a regular review of the major risks to which the charity is exposed. This review was monthly from March 2020. A risk register 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 to return CLPE to a position 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 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. The risk assessment, and procedures for mitigating health and safety considerations, have been expanded in year to cover risks associated with the pandemic, including steps to make our Centre 'Covid-secure'.

##### **Organisational Structure**

The Charitable Trust was set up in November 2001 when the organisation was transferred from 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.

The CLPE has a Board of Trustees that meets quarterly, and there is also a Finance committee and an Operations Committee.

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 12 Trustees with a variety of professional backgrounds relevant to the work of the charity.

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 Management Team. 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 Senior 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.

##### **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.

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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.

#### **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 10 February 2021 and signed on their behalf by:



.....  
**Nicky Parker**  
**Chair of Trustees**

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

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**Opinion**

We have audited the financial statements of The Centre for Literacy in Primary Education (the 'charity') for the year ended 31 August 2020 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 2020 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.

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

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**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.

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

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**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](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 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*

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

1 March 2021

**The Centre for Literacy in Primary Education**

**(A Company Limited by Guarantee)**

**Statement of Financial Activities**

**(Incorporating Income and Expenditure Account)**

**For the Year Ended 31 August 2020**

		<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total funds</b>	<i>Total funds</i>
	<b>Note</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>	<i>2019</i>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income from:</b>					
Donations	<b>2</b>	216,658	25,425	242,083	19,842
Charitable activities	<b>3</b>	1,135,051	91,455	1,226,506	1,390,216
Other trading activities	<b>4</b>	71,361	-	71,361	34,682
Investments	<b>5</b>	358	-	358	347
<b>Total income</b>		<b>1,423,428</b>	<b>116,880</b>	<b>1,540,308</b>	<i>1,445,087</i>
<b>Expenditure on:</b>					
Charitable activities	<b>6</b>	1,357,823	70,640	1,428,463	1,576,703
<b>Total expenditure</b>		<b>1,357,823</b>	<b>70,640</b>	<b>1,428,463</b>	<i>1,576,703</i>
<b>Net movement in funds</b>		<b>65,605</b>	<b>46,240</b>	<b>111,845</b>	<i>(131,616)</i>
<b>Reconciliation of funds:</b>	<b>17</b>				
Total funds brought forward		247,136	42,523	289,659	421,275
<b>Total funds carried forward</b>		<b>312,741</b>	<b>88,763</b>	<b>401,504</b>	<i>289,659</i>

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 2020**

		2020	2019
	Note	£	£
<b>Fixed assets:</b>			
Tangible assets	11	268,942	339,002
Intangible assets	12	<u>21,791</u>	<u>34,813</u>
		<b>290,733</b>	<b>373,815</b>
<b>Current assets:</b>			
Stocks	13	27,334	43,057
Debtors	14	142,943	242,040
Cash at bank and in hand		<u>458,932</u>	<u>147,495</u>
		<b>629,209</b>	<b>432,592</b>
<b>Creditors: amounts falling due within one year</b>	15	<u><b>(468,438)</b></u>	<u><b>(516,748)</b></u>
<b>Net current assets/(liabilities)</b>		<u><b>160,771</b></u>	<u><b>(84,156)</b></u>
Creditors: amounts falling due after one year	16	(50,000)	-
<b>Total net assets</b>		<u><b>401,504</b></u>	<u><b>289,659</b></u>
<b>Charity Funds:</b>	17		
Restricted funds		88,763	42,523
Unrestricted funds		312,741	247,136
<b>Total funds</b>		<u><b>401,504</b></u>	<u><b>289,659</b></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 10 February 2021 and signed on their behalf, by:



**Nicky Parker**  
**Chair of Trustees**

The attached notes form part of these financial statements.

**The Centre for Literacy in Primary Education**

**(A Company Limited by Guarantee)**

**Statement of Cash Flows**

**For the Year Ended 31 August 2020**

	<b>Note</b>	<b>2020 £</b>	<b>2019 £</b>
<b>Cash flows from operating activities</b>	<b>19</b>	<b>267,984</b>	<b>(90,495)</b>
Net cash (used in)/provided by operating activities			
<b>Cash flows from investing activities:</b>			
Cash flows from interest		358	347
Purchase of tangible fixed assets		(6,905)	(148,500)
<b>Net cash used in investing activities</b>		<b>(6,547)</b>	<b>(148,153)</b>
<b>Cash flows from financing activities:</b>			
Cash inflows from new borrowing		50,000	-
<b>Cash provided by / (used in) financing activities</b>		<b>50,000</b>	<b>-</b>
<b>Change in cash and cash equivalents in the year</b>		<b>311,437</b>	<b>(238,648)</b>
Cash and cash equivalents brought forward		147,495	386,143
<b>Cash and cash equivalents carried forward</b>	<b>20</b>	<b>458,932</b>	<b>147,495</b>

**Notes to the Financial Statements**

**For the Year Ended 31 August 2020**

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**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.

**Notes to the Financial Statements**

**For the Year Ended 31 August 2020**

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**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 2020

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**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 nil residual value.
Computers and equipment	-	25% (4 years) Straight line with nil 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.

### **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

(A Company Limited by Guarantee)

Notes to the Financial Statements

For the Year Ended 31 August 2020

2. Income from donations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
CLiPPA Awards	-	25,425	25,425	13,637
Literacy library	-	-	-	380
Fundraising	216,658	-	216,658	5,825
<b>Total donations</b>	<b>216,658</b>	<b>25,425</b>	<b>242,083</b>	<b>19,842</b>
<i>Total 2019</i>	<i>6,205</i>	<i>13,637</i>	<i>19,842</i>	

3. Income from charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Power of Reading	844,560	-	844,560	947,764
Courses and conferences	130,169	-	130,169	137,488
Funded projects	39,353	91,455	130,808	152,316
Regional work	112,827	-	112,827	143,292
Publications	7,826	-	7,826	9,212
Other income	316	-	316	144
	<b>1,135,051</b>	<b>91,455</b>	<b>1,226,506</b>	<b>1,390,216</b>
<i>Total 2019</i>	<i>1,237,900</i>	<i>152,316</i>	<i>1,390,216</i>	

4. Income from other trading activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Premises income	71,361	-	71,361	34,682
<b>Total income from other trading income</b>	<b>71,361</b>	<b>-</b>	<b>71,361</b>	<b>34,682</b>
<i>Total 2019</i>	<i>34,682</i>	<i>-</i>	<i>34,682</i>	

5. Income from investments

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest receivable	358	-	358	347
<i>Total 2019</i>	<i>347</i>	<i>-</i>	<i>347</i>	

**The Centre for Literacy in Primary Education**

**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**

**For the Year Ended 31 August 2020**

**6. Analysis of resources expended by activities**

	<b>Direct costs 2020 £</b>	<b>Staff costs 2020 £</b>	<b>Support costs 2020 £</b>	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Awards & Donations	8,774	10,270	9,342	28,386	43,130
Funded projects	50,209	80,026	72,795	203,030	75,707
Courses and conferences	19,588	270,974	246,490	537,052	361,660
Power of Reading	111,725	233,445	212,351	557,521	909,731
Regional courses	8,301	31,030	28,226	67,557	47,613
Publication sales	3,023	4,655	4,234	11,912	40,074
Other charitable activities	-	-	-	-	79,141
<u>Expenditure on trading activities:</u>					
Cost of generating Premises Income	4,751	9,559	8,695	23,005	19,647
<b>Total</b>	<b>206,371</b>	<b>639,959</b>	<b>582,133</b>	<b>1,428,463</b>	<b>1,576,703</b>

**7. Support costs**

	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Legal and professional	3,621	763
Rent	124,997	102,900
Telephone	7,318	12,628
Computer and other maintenance	26,604	24,397
Light and heat	10,193	13,014
Rates	6,646	10,805
Insurance	9,988	9,134
Other premises costs	14,690	12,113
Cleaning	7,479	10,994
Security	1,035	877
Publicity and marketing	25,631	42,820
Printing, postage and stationery	11,270	10,965
Bank charges	1,104	1,312
Bad debts	-	3,379
Other operating costs	11,552	24,467
Wages and salaries	189,404	125,923
Development	-	-
Depreciation	89,988	104,958
Governance Costs	40,613	31,399
<b>Total</b>	<b>582,133</b>	<b>542,848</b>

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



**The Centre for Literacy in Primary Education**

**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**

**For the Year Ended 31 August 2020**

<b>8. Governance costs</b>		
	<b>Unrestricted funds</b>	<i>Total funds</i>
	<b>2020</b>	<i>2019</i>
	<b>£</b>	<b>£</b>
Auditor's remuneration	9,783	10,417
Trustee meetings and other costs	758	1,393
Reimbursement of Trustees' expenses	611	1,549
Wages and salaries	23,427	18,040
Other costs	6,034	-
<b>Total</b>	<b>40,613</b>	<i>31,399</i>

**9. Net income/(expenditure)**

This is stated after charging:

	<b>2020</b>	<i>2019</i>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets:		
- owned by the charity	73,422	76,965
Amortisation of intangible fixed assets	13,022	13,022
Auditor's remuneration - audit	9,783	10,417
Operating lease rentals	<b>132,217</b>	<i>113,679</i>

During the year, no Trustees received any remuneration (2019 - £NIL).

During the year, no Trustees received any benefits in kind (2019 - £NIL).

During the year, trustees received reimbursement of expenses amounting to £1,703 (2019 - £1,549).

# The Centre for Literacy in Primary Education

(A Company Limited by Guarantee)

## Notes to the Financial Statements

For the Year Ended 31 August 2020

### 10. Staff costs

Staff costs were as follows:

	2020	2019
	£	£
Wages and salaries	687,774	711,429
Social security costs	65,197	71,071
Other pension costs	99,819	80,199
<b>Total</b>	<b>852,790</b>	<b>862,699</b>

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

	2020	2019
	No.	No.
Educational staff	7	7
Support staff	13	13
<b>Total</b>	<b>20</b>	<b>20</b>

The number of higher-paid employees was:

	2020	2019
	No.	No.
In the band £70,001 - £80,000	<u>1</u>	<u>1</u>

Key management personnel comprises of six members of senior management and the Chief Executive. The total benefits received by key management personnel in the year amounted to £395,431 (2019: £360,377).

**The Centre for Literacy in Primary Education**

**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**

**For the Year Ended 31 August 2020**

**11. Tangible fixed assets**

	Leasehold improvements £	Library £	Furniture and fittings £	Computers and equipment £	Total £
<b>Cost or valuation</b>					
At the start of the year	156,215	254,121	36,978	108,712	556,026
Additions	-	-	-	6,905	6,905
Disposals	-	-	(2,450)	(1,093)	(3,543)
<b>At the end of the year</b>	<b>156,215</b>	<b>254,121</b>	<b>34,528</b>	<b>114,524</b>	<b>559,388</b>
<b>Depreciation</b>					
At the start of the year	78,233	27,973	21,899	88,919	217,024
Charge for the year	27,782	31,765	6,689	10,729	76,965
Eliminated on disposal	-	-	(2,450)	(1,093)	(3,543)
<b>At the end of the year</b>	<b>106,015</b>	<b>59,738</b>	<b>26,138</b>	<b>98,555</b>	<b>290,446</b>
<b>Net book value</b>					
<b>At the end of the year</b>	<b>50,200</b>	<b>194,383</b>	<b>8,390</b>	<b>15,969</b>	<b>268,942</b>
<b>At the start of the year</b>	<b>77,982</b>	<b>226,148</b>	<b>15,079</b>	<b>19,793</b>	<b>339,002</b>

**12. Intangible Fixed Assets**

	Website & App development £	Total £
<b>Cost or valuation</b>		
At the start of the year	114,456	114,456
Additions	-	-
<b>At the end of the year</b>	<b>114,456</b>	<b>114,456</b>
<b>Depreciation</b>		
At the start of the year	79,643	79,643
Charge for the year	13,022	13,022
<b>At the end of the year</b>	<b>92,665</b>	<b>92,665</b>
<b>Net book value</b>		
<b>At the end of the year</b>	<b>21,791</b>	<b>21,791</b>
<b>At the start of the year</b>	<b>34,813</b>	<b>34,813</b>

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

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2020**

**13. Stocks**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Book stock	<b>27,334</b>	<b>43,057</b>

**14. Debtors**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade debtors	70,886	170,722
Other debtors	1,011	4,344
Prepayments and accrued income	71,046	66,974
<b>Total</b>	<b>142,943</b>	<b>242,040</b>

**15. Creditors: Amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade creditors	45,220	50,308
Other taxation and social security	30,601	18,753
Other creditors	12,808	11,559
Accruals and deferred income	379,809	436,128
<b>Total</b>	<b>468,438</b>	<b>516,748</b>

**Deferred income**

	<b>£</b>
Deferred income at the start of the year	410,768
Amounts released from previous years	(410,768)
Amount deferred in the year	332,745

**Deferred income at the end of the year**

**332,745**

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

**16. Creditors: Amounts falling after one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank loan	50,000	-
<b>Total</b>	<b>50,000</b>	<b>-</b>

Notes to the Financial Statements

For the Year Ended 31 August 2020

17. 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 £
<b>Unrestricted funds:</b>					
<u>Designated funds</u>					
Operating Cost Reserve	315,000	-	-	(3,000)	312,000
<u>General funds</u>					
General reserves	(67,864)	1,423,428	(1,357,823)	3,000	741
<b>Total unrestricted funds</b>	<b>247,136</b>	<b>1,423,428</b>	<b>(1,357,823)</b>	<b>-</b>	<b>312,741</b>
<b>Restricted funds:</b>					
Reflecting Realities, Stage 2	21,177	-	(11,106)	-	10,071
CLIPPA	-	25,425	(11,183)	-	14,242
EEF – POP	21,346	-	(21,346)	-	-
Mercers - Improve Vocabulary	-	91,455	(27,005)	-	64,450
<b>Total restricted funds</b>	<b>42,523</b>	<b>116,880</b>	<b>(70,640)</b>	<b>-</b>	<b>88,763</b>
<b>Total funds</b>	<b>289,659</b>	<b>1,540,308</b>	<b>(1,428,463)</b>	<b>-</b>	<b>401,504</b>

**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. It is calculated in line with the Reserves Policy, at 3 months operating costs plus a further 3 months rent.

**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 was completed by late 2020.

The CLIPPA is an award for published poetry for children in the UK. All funding for the 2020 event was received within the financial year and spent by late 2020. The announcement of the 2020 Award was made on Friday 9 October, in a live online Poetry Show, as part of the The Times and The Sunday Times Cheltenham Literature Festival. Funding was received from The Authors Licensing and Collection Society and The Siobhan Dowd Trust.

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

Mercers – Improving Vocabulary – This is an annual programme, in partnership with Dolly Parton's Imagination Library. It is funded by the Charity of Sir Richard Whittington, which is administered by The Mercers' Foundation. It is expected to run for 3 years.

The Centre for Literacy in Primary Education

(A Company Limited by Guarantee)

Notes to the Financial Statements

For the Year Ended 31 August 2020

17. 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 £
<i>Unrestricted funds:</i>					
<i>Designated funds</i>					
Operating Cost Reserve	335,000	-	-	(20,000)	315,000
<i>General funds</i>					
General reserves	78,526	1,279,134	(1,445,524)	20,000	(67,864)
<b>Total unrestricted funds</b>	<b>413,526</b>	<b>1,279,134</b>	<b>(1,445,524)</b>	<b>-</b>	<b>247,136</b>
<i>Restricted funds:</i>					
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
<b>Total restricted funds</b>	<b>7,749</b>	<b>165,953</b>	<b>(131,179)</b>	<b>-</b>	<b>42,523</b>
<b>Total funds</b>	<b>421,275</b>	<b>1,445,087</b>	<b>(1,576,703)</b>	<b>-</b>	<b>289,659</b>

18. Analysis of net assets between funds – current year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	268,942	-	268,942
Intangible fixed assets	21,791	-	21,791
Current assets	540,446	88,763	629,209
Creditors due within one year	(468,438)	-	(468,438)
Creditors due after one year	(50,000)	-	(50,000)
<b>Total</b>	<b>312,741</b>	<b>88,763</b>	<b>401,504</b>

Analysis of net assets between funds – prior year

	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)
<b>Total</b>	<b>247,136</b>	<b>42,523</b>	<b>289,659</b>

Notes to the Financial Statements

For the Year Ended 31 August 2020

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Net expenditure for the year (as per Statement of Financial Activities)	111,845	(131,616)
<b>Adjustment for:</b>		
Depreciation charges	89,987	104,957
Dividends, interest and rents from investments	(358)	(347)
Increase/(decrease) in stocks	15,723	33,161
(Increase)/decrease in debtors	99,097	(87,078)
Increase/(decrease) in creditors	(48,310)	(9,572)
<b>Net cash (used in)/provided by operating activities</b>	<b>267,984</b>	<b>(90,495)</b>

**20. Analysis of cash and cash equivalents**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Cash in hand	458,932	147,495
<b>Total</b>	<b>458,932</b>	<b>147,495</b>

**21. 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 31<sup>st</sup> 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 £8,107 were payable to the TPS at 31 August 2020 (2019: £6,459), contributions amounting to £1,383 were payable to the LGPS at 31 August 2020 (2019: £1,383) and contributions amounting to £2,961 were payable to the PT as at 31 August 2020 (2019: £2,943). 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 can 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.

**Notes to the Financial Statements**

**For the Year Ended 31 August 2020**

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**21. 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%, from September 2019.

The total contribution made for the year ended 2020 was £79,369 (2019: £77,914), of which employer's contributions totalled £55,057 (2019: £48,262) and employees' contributions totalled £24,312 (2019: £29,652).

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%.



## Notes to the Financial Statements

For the Year Ended 31 August 2020

### 21. Pension commitments (continued)

The total contribution made for the year ended 2020 was £16,596 (2019: £16,596), of which employer's contributions totalled £13,186 (2019: £13,186) and employees' contributions totalled £3,410 (2019: £3,410).

#### The Pension Trust Scheme

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

The employer's contribution rates during the year were 6%. The employees' contribution rates during the year were 5%.

The total contribution made for the year ended 2020 was £51,349 (2019: £29,043), of which employer's contributions totalled £31,577 (2019: £18,751) and employees' contributions totalled £19,772 (2019: £10,292).

### 22. 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	
	2020	2019	2020	2019
	£	£	£	£
<b>Amounts payable:</b>				
Within 1 year	102,900	102,900	6,676	11,070
Between 1 and 5 years	411,600	411,600	20,695	15,761
After more than 5 years	728,875	831,775	-	1,806
<b>Total</b>	<b>1,243,375</b>	<b>1,346,275</b>	<b>27,371</b>	<b>28,637</b>

### 23. 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 £3,865 (2019: £1,028) and nothing (2019: £150) was owed by Kings Cross Academy at the year-end.

### 24. Post Balance Sheet Events

The World Health Organization declared the outbreak of the coronavirus a pandemic in March 2020. As we progress through 2020, more information is becoming known about the scale and impact of the coronavirus. The pandemic might have a financial effect on the charity and its operations. This may include changes to project implementation plans, alterations to ways of working and reductions in future donations.