The Literacy Pirates Limited

England & Wales · Charity number 1145115

Details

Other names	THE HACKNEY PIRATES, THE HACKNEY PIRATES LIMITED
Status	Registered
Legal form	Charitable company
Company number	07790039
Registered	2011-12-16
Register	View on the Charity Commission register

Contact

Address	Literacy Pirates 138 Kingsland High Street Dalston London E8 2NS
Phone	02033271777
Email	admin@literacypirates.org
Website	www.literacypirates.org

Activities

Objects: FOR THE PUBLIC BENEFIT TO PROMOTE THE EDUCATION OF PEOPLE IN THE UK IN SUCH WAYS AS THE CHARITY TRUSTEES THINK FIT, INCLUDING BY:- PROVIDING YOUNG PEOPLE WITH ONE-TO-ONE SUPPORT TO DEVELOP THEIR LITERACY AND CREATIVITY THROUGH THE PRODUCTION OF PROFESSIONALLY PRODUCED CREATIVE PRODUCTS IN AN UNCONVENTIONAL LEARNING ENVIRONMENT

Activities: The Literacy Pirates develops literacy, confidence and perseverance among young people who are falling behind at school and who have fewer opportunities. We do that through providing extra adult attention, the chance to work on real-world publishing projects and extra reading support. Activities take place in our unconventional out-of-school learning environments, in Hackney and online.

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Classification

- **How:** Provides Services
- **What:** Education/training
- **Who:** Children/young People

Geography

- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£1,066,737	£1,088,244	£733,254	29
2024-08-31	£1,052,819	£1,148,728	£754,761	26
2023-08-31	£1,047,897	£1,104,252	£850,670	26
2022-08-31	£1,067,991	£881,413	£907,025	20
2021-08-31	£886,161	£703,344	£720,447	20

Trustees

Name	Role	Appointed
Oluwafunmbi Akinloye Ogundiwin	Chair	2024-11-27
Amanda Maria Salloum		2024-11-27
Chady Jouni		2024-11-27
Daniel Chaim Levy		2024-11-27
Fiona Lesley Buchanan McAuslan		2022-06-07
Helene Ruth Williamson		2024-11-27
Lea Mladineo		2024-11-27
Melanie Jane Exon		2022-06-07
Philip John Aldis		2023-03-20

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The Literacy Pirates Limited

England & Wales - Charity number 1145115

Accounts

Docusign Envelope ID: FC2436EA-2202-42DC-BD1B-095105BB380A

Literacy, Confidence & Perseverance.

The Literacy Pirates Limited

Annual Reports and Financial Statements

Reporting Period: 1 Sept 2024 to 31 Aug 2025

Charity registration number: 1145115

Company registration number: 07790039

Docusign Envelope ID: FC2436EA-2202-42DC-BD1B-095105BB380A

Reference and Administrative Details

Status	The Literacy Pirates Limited is a charitable company limited by guarantee, incorporated on 28 September 2011 and registered as a charity on 16 December 2011.
Company registration number	07790039
Charity registration number	1145115
Registered Office	138 Kingsland High Street, London, E8 2NS
Principal Office	138 Kingsland High Street, London, E8 2NS
Board of Trustees	Philip Aldis Nicholas Canning (Chair) Melanie Exon Chady Jouny (appointed 27 November 2024) Daniel Levy (appointed 27 November 2024) Fiona McAuslan Aisha Miller-Dyer (resigned 19 May 2025) Lea Mladineo (appointed 27 November 2024) Paul Mundy-Castle (resigned 3 September 2024) Funmbi Ogundiwin (appointed 27 November 2024) Amanda Salloum (appointed 27 November 2024) Helene Williamson (appointed 27 November 2024)
Chief Executive	Jude Williams
Telephone	0203 327 1777
Website	www.literacypirates.org
Email	admin@literacypirates.org
Bankers	Unity Trust Bank Plc PO Box 7193 Planetary Road Willenhall WV1 9DG Flagstone Group Ltd 1st Floor, Clareville House 26-27 Oxendon Street London, SW1Y 4EL
Auditors	Chariot House Limited Chartered Accountants and Statutory Auditor 44 Grand Parade Brighton BN2 9QA
Senior Statutory Auditor	Shona Wardrop CA

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Welcome from the CEO and Chair of Trustees

Ahoy!

We are thrilled to share the story of another impactful year at Literacy Pirates. In 2024–25, our crew supported 542 Young Pirates as they set sail on transformational journeys of literacy, confidence and perseverance. These are not just academic skills but the building blocks of a brighter, more equitable future. Through every session and every published piece of writing, we saw the incredible potential in each child begin to unfurl.

This year marked a turning point in our story. For the first time, we began laying the groundwork for national expansion. In September 2025, we welcomed our first Young Pirates from Cornwall, with more regions joining in 2026. The growth of our Virtual Ship, online programme, has been nothing short of remarkable, enabling us to deliver our joyful and rigorous approach well beyond London to the many underserved communities across England.

This progress is thanks to the generosity of our funders, the commitment of our volunteers, the passion of our staff, and the trust placed in us by families and schools. Together, we are building a movement where every child can thrive through literacy.

Thank you for being part of our journey.

Jude Williams
Chief Executive/Captain

Nick Canning
Chair of Trustees

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Who We Are

At Literacy Pirates, our mission is clear: to develop the literacy, confidence and perseverance of children who are falling behind in class and face barriers to educational success due to their socio-economic backgrounds. We believe in the exceptional potential of every child, and we work to create the conditions where that potential can shine.

Our after-school programmes are devised by teachers and supported by a trained crew of volunteers. Through an approach that champions Reading for Pleasure, children are invited to explore reading and writing in ways that feel empowering and exciting. They work on real-world publishing projects, receive individual attention in positive and low stakes environments, and leave with a renewed sense of themselves as successful learners.

Children join through school referrals, they are eligible for Pupil Premium, and often also have special educational needs, or speak English as an additional language. These children are at a critical point in their education. We meet them there, with belief, structure and joy.

Our Year in Review: 2024–25

In 2024–25, we welcomed 542 Young Pirates aboard our online and in-person programmes. Of those, 83% received Pupil Premium, and 17% the teachers assessed family hardship and need. 76% had a special educational need, and 42% spoke English as an additional language. These figures reflect our focus on supporting children who face the highest social and educational need.

This year, our Virtual Ship, online programme, experienced a 19% increase in demand, a signal of both its effectiveness and its potential to reach children in areas where support is too often out of reach. As a result, we took significant steps towards national growth. From our launch in Cornwall in September 2025, we will continue to expand into the North, guided by our strategic goal: to reach **3,000 children annually by 2030**. This bold vision underpins our programme development, infrastructure investment, and organisational planning.

We have continued to invest in robust infrastructure and staff development, ensuring our pedagogy remains rigorous and our delivery joyful. Our work has been buoyed by a growing community of funders, schools and families who share our belief that literacy is not just a skill, but a pathway to opportunity.

What Progress Looks Like

When children join Literacy Pirates, they are often unsure of themselves as readers and writers. By the time they leave, most have not only progressed academically but also transformed how they see themselves.

Over the past year, 88% of our Young Pirates made measurable progress in literacy. This included improvements in reading test scores, teacher assessments of key literacy skills, and how children rated themselves as readers. One child told us, "I used to be scared of long words. Now I just read them like they're easy."

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Confidence bloomed too. Families of Virtual Ship participants told us that 98% of their children grew in confidence. Among those who joined us in person, every single family reported a similar leap.

Perseverance, a key ingredient in lifelong learning, was visible in every session. Teachers noted that 95% of our Virtual Ship Young Pirates had improved their ability to stick with challenges, ask for help, and keep going even when things felt hard.

Reading for Pleasure remained central. Nationally, only 32% of children say they enjoy reading in their free time (National Literacy Trust, 2022). Among our Young Pirates, that number rose to 47% by the end of our programme.

Young Pirate Spotlight: Jevelle's Story

Jevelle was referred to Literacy Pirates by his teacher in spring 2025. At the time, he was working below expected levels in reading and writing. He struggled with cohesion, grammar and spelling, and often hesitated to share his ideas.

Joining the Virtual Ship, Jevelle found a place where he could take risks safely. He brought warmth and curiosity to every session, encouraging his peers and asking thoughtful questions. Gradually, his confidence grew. He began reading aloud with greater fluency and even tackled unfamiliar words with calm determination.

His final project, "The Alien Ship," was a thrilling, imaginative story filled with vivid language and fast-paced action. It reflected not just technical improvement, but a shift in how Jevelle saw himself: as a reader, a writer, and a valued member of his learning community.

“Congratulations on being wonderful at Literacy Pirates, Jevelle” – Emilie, Session Leader.

Looking Ahead: 2025–26 and Beyond

The year ahead marks the beginning of a new chapter. In autumn 2025, we will open our first regional hub in Cornwall, bringing the Literacy Pirates experience to children in rural communities for the first time. Our partnerships with schools in the North are taking shape, and by 2026, more children than ever will be sailing with us.

We will continue to refine our Virtual Ship, invest in digital infrastructure, and strengthen our evidence base. As we scale, we remain grounded in our values: ambition, joy, expertise, inclusivity and transparency.

Our strategic goal for 2030 remains front and centre: to reach **3,000 children annually** through a robust network of regional clusters and a powerful, high-quality online programme. Every decision we make is in service of this vision, ensuring that children across the country, not just in cities, but in rural and isolated areas, can access the literacy support they need to thrive.

We are grateful to have you on board as we set sail for a future of greater opportunity.

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Governance

The organisation was established as a charitable company under a memorandum of association, amended by special resolution on 8 December 2017, which established the objects and powers of the charitable company and is governed under its articles of association.

In accordance with the articles of association, the trustees retire by rotation at the end of their terms of office and are eligible for re-election. The Trustees delegate the day to day management of the charity to the Chief Executive. The Trustees have read and had due regard to the Charity Commission's public benefit guidance and confirm that the charity's work meets the requirements.

Organisation

The board of trustees, which can have up to 15 members, administers the charity. The Articles of Association require that there should be a minimum of 5 and a maximum of 15 trustees. Six new trustees were successfully recruited early in the financial period, November 2024. Two trustees resigned during the year due to unforeseen circumstances.

The Board meets approximately three times a year. All have given their time and advice outside and beyond the board meeting through the Advisory Committee structure. All new Trustees receive orientation and induction training, as well as annual Safeguarding training for all.

Appointment of Trustees

The directors of the company are also charity trustees for the purposes of charity law. Under the requirements of the Memorandum and Articles of Association, trustees retire after two year periods, and can be re-elected for up to four terms, eight years. The board of trustees has power to appoint a trustee during the year.

Trustee Recruitment

Trustees are recruited on the basis of relevant skills and empathy towards the organisation's charitable objectives. The organisation uses open recruitment, specialist trustee recruitment databases and social media campaigns to find trustees.

Trustee Induction and Training

Potential new trustees are invited to attend a board meeting prior to appointment. New trustees undergo orientation to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the board of trustees and decision making processes, the business plan and recent financial performance of the charity. Safeguarding and child protection are also key elements of the induction training. During the orientation they meet key employees and other trustees, and are given an overview of the activities of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

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Financial Overview

As a charity, we are governed by a dedicated Board of Trustees who bring expertise in education, finance, safeguarding, digital operations, and organisational development. This year, the Board provided strategic oversight as we prepared for national expansion, developed the strategic plans, and ensured our financial health remained strong.

We ended the year with an income of £1.066m and expenditure of £1.088m. Within the overall deficit we recorded a £16k unrestricted surplus, enabling us to protect sustainable free reserves of £566k. In line with our financial strategy and in recognition of our need to invest in scalable delivery, we revised our **reserves policy** from a target of 6 months to **3–6 months** of core operating costs and our year-end level represented 6.2 months of cover. This adjustment reflects our proactive decision to direct more funds into developing and expanding the **Virtual Ship**, ensuring long-term sustainability through strategic growth.

Our income is sourced from a blend of trusts and foundations, corporate supporters, individual donors, and earned income through school partnerships. We are deeply grateful for the generosity and belief of our supporters, whose contributions power every child's journey.

Risk Review

The Board retains a strategic risk register, updated before each board meeting. The major risks to the organisation mirror our priority areas of school and volunteer recruitment and fundraising.

We are pleased that the volunteer numbers and school partnerships have remained stable. As the fundraising landscape hardens, we are also impacted, though pleased to have again exceeded the £1million mark.

Our investment in the senior leadership team has continued with the recruitment of a new Head of Development during the year.

Statement of Trustees' Responsibilities

The Trustees (who are also the directors of The Literacy Pirates Limited for the purposes of company law) are responsible for preparing the Report of the Trustees 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;

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- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Finally…

Thank You. Our thanks go especially to our ever-increasing community of volunteers, school partners and our funders – all of whom are the driving force that enables us to deliver our programme and impact.

Thank You for joining us in our adventures in learning.

A salute to you all!



Nick Canning, Chair of Trustees

26 November 2025

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Report of the Independent Auditor to the Members of The Literacy Pirates Limited

Opinion

We have audited the financial statements of The Literacy Pirates Limited (the 'charitable company') for the year ended 31st August 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 31st August 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 Report of the Independent Auditors 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

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whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the 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.

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We discussed identified laws and regulation, fraud risk factors and the need to remain alert among the audit team.

The charitable company is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statements disclosures and agreeing them to supporting documentation where necessary.

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The charitable company is subject to many other laws and regulations where the consequence of non-compliance could have a material effect on amounts or disclosure in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, environmental law.

We did not find any instances of non-compliance or breaches of the legislation framework applicable to the charitable company.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We identified that the following areas were of high risk:
- Completeness of income. We performed various audit tests to ensure that income was not materially understated in the financial statements.
- Management override of controls. We performed various audit tests to ensure there was no material management override of controls

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, UK tax legislation, Charities Act 2011 and Charities SORP 2019. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel when considered necessary. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of management bias by the directors that represented a risk of material misstatement due to fraud.

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 Report of the Independent Auditors.

Use of our report

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

Shona Wardrop

Shona Wardrop CA (Senior Statutory Auditor)
for and on behalf of Chariot House Limited
Chartered Accountants and Statutory Auditor
44 Grand Parade
Brighton
BN2 9QA

Date: 12 December 2025

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The Literacy Pirates Limited
Statement of Financial Activities (Including Income and Expenditure Account)
For the financial year ended 31st August 2025

	Note	Restricted 2024-25	Unrestricted 2024-25	Total 2024-25	Total 2023-24
		£	£	£	£
Income					
Donations & legacies	**2**	493,795	504,823	998,618	947,707
Charitable activities	**3**	-	20,625	20,625	51,000
Investment income	**4**	-	29,814	29,814	30,147
Trading income	**5**	-	18,750	18,750	19,909
Other income	**6**	-	(1,070)	(1,070)	4,056
Total Income		493,795	572,942	1,066,737	1,052,819
Expenditure					
Raising funds	**7**	84,338	197,015	281,353	176,808
Charitable activities	**8**	446,060	360,831	806,891	971,920
Total Expenditure		530,398	557,846	1,088,244	1,148,728
Net Income/(Expense)		(36,603)	15,096	(21,507)	(95,909)
Transfers Between Funds		(1,192)	1,192	-	-
Net Movement Between Funds		(37,795)	16,288	(21,507)	(95,909)
Total Funds Brought Forward		202,406	552,355	754,761	850,670
Total Funds Carried Forward		164,611	568,643	733,254	754,761

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The Literacy Pirates Limited
Balance Sheet
As at 31st August 2025 Company Registration Number: 7790039

	Note	2024-25 £	2023-24 £
Fixed Assets			
Tangible Fixed Assets	**13**	2,874	8,150
		2,874	8,150
Current Assets			
Debtors	**14**	80,379	78,119
Cash at bank and in hand		888,628	929,412
		969,007	1,007,531
Liabilities			
Creditors: amounts falling due within one year	**15**	238,628	260,920
Net Current Assets		730,379	746,611
Total Assets less Current Liabilities		733,254	754,761
The Funds of the Charity			
Restricted funds	**18**	164,611	202,406
Designated funds	**19**	2,874	8,150
Unrestricted funds	**19**	565,769	544,205
Total Charity Funds		733,254	754,761

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 26/11/2025 and were signed on its behalf by:

Nick Canning, Chair.

26th November 2025

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The Literacy Pirates Limited
Statement of Cash Flows
For the financial year ended 31st August 2025

	Note	2024-25	2023-24
		£	£
Cash flows from operating activities			
Net cash flow from operating activities	20	(70,597)	42,732
Cash flows from investing activities:			
Purchase of tangible fixed assets		0	0
Interest income		29,813	30,147
Net cash flow from investing activities:		29,813	30,147
Net increase/(decrease) in cash and cash equivalents in the period		(40,784)	72,879
Net cash and cash equivalents at the start of the period		929,412	856,533
Net cash and cash equivalents at the end of the period		888,628	929,412

Cash and cash equivalents are made up of cash held at the bank, in hand, and in deposit accounts only.
These comprised of:

	2024-25	2023-24
	£	£
Cash in hand	27	3
Cash at bank	202,049	504,120
Cash on short term deposit	686,552	425,289
	888,628	929,412

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The charity is a company limited by guarantee incorporated in England and Wales. The registered office is 138 Kingsland High Street, London, E8 2NS.

1) Accounting Policies

Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102 (effective 1 January 2019) – (Charities SORP (FRS102)), and the Companies Act 2006.

The Charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been drawn up for a 12 month period from the 1st September 2024 to the 31st August 2025, described as "2024-25". The comparative financial statements, described as "2023-24" in the notes to the financial statements, cover the period 1st September 2023 to 31st August 2024.

The accounts have been prepared under the historic cost convention, unless otherwise stated in the accounting policies.

Assessment of going concern

The Charity recorded a deficit of £21,507 in the financial period and held net cash of £888,628 and free reserves of £565,769 at the balance sheet date.

At the time of approving the financial statements, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. In reaching this opinion, the trustees have considered forward budgets and cash flow forecasts for a period of at least 12 months from the date of signing accounts. The trustees continue to adopt the going concern basis in accounting in preparation of financial statements.

Fund accounting

Unrestricted funds are general funds that are available for use at the trustees' discretion in furtherance of the objective of the charity.

Designated funds are funds established by the trustees from time to time for specific projects or purposes, are not in any way restricted and any surplus or deficit will be transferred to/from the general purposes fund when the designated fund is closed. The value of fixed tangible assets, net of depreciation, is included under designated funds as this value is considered unavailable for general purposes.

Restricted funds are those donated for use in particular area of specific purposes, the use of which is restricted to that area or purpose.

Income

Incoming resources are accounted for as soon Literacy Pirates has entitlement to the income and there is both probability of receipt and the amount is measurable.

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

Income from school referral partners is deferred across the duration of the academic terms for which they have paid.

Grant income is recognised in full in the year in which it is receivable, unless there are specific performance related conditions that prevent its recognition. Where performance conditions apply, grant income is deferred until those conditions are met.

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Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. Expenditure is accounted for on an accruals basis and has been classified under headings in the SOFA in the aggregate of all costs related to that category.

Cost of raising funds relate to those specific costs incurred in organising and staging fundraising events and seeking voluntary contributions, together with employment costs of fundraising staff.

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

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs comprise those costs associated with meeting the constitutional and strategic requirements of the charity and the audit fees and costs linked to strategic management of the charity.

Volunteers

The Charity benefits from the contribution of many volunteers who give their time. In accordance with guidance in the Charities SORP FRS 102, no monetary value is included in the accounts for an equivalent time cost given by volunteers.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible within 100 days to a known amount of cash and are subject to an insignificant risk of change in value.

Tangible Fixed Assets

Tangible fixed assets costing £1,000 or more including irrecoverable VAT and incidental installation costs are capitalised, where they meet the definition of fixed assets according to the relevant financial standards in force. Tangible fixed assets are stated at cost net of depreciation charged to date. Depreciation is charged on a straight line basis to the following standards:

Leasehold Improvements	20% / 5 Years, or the duration of the lease whichever the shorter
IT Equipment	33% / 3 Years

Tangible fixed assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Investment policy and objectives

The Charity's risk appetite for financial investments is low to medium. Investments in bank savings-based products must be (a) regulated under the jurisdiction of the UK and (b) underwritten by the FSCS or other government guarantee.

Fixed term deposits may only be placed where they do not place a risk on the Charity's abilities to pay its obligations on time. At a minimum, the Charity must keep £250,000 available from a combination of the current bank account and immediately liquid investments. Fixed term deposits may only be placed for a maximum of 12 months.

Investing with social-purpose providers is favoured, however risk appetite takes precedent above ethical factors.

The Charity's policy for investment returns on rented property is to achieve fair market rates on all short and long-term sub-letting, within the parameters allowed by the head lease.

The Charity will not invest in trading subsidiaries or joint ventures unless the Board of Trustees has considered and approved a viable business plan.

The Director of Finance is responsible for the day to day management of the charity's investments. Investment performance is monitored and reported to the Finance, Audit and Risk Committee.

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Investments are stated at market value, with realised and unrealised profits charged net to the statement of financial activities.

Financial instruments

The charity has only financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and are subsequently measured at their settlement value with the exception of bank loans which are measured at amortised cost using the effective interest method.

Financial Assets

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

Financial Liabilities

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

Operating leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expenses when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Defined contribution pension scheme

The Charity operates a defined contribution pension scheme that is compliant with Auto-Enrolment legislation. The defined contribution pension scheme costs charged in the statement of financial activities represent the employer's pension contributions payable by the Charity, and the balance payable reported in the notes to the accounts represents a combination of employers' contributions and employees' deductions payable at the balance sheet date.

Critical accounting estimates and judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Trustees do not consider there to be any estimates or judgements that are critical to the financial statements.

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2) Voluntary Income (Donations and Legacies)

	Restricted Funds 2024-25	Unrestricted Funds 2024-25	Total Funds 2024-25	Total Funds 2023-24
	£	£	£	£
Trusts and Foundations	295,891	347,200	643,091	612,543
Corporate Supporters	124,998	46,644	171,642	181,100
Individual Giving	72,906	110,979	183,885	154,064
Totals	493,795	504,823	998,618	947,707

(2023-24: £520,409 of funds were restricted and £427,298 were unrestricted)

The Literacy Pirates would like to thank all our funders. This includes those that joined the Captain's Collective and those donors giving multi-year funding, including our Pirate Pals, giving monthly donations. Also those Trusts and Foundations, individuals and corporates who choose to give anonymously, plus everyone who offers us pro-bono support.

3) Income from Charitable Activities

	Total Funds 2024-25	Total Funds 2023-24
	£	£
Income from School Referral Partners	20,625	21,000
Income from Alternative Provision	-	30,000
Total	20,625	51,000

The income listed above relates to the one charitable activity: promoting the education of people in the UK through support to develop their literacy and creativity. All income from charitable activities was unrestricted. (2023-24: all income was unrestricted).

4) Investment Income

	Total Funds 2024-25	Total Funds 2023-24
	£	£
Interest on Bank Deposits	29,814	30,147
Total	29,814	30,147

All investment income was unrestricted (2023-24: all income unrestricted).

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5) Trading Income

	Total Funds 2024-25	Total Funds 2023-24
	£	£
Property Sub-let rent & service charges	17,650	18,779
Occasional Room Hire	1,100	1,130
Total	18,750	19,909

All trading income was unrestricted (2023-24: all income unrestricted).

6) Other Income

	Restricted Funds 2024-25	Unrestricted Funds 2024-25	Total Funds 2024-25	Total Funds 2023-24
	£	£	£	£
DWP Access to Work Grants	-	(1,070)	(1,070)	3,602
Sundry Reimbursements	-	-	-	454
Total	-	- 1,070	- 1,070	4,056

(2023-24: £3,852 of funds were restricted and £204 were unrestricted).

7) Expenditure on Raising Funds

	Restricted Funds 2024-25	Unrestricted Funds 2024-25	Total Funds 2024-25	Total Funds 2023-24
	£	£	£	£
Staff costs	84,338	172,761	257,099	160,194
Other fundraising costs	-	24,254	24,254	16,614
	84,338	197,015	281,353	176,808

(2023-24: £15,998 of expenditure was restricted and £160,810 unrestricted).

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8) Expenditure on Charitable Activities

	Restricted Funds 2024-25	Unrestricted Funds 2024-25	Total Funds 2024-25	Total Funds 2023-24
	£	£	£	£
Staff costs	371,913	29,174	401,087	717,079
Education materials and activities	49,482	25,201	74,683	42,830
Volunteer costs	170	24,267	24,437	9,196
Fantastical space	7,659	36,625	44,284	113,685
Depreciation	-	5,276	5,276	9,172
Other costs	284	20,929	21,213	35,570
Support costs (see note 9)	16,551	211,424	227,975	36,749
Governance costs (see note 9)	-	7,936	7,936	7,638
	446,059	360,832	806,891	971,920

(Note 9 details of the reduction in staff costs on charitable activities in 2024-25 compared to the previous year. 2023-24: restricted expenditure was £484,966 and unrestricted expenditure £486,954).

9) Support and Governance Costs

	Restricted Funds 2024-25	Unrestricted Funds 2024-25	Total Funds 2024-25	Total Funds 2023-24
Support costs:	£	£	£	£
Staff costs	16,550	178,186	194,736	-
IT and software	-	16,459	16,459	27,913
Office supplies	-	3,989	3,989	6,926
Other costs	1	12,790	12,791	1,910
Total support costs:	16,551	211,424	227,975	36,749
Recharged to charitable activities	(16,551)	(211,424)	(227,975)	(36,749)
Governance costs:				
Audit Fees	-	7,800	7,800	7,440
Trustee meeting costs	-	136	136	198
Total governance costs:	-	7,936	7,936	7,638
Recharged to charitable activities	-	(7,936)	(7,936)	(7,638)

For 2024-25, the charity's Operations staff team has been classified as a cost of support in order to improve transparency. (2023-24: £2,881 of support costs expenditure was restricted, £33,868 was unrestricted). All Governance costs were unrestricted. (2023-24: all governence costs were also unrestricted).

10) Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation Tax purposes. Accordingly the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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11) Comparatives for the Statement of Financial Activities

	Restricted 2023-24	Unrestricted 2023-24	Total 2023-24
	£	£	£
Income			
Donations & legacies	440,135	462,109	902,244
Charitable activities	-	105,843	105,843
Investment income	-	17,100	17,100
Trading income	-	16,465	16,465
Other income	-	220	6,245
Total Income	446,160	601,737	1,047,897
Expenditure			
Raising funds	3,326	205,649	208,975
Charitable activities	468,844	426,433	895,277
Total Expenditure	472,170	632,082	1,104,252
Net Income/(Expense)	(26,010)	(30,345)	(56,355)
Transfers Between Funds	3,525	(3,525)	-
Net Movement Between Funds	(22,485)	(33,870)	(56,355)
Total Funds Brought Forward	201,594	705,431	907,025
Total Funds Carried Forward	179,109	671,561	850,670

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12) Staff Costs

	2024-25	2023-24
	£	£
Wages and salaries	766,632	788,643
Social security costs	71,766	72,268
Pension costs	14,524	16,362
	852,922	877,273

One employee earned remuneration of between £60,000 and £70,000 (2023-24: one employee earned between £60,000 and £70,000).

The average number of employees during the period were 29 (2023-24: 26). Employees are counted irrespective of whether the worker is employed full time or part time, in accordance with the requirements of the SORP. As the Charity employs some part time and sessional workers, the average head count would be 20 based on full time equivalents (2023-24: 22).

Key management personnel.
The trustees consider the Board of Trustees, Chief Executive Officer, Director of Learning and Impact, Finance Director, Head of Operations & People, Head of Partnerships and Development (to February 2025) and Head of Development (from April 205) to be the key management personnel of the charity in charge of directing and controlling the charity and running the charity on a day to day basis.

All trustees give their time freely and no trustee remuneration was paid in the year. Details of trustees expenses and related party transactions are disclosed in the notes of the accounts.

Trustees are required to disclose all relevant interests and register them with the board in accordance with the charity's policy.

The pay of the CEO along with all staff is reviewed annually by the Board and when appropriate increased taking into consideration inflation, average salaries in the area and salaries of other similar sized charities to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

Included in the above staff costs are the remuneration paid to key management personnel over the financial period:

	2024-25	2023-24
	£	£
Wages and salaries	163,483	176,981
Social security costs	19,453	19,612
Pension costs	3,037	3,744
	185,973	200,337

The charity operates a defined contribution pension scheme provided by The People's Pension which satisfies the requirements of automatic enrolment pension legislation.
At the end of the year, amounts of £4,036 were due to the pension scheme provider (2023-24: £3,385).
Pension costs are allocated to the one charitable activity. These costs are split between restricted and unrestricted funds in line with the individual funding agreements.

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13) Tangible fixed assets

	Computer Equipment For Learning	Computer Equipment For Staff	Total
	£	£	£
Cost or valuation:			
At the start of the financial period	20,292	17,911	38,203
Additions in the financial period	-	-	-
Disposals in the financial period	-	-	-
At the end of the financial period	20,292	17,911	38,203
Depreciation:			
At the start of the financial period	19,496	10,557	30,053
Charge for the financial period	796	4,480	5,276
Depreciation on dispsals in the period	-	-	-
At the end of the financial period	20,292	15,037	35,329
Net book value:			
At the start of the financial period	796	7,354	8,150
At the end of the financial period	-	2,874	2,874

14) Debtors

	2024-25	2023-24
	£	£
Trade debtors	8,215	37,515
Prepayments	16,492	16,289
Accrued Income	52,686	10,648
Other debtors	2,986	13,667
	80,379	78,119

15) Creditors

	2024-25	2023-24
	£	£
Trade creditors	14,232	19,368
Taxation and social security	15,630	8,128
Accruals	22,600	13,112
Other creditors	5,867	7,228
Deferred income (see note 16)	180,299	213,084
	238,628	260,920

16) Deferred Income

	2024-25	2023-24
	£	£
Deferred income brought forward	213,084	49,172
Amount released to income from Charitable Activities	(82,472)	(48,051)
Amount of income deferred during the financial period	49,687	211,963
Deferred income held at the end of the financial period	180,299	213,084

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Deferred income relates to funds received in the period but where the trustees judge that the criteria for recognition is not yet met. Typically these incomes come from either restricted grants that are ringfenced for staff salaries, or income from school partners that is earned across the academic years for which they fund. Of the deferred income amount brought forward from 2023-24, £82,472 was released to income in 2024-25. The balance of new income arising during 2024-25 was £49,687, this amount is added to the brought forward balance to be released in future periods when income recognition criteria are satisfied.

17) Analysis of Net Assets Between Funds

	Restricted Funds 2024-25 £	Designated Funds 2024-25 £	Unrestricted Funds 2024-25 £	Total Funds 2024-25 £
Tangible Fixed Assets	-	2,874	-	2,874
Cash at bank and in hand	164,611	-	724,017	888,628
Debtors	-	-	80,379	80,379
Less: current liabilities	-	-	(238,628)	(238,628)
	164,611	2,874	565,767	733,253

	Restricted Funds 2023-24 £	Designated Funds 2023-24 £	Unrestricted Funds 2023-24 £	Total Funds 2023-24 £
Tangible Fixed Assets	-	8,150	-	8,150
Cash at bank and in hand	202,406	-	727,006	727,006
Debtors	-	-	78,119	78,119
Less: current liabilities	-	-	(260,920)	(260,920)
	202,406	8,150	544,205	754,761

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18) Restricted Funds

	As at 1st Sept 2024 £	Income 2024-25 £	Expenditure 2024-25 £	Transfers 2024-25 £	As at 31st Aug 2025 £
AKO Foundation	-	59,510	(59,510)	-	-
Alchemy Foundation	-	1,000	(1,000)	-	-
Allen & Overy	-	5,000	(5,000)	-	-
Bain Capital Children's Fund Europe	106,444	100,234	(106,444)	-	100,234
Charles S French Charitable Trust	-	4,000	(4,000)	-	-
Garfield Weston Foundation	-	30,000	(30,000)	-	-
Gilchrist Education Trust	-	2,000	-	-	2,000
Good Things Foundation	4,200	2,264	(6,464)	-	-
J J Charitable Trust	15,000	20,000	(15,000)	-	20,000
Monday Charitable Trust	-	50,000	(9,123)	-	40,877
New Era	-	8,300	(8,300)	-	-
Sherborne in the Community	-	5,000	(5,000)	-	-
Society of the Holy Child Jesus	15,000	-	(15,000)	-	-
Tesco	-	1,000	(1,000)	-	-
The Buzzacott Stuart Defries Mem'l Fund	1,000	1,500	(1,000)	-	1,500
The Charity of Sir Richard Whittington (The Mercers' Company)	17,343	-	(17,343)	-	-
The Considered Ask Foundation	-	45,741	(45,741)	-	-
The Gosling Foundation	25,000	-	(25,000)	-	-
The Hargreaves Foundation	-	30,000	(30,000)	-	-
The Merchant Taylors' Foundation	-	3,000	(3,000)	-	-
The Percy Bilton Charity	-	2,339	(2,339)	-	-
The Progress Foundation	-	20,000	(20,000)	-	-
The Rest-Harrow Trust	500	-	(500)	-	-
The Souter Charitable Trust	-	2,000	(2,000)	-	-
The Watts Foundation	-	3,000	(3,000)	-	-
Tottenham Grammar School Foundation	-	5,000	(5,000)	-	-
UBS	-	15,000	(15,000)	-	-
Vandervell Foundation	-	2,000	(2,000)	-	-
Walcot Foundation	17,919	-	(16,727)	(1,192)	-
Confidential Trust	-	3,000	(3,000)	-	-
Individual Giving	-	72,906	(72,906)	-	-
Total	202,406	493,795	(530,398)	(1,192)	164,611

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18) Restricted Funds Continued

Restricted funds:

AKO Foundation	A two-year grant towards the learning programme; specifically a Volunteer Co-ordinator and Education Team Assistant for the virtual ship.
Alchemy Foundation	A grant towards the virtual ship Young Authors project
Allen & Overy	A grant towards the Hackney learning programme.
Bain Capital Children's Fund Europe	[2023-24] A grant to help expand the impact & reach of the virtual learning programme. [2024-25] A grant to assist with scalability, funding a Redesign Lead, part time Tech & Systems Manager and session delivery costs.
Charles S French Charitable Trust	A grant towards the virtual Ship Young Authors project
Garfield Weston Foundation	A grant towards the costs of running the virtual learning programme.
Gilchrist Education Trust	A grant supporting the Young Authors project for the Hackney and virtual programmes.
Good Things Foundation	The donor's Digital Inclusion Capability Grant to help expand the virtual programme.
J J Charitable Trust	[2032-24] Funding to support the in-person and virtual learning programme. [2024-25] A grant towards running and expanding the virtual learning programme.
Monday Charitable Trust	A grant towards the costs of running the virtual learning programme.
New Era Foundation	A grant towards the costs of running the virtual learning programme.
Sherborne in the Community	A grant towards the 2025 virtual programme summer term.
Society of the Holy Child Jesus	A one year grant to support the core costs of running the virtual learning programme.
The Buzzacott Stuart Defries Mem'l Fund	[2023-24] A grant to help fund the Hackney Young Author's project, Autumn 2024 term. [2024-25] A grant to help fund the Hackney Young Author's project, Autumn 2025 term.
The Charity of Sir Richard Whittington (The Mercers' Company)	A Bridging grant supporting increased fundraising costs for growth.
The Considered Ask Foundation	[2023-24] A grant towards the salary of the School Partnerships Manager. [2024-25] A grant to help fund the Director of Delivery & Impact, 2025-26.
The Gosling Foundation	A grant to support the running costs of the virtual programme.
The Hargreaves Foundation	A 3-year grant supporting the virtual learning programme.
The Merchant Taylors' Foundation	A grant towards the costs of the film project.
The Percy Bilton Charity	A grant funding headsets for Young Pirates on the virtual programme.
The Progress Foundation	A grant to support the running costs of the virtual programme.
The Rest-Harrow Trust	A grant to help support the 2024 young authors project.
The Souter Charitable Trust	A grant towards the 2025 virtual programme summer term.
The Watts Foundation	A grant to support the running costs of the virtual programme.
Tottenham Grammar School Foundation	A grant supporting Young Pirates from Haringey to join the virtual learning programme.
UBS	A grant sponsoring one school on the programme.
Vandervell Foundation	A grant to support the running costs of the virtual programme.
Walcot Foundation	A grant towards the costs of running the virtual learning programme in Lambeth between 2022-25.
Confidential Trust	A grant towards the virtual learning programme.
Individual Giving	[1] A grant towards the learning programme costs and [2] towards fundraising staff costs.

19) Unrestricted Funds

	As at 1st Sept 2024 £	Income 2024-25 £	Expenditure 2024-25 £	Transfers 2024-25 £	As at 31st Aug 2025 £
Designated Funds:					
- Fixed asset fund	8,150	-	(5,276)	-	2,874
Total Designated funds	8,150	-	(5,276)	-	2,874
Unrestricted Funds	544,205	572,942	(552,570)	1,192	565,769
Total Unrestricted Funds	552,355	572,942	(557,846)	1,192	568,643

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	As at 1st Sept 2023 £	Income 2023-24 £	Expenditure 2023-24 £	Transfers 2023-24 £	As at 31st Aug 2024 £
Designated Funds:					
- Fixed asset fund	17,322	-	(9,172)	-	8,150
Total Designated funds	17,322	-	(9,172)	-	8,150
Unrestricted Funds	654,239	528,558	(638,592)	-	544,205
Total Unrestricted Funds	671,561	528,558	(647,764)	-	552,355

Designated funds:
- Fixed asset fund. This fund reflects the value of fixed assets that are not available as part of the Charity's day to day working capital.

Unrestricted funds:
- General unrestricted funds are the free reserves after allowing for all designated funds.

20) Reconciliation of net movement in funds to net cash flow from operating activities

	2024-25 £	2023-24 £
Net movement in funds:	(21,507)	(95,909)
Add: Depreciation	5,276	9,172
Deduct: Investment income	(29,814)	(30,147)
Decrease/(increase) in debtors	(2,260)	(13,989)
Increase/(decrease) in creditors	(22,292)	173,605
Net cash flow from operating activities	(70,597)	42,732

21) Lease commitments

At the balance sheet date, the charity was committed to paying the following non-cancellable operating leases in respect of property.

	2024-25 £	2023-24 £
Due in one year	25,524	25,524
Due in 2-5 years	21,270	46,794
	46,794	72,318

22) Related party transactions

During the financial period the company made the following related party transactions:

Trustees

No Trustee received any remuneration for their services to the Charity.
All Trustees waived their right to claim expenses from the Charity during the period. Consequently no expenses were paid to Trustees (2023-24: £nil)
Trustees made new voluntary donations of £8,540 in the financial year (2023-24: £152,860).
£70,588 of deferred income released in the period originated from a related party, as disclosed in the previous annual report & accounts (2023-24: no income from related parties was released).

The Literacy Pirates Limited

England & Wales - Charity number 1145115

Accounts

Docusign Envelope ID: A965A0C2-3B61-4C65-8379-95B2E200FEA7

Literacy, Confidence & Perseverance.

The Literacy Pirates Limited

Annual Reports and Financial Statements

Reporting Period: 1 Sept 2023 to 31 Aug 2024

Charity registration number: 1145115

Company registration number: 07790039

Docusign Envelope ID: A965A0C2-3B61-4C65-8379-95B2E200FEA7

Reference and Administrative Details

Status	The Literacy Pirates Limited is a charitable company limited by guarantee, incorporated on 28 September 2011 and registered as a charity on 16 December 2011.
Governing Document	The company was established under a memorandum of association, amended by special resolution on 8 December 2017, which established the objects and powers of the charitable company and is governed under its articles of association.
Company registration number	07790039
Charity registration number	1145115
Registered Office	138 Kingsland High Street, London, E8 2NS
Principal Office	138 Kingsland High Street, London, E8 2NS
Board of Trustees	Philip Aldis Alon Avner (resigned 1 November 2023) Nicholas Canning (Chair) Melanie Exon Katherine Fennell (resigned 13 March 2024) Chady Jouny (appointed 27 November 2024) Emma King (resigned 13 March 2024) Daniel Levy (appointed 27 November 2024) Fiona McAuslan Aisha Miller-Dyer Lea Mladineo (appointed 27 November 2024) Paul Mundy-Castle (resigned 3 September 2024) Funmbi Ogundiwin (appointed 27 November 2024) Amanda Salloum (appointed 27 November 2024) James Westhead (resigned 13 March 2024) Helene Williamson (appointed 27 November 2024)
Chief Executive	Jude Williams
Telephone	0203 327 1777
Website	www.literacypirates.org
Email	admin@literacypirates.org
Bankers	Unity Trust Bank Plc PO Box 7193 Planetary Road Willenhall WV1 9DG Aldermore Bank PLC 1st Floor, Block B, Western House Lynch Wood Peterborough PE2 6FZ

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	Flagstone Group Ltd 1st Floor, Clareville House 26-27 Oxendon Street London, SW1Y 4EL
Auditors	Chariot House Limited Chartered Accountants and Statutory Auditor 44 Grand Parade Brighton BN2 9QA
Senior Statutory Auditor	Shona Wardrop CA

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Ahoy!

We are pleased to share with you our 2023-24 report of the trustees where we share what has happened over the year at The Literacy Pirates.

We reflect on what the children attending our programme, we call them Young Pirates, have achieved since Sept 2023 through our in-person, in Hackney and Haringey, and online programme, the Virtual Ship. We share are impact and achievements as well as introduce our next strategy. www.literaycpirates.org/impact-report

The Literacy Pirates Board of Trustees [Trustees] present their report and the external auditors report for the period 1 Sept 2023 to 31 Aug 2024.

The reference and administrative information forms part of this report, and the financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Charities SORP (2019).

About us

The Literacy Pirates makes a transformative impact on the literacy, confidence and perseverance of children so that they can achieve both at school and in the world beyond.

The Literacy Pirates works exclusively with children who are nominated by their schools because they are underachieving at school *and* have fewer opportunities in their personal lives. Schools are best placed to identify children who are both falling behind in class and have fewer opportunities in their personal circumstances.

Literacy is key to good school and life outcomes. So, at the Literacy Pirates children take part in reading and writing practice provided at our high quality, after school learning programme.

We work with children aged 9 to 13 years old, around the transitional years between primary and secondary school. We focus on those children who have major barriers to educational success because of their parent's/families' socio-economic background at a time in their school career when traditional children slide backwards in their literacy attainment.

The programme is devised and led by teachers, supported by adult volunteers giving children extra personalised attention. It takes place in our specially created pirate-themed fantastical learning environments, in-person and online, that are joyful and relentlessly positive. We believe that young people learn best when working towards tangible, published projects; so each term our Young Pirates create high quality published books, films and apps.

Why we are needed

On average children who come to The Literacy Pirates are 12 to 36 months behind in their reading age. This means it is difficult to keep up with their richer peers in class. This can lead to disengagement from school and even exclusion. This is especially concerning because reading for pleasure is a primary factor associated with school success, even over socio-economic background (OECD, 2002).

Schools and families are looking for solutions to improve their children's literacy, quickly and sustainably. We provide this. Our learning programme focuses on boosting literacy skills, as well as developing the children's love of reading and cognitive skills, all to help them achieve at school.

Our programme is devised and led by teachers

The programme is based on 'Reading for Pleasure' and 'redrafting writing' and 'speaking aloud' pedagogies, as well as the principles that a low risk, positive environment gives children the ability to reinvent themselves as successful learners.

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The Young Pirates read at each session, working through a set text that challenges them and having plenty time to choose and talk about books. The pace of reading is set by the children with their adult volunteer. In the second half of the session they undertake writing activities, which over a six-week period, create an extended redrafted piece of writing. We publish these pieces of writing so they can feel proud of their hard work.

The content of the programme is drawn from the Young Pirates own experiences and passions. The skills in reading and writing that are taught in school, are practiced at the Literacy Pirates.

121 and small group adult support

Young Pirates are supported during sessions by our Crewmates, adult volunteers. This gives them real-time feedback and motivation as volunteers act like cheerleaders.

The volunteers are recruited and trained to confidently support literacy practice and to be a positivity boost for the Young Pirates. Their motivating presence is one of our impact drivers. We had a growing community of trained adults who join sessions on a regular basis and provide one to one or small group support.

We believe it is important that our Young Pirates work with people from a diverse range of backgrounds. We recruit volunteers from the local community and reach others further afield through our partnerships with universities and corporates.

Motivating Published Projects

We publish our Young Pirates' work as high-quality products, in order to give them tangible outcomes and a sense of accomplishment. We celebrate effort and help foster confidence and pride in their work. At the end of each term we bring together family and friends at joyous events that showcase the children's work.

During 2023-24 we proudly published the Young Pirate's work in books, newspapers, a screening at The Rio Cinema and poster campaigns. You see some of these products at www.literacypirates.org/young-pirates-work

Achievements and Impact

Ship Building: 2021-24

Having started our three-year strategy in Sept 2021 we have achieved much. In fact we increased our numbers of Young Pirates from 270 to 467, a 72% increase.

In this past year progress against our strategic goals has been good.

Strategic goal 1 - Increase the impact of the programmes.

The impact has been steady and improvements to the programme ensured we exceeded our targets on three of the four measures. 83% of Young Pirates made progress in their literacy on the term-long Virtual Ship and 100% of Young Pirates of the year-long in-person programme.

We have published our Theory of Change and made good use of our new measurements tools and look forward to assessing our impact against larger datasets in the coming year.

Strategic goal 2 - Increase the number of school partnerships.

School partnerships have grown from 31 to 40 in Hackney, Haringey, Barking & Dagenham, Ilford and Lambeth.

There is now a waiting list of schools for the next two terms. Our school's partnership work has been strengthened by a new app that allows families to register speedily once their child is referred by their school, and improved impact emails helping school leaders demonstrate the value of the programme.

Strategic goal 3 - Increase the number of volunteers recruited.

With investment in the volunteer management team, we have grown the number of volunteers from 240 to 380. Our community of volunteers are recruited through universities, corporate partnerships, local outreach

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and social media. Haringey has been particularly difficult to recruit volunteers for the in-person programme, which was a contributing factor in deciding to move those operations online. We have found new routes to a diverse pool of volunteers through recruitment sites like Indeed and increased our social media content to attract young professionals.

Strategic goal 4 - Increasing the funds raised.
The team has been successful with income generation, with fundraised income at close to £1,000,000 this year. Given the growing competitive fundraising environment we are pleased with the results and made use of reserves that had built up since 2020. We continue to invest in our corporate partnerships and major donor programmes going forward to ensure we continue to diversify our income streams.

Strategic goal 5 - Build the organisational capacity.
The board led a strategic review which led to a new strategy for 2024 that focuses on growing the reach of the Virtual Ship. To best achieve this we moved our Haringey schools onto the Virtual Ship and closed the physical premises in Tottenham. This allows us to concentrate more fully on the Virtual Ship and reduce costs going forward. Our offices and an in-person programme remain in Dalston, Hackney.

Ensuring we recruit and retain excellent staff is critical to our success. We have increased the specialisms with the team, adding digital expertise. Having shifted in the last two years to working with an agile approach we have been able to embrace challenges and address them at pace.

Through consultation we have worked on our culture, ensuring we are a good place to work and invested in a senior leader to progress this work in the coming year.

Impact Reporting
92% of the children we worked with were in receipt of Pupil Premium Funding, care experience, or specific teacher-identified socio-economic barriers. This means we are working with the right children and the following results demonstrate the impact we consistently make.

We are committed to a rigorous and thoughtful approach to monitoring and evaluating the impact our learning programme makes. Using best practice and with the support of Trust Impact, we changed our measurement tools, adding more validated data questions to give us larger datasets to draw comparison from. We use a mixture of qualitative and quantitative approaches to fully understand the impact.

In 2023-24 we used the following tools:

- STAR Norm Referenced Standardised Score
- Quantitative surveys with children, parents and teachers investigating progress in each of our core skill areas.
- Briefings with staff and volunteers, before and after Sessions to understand what is working well and what needs adjustment.
- Focus groups with children and parents.

Outcome 1 Reading - Children have improved reading skills and enjoy reading
Young Pirates read with an adult at their weekly sessions. We promote Reading for Pleasure, allowing children to have a choice in what they read and creating a social environment of 'book talk'. Volunteers motivate the children to keep reading and check for comprehension.

83% on the Virtual Ship term-long programme, and 100% in person year long Young Pirates made progress in their literacy.

"The Literacy Pirates has helped me with my reading and making myself not too shy to read out loud... I am more confident and I put my hand up more."
Maya, Young Pirate, aged 11

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Outcome 2 Writing - Children have improved writing skills and write more.
Young Pirates create a piece of writing across each half-term. Over the six-week period they embark on a cycle of imagining, drafting and redrafting their written work. This process embeds learning and creates a piece of work that took effort. We publish the children's work in tangible projects in order to provide motivation and a sense of achievement.

Outcome 3 Confidence - Children have increased confidence as learners in the classroom.
We create a safe space for making mistakes and provide tangible challenges to work towards, as well as giving the Young Pirates opportunities to present their work and celebrate their achievements as often as possible. We give children the confidence to ask questions, share their work and try in class, not just at our sessions.

90% of teachers saw an increase in confidence of the children.

Outcome 4 Perseverance - Children have increased levels of perseverance, put in more effort and keep going when things are hard.
Academic success is hard work. We create an environment where children can feel successful and understand that success takes perseverance. Using established approaches like modelling, co-construction and guided reflection we help children to develop strategies for thinking about their own learning, or metacognition.

84% of teachers said children tried harder in class and 92% of parents & carers agreed.

"Interventions such as Literacy Pirates provide young people in Haringey a space to dream and explore, all the while nurturing a love of literacy and oracy. Their practice transformative, pure and simple. Thank you for everything, Literacy Pirates!!"
Teacher in Haringey

The Virtual Ship: 2024-27

Our online digital programme, **Virtual Ship,** is now an established programme, with growing school demand.

It offers us the opportunity to work with children and communities who would not be able to come to a physical venue and live in more remote areas. We are excited by its unique offer and the exciting potential to reach many more children.

That's why our new strategy for 2024 to 2027 focuses on the growth of the Virtual Ship. Every term we will increase the number of Young Pirates onboarded to the Virtual Ship, by 10-15%.

Our north star is to harness the potential of tech to reach 350 children per term, with the same rigour and joy and ultimately give them the tools, mindset and confidence to succeed at school and beyond.

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Trustee governance & management

The organisation was established as a charitable company under a memorandum of association, which established the objects and powers of the charitable company and is governed under its articles of association. In accordance with the articles of association, the trustees retire by rotation at the end of their terms of office and are eligible for re-election. The Trustees delegate the day to day management of the charity to the Chief Executive. The Trustees have read and had due regard to the Charity Commission's public benefit guidance and confirm that the charity's work meets the requirements.

Organisation

The board of trustees, which can have up to 15 members, administers the charity. The Articles of Association require that there should be a minimum of 5 and a maximum of 15 trustees. During the year the number of trustees fell from 10 to 5, two as planned and a further three for unforeseen circumstances. However, we successfully replenished the board with six new, highly skilled trustees who will join the board in Nov 2024.

The Board meets approximately three times a year. All have given their time and advice outside and beyond the board meeting through the Advisory Committee structure. All new Trustees receive orientation and induction training, as well as annual Safeguarding training for all.

Appointment of Trustees

The directors of the company are also charity trustees for the purposes of charity law. Under the requirements of the Memorandum and Articles of Association, trustees retire after two year periods, and can be re-elected for upto four terms, eight years. The board of trustees has power to appoint a trustee during the year.

Trustee Recruitment

Trustees are recruited on the basis of relevant skills and empathy towards the organisation's charitable objectives. The organisation uses open recruitment, specialist trustee recruitment databases and social media campaigns to find trustees.

Trustee Induction and Training

Potential new trustees are invited to attend a board meeting prior to appointment. New trustees undergo orientation to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the board of trustees and decision making processes, the business plan and recent financial performance of the charity. Safeguarding and child protection are also key elements of the induction training. During the orientation they meet key employees and other trustees, and are given an overview of the activities of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Reserves Policy

The Trustees review the charity's reserves policy annually, to ensure we have reserves to allow for planned growth. The policy is to hold reserves of three to six months of operating expenditure.

The Charity reported a deficit for the financial period though continued to comply with our reserves policy, having free reserves of £544,205 equating to 5.7 months of operating cost cover at the reporting date. (2022-23: £654,239 equating to 7.1 months of operating costs).

The deficit was planned, using free reserves accumulated over previous years and allowing investment in team personnel and infrastructure.

Statement of Trustees' Responsibilities

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

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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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Risk Review

The Board retains a strategic risk register, updated before each board meeting. The major risks to the organisation mirror our priority areas of school and volunteer recruitment and fundraising.

We are pleased that the volunteer numbers have steadily improved, and school partnerships increased. As the fundraising landscape hardens, we are also impacted, though please to of again reached the £1million mark. Reserve levels have fallen as we make use of accumulated income, and now is time to look for new investment.

Our investment in the senior leadership team with a Head of Partnerships & Development and Head of Operations & People will bring specialism and capacity to surmount the challenges ahead. These are fundraising and also the increased use of technology and AI.

Finally…

Thank You. Our thanks go especially to our ever-increasing community of volunteers, school partners and our funders – all of whom are the driving force that enables us to deliver our programme and impact.

Thank You for joining us in our adventures in learning.

A salute to you all!

NAC
Nick Canning (Feb 7, 2025 12:04 GMT)

Feb 7, 2025

Nick Canning, Chair of Trustees

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Report of the Independent Auditor to the Members of The Literacy Pirates Limited

Opinion

We have audited the financial statements of The Literacy Pirates Limited (the 'charitable company') for the year ended 31st August 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 31st August 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 Report of the Independent Auditors 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

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whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the 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.

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We discussed identified laws and regulation, fraud risk factors and the need to remain alert among the audit team.

The charitable company is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statements disclosures and agreeing them to supporting documentation where necessary.

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The charitable company is subject to many other laws and regulations where the consequence of non-compliance could have a material effect on amounts or disclosure in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, environmental law.

We did not find any instances of non-compliance or breaches of the legislation framework applicable to the charitable company.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We identified that the following areas were of high risk:
- Completeness of income. We performed various audit tests to ensure that income was not materially understated in the financial statements.
- Management override of controls. We performed various audit tests to ensure there was no material management override of controls

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, UK tax legislation, Charities Act 2011 and Charities SORP 2019. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel when considered necessary. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of management bias by the directors that represented a risk of material misstatement due to fraud.

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 Report of the Independent Auditors.

Use of our report

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

Shona Wardrop

Shona Wardrop CA (Senior Statutory Auditor)
for and on behalf of Chariot House Limited
Chartered Accountants and Statutory Auditor, 44 Grand Parade, Brighton, BN2 9QA

Date: 13 February 2025

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The Literacy Pirates Limited
Statement of Financial Activities (Including Income and Expenditure Account)
For the financial year ended 31st August 2024

	Note	Restricted 2023-24	Unrestricted 2023-24	Total 2023-24	Total 2022-23
		£	£	£	£
Income					
Donations & legacies	**2**	520,409	427,298	947,707	902,244
Charitable activities	**3**	-	51,000	51,000	105,843
Investment income	**4**	-	30,147	30,147	17,100
Trading income	**5**	-	19,909	19,909	16,465
Other income	**6**	3,852	204	4,056	6,245
Total Income		524,261	528,558	1,052,819	1,047,897
Expenditure					
Raising funds	**7**	15,998	160,810	176,808	208,975
Charitable activities	**8**	484,966	486,954	971,920	895,277
Total Expenditure		500,964	647,764	1,148,728	1,104,252
Net Income/(Expense)		23,297	(119,206)	(95,909)	(56,355)
Transfers Between Funds		-	-	-	-
Net Movement Between Funds		23,297	(119,206)	(95,909)	(56,355)
Total Funds Brought Forward		179,109	671,561	850,670	907,025
Total Funds Carried Forward		202,406	552,355	754,761	850,670

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The Literacy Pirates Limited
Balance Sheet
As at 31st August 2024

Company Registration Number: 7790039

	Note	2023-24 £	2022-23 £
Fixed Assets			
Tangible Fixed Assets	**13**	8,150	17,322
		8,150	17,322
Current Assets			
Debtors	**14**	78,119	64,130
Cash at bank and in hand		929,412	856,533
		1,007,531	920,663
Liabilities			
Creditors: amounts falling due within one year	**15**	260,920	87,315
Net Current Assets		746,611	833,348
Total Assets less Current Liabilities		754,761	850,670
The Funds of the Charity			
Restricted funds	**18**	202,406	179,109
Designated funds	**19**	8,150	17,322
Unrestricted funds	**19**	544,205	654,239
Total Charity Funds		754,761	850,670

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 27 November 2024 and were signed on its behalf by:

NA
Nick Canning (Feb 7, 2025 12:04 GMT)

Nick Canning, Chair

Date: Feb 7, 2025

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The Literacy Pirates Limited
Statement of Cash Flows
For the financial year ended 31st August 2024

	Note	2023-24	2022-23
		£	£
Cash flows from operating activities			
Net cash flow from operating activities	20	42,732	(101,398)
Cash flows from investing activities:			
Purchase of tangible fixed assets		0	(12,795)
Interest income		30,147	17,100
Net cash flow from investing activities:		30,147	4,305
Net increase/(decrease) in cash and cash equivalents in the period		72,879	(97,093)
Net cash and cash equivalents at the start of the period		856,533	953,626
Net cash and cash equivalents at the end of the period		929,412	856,533

Cash and cash equivalents are made up of cash held at the bank, in hand, and in deposit accounts only.
These comprised of:

	2023-24	2022-23
	£	£
Cash in hand	3	106
Cash at bank	504,120	262,710
Cash on short term deposit	425,289	593,717
	929,412	856,533

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The charity is a company limited by guarantee incorporated in England and Wales. The registered office is 138 Kingsland High Street, London, E8 2NS.

1) Accounting Policies

Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102 (effective 1 January 2019) – (Charities SORP (FRS102)), and the Companies Act 2006.

The Charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been drawn up for a 12 month period from the 1st September 2023 to the 31st August 2024. The comparative financial statements, described as "2022-23" in the notes to the financial statements, cover the period 1st September 2022 to 31st August 2023.

The accounts have been prepared under the historic cost convention, unless otherwise stated in the accounting policies.

Assessment of going concern

The Charity recorded a deficit of £95,909 in the financial period and held net cash of £929,412 and free reserves of £544,205 at the balance sheet date.

At the time of approving the financial statements, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. In reaching this opinion, the trustees have considered forward budgets and cash flow forecasts for a period of at least 12 months from the date of signing accounts. The trustees continue to adopt the going concern basis in accounting in preparation of financial statements.

Fund accounting

Unrestricted funds are general funds that are available for use at the trustees' discretion in furtherance of the objective of the charity.

Designated funds are funds established by the trustees from time to time for specific projects or purposes, are not in any way restricted and any surplus or deficit will be transferred to/from the general purposes fund when the designated fund is closed. The value of fixed tangible assets, net of depreciation, is included under designated funds as this value is considered unavailable for general purposes.

Restricted funds are those donated for use in particular area of specific purposes, the use of which is restricted to that area or purpose.

Income

Incoming resources are accounted for as soon Literacy Pirates has entitlement to the income and there is both probability of receipt and the amount is measurable.

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

Income from school referral partners is deferred across the duration of the academic terms for which they have paid.

Grant income is recognised in full in the year in which it is receivable, unless there are specific performance related conditions that prevent its recognition. Where performance conditions apply, grant income is deferred until those conditions are met.

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Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. Expenditure is accounted for on an accruals basis and has been classified under headings in the SOFA in the aggregate of all costs related to that category.

Cost of raising funds relate to those specific costs incurred in organising and staging fundraising events and seeking voluntary contributions, together with employment costs of fundraising staff.

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

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs comprise those costs associated with meeting the constitutional and strategic requirements of the charity and the audit fees and costs linked to strategic management of the charity.

Volunteers

The Charity benefits from the contribution of many volunteers who give their time. In accordance with guidance in the Charities SORP FRS 102, no monetary value is included in the accounts for an equivalent time cost given by volunteers.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible within 100 days to a known amount of cash and are subject to an insignificant risk of change in value.

Tangible Fixed Assets

Tangible fixed assets costing £1,000 or more including irrecoverable VAT and incidental installation costs are capitalised, where they meet the definition of fixed assets according to the relevant financial standards in force. Tangible fixed assets are stated at cost net of depreciation charged to date. Depreciation is charged on a straight line basis to the following standards:

Leasehold Improvements	20% / 5 Years, or the duration of the lease whichever the shorter
IT Equipment	33% / 3 Years

Tangible fixed assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Investment policy and objectives

The Charity's risk appetite for financial investments is low to medium. Investments in bank savings-based products must be (a) regulated under the jurisdiction of the UK and (b) underwritten by the FSCS or other government guarantee.

Fixed term deposits may only be placed where they do not place a risk on the Charity's abilities to pay its obligations on time. At a minimum, the Charity must keep £250,000 available from a combination of the current bank account and immediately liquid investments. Fixed term deposits may only be placed for a maximum of 12 months.

Investing with social-purpose providers is favoured, however risk appetite takes precedent above ethical factors.

The Charity's policy for investment returns on rented property is to achieve fair market rates on all short and long-term sub-letting, within the parameters allowed by the head lease.

The Charity will not invest in trading subsidiaries or joint ventures unless the Board of Trustees has considered and approved a viable business plan.

The Director of Finance is responsible for the day to day management of the charity's investments. Investment performance is monitored and reported to the Finance, Audit and Risk Committee.

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Investments are stated at market value, with realised and unrealised profits charged net to the statement of financial activities.

Financial instruments

The charity has only financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and are subsequently measured at their settlement value with the exception of bank loans which are measured at amortised cost using the effective interest method.

Financial Assets

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

Financial Liabilities

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

Operating leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expenses when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Defined contribution pension scheme

The Charity operates a defined contribution pension scheme that is compliant with Auto-Enrolment legislation. The defined contribution pension scheme costs charged in the statement of financial activities represent the employer's pension contributions payable by the Charity, and the balance payable reported in the notes to the accounts represents a combination of employers' contributions and employees' deductions payable at the balance sheet date.

Critical accounting estimates and judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Trustees do not consider there to be any estimates or judgements that are critical to the financial statements.

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2) Voluntary Income (Donations and Legacies)

	Restricted Funds 2023-24	Unrestricted Funds 2023-24	Total Funds 2023-24	Total Funds 2022-23
	£	£	£	£
AKO Foundation	55,737	-	55,737	52,500
Allan & Nesta Ferguson Charitable Trust	-	-	-	10,000
Amazon	5,000	-	5,000	-
Axa	-	-	-	14,738
Bain Capital Children's Fund Europe	106,609	-	106,609	82,730
Bloomberg L.P.	-	2,000	2,000	3,189
Charles Jacob Charitable Trust	-	50	50	-
Charles S French Charitable Trust	4,000	-	4,000	4,000
Clarion Futures	5,000	(2,500)	2,500	2,500
CPF Trust	-	1,000	1,000	1,000
David Tebbutt Trust	-	1,500	1,500	1,500
Fitch Group	-	3,000	3,000	-
Forterra Building Products	-	-	-	1,000
FundApps	-	15,000	15,000	10,000
Giles UK Ltd	-	1,000	1,000	-
Good Things Foundation	4,200	-	4,200	-
Google	-	3,899	3,899	6,255
Herefordshire Community Foundation	3,000	-	3,000	3,000
Investec	6,000	-	6,000	-
Jack Petchey Foundation Company	-	-	-	(1,645)
J J Charitable Trust	15,000	-	15,000	-
Kekst CNC	-	1,250	1,250	-
Kusuma Trust	-	-	-	25,000
L&Q Placemakers Fund	5,000	-	5,000	5,000
Lord Barnby Foundation	-	-	-	2,000
Lucas-Tooth Foundation	-	-	-	1,000
Mabs Mardulyn Charitable Foundation	-	5,000	5,000	-
M&G Community Fund	2,500	-	2,500	-
M&S Fund	-	-	-	1,000
National Grid	20,000	-	20,000	-
Phillips 66 Ltd	-	1,500	1,500	1,600
Raise your Hands	-	28,393	28,393	-
Salesforce	-	-	-	2,997
Scouloudi Foundation	-	30,000	30,000	5,000
Sherborne in the Community	2,500	-	2,500	-
Society of the Holy Child Jesus	15,000	-	15,000	-
Swire Charitable Trust	-	25,000	25,000	-
The Big Give	-	-	-	9,460
The Blue Thread	-	-	-	5,000
Subtotal Carried Forward	249,546	116,092	365,638	248,824

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2) Voluntary Income (Donations and Legacies)

Subtotal Brought Forward	249,546	116,092	365,638	248,824
The Buzzacott Stuart Defries Mem'l Fund	1,000	-	1,000	-
The Charity of Sir Richard Whittington (The Mercers' Company)	22,500	-	22,500	22,500
The Considered Ask Foundation	41,363	-	41,363	16,667
The Constable Educational Trust	57,000	-	57,000	28,000
The Dixie Rose Findlay Charitable Trust	3,000	-	3,000	-
The D'Oyly Carte Charitable Trust	3,000	-	3,000	3,000
The Foyle Foundation	-	-	-	30,000
The Generation Foundation	-	-	-	500
The Goldsmiths' Company	-	20,000	20,000	20,000
The Gosling Foundation	25,000	-	25,000	-
The Hadley Trust	-	5,000	5,000	5,000
The Haramead Trust	-	-	-	5,000
The Hargreaves Foundation	30,000	-	30,000	30,000
The Hedley Foundation	2,000	-	2,000	-
The Hiscox Foundation	-	-	-	10,000
The Lennox Hannay Charitable Trust	-	-	-	2,000
The Merchant Taylors' Foundation	3,000	-	3,000	8,000
The Pantheon Charitable Trust	-	25,000	25,000	12,500
The Pears Family Charitable Foundation	-	30,000	30,000	15,000
The Percy Bilton Charity	-	-	-	2,952
The Portal Trust	17,500	-	17,500	-
The Prince of Wales Charitable Foundation	-	-	-	5,000
The Progress Foundation	20,000	-	20,000	-
The Rest-Harrow Trust	500	-	500	-
The Salters Company	-	-	-	5,000
The Sir Trevor Chinn Charitable Trust No2	-	500	500	500
The Symondson Foundation	-	1,000	1,000	-
Tottenham Grammar School Foundation	5,000	-	5,000	5,000
UBS	-	-	-	18,000
Walcot Foundation	25,000	-	25,000	30,000
West Hackney Parochial Charity	15,000	-	15,000	15,000
Other Corporate Giving	-	3,143	3,143	1,454
Other Trusts & Foundations	-	72,500	72,500	80,500
Individual Giving	-	154,063	154,063	271,269
Legacy Giving	-	-	-	10,578
Totals	520,409	427,298	947,707	902,244

(2022-23: £440,135 of funds were restricted and £462,109 were unrestricted)

The Literacy Pirates would like to thank all our funders. This includes those that joined the Captain's Collective and those donors giving multi-year funding, including our Pirate Pals, giving monthly donations. Also those Trusts and Foundations, individuals and corporates who choose to give anonymously, plus everyone who offers us pro-bono support.

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3) Income from Charitable Activities

	Total Funds 2023-24	Total Funds 2022-23
	£	£
Income from School Referral Partners	21,000	45,843
Income from Alternative Provision	30,000	60,000
Total	51,000	105,943

The income listed above relates to the one charitable activity: promoting the education of people in the UK through support to develop their literacy and creativity. All income from charitable activities was unrestricted. (2022-23: all income was unrestricted).

4) Investment Income

	Total Funds 2023-24	Total Funds 2022-23
	£	£
Interest on Bank Deposits	30,147	17,100
Total	30,147	17,100

All investment income was unrestricted (2022-23: all income unrestricted).

5) Trading Income

	Total Funds 2023-24	Total Funds 2022-23
	£	£
Property Sub-let rent & service charges	18,779	15,144
Occasional Room Hire	1,130	1,321
Total	19,909	16,465

All trading income was unrestricted (2022-23: all income unrestricted).

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6) Other Income

	Restricted Funds 2023-24	Unrestricted Funds 2023-24	Total Funds 2023-24	Total Funds 2022-23
	£	£	£	£
Charges for Staff Attendance at Events	-	-	-	200
DWP Access to Work Grants	3,852	(250)	3,602	6,025
Sundry Reimbursements	-	454	454	20
Total	3,852	204	4,056	6,245

(2022-23: £6,025 of funds were restricted and £220 were unrestricted).

7) Expenditure on Raising Funds

	Restricted Funds 2023-24	Unrestricted Funds 2023-24	Total Funds 2023-24	Total Funds 2022-23
	£	£	£	£
Staff costs	15,998	144,196	160,194	136,952
Other fundraising costs	-	16,614	16,614	72,023
	15,998	160,810	176,808	208,975

(2022-23: £3,326 of expenditure was restricted and £205,649 unrestricted).

8) Expenditure on Charitable Activities

	Restricted Funds 2023-24	Unrestricted Funds 2023-24	Total Funds 2023-24	Total Funds 2022-23
	£	£	£	£
Staff costs	411,866	305,213	717,079	653,013
Education materials and activities	28,111	14,719	42,830	47,320
Volunteer costs	5,736	3,460	9,196	5,446
Fantastical space costs	34,007	79,679	113,685	96,951
Depreciation	-	9,172	9,172	11,244
Other costs	2,365	33,205	35,570	51,234
Support costs (see note 9)	2,881	33,868	36,749	24,325
Governance costs (see note 9)	-	7,638	7,638	5,744
	484,966	486,954	971,920	895,277

(2022-23: restricted expenditure was £468,844 and unrestricted expenditure £426,433).

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9) Support and Governance Costs

	Restricted Funds 2023-24	Unrestricted Funds 2023-24	Total Funds 2023-24	Total Funds 2022-23
Support costs:	**£**	**£**	**£**	**£**
IT and telephone costs	792	27,121	27,913	16,517
Office supplies	2,089	4,837	6,926	6,291
Other costs	-	1,910	1,910	1,517
Total support costs:	2,881	33,868	36,749	24,325
Recharged to charitable activities	- 2,881	- 33,868	- 36,749	- 24,325
Governance costs:				
Audit Fees	-	7,440	7,440	5,670
Trustee meeting costs	-	198	198	74
Total governance costs:	-	7,638	7,638	5,744
Recharged to charitable activities	-	- 7,638	- 7,638	- 5,744

(2022-23: £3,294 of support costs expenditure was restricted, £21,031 was unrestricted. All Governance costs were unrestricted)

10) Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation Tax purposes. Accordingly the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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11) Comparatives for the Statement of Financial Activities

	Restricted 2022-23	Unrestricted 2022-23	Total 2022-23
	£	£	£
Income			
Donations & legacies	440,135	462,109	902,244
Charitable activities	-	105,843	105,843
Investment income	-	17,100	17,100
Trading income	-	16,465	16,465
Other income	6,025	220	6,245
Total Income	446,160	601,737	1,047,897
Expenditure			
Raising funds	3,326	205,649	208,975
Charitable activities	468,844	426,433	895,277
Total Expenditure	472,170	632,082	1,104,252
Net Income/(Expense)	(26,010)	(30,345)	(56,355)
Transfers Between Funds	3,525	(3,525)	-
Net Movement Between Funds	(22,485)	(33,870)	(56,355)
Total Funds Brought Forward	201,594	705,431	907,025
Total Funds Carried Forward	179,109	671,561	850,670

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The Literacy Pirates Limited
Notes to the Financial Statements
For the financial year ended 31st August 2024

12) Staff Costs

	2023-24	2022-23
	£	£
Wages and salaries	788,643	717,238
Social security costs	72,268	59,654
Pension costs	16,362	13,074
	877,273	789,966

One employee earned remuneration of between £60,000 and £70,000 (2022-23: one employee earned between £60,000 and £70,000).

The average number of employees during the period were 26 (2022-23: 26). Employees are counted irrespective of whether the worker is employed full time or part time, in accordance with the requirements of the SORP. As the Charity employs some part time and sessional workers, the average head count would be 22 based on full time equivalents (2022-23: 22).

Key management personnel.
The trustees consider the Board of Trustees, Chief Executive Officer, Director of Fundraising, Director of Finance, Head of Partnerships & Development and Head of Operations & People to be the key management personnel of the charity in charge of directing and controlling the charity and running the charity on a day to day basis.

All trustees give their time freely and no trustee remuneration was paid in the year. Details of trustees expenses and related party transactions are disclosed in the notes of the accounts.

Trustees are required to disclose all relevant interests and register them with the board in accordance with the charity's policy.

The pay of the CEO along with all staff is reviewed annually by the Board and when appropriate increased taking into consideration inflation, average salaries in the area and salaries of other similar sized charities to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

The Head of Partnerships & Development joined in September 2024 and The Head of Operations & People joined the Senior Leadership Team in August 2024. The Director of Fundraising left the charity in June 2024. Disclosure of remuneration for key management personnel covers the period they were part of the Senior Leadership Team. Included in the above staff costs are the remuneration paid to key management personnel over the financial period:

	2023-24	2022-23
	£	£
Wages and salaries	176,981	164,546
Social security costs	19,612	17,855
Pension costs	3,744	3,122
	200,337	185,523

The charity operates a defined contribution pension scheme provided by The People's Pension which satisfies the requirements of automatic enrolment pension legislation.
At the end of the year, amounts of £3,385 were due to the pension scheme provider (2022-23: £2,988).
Pension costs are allocated to the one charitable activity. These costs are split between restricted and unrestricted funds in line with the individual funding agreements.

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13) Tangible fixed assets

	Leasehold Improvements	Computer Equipment For Learning	Computer Equipment For Staff	Total
	£	£	£	£
Cost or valuation:				
At the start of the financial period	25,411	20,292	17,911	63,614
Additions in the financial period	-	-	-	-
Disposals in the financial period	(25,411)	-	-	(25,411)
At the end of the financial period	-	20,292	17,911	38,203
Depreciation:				
At the start of the financial period	23,716	17,988	4,588	46,292
Charge for the financial period	1,695	1,508	5,969	9,172
Depreciation on dispsals in the period	(25,411)	-	-	(25,411)
At the end of the financial period	-	19,496	10,557	30,053
Net book value:				
At the start of the financial period	1,695	2,304	13,323	17,322
At the end of the financial period	-	796	7,354	8,150

14) Debtors

	2023-24	2022-23
	£	£
Trade debtors	37,515	26,573
Prepayments	16,289	24,744
Accrued Income	10,648	6,506
Other debtors	13,667	6,307
	78,119	64,130

15) Creditors

	2023-24	2022-23
	£	£
Trade creditors	19,368	23,514
Taxation and social security	8,128	-
Accruals	13,112	8,118
Other creditors	7,228	6,511
Deferred income (see note 16)	213,084	49,172
	260,920	87,315

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16) Deferred Income

	2023-24 £	2022-23 £
Deferred income brought forward	49,172	56,442
Amount released to income from Charitable Activities	(48,051)	(55,321)
Amount of income deferred during the financial period	211,963	48,051
Deferred income held at the end of the financial period	213,084	49,172

Deferred income relates to funds received in the period but where the trustees judge that the criteria for recognition is not yet met. Typically these incomes come from either restricted grants that are ringfenced for staff salaries, or income from school partners that is earned across the academic years for which they fund. Of the deferred income amount brought forward from 2022-23, £48,051 was released to income in 2023-24. The new amount of deferred income in 2023-24 was £213,084 and this amount is carried forward to spend in the future financial periods in accordance with the conditions set by donors. In particular, the reason for the large increase in deferred income is a multi-year gift with conditions, received in advance from a major donor.

17) Analysis of Net Assets Between Funds

	Restricted Funds 2023-24 £	Designated Funds 2023-24 £	Unrestricted Funds 2023-24 £	Total Funds 2023-24 £
Tangible Fixed Assets	-	8,150	-	8,150
Cash at bank and in hand	202,406	-	727,006	929,412
Debtors	-	-	78,119	78,119
Less: current liabilities	-	-	(260,920)	(260,920)
	202,406	8,150	544,205	754,761

	Restricted Funds 2022-23 £	Designated Funds 2022-23 £	Unrestricted Funds 2022-23 £	Total Funds 2022-23 £
Tangible Fixed Assets	-	17,322	-	17,322
Cash at bank and in hand	179,109	-	677,424	856,533
Debtors	-	-	64,130	64,130
Less: current liabilities	-	-	(87,315)	(87,315)
	179,109	17,322	654,239	850,670

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18) Restricted Funds

	As at 1st Sept 2023 £	Income 2023-24 £	Expenditure 2023-24 £	Transfers 2023-24 £	As at 31st Aug 2024 £
AKO Foundation	-	55,737	(55,737)	-	-
Amazon	-	5,000	(5,000)	-	-
Bain Capital Children's Fund Europe	82,500	106,609	(82,665)	-	106,444
Charles S French Charitable Trust	-	4,000	(4,000)	-	-
Clarion Futures	-	5,000	(5,000)	-	-
Good Things Foundation	-	4,200	-	-	4,200
Herefordshire Community Foundation	-	3,000	(3,000)	-	-
Investec	-	6,000	(6,000)	-	-
J J Charitable Trust	-	15,000	-	-	15,000
Kusuma Trust	25,000	-	(25,000)	-	-
L&Q Placemakers Fund	-	5,000	(5,000)	-	-
Lord Barnby Foundation	2,000		(2,000)	-	-
M&G Community Fund	-	2,500	(2,500)	-	-
National Grid	-	20,000	(20,000)	-	-
Sherbourne in the Community	-	2,500	(2,500)	-	-
Society of the Holy Child Jesus	-	15,000	-	-	15,000
The Buzzacott Stuart Defries Mem'l Fund	-	1,000	-	-	1,000
The Charity of Sir Richard Whittington (The Mercers' Company)	22,500	22,500	(27,657)	-	17,343
The Considered Ask Foundation	-	41,363	(41,363)	-	-
The Constable Educational Trust	-	57,000	(57,000)	-	-
The Dixie Rose Findlay Charitable Trust	-	3,000	(3,000)	-	-
The D'Oyly Carte Charitable Trust	-	3,000	(3,000)	-	-
The Foyle Foundation	12,109	-	(12,109)	-	-
The Gosling Foundation	-	25,000	-	-	25,000
The Haramead Trust	5,000	-	(5,000)	-	-
The Hargreaves Foundation	-	30,000	(30,000)	-	-
The Hedley Foundation	-	2,000	(2,000)	-	-
The Merchant Taylors' Foundation	-	3,000	(3,000)	-	-
The Portal Trust	-	17,500	(17,500)	-	-
The Progress Foundation	-	20,000	(20,000)	-	-
The Rest-Harrow Trust	-	500	-	-	500
The Salters Company	5,000	-	(5,000)	-	-
Tottenham Grammar School Foundation	-	5,000	(5,000)	-	-
UBS	15,000	-	(15,000)	-	-
Walcot Foundation	-	25,000	(7,081)	-	17,919
West Hackney Parochial Charity	-	15,000	(15,000)	-	-
Individual Giving	10,000	-	(10,000)	-	-
Other Income (DWP Access to Work)	-	3,852	(3,852)	-	-
Total	179,109	524,261	(500,964)	-	202,406

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18) Restricted Funds Continued

Restricted funds:

AKO Foundation	A two-year grant towards the learning programme; specifically a Volunteer Co-ordinator and Education Team Assistant for the virtual ship.
Amazon	A grant to help fund the book project in Hackney for the Autumn 2023 term.
Bain Capital Children's Fund Europe	A grant to help expand the impact and reach of the virtual learning programme.
Charles S French Charitable Trust	A grant towards the costs of the Making a Movie Project.
Clarion Futures	A grant towards the costs of running the Virtual Ship programme.
Good Things Foundation	The donor's Digital Inclusion Capability Grant to help expand the virtual programme.
Herefordshire Community Foundation	A grant towards the costs of the Film Project.
Investec	A grant to help fund the book project in Hackney for 2024.
J J Charitable Trust	Funding to support the in-person and virtual learning programme.
Kusuma Trust	A grant towards volunteering activities of the charity.
L&Q Placemakers Fund	A grant towards the running costs of the virtual ship.
Lord Barnby Foundation	A grant towards the costs of the Book Project.
M&S Fund	A grant to support the general learning programme.
National Grid	Funding to support the virtual learning programme, 2023-24.
Sherborne in the Community	A grant to help fund the in-person movie project, summer 2024 term.
Society of the Holy Child Jesus	A one year grant to support the core costs of running the virtual learning programme.
The Buzzacott Stuart Defries Mem'l Fund	A grant to help fund the Hackney young author's project, Autumn 2024 term.
The Charity of Sir Richard Whittington (The Mercers' Company)	Funding for the Haringey Ship.
The Considered Ask Foundation	A grant towards the salary of the School Partnerships Manager.
The Constable Educational Trust	A tech fund grant towards developing the Virtual Ship programme.
The Dixie Rose Findlay Charitable Trust	A grant towards the running costs of the virtual ship.
The D'Oyly Carte Charitable Trust	A grant towards the Film Project.
The Foyle Foundation	A grant towards the costs of running the Virtual Ship programme.
The Gosling Foundation	A grant to help fund the virtual ship, 2023-24
The Haramead Trust	A grant towards the costs of the Book Project.
The Hargreaves Foundation	A grant to support the general learning programme.
The Hedley Foundation	A grant to help fund the in-person movie project, summer 2024 term.
The Merchant Taylors' Foundation	A grant towards the costs of the Book Project.
The Portal Trust	A grant towards the Young Authors' Book Project.
The Progress Foundation	A grant to support the running costs of the virtual programme.
The Rest-Harrow Trust	A grant to help support the 2024 young authors project.
The Salters Company	A grant to support the general learning programme.
Tottenham Grammar School Foundation	A grant towards the costs of running the Haringey learning programme.
UBS	A grant sponsoring one school on the programme.
Walcot Foundation	A grant towards the costs of running the virtual learning programme in Lambeth between 2022-25.
West Hackney Parochial Charity	A multi-year grant towards the costs of running the learning programme in Hackney.
Individual Giving	A grant to support the general learning programme.
DWP Access to Work	Funding to provide assistive equipment & training to charity staff members.

Docusign Envelope ID: A965A0C2-3B61-4C65-8379-95B2E200FEA7

19) Unrestricted Funds

	As at 1st Sept 2023 £	Income 2023-24 £	Expenditure 2023-24 £	Transfers 2023-24 £	As at 31st Aug 2024 £
Designated Funds:					
- Fixed asset fund	17,322	-	(9,172)	-	8,150
Total Designated funds	17,322	-	(9,172)	-	8,150
Unrestricted Funds	654,239	528,558	(638,592)	0	544,205
Total Unrestricted Funds	671,561	528,558	(647,764)	0	552,355

	As at 1st Sept 2022 £	Income 2022-23 £	Expenditure 2022-23 £	Transfers 2022-23 £	As at 31st Aug 2023 £
Designated Funds:					
- Fixed asset fund	15,771	-	(11,244)	12,795	17,322
Total Designated funds	15,771	-	(11,244)	12,795	17,322
Unrestricted Funds	689,660	601,737	(620,838)	(16,320)	654,239
Total Unrestricted Funds	705,431	601,737	(632,082)	(3,525)	671,561

Designated funds:
- Fixed asset fund. This fund reflects the value of fixed assets that are not available as part of the Charity's day to day working capital.

Unrestricted funds:
- General unrestricted funds are the free reserves after allowing for all designated funds.

20) Reconciliation of net movement in funds to net cash flow from operating activities

	2023-24 £	2022-23 £
Net movement in funds:	(95,909)	(56,355)
Add: Depreciation	9,172	11,244
Deduct: Investment income	(30,147)	(17,100)
Decrease/(increase) in debtors	(13,989)	(3,562)
Increase/(decrease) in creditors	173,605	(35,625)
Net cash flow from operating activities	42,732	(101,398)

Docusign Envelope ID: A965A0C2-3B61-4C65-8379-95B2E200FEA7

21) Lease commitments

At the balance sheet date, the charity was committed to paying the following non-cancellable operating leases in respect of land and buildings.

	2023-24 £	2022-23 £
Due in one year	25,524	55,314
Due in 2-5 years	46,794	72,318
	72,318	127,632

In 2022-23 the charity leased premises in Hackney and Haringey for the purposes of providing education sessions and a workplace for employees. After a strategic review the charity exited the Haringey premises on 31st August 2024 in order to both reduce the costs of delivering sessions and expand the online, virtual programme.
The lease on the Hackney premises is ongoing and expires 30th June 2027. The minimum commitment under the ongoing Hackney lease is disclosed for 2023-24 of this note. (2022-23: both lease commitments disclosed).

22) Related party transactions
During the financial period the company made the following related party transactions:

Trustees
No Trustee received any remuneration for their services to the Charity.

All Trustees waived their right to claim expenses from the Charity during the period. Consequently no expenses were paid to Trustees (2022-23: £nil)

Trustees made voluntary donations of £301,652 either in-person or through workplace charity giving facilities. £200,000 of these donations were deferred to future financial periods in accordance with the donor's wishes and in compliance with the charity's policy on income recognition. (2022-23: £152,860 of voluntary donations, none of which were deferred). Donations disclosed here include the value of Gift Aid where claimed.

One former Trustee who served for part of the financial period is in a position of influence or control at Bain Capital Europe. Bain Capital Children's Fund, a connected party, made grants of £106,609 in the financial period (2022-23: grants of £82,500 and £230 of employee donations).

Docusign Envelope ID: A965A0C2-3B61-4C65-8379-95B2E200FEA7

Annual Report and Accounts - Literacy Pirates 2023-24

Final Audit Report 2025-02-07

Created:	2025-02-07
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The Literacy Pirates Limited

England & Wales - Charity number 1145115

Accounts



The Literacy Pirates Limited

Annual Reports and Financial Statements

Reporting Period: 1 Sept 2022 to 31 Aug 2023

Charity registration number: 1145115

Company registration number: 07790039

Reference and Administrative Details

Status	The Literacy Pirates Limited is a charitable company limited by guarantee, incorporated on 28 September 2011 and registered as a charity on 16 December 2011.
Governing Document	The company was established under a memorandum of association, amended by special resolution on 8 December 2017, which established the objects and powers of the charitable company and is governed under its articles of association.
Company registration number	07790039
Charity registration number	1145115
Registered Office	138 Kingsland High Street, London, E8 2NS
Principal Office	138 Kingsland High Street, London, E8 2NS
Board of Trustees	Philip Aldis (appointed March 2023) Alon Avner (resigned November 2023) Nicholas Canning (Chair) Melanie Exon Katherine Fennell Emma King Fiona McAuslan Aisha Miller-Dyer Paul Mundy-Castle Erin Northey (retired July 2023) Valentina Okolo (retired Nov 2022) James Westhead
Chief Executive	Jude Williams
Telephone	0203 327 1777
Website	www.literacypirates.org
Email	admin@literacypirates.org
Bankers	Unity Trust Bank Plc PO Box 7193 Planetary Road Willenhall WV1 9DG Nationwide Building Society Nationwide House Pipers Way Swindon SN38 1NW Aldermore Bank PLC 1st Floor, Block B, Western House Lynch Wood Peterborough PE2 6FZ

	Flagstone Group Ltd 1st Floor, Clareville House 26-27 Oxendon Street London SW1Y 4EL
Auditors	Chariot House Limited Chartered Accountants and Statutory Auditor 44 Grand Parade Brighton BN2 9QA
Senior Statutory Auditor	Shona Wardrop CA

Ahoy!

We are pleased to share with you our 2022-23 annual review where we share what has happened over the year at The Literacy Pirates. The report and accounts covers the period 1 Sept 2022 to 31 Aug 2023.

We reflect on what the children attending our programme, we call them Young Pirates, have achieved since Sept 2022 through our in-person and online programmes. Their effort resulted in pride-filled book launches and incredible film premieres, improvements in their reading and writing skills as well as their confidence and perseverance in the classroom.

Report of the Trustees

The Literacy Pirates Board of Trustees [Trustees] present their report and the external auditors report for the period 1 Sept 2022 to 31 Aug 2023.

The reference and administrative information forms part of this report, and the financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Charities SORP (2019).

Structure, governance & management

The organisation was established as a charitable company under a memorandum of association, which established the objects and powers of the charitable company and is governed under its articles of association. In accordance with the articles of association, the trustees retire by rotation at the end of their terms of office and are eligible for re-election. The Trustees delegate the day to day management of the charity to the Chief Executive. The Trustees have read and had due regard to the Charity Commission's public benefit guidance and confirm that the charity's work meets the requirements.

Organisation

The board of trustees, which can have up to 15 members, administers the charity.

The Articles of Association require that there should be a minimum of 5 and a maximum of 15 trustees. During the year there were 12 trustees (on average).

The Board meets approximately four times a year. All have given their time and advice outside and beyond the board meeting. All new Trustees receive orientation and induction training.

Appointment of Trustees

The directors of the company are also charity trustees for the purposes of charity law. Under the requirements of the Memorandum and Articles of Association, one third of the trustees retire by rotation each year and must be re-elected at the annual general meeting.

The board of trustees has power to appoint a trustee during the year. Any trustee so appointed must be re-elected at the subsequent annual general meeting.

Trustee Recruitment

Trustees are recruited on the basis of relevant skills and empathy towards the organisation's charitable objectives. The organisation uses open recruitment, specialist trustee recruitment databases and social media campaigns to find trustees.

Trustee Induction and Training

Potential new trustees are invited to attend a board meeting prior to appointment. Following appointment, new trustees undergo orientation to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the board of trustees and decision making processes, the business plan and recent financial performance of the charity. Safeguarding and child protection are also key elements of the induction training. During the orientation they meet key employees and other trustees, and are given an overview of the activities of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Reserves Policy

The Trustees review the charity's reserves policy annually, to ensure we have reserves to allow for planned growth. The policy is to hold reserves of at least six months of operating expenditure.

Although the Charity reported a deficit for the financial period we have been able to comply with our reserves policy, having free reserves of £654,239 equating to 7.1 months of operating cost cover at the reporting date. (2021-22: £689,660 equating to 9.4 months of operating costs).

About us

The Literacy Pirates makes a transformative impact on the literacy, confidence and perseverance of children so that they can achieve both at school and in the world beyond. The Literacy Pirates works exclusively with children who are nominated by their schools because they are underachieving at school and have fewer opportunities in their personal lives.

We achieve this by providing a high quality, after school learning programme offering reading and writing practice. We work with children aged 9 to 13 years old; around the transitional years between primary and secondary school.

The programme is devised and led by teachers, supported by adult volunteers giving young people extra personalised attention. It takes place in our specially created pirate-themed fantastical learning environment, in-person and online, that is relentlessly positive. We believe that young people learn best when working towards tangible, published projects; so each term our Young Pirates create high quality published books, films and apps.

Why we are needed

On average children who come to The Literacy Pirates are 1 to 3 years behind in their reading age. This means it is difficult to keep up with their schoolwork. This can lead to disengagement from school and even exclusion. This is especially concerning because we know that reading for pleasure is a primary factor associated with school success, even over socio-economic background (OECD, 2002).

Schools are looking for solutions to lessen the impact for children who have fallen behind and our organisation is able to provide this. Our learning programme focuses on boosting literacy skills, as well as developing the children's love of reading and cognitive skills, all to help them improve at school.

Ship Building: a three-year strategy

Literacy Pirates has a three strategy that started in Sept 2021. The goals are to increase the number of children we work with, primarily through our online programme, The Virtual Ship. At the same time we have been working to improve the impact of our programmes.

As we finish the second year of our strategy we continue to be challenged by the number of volunteers that we have been able to recruit. This in term limits are ability to grow the number of children we work with, and has an affect on the impact of the programmes. There is a national shortage of volunteers, with numbers of regular volunteers nationally falling year on year since the 2000's. Volunteer recruitment is our major challenge for the coming year, it is the key to unlocking the potential of our programmes to help many more children.

Below you can read more about how the programme works and our achievements from the last year.

You can see our work in action at **www.literacypirates.org**

How the Literacy Pirates' Learning Programme works

In 2022-23 we worked with 393 Young Pirates, from 27 different schools in Hackney, Haringey, Newham, Lambeth, Barking and Dagenham, and Essex. 246 children attended our in-person programme, 128 online, Virtual Ship and 40 through our programme delivered in two Alternative Provision schools.

We work exclusively with children nominated by their school. Schools are best placed to identify children who are both falling behind in class and have fewer opportunities in their personal circumstances.

In 2022-23 57% of the Young Pirates were in receipt of Pupil Premium Funding, 19% had diagnosed Special Educational Needs and 47% for whom English is an additional language. Our programmes support a number of different groups of children who face barriers to their educational success centred around poverty and disadvantaged, underserved communities. We remain confident that we are working with the right children, at the right time.

Our programme is devised and led by teachers

The programme, in its current format was initially devised in 2014. It is based on 'Reading for Pleasure' and 'redrafting writing' pedagogies, as well as the principles that a low risk, positive environment gives children the ability to reinvent themselves as successful learners.

The Young Pirates read at each session, working through a set text that challenges them and having time to choose books. The pace of reading is set by them with their adult volunteer. In the second half of the session they undertake writing activities, which over a six-week period, create an extended redrafted piece of writing. We publish these pieces of writing so they can feel proud of their hard work. The content of the programme is drawn from the Young Pirates own experiences and passions. The skills in reading and writing that are taught in school, are practiced at the Literacy Pirates.

Having qualified teachers devising and leading sessions means that they can direct and support each Session and the Young Pirates personally, using their professional judgement. They are also best placed to use the collected data to drive improvement for all the Young Pirates.

121 and small group adult support

Young Pirates are supported during sessions by our Crewmates, adult volunteers. This gives them real time feedback and motivation. The volunteers are trained to help develop the literacy, confidence, and perseverance. Their motivating presence is one of our impact drivers. We had a growing community of trained adults who join sessions on a regular basis and provide one to one or small group support.

We believe it is important that our Young Pirates work with people from a diverse range of backgrounds. We recruit volunteers from the local community and reach others further afield through our partnerships with universities and corporates.

Motivating Published Projects

We publish our Young Pirates' work as high-quality products, in order to give them tangible outcomes and a sense of accomplishment. We celebrate effort and help foster a confidence and pride in their work. At the end of each term we bring together family and friends at joyous events that showcase the children's work.

During 2022-23 we proudly published the Young Pirate's work in books, newspapers, a screening at The Rio Cinema and poster campaigns.

Virtual Ship

Our online digital programme, **Virtual Ship,** is now an established programme, with a growing number of schools interested to participate. It offers us the opportunity to work with children and communities who would not be able to come to a physical venue and live in more remote areas. We are excited by its unique offer and the exciting potential to reach many more children.

Alternative Provision

In 2020 we were asked by Haringey Council to pilot our programme with more vulnerable children who had been excluded from school. In the spring and summer terms we worked with the wonderful staff at Commerce House to deliver our programme to eight pupils. The programme was deemed a success – by the pupils and staff who appreciated the extra adult attention and ability to work towards a tangible published project.

Achievements and Impact

Having started our three-year strategy in Sept 2021 we have achieved much of the first year's plans. We increased our numbers of Young Pirates from 270 to 400. Progress against our strategic goals has been good.

Strategic goal 1 - Increase the impact of the programmes.
The impact has been steady and improvements to the programme ensured the benchmark of 45% of children reaching the 5 months progress in reading over each term was achieved. We have reviewed our Theory of Change this year, and undertaken an external assess of our data measurement tools. This work means we now have an strong dataset to work with and can be even more confident about our impact.

Strategic goal 2 - Increase the number of school partnerships.
Schools have continued to work with us and we have increased demand which we are unable to service until the volunteer numbers increase. See below. Our schools partnership work has been strengthened through better two-way communication, which means we send weekly updates about the students progress and achievements.

Strategic goal 3 - Increase the number of volunteers recruited.
The volunteering sector has been massively diminished by the pandemic, but even before the national picture of volunteering has been declining. We have also suffered. Throughout the year, through good focused work by our Volunteer Team, numbers have steadily increased, building from 200 to 350 over the year. We feel confident that we can continue to grow the numbers, albeit slowly.

Strategic goal 4 - Increasing the funds raised.
The team has been successful with income generation, building great relationships with our supportive funders and achieving income of over £1m, 98% of last year's level despite a competitive fundraising environment. We continue to invest in the corporate partnerships and major donor programmes which continue to grow.

Strategic goal 5 - Build the organisational capacity.
Ensuring we are a good place to work and recruit and retain excellent staff is critical to our success. We have increased the team size and ensured that there are more ways for staff to progress and take on responsibility. The Board has led on the creation of a staff network and created a Equity, Diversity, and Inclusion Plan which has identified key projects to action for the coming year. As our team has grown our ways of working have developed to enable remote working and good communication from different sites.

Impact Reporting
We are committed to a rigorous and thoughtful approach to monitoring and evaluating the impact our learning programme makes. We stay up to date with best practice to ensure that our learning programme and monitoring and evaluation practices are fit for purpose. We use a mixture of qualitative and quantitative approaches to fully understand the impact.

In 2022-23 we used the following tools:

- Reading age Star Tests using the Accelerated Reader programme, with the addition in the summer term of a post programme test for the Virtual Ship.
- Quantitative surveys with children, parents and teachers investigating progress in each of our core skill areas.
- Briefings with staff and volunteers, before and after Sessions to understand what is working well and what needs adjustment.
- Interviews with children conducted by an external organisations, The Centre for Education and Youth.

Outcome 1 Reading - Children have improved reading skills and enjoy reading

Young Pirates read with an adult at their weekly sessions. We promote Reading for Pleasure, allowing children to have a choice in what they read and encouraging them to stretch themselves with more challenging texts as much as possible. Volunteers motivate the children to keep reading and check for comprehension.

Young Pirates made an average of 5 months progress each term. 90% of parents & carers saw an improvement in their child's reading.

"Reading for pleasure improves attainment, wellbeing, empathy, and sparks aspiration. The Literacy Pirates do all this, and more, through their imaginative, playful, and inspiring 'pirate-ships' where children's reading is championed." *'The Charity of Sir Richard Whittington'- The Mercers' Company*

Outcome 2 Writing - Children have improved writing skills and write more.

Young Pirates create a piece of writing across each half-term. Over the six-week period they embark on a cycle of imagining, drafting and redrafting their written work. This process embeds learning and creates a piece of work that took effort. We publish the children's work in tangible projects in order to provide motivation and a sense of achievement.

69% of teachers agreed or strongly agreed that the programme had an impact on the children's literacy.

"These are children from incredibly challenging backgrounds... They see themselves as readers and writers because of The Literacy Pirates." *Sarah Tai, Deputy Headteacher, St John the Baptist Primary School, 2023*

Outcome 3 Confidence - Children have increased confidence as learners in the classroom.

We create a safe space for making mistakes and provide tangible challenges to work towards, as well as giving the Young Pirates opportunities to present their work and celebrate their achievements as often as possible. We give children the confidence to ask questions, share their work and try in class, not just at our sessions.

89% of parents and 82% of teachers saw an increase in confidence of the children.

"We were so impressed... His stammer wasn't so bad so I know he has gained confidence... We're very proud of how far he has come so quickly." *Parent/Carer of Reggie, aged 9*

Outcome 4 Perseverance - Children have increased levels of perseverance, put in more effort and keep going when things are hard.

Academic success is hard work. We create an environment where children can feel successful and understand that success takes perseverance. Using established approaches like modelling, co-construction and guided reflection we help children to develop strategies for thinking about their own learning, or metacognition.

82% of children said they tried harder in class and 89% of parents & carers agreed.

"I'm proud of everything that I've done! These are things I've never dreamt of doing. I didn't think I would be a real author, especially at this age. I'm very excited about what is to come!" *Betty, Young Pirate, aged 10*

Risk Review

The Board retains a strategic risk register, updated before each board meeting. The major risks to the organisation mirror our priority areas of school and volunteer recruitment and fundraising.

Since the pandemic in 2020 we have been rebuilding our volunteer base, however through changing work habits volunteer numbers across the country have declined. We are pleased that our numbers climb each month but face a reduced market. We are therefore concentrating on universities and corporate partnerships to create larger pools of excellent volunteers.

To address the school funding challenge, as schools continue to cut staffing levels to address shortages, we reduced our fee to £750 (from £3950). This was gratefully received by schools and made the decision to participate much easier, and meant we retained our current schools and been able to add new schools to our waiting list for the current academic year.

The fundraising landscape remains uncertain. While we have been successful in securing income at a level very close to the previous year, we are well aware of the pressures on charitable giving in this economic downturn and with so many other worthwhile charities looking for support. Our investment in the fundraising team means we are able to research and make approaches for more grants and ensure that we maintain beneficial partnerships and relationships with donors.

Future Plans

The Board remains committed to our three-year strategy to test and build the Virtual Ship. We have created a plan to hold steady on our income target and the number of children we work with. The Board of Trustees will during this next year begin a review and drawing up of a new strategy.

Strategic goal 1 - Increase the impact of the programmes.
In the coming year we will better improve our impact and have clarity about the Virtual Ship. We will achieve this by focusing on data collection, reviewing the programme costs, and experimenting with different delivery models for the Virtual Ship.

Strategic goal 2 - Increase the number of school partnerships.
Investment in systems and processes of managing schools will allow us to more rapidly work with more schools, and our investment in two way relationships means we expect to retain all our current schools. We have created a waiting list and as the number of volunteers increases we will bring new schools into our programmes.

Strategic goal 3 - Increase the number of volunteers recruited.
In the coming year we will continue to offer good training and volunteer management in order to double the size of our volunteer base. The challenge has been since the pandemic volunteering across the UK has fallen. We are focusing on building relationships with universities and corporates in order to tap into large pools of great volunteers.

Strategic goal 4 - Increasing the funds raised.
Trusts and foundation grants, corporate partnerships and gifts from individuals make up the largest incomes streams and remain our core focus for the coming year. The target is to secure an increase in the average gift

size, and the number of multi-year gifts that create a foundation for growth. We have therefore invested in the fundraising team bringing in greater expertise and capacity.

Strategic goal 5 - Build the organisational capacity.
In the next year we will focus on delivering our EDI plan and bring expertise to different aspects of the organisation. This is especially true in the digital aspects, both the technical ability to run an effective online programme and the use of tech in the ways we work together.

Statement of Trustees' Responsibilities

The Trustees (who are also the directors of The Literacy Pirates Limited for the purposes of company law) are responsible for preparing the Report of the Trustees 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Finally…

Thank You. Our thanks go especially to our ever-increasing community of volunteers, school partners and our funders – all of whom are the driving force that enables us to deliver our programme and impact.

Thank You for joining us in our adventures in learning.

A salute to you all!

Nick Canning

Nick Canning, Chair of Trustees

Report of the Independent Auditor to the Members of The Literacy Pirates Limited

Opinion
We have audited the financial statements of The Literacy Pirates Limited (the 'charitable company') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 31st August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and 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
In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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 Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Report of the Independent Auditor to the Members of The Literacy Pirates Limited

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

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

In preparing the financial statements, the Trustees are responsible for assessing the 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.

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the charitable company and the industry in which it operates, and considered the risk of acts by the charitable company that were contrary to applicable laws and regulations, including fraud. We identified that the following laws and regulations are central to the charitable company:

- Companies Act 2006
- Charities Act 2011
- Charities SORP 2019
- Health & safety regulations

Report of the Independent Auditor to the Members of The Literacy Pirates Limited

We did not find any instances of non-compliance or breaches of the legislation framework applicable to the charitable company.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We identified that the following areas were of high risk:
- Completeness of income. We performed various audit tests to ensure that income was not materially understated in the financial statements.
- Management override of controls. We performed various audit tests to ensure there was no material management override of controls

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, UK tax legislation, Charities Act 2011 and Charities SORP 2019. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel when considered necessary. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of management bias by the directors that represented a risk of material misstatement due to fraud.

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 Report of the Independent Auditors.

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

Chariot House

Shona Wardrop CA (Senior Statutory Auditor)
for and on behalf of Chariot House Limited
Chartered Accountants and Statutory Auditor
44 Grand Parade
Brighton
BN2 9QA

Date: 17th May 2024

The Literacy Pirates Limited
Statement of Financial Activities (Including Income and Expenditure Account)
For the financial year ended 31st August 2023

	Note	Restricted 2022-23	Unrestricted 2022-23	Total 2022-23	Total 2021-22
		£	£	£	£
Income					
Donations & legacies	**2**	440,135	462,109	902,244	1,000,939
Charitable activities	**3**	-	105,843	105,843	46,184
Investment income	**4**	-	17,100	17,100	1,705
Trading income	**5**	-	16,465	16,465	18,863
Other income	**6**	6,025	220	6,245	300
Total Income		446,160	601,737	1,047,897	1,067,991
Expenditure					
Raising funds	**7**	3,326	205,649	208,975	147,059
Charitable activities	**8**	468,844	426,433	895,277	734,354
Total Expenditure		472,170	632,082	1,104,252	881,413
Net Income/(Expense)		(26,010)	(30,345)	(56,355)	186,578
Transfers Between Funds		3,525	(3,525)	-	-
Net Movement Between Funds		(22,485)	(33,870)	(56,355)	186,578
Total Funds Brought Forward		201,594	705,431	907,025	720,447
Total Funds Carried Forward		179,109	671,561	850,670	907,025

The Literacy Pirates Limited
Balance Sheet
As at 31st August 2023 Company Registration Number: 7790039

	Note	2022-23 £	2021-22 £
Fixed Assets			
Tangible Fixed Assets	**13**	17,322	15,771
		17,322	15,771
Current Assets			
Debtors	**14**	64,130	60,568
Cash at bank and in hand		856,533	953,626
		920,663	1,014,194
Liabilities			
Creditors: amounts falling due within one year	**15**	(87,315)	(122,940)
Net Current Assets		833,348	891,254
Total Assets less Current Liabilities		850,670	907,025
The Funds of the Charity			
Restricted funds	**18**	179,109	201,594
Designated funds	**19**	17,322	15,771
Unrestricted funds	**19**	654,239	689,660
Total Charity Funds		850,670	907,025

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 10th May 2024. and were signed on its behalf by:

Nick Canning

.....
Nick Canning, Chair.
Date: 15th May 2024

The Literacy Pirates Limited
Statement of Cash Flows
For the financial year ended 31st August 2023

	Note	2022-23	2021-22
		£	£
Cash flows from operating activities			
Net cash flow from operating activities	20	(101,398)	210,672
Cash flows from investing activities:			
Purchase of tangible fixed assets		(12,795)	(6,194)
Interest income		17,100	1,705
Net cash flow from investing activities:		4,305	(4,489)
Net increase/(decrease) in cash and cash equivalents in the period		(97,093)	206,183
Net cash and cash equivalents at the start of the period		953,626	747,443
Net cash and cash equivalents at the end of the period		856,533	953,626

Cash and cash equivalents are made up of cash held at the bank, in hand, and in deposit accounts only.
These comprised of:

	2022-23	2021-22
	£	£
Cash in hand	106	215
Cash at bank	262,710	743,411
Cash on short term deposit	593,717	210,000
	856,533	953,626

The charity is a company limited by guarantee incorporated in England and Wales. The registered office is 138 Kingsland High Street, London, E8 2NS.

1) Accounting Policies

Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102 (effective 1 January 2019) – (Charities SORP (FRS102)), and the Companies Act 2006.

The Charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been drawn up for a 12 month period from the 1st September 2022 to the 31st August 2023. The comparative financial statements, described as "2021-22" in the notes to the financial statements, cover the period 1st September 2021 to 31st August 2022.

The accounts have been prepared under the historic cost convention, unless otherwise stated in the accounting policies.

Assessment of going concern

The Charity recorded a deficit of £56,355 in the financial period and held net cash of £856,533 and free reserves of £654,239 at the balance sheet date.

At the time of approving the financial statements, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. In reaching this opinion, the trustees have considered forward budgets and cash flow forecasts. The trustees continue to adopt the going concern basis in accounting in preparation of financial statements.

Fund accounting

Unrestricted funds are general funds that are available for use at the trustees' discretion in furtherance of the objective of the charity.

Designated funds are funds established by the trustees from time to time for specific projects or purposes, are not in any way restricted and any surplus or deficit will be transferred to/from the general purposes fund when the designated fund is closed. The value of fixed tangible assets, net of depreciation, is included under designated funds as this value is considered unavailable for general purposes.

Restricted funds are those donated for use in particular area of specific purposes, the use of which is restricted to that area or purpose.

Income

Incoming resources are accounted for as soon Literacy Pirates has entitlement to the income and there is both probability of receipt and the amount is measurable.

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

Income from school referral partners is deferred across the duration of the academic terms for which they have paid.

Grant income is recognised in full in the year in which it is receivable, unless there are specific performance related conditions that prevent its recognition. Where performance conditions apply, grant income is deferred until those conditions are met.

Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. Expenditure is accounted for on an accruals basis and has been classified under headings in the SOFA in the aggregate of all costs related to that category.

Cost of raising funds relate to those specific costs incurred in organising and staging fundraising events and seeking voluntary contributions, together with employment costs of fundraising staff.

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

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs comprise those costs associated with meeting the constitutional and strategic requirements of the charity and the audit fees and costs linked to strategic management of the charity.

Volunteers

The Charity benefits from the contribution of many volunteers who give their time. In accordance with guidance in the Charities SORP FRS 102, no monetary value is included in the accounts for an equivalent time cost given by volunteers.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible within 100 days to a known amount of cash and are subject to an insignificant risk of change in value.

Tangible Fixed Assets

Tangible fixed assets costing £1,000 or more including irrecoverable VAT and incidental installation costs are capitalised, where they meet the definition of fixed assets according to the relevant financial standards in force. Tangible fixed assets are stated at cost net of depreciation charged to date. Depreciation is charged on a straight line basis to the following standards:

Leasehold Improvements	20% / 5 Years, or the duration of the lease whichever the shorter
IT Equipment	33% / 3 Years

Tangible fixed assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Investment policy and objectives

The Charity's risk appetite for financial investments is low to medium. Investments in bank savings-based products must be (a) regulated under the jurisdiction of the UK and (b) underwritten by the FSCS or other government guarantee.

Fixed term deposits may only be placed where they do not place a risk on the Charity's abilities to pay its obligations on time. At a minimum, the Charity must keep £250,000 available from a combination of the current bank account and immediately liquid investments. Fixed term deposits may only be placed for a maximum of 12 months.

Investing with social-purpose providers is favoured, however risk appetite takes precedent above ethical factors.

The Charity's policy for investment returns on rented property is to achieve fair market rates on all short and long-term sub-letting, within the parameters allowed by the head lease.

The Charity will not invest in trading subsidiaries or joint ventures unless the Board of Trustees has considered and approved a viable business plan.

The Director of Finance is responsible for the day to day management of the charity's investments. Investment performance is monitored and reported to the Finance, Audit and Risk Committee.

Investments are stated at market value, with realised and unrealised profits charged net to the statement of financial activities.

Financial instruments

The charity has only financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and are subsequently measured at their settlement value with the exception of bank loans which are measured at amortised cost using the effective interest method.

Financial Assets

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

Financial Liabilities

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

Operating leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expenses when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Defined contribution pension scheme

The Charity operates a defined contribution pension scheme that is compliant with Auto-Enrolment legislation. The defined contribution pension scheme costs charged in the statement of financial activities represent the employer's pension contributions payable by the Charity, and the balance payable reported in the notes to the accounts represents a combination of employers' contributions and employees' deductions payable at the balance sheet date.

Critical accounting estimates and judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Trustees do not consider there to be any estimates or judgements that are critical to the financial statements.

2) Voluntary Income (Donations and Legacies)

	Restricted Funds 2022-23	Unrestricted Funds 2022-23	Total Funds 2022-23	Total Funds 2021-22
	£	£	£	£
AKO Foundation	47,500	5,000	52,500	41,562
Allan & Nesta Ferguson Charitable Trust	10,000	-	10,000	-
Amazon	-	-	-	10,141
Axa	13,156	1,582	14,738	-
Axis Foundation	-	-	-	6,500
Bain Capital Children's Fund Europe	82,500	230	82,730	74,327
Betty Messenger Charitable Foundation	-	-	-	12,000
Bloomberg L.P.	-	3,189	3,189	-
BNI Foundation	-	-	-	1,000
Chapman Charitable Trust	-	-	-	1,000
Charles S French Charitable Trust	4,000	-	4,000	3,000
Clarion Futures	2,500	-	2,500	13,000
Colt Technology Services (UK)	-	-	-	14,000
CPF Trust	-	1,000	1,000	1,000
David & Ruth Lewis Family Charitable T.	-	-	-	10,000
David Tebbutt Trust	-	1,500	1,500	1,500
Drapers' Charitable Fund	-	-	-	25,000
Forterra Building Products	-	1,000	1,000	-
Foundation for Future London	-	-	-	8,000
FundApps	-	10,000	10,000	10,000
Garfield Weston Foundation	-	-	-	25,000
Golden Circle Tuition	-	-	-	1,000
Google	-	6,255	6,255	-
Gravis Capital Management	-	-	-	5,000
Greater London Authority	-	-	-	29,075
Herefordshire Community Foundation	3,000	-	3,000	-
Jack Petchey Foundation Company	-	- 1,645	- 1,645	8,723
Kusuma Trust	25,000	-	25,000	10,000
L&Q Placemakers Fund	5,000	-	5,000	17,000
London Community Response Fund	-	-	-	15,000
Lord Barnby Foundation	2,000	-	2,000	-
Lucas-Tooth Foundation	-	1,000	1,000	-
M&G Community Fund	-	-	-	2,000
M&S Fund	1,000	-	1,000	-
Phillips 66 Ltd	-	1,600	1,600	1,500
Postcode Society Trust	-	-	-	15,156
QS Enrolment Solutions	-	-	-	465
St. James Place Charitable Foundation	-	-	-	10,000
Salesforce	-	2,997	2,997	-
Scouloudi Foundation	-	5,000	5,000	-
Skipton Building Society	-	-	-	2,400
The Allen & Overy Foundation	-	-	-	5,000
The Big Give	9,460	-	9,460	-
The Blue Thread	-	5,000	5,000	-
Subtotal Carried Forward	205,116	43,708	248,824	379,349

2) Voluntary Income (Donations and Legacies)

Subtotal Brought Forward	205,116	43,708	248,824	379,349
The Buzzacott Stuart Defries Mem'l Fund	-	-	-	1,000
The Casey Trust	-	-	-	3,000
The Charity of Sir Richard Whittington (The Mercers' Company)	22,500	-	22,500	40,000
The Colenutt Family Charitable Foundatior	-	-	-	1,000
The Considered Ask Foundation	16,667	-	16,667	33,333
The Constable Educational Trust	28,000	-	28,000	-
The Dixie Rose Findlay Charitable Trust	-	-	-	3,000
The D'Oyly Carte Charitable Trust	3,000	-	3,000	3,000
The DWF Charitable Foundation	-	-	-	2,000
The Englefield Charitable Trust	-	-	-	2,000
The Foyle Foundation	30,000	-	30,000	-
The Frognal Trust	-	-	-	1,500
The Generation Foundation	-	500	500	-
The Goldsmiths' Company	-	20,000	20,000	-
The Gosling Foundation	-	-	-	15,000
The Hadley Trust	-	5,000	5,000	5,000
The Haramead Trust	5,000	-	5,000	-
The Hargreaves Foundation	30,000	-	30,000	30,000
The Hedley Foundation	-	-	-	1,000
The Hiscox Foundation	-	10,000	10,000	-
The Ironmongers' Company	-	-	-	5,000
The Lennox Hannay Charitable Trust	-	2,000	2,000	-
The Merchant Taylors' Foundation	8,000	-	8,000	-
The Monica Rabagliati Charitable Trust	-	-	-	3,000
The Pantheon Charitable Trust	-	12,500	12,500	22,500
The Pears Family Charitable Foundation	-	15,000	15,000	55,000
The Percy Bilton Charity	2,952	-	2,952	-
The Portal Trust	-	-	-	17,500
The Prince of Wales's Charitable Foundatio	5,000	-	5,000	-
The Salters Company	5,000	-	5,000	-
The Sir Trevor Chinn Charitable Trust No2	-	500	500	500
Theirworld	-	-	-	10,000
Tottenham Grammar School Foundation	5,000	-	5,000	5,000
UBS	18,000	-	18,000	8,900
Walcot Foundation	30,000	-	30,000	25,000
Wattle and Slate	-	-	-	264
West Hackney Parochial Charity	15,000	-	15,000	15,000
Other Corporate Giving	-	1,454	1,454	8,014
Other Trusts & Foundations	500	80,000	80,500	90,000
Individual Giving	10,400	260,869	271,269	205,079
Legacy Giving	-	10,578	10,578	10,000
Totals	440,135	462,109	902,244	1,000,939

(2021-22: £511,576 of funds were restricted and £489,363 were unrestricted)

The Literacy Pirates would like to thank all our funders. This includes those that joined the Captain's Collective and those donors giving multi-year funding, including our Pirate Pals, giving monthly donations. Also those Trusts and Foundations, individuals and corporates who choose to give anonymously, plus everyone who offers us pro-bono support.

3) Income from Charitable Activities

	Total Funds 2022-23	Total Funds 2021-22
	£	£
Income from School Referral Partners	45,843	46,184
Income from Alternative Provision	60,000	-
Total	105,843	46,184

The income listed above relates to the one charitable activity: promoting the education of people in the UK through support to develop their literacy and creativity. All income from charitable activities was unrestricted. (2021-22: all income was unrestricted).

4) Investment Income

	Total Funds 2022-23	Total Funds 2021-22
	£	£
Interest on Bank Deposits	17,100	1,705
Total	17,100	18,863

All investment income was unrestricted (2021-22: all income unrestricted).

5) Trading Income

	Total Funds 2022-23	Total Funds 2021-22
	£	£
Property Sub-let, service charges	15,144	14,519
Occasional Room Hire	1,321	4,344
Total	16,465	18,863

All trading income was unrestricted (2021-22: all income unrestricted).

6) Other Income

	Restricted Funds 2022-23	Unrestricted Funds 2022-23	Total Funds 2022-23	Total Funds 2021-22
	£	£	£	£
Charges for Staff Attendance at Events	-	200	200	300
DWP Access to Work Grants	6,025	-	6,025	-
Sundry Reimbursements	-	20	20	-
Total	6,025	220	6,245	300

All other income was unrestricted. (2021-22: all income was unrestricted).

7) Expenditure on Raising Funds

	Restricted Funds 2022-23	Unrestricted Funds 2022-23	Total Funds 2022-23	Total Funds 2021-22
	£	£	£	£
Staff costs	2,927	134,025	136,952	103,890
Other fundraising costs	399	71,624	72,023	43,169
	3,326	205,649	208,975	147,059

(2021-22: £7,721 of expenditure was restricted and £139,338 unrestricted).

8) Expenditure on Charitable Activities

	Restricted Funds 2022-23	Unrestricted Funds 2022-23	Total Funds 2022-23	Total Funds 2021-22
	£	£	£	£
Staff costs	376,060	276,953	653,013	501,136
Education materials and activities	25,766	21,554	47,320	35,339
Volunteer costs	394	5,052	5,446	3,852
Fantastical space costs	48,829	48,122	96,951	101,932
Depreciation	-	11,244	11,244	10,075
Other costs	14,501	36,733	51,234	64,713
Support costs (see note 9)	3,294	21,031	24,325	11,718
Governance costs (see note 9)	-	5,744	5,744	5,589
	468,844	426,433	895,277	734,354

(2021-22: restricted expenditure was £498,721 and unrestricted expenditure £235,633).

9) Support and Governance Costs

	Restricted Funds 2022-23	Unrestricted Funds 2022-23	Total Funds 2022-23	Total Funds 2021-22
Support costs:	**£**	**£**	**£**	**£**
IT and telephone costs	564	15,953	16,517	6,228
Office supplies	2,730	3,561	6,291	4,470
Other costs	-	1,517	1,517	1,020
Total support costs:	3,294	21,031	24,325	11,718
Recharged to charitable activities	- 3,294	- 21,031	- 24,325	- 11,718
Governance costs:				
Audit Fees	-	5,670	5,670	5,400
Trustee meeting costs	-	74	74	189
Total governance costs:	-	5,744	5,744	5,589
Recharged to charitable activities	-	- 5,744	- 5,744	- 5,589

(2021-22: £1,111 of support costs expenditure was restricted, £10,607 was unrestricted. All Governance costs were unrestricted)

10) Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation Tax purposes. Accordingly the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

11) Comparatives for the Statement of Financial Activities

	Restricted 2021-22	Unrestricted 2021-22	Total 2021-22
	£	£	£
Income			
Donations & legacies	511,576	489,363	1,000,939
Charitable activities	-	46,184	46,184
Investment income	-	1,705	1,705
Trading income	-	18,863	18,863
Other income	-	300	300
Total Income	511,576	556,415	1,067,991
Expenditure			
Raising funds	7,721	139,338	147,059
Charitable activities	498,721	235,633	734,354
Total Expenditure	506,442	374,971	881,413
Net Income/(Expense)	5,134	181,444	186,578
Transfers Between Funds	- 1	1	-
Net Movement Between Funds	5,133	181,445	186,578
Total Funds Brought Forward	196,461	523,986	720,447
Total Funds Carried Forward	201,594	705,431	907,025

12) Staff Costs

	2022-23	2021-22
	£	£
Wages and salaries	717,238	552,184
Social security costs	59,654	43,843
Pension costs	13,074	8,999
	789,966	605,026

One employee earned remuneration of between £60,000 and £70,000 per year (2021-22: no employees earned more than £60,000).

The average number of employees during the period were 26 (2021-22: 20). Employees are counted irrespective of whether the worker is employed full time or part time, in accordance with the requirements of the SORP. As the Charity employs some part time and sessional workers, the average head count would be 22 based on full time equivalents (2021-22: 17).

Key management personnel.
The trustees consider the Board of Trustees, Chief Executive Officer, Director of Learning, Director of Fundraising and Director of Finance to be the key management personnel of the charity in charge of directing and controlling the charity and running the charity on a day to day basis.

All trustees give their time freely and no trustee remuneration was paid in the year. Details of trustees expenses and related party transactions are disclosed in the notes of the accounts.

Trustees are required to disclose all relevant interests and register them with the board in accordance with the charity's policy.

The pay of the CEO along with all staff is reviewed annually by the Board and when appropriate increased taking into consideration inflation, average salaries in the area and salaries of other similar sized charities to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

The key management personnel of the Charity comprise the trustees (who are not remunerated) and the Chief Executive along with the Director of Learning, Director of Fundraising and Director of Finance. Included in the above staff costs are the remuneration paid to key management personnel over the financial period:

	2022-23	2021-22
	£	£
Wages and salaries	164,546	145,710
Social security costs	17,855	15,738
Pension costs	3,122	2,323
	185,523	163,771

The charity operates a defined contribution pension scheme provided by The People's Pension which satisfies the requirements of automatic enrolment pension legislation.
At the end of the year, amounts of £2,988 were due to the pension scheme provider (2021-22: £1,754).
Pension costs are allocated to the one charitable activity. These costs are split between restricted and unrestricted funds in line with the individual funding agreements.

13) Tangible fixed assets

	Leasehold Improvements	Computer Equipment For Learning	Computer Equipment For Staff	Total
	£	£	£	£
Cost or valuation:				
At the start of the financial period	25,411	20,292	5,115	50,818
Additions in the financial period	-	-	12,795	12,795
At the end of the financial period	25,411	20,292	17,910	63,613
Depreciation:				
At the start of the financial period	18,634	14,922	1,491	35,047
Charge for the financial period	5,082	3,066	3,096	11,244
At the end of the financial period	23,716	17,988	4,587	46,291
Net book value:				
At the start of the financial period	6,777	5,370	3,624	15,771
At the end of the financial period	1,695	2,304	13,323	17,322

14) Debtors

	2022-23	2021-22
	£	£
Trade debtors	26,573	19,145
Prepayments	24,744	24,753
Accrued Income	6,506	9,938
Other debtors	6,307	6,732
	64,130	60,568

15) Creditors

	2022-23	2021-22
	£	£
Trade creditors	23,514	25,023
Taxation and social security	-	13,579
Accruals	8,118	23,438
Other creditors	6,511	4,458
Deferred income (see note 16)	49,172	56,442
	87,315	122,940

16) Deferred Income

	2022-23	2021-22
	£	£
Deferred income brought forward	56,442	57,387
Amount released to income from Charitable Activities	(55,321)	(44,562)
Amount of income deferred during the financial period	48,051	43,617
Deferred income held at the end of the financial period	49,172	56,442

Deferred income relates to funds received in the period but where the trustees judge that the criteria for recoginition is not yet met. Typically these incomes come from either restricted grants that are ringfenced for staff salaries, or income from school partners that is earned across the academic years for which they fund. Of the deferred income amount brought forward from 2021-22, the vast majority was released in 2022-23. The new amount of deferred income in 2022-23 was £48,051 and this amount is carried forward to spend in the future financial periods in accordance with the conditions set by donors.

17) Analysis of Net Assets Between Funds

	Restricted Funds 2022-23	Designated Funds 2022-23	Unrestricted Funds 2022-23	Total Funds 2022-23
	£	£	£	£
Tangible Fixed Assets	-	17,322	-	17,322
Cash at bank and in hand	179,109	-	677,424	856,533
Debtors	-	-	64,130	64,130
Less: current liabilities	-	-	(87,315)	(87,315)
	179,109	17,322	654,239	850,670

	Restricted Funds 2021-22	Designated Funds 2021-22	Unrestricted Funds 2021-22	Total Funds 2021-22
	£	£	£	£
Tangible Fixed Assets	-	15,771	-	15,771
Cash at bank and in hand	201,594	-	752,032	953,626
Debtors	-	-	60,568	60,568
Less: current liabilities	-	-	(122,940)	(122,940)
	201,594	15,771	689,660	907,025

18) Restricted Funds

	As at 1st Sept 2022 £	Income 2022-23 £	Expenditure 2022-23 £	Transfers 2022-23 £	As at 31st Aug 2023 £
AKO Foundation	-	47,500	(47,500)	-	-
Allan & Nesta Ferguson Charitable Trust	-	10,000	(10,000)	-	-
Axa / XL Catlin	-	4,166	(4,166)	-	-
Axa / XL Catlin	-	8,990	(8,990)	-	-
Bain Capital Children's Fund Europe	74,327	82,500	(74,327)	-	82,500
Betty Messenger Charitable Foundation	10,000	-	(10,000)	-	-
BNI Foundation	1,000	-	(1,000)	-	-
Charles S French Charitable Trust	-	4,000	(4,000)	-	-
Clarion Futures	-	2,500	(2,500)	-	-
Foundation for Future London	4,142	-	(6,142)	2,000	-
Herefordshire Community Foundation	-	3,000	(3,000)	-	-
Kusuma Trust	-	25,000	-	-	25,000
L&Q Placemakers Fund	10,000	5,000	(15,000)	-	-
Lord Barnby Foundation	-	2,000	-	-	2,000
M&S Fund	-	1,000	(1,000)	-	-
The Big Give	-	9,460	(9,460)	-	-
The Charity of Sir Richard Whittington (The Mercers' Company)	43,625	22,500	(43,625)	-	22,500
The Considered Ask Foundation	4,500	16,667	(21,167)	-	-
The Constable Educational Trust	-	28,000	(28,331)	331	-
The Dixie Rose Findlay Charitable Trust	3,000	-	(3,000)	-	-
The D'Oyly Carte Charitable Trust	-	3,000	(3,000)	-	-
The Foyle Foundation	-	30,000	(17,891)	-	12,109
The Haramead Trust	-	5,000	-	-	5,000
The Hargreaves Foundation	-	30,000	(30,000)	-	-
The Merchant Taylors' Foundation	-	8,000	(8,000)	-	-
The Pears Family Charitable Foundation	3,800	-	(3,800)	-	-
The Percy Bilton Charity	-	2,952	(2,952)	-	-
The Portal Trust	17,500	-	(17,500)	-	-
The Prince of Wales's Charitable Foundation	-	5,000	(5,000)	-	-
The Salters Company	-	5,000	-	-	5,000
Tottenham Grammar School Foundation	-	5,000	(5,000)	-	-
UBS - Cost of Living	4,200	3,000	(7,202)	2	-
UBS - Pirate Fan Mail	500	-	(500)	-	-
UBS - Sponsorship	-	15,000	-	-	15,000
Walcot Foundation - Lambeth	25,000	25,000	(51,192)	1,192	-
Walcot Foundation - Cost of Living	-	5,000	(5,000)	-	-
West Hackney Parochial Charity	-	15,000	(15,000)	-	-
Individual Giving (1)	-	10,000	-	-	10,000
Individual Giving (2)	-	400	(400)	-	-
Other Trusts & Foundations	-	500	(500)	-	-
Other Income (DWP Access to Work)	-	6,025	(6,025)	-	-
Total	201,594	446,160	(472,170)	3,525	179,109

18) Restricted Funds Continued

Restricted funds:

AKO Foundation	A two-year grant towards the learning programme; specifically a Volunteer Co-ordinator and Session Assistant for the virtual ship.
Axa / XL Catlin	A grant to support cost of living implications on the programme.
Axa / XL Catlin	A grant towards the Book Project.
Bain Capital Children's Fund Europe	A grant to help expand the impact and reach of the virtual learning programme.
Betty Messenger Charitable Foundation	A grant to support the general learning programme.
BNI Foundation	A grant towards the costs of the Young Authors Project
Charles S French Charitable Trust	A grant towards the costs of the Making a Movie Project.
Clarion Futures	A grant towards the costs of running the Virtual Ship programme.
Foundation for Future London	A grant to support A Year of Creative Learning Adventures.
Herefordshire Community Foundation	A grant towards the costs of the Film Project.
Kusuma Trust	A grant towards volunteering activities of the charity.
L&Q Placemakers Fund	A grant towards the running costs of the virtual ship.
Lord Barnby Foundation	A grant towards the costs of the Book Project.
M&S Fund	A grant to support the general learning programme.
The Big Give	A campaign to narrow the education attainment gap.
The Charity of Sir Richard Whittington (The Mercers' Company)	Funding for the Haringey Ship.
The Considered Ask Foundation	A grant towards the salary of the School Partnerships Manager.
The Constable Educational Trust	A tech fund grant towards developing the Virtual Ship programme.
The Dixie Rose Findlay Charitable Trust	A grant towards the running costs of the virtual ship.
The D'Oyly Carte Charitable Trust	A grant towards the Film Project.
The Foyle Foundation	A grant towards the costs of running the Virtual Ship programme.
The Haramead Trust	A grant towards the costs of the Book Project.
The Hargreaves Foundation	A grant to support the general learning programme.
The Merchant Taylors' Foundation	A grant towards the costs of the Book Project.
The Pears Family Charitable Foundation	A grant 50% funded by DCMS to project manage improvements in volunteer infrastructure.
The Percy Bilton Charity	A grant to replace chairs used by the Young Pirates.
The Portal Trust	A grant towards the Young Authors' Book Project.
The Prince of Wales's Charitable Foundation	A grant towards the costs of expanding into Lambeth.
The Salters Company	A grant to support the general learning programme.
Tottenham Grammar School Foundation	A grant towards the costs of running the Haringey learning programme.
UBS	A grant to support cost of living implications on the programme.
UBS	A grant towards the costs of administering Pirate Fan Mail.
UBS	A grant sponsoring one school on the programme.
Walcot Foundation	A grant towards the costs of running the virtual learning programme in Lambeth between 2022-25.
Walcot Foundation	A grant to support cost of living implications on the programme.
West Hackney Parochial Charity	A multi-year grant towards the costs of running the learning programme in Hackney.
Individual Giving (1)	A grant to support the general learning programme.
Individual Giving (2)	A donation covering the cost of room rental for a fundraising event.
Other Trusts & Foundations	A donation to support disadvantaged 9-12 year olds.
DWP Access to Work	Grants to provide equipment to charity staff members.

19) Unrestricted Funds

	As at 1st Sept 2022 £	Income 2022-23 £	Expenditure 2022-23 £	Transfers 2022-23 £	As at 31st Aug 2023 £
Designated Funds:					
- Fixed asset fund	15,771	-	(11,244)	12,795	17,322
Total Designated funds	15,771	-	(11,244)	12,795	17,322
Unrestricted Funds	689,660	601,737	(620,838)	(16,320)	654,239
Total Unrestricted Funds	705,431	601,737	(632,082)	(3,525)	671,561

	As at 1st Sept 2021 £	Income 2021-22 £	Expenditure 2021-22 £	Transfers 2021-22 £	As at 31st Aug 2022 £
Designated Funds:					
- Fixed asset fund	19,652	-	(10,075)	6,194	15,771
Total Designated funds	19,652	-	(10,075)	6,194	15,771
Unrestricted Funds	504,334	556,415	(364,896)	(6,193)	689,660
Total Unrestricted Funds	523,986	556,415	(374,971)	1	705,431

Designated funds:
- Fixed asset fund. This fund reflects the value of fixed assets that are not available as part of the Charity's day to day working capital.

Unrestricted funds:
- General unrestricted funds are the free reserves after allowing for all designated funds.

20) Reconciliation of net movement in funds to net cash flow from operating activities

	2022-23 £	2021-22 £
Net movement in funds:	(56,355)	186,578
Add: Depreciation	11,244	10,075
Deduct: Investment income	(17,100)	(1,705)
Decrease/(increase) in debtors	(3,562)	(31,256)
Increase/(decrease) in creditors	(35,625)	46,980
Net cash flow from operating activities	(101,398)	210,672

21) Lease commitments

At the balance sheet date, the charity was committed to paying the following non-cancellable operating leases in respect of land and buildings.

	2022-23 £	2021-22 £
Due in one year	55,314	80,532
Due in 2-5 years	72,318	111,895
	127,632	192,427

The charity leases property in both Hackney and Haringey. The lease for the Hackney was renewed in 2022 and expires on 30th June 2027. The Haringey premises is leased until 2nd December 2024 and is cancellable on three months notice. The minimum commitments under these terms are disclosed in this note.

22) Related party transactions
During the financial period the company made the following related party transactions:

Trustees
No Trustee received any remuneration for their services to the Charity.

All Trustees waived their right to claim expenses from the Charity during the period. Consequently no expenses were paid to Trustees (2021-22: £nil)

Trustees made voluntary donations of £152,860 either in-person or through workplace charity giving facilities. (2021-22: £3,700 of voluntary donations).

One Trustee is in a position of influence or control at Bain Capital Europe. Bain Capital Children's Fund, a connected party, made grants and donations of £82,730 in the financial period (2021-22: £74,327 donated).

The Literacy Pirates Limited

England & Wales - Charity number 1145115

Accounts



The Literacy Pirates Limited

(formerly The Hackney Pirates Limited)

Annual Reports and Financial Statements

Reporting period

1 Sept 2021 to 31 Aug 2022

Charity registration number: 1145115

Company registration number: 07790039

Reference and Administrative Details

Status	The Literacy Pirates Limited (formerly The Hackney Pirates Limited) is a charitable company limited by guarantee, incorporated on 28 September 2011 and registered as a charity on 16 December 2011.
Governing Document	The company was established under a memorandum of association, amended by special resolution on 8 December 2017, which established the objects and powers of the charitable company and is governed under its articles of association.
Company registration number	07790039
Charity registration number	1145115
Registered Office	138 Kingsland High Street, E8 2NS, London
Principal Office	138 Kingsland High Street, E8 2NS, London
Board of Trustees	Jason Arday (retired Feb 2022) Aisha Dyer-Miller (joined Nov 2021) Alon Avner Nicholas Canning (Chair) Melanie Exon (joined June 2022) Katherine Fennell Martin Halford (retired June 2022) Emma King (joined June 2022) Fiona McAuslan (joined June 2022) Erin Northey Paul Mundy-Castle (joined June 2022) Valentina Okolo (joined June 2022, retired November 2022) James Westhead
Chief Executive	Jude Williams
Telephone	0203 327 1777
Website	www.literacypirates.org
Email	admin@literacypirates.org
Bankers	Unity Trust Bank Plc PO Box 7193 Planetary Road Willenhall WV1 9DG Nationwide Building Society Nationwide House Pipers Way Swindon SN38 1NW

	Aldermore Bank PLC 1st Floor, Block B, Western House Lynch Wood Peterborough PE2 6FZ
Auditors	Chariot House Limited Chartered Accountants and Statutory Auditor 44 Grand Parade Brighton BN2 9QA
Senior Statutory Auditor	John Thacker FCA DChA

Ahoy!

Welcome to our 2021-22 annual review where we share what has happened over the year at The Literacy Pirates. The report and accounts covers the period 1 Sept 2021 to 31 Aug 2022.

We can reflect on what the children attending our programme, we call them Young Pirates, have achieved since Sept 2021; we are delighted by their courage and resilience. Their effort resulted in pride-filled book launches and incredible film premieres, and improvements in their reading and writing skills as well as their confidence and perseverance in the classroom.

Report of the Trustees

The Literacy Pirates board of trustees present their report and the external auditors report for the period from 1 Sept 2021 to 31 Aug 2022.

The reference and administrative information set out forms part of this report and the financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Charities SORP (2019).

Structure, governance & management

The organisation was established as a charitable company under a memorandum of association, which established the objects and powers of the charitable company and is governed under its articles of association. In accordance with the articles of association, the trustees retire by rotation at the end of their terms of office and are eligible for re-election. The trustees delegate the day to day management of the charity to the Chief Executive. The trustees have read and had due regard to the Charity Commission's public benefit guidance and confirm that the charity's work meets the requirements.

Trustee Recruitment

Trustees are recruited on the basis of relevant skills and empathy towards the organisation's charitable objectives. The organisation uses open recruitment, specialist Trustee recruitment databases and social media campaigns to find trustees. New Trustees receive a comprehensive induction upon taking office which includes an explanation of the organisation's operations, vision mission and values, child protection and safeguarding, impact, funding, finance and the role of a trustee.

Reserves Policy

In July 2021 the Trustees reviewed the charity's reserves policy to better reflect our desire to grow and ensure we have reserves to allow for that growth. The new policy is to hold reserves of at least six months of operating expenditure.

Despite the turbulent year with the pandemic, we have been able to comply with our reserves policy having free reserves of £689,660 equating to 9.4 months of operating cost cover at the reporting date.

About us

The Literacy Pirates makes a transformative impact on the literacy, confidence and perseverance of children so that they can achieve both at school and in the world beyond. The Literacy Pirates works exclusively with children who are nominated by their schools because they are underachieving at school and have fewer opportunities in their lives.

We achieve this by providing a high quality, after school learning programme offering reading and writing practice. We work with children aged 9 to 13 years old; around the transitional years between primary and secondary school.

The programme it devised and led by teachers, supported by adult volunteers giving young people extra personalised attention. It takes place in our specially created pirate-themed fantastical learning environment, in-person and online, that is relentlessly positive. We believe that young people learn best when working towards tangible, published projects; so each term our Young Pirates create high quality published books, films and apps.

Why we are needed

On average children who come to The Literacy Pirates are 1 to 3 years behind in their reading age. This means it is difficult to keep up with their schoolwork. This can lead to disengagement from school and even exclusion. This is especially concerning because we know that reading for pleasure is a primary factor associated with school success, even over socio-economic background (OECD, 2002).

This gap has been further exacerbated by disruption of learning due to Covid-19 lockdowns and restrictions. Data from the EEF (2021) indicates that the attainment gap between some children and their more privileged peers could have widened by as much as 75% since the closure of schools earlier this year.

Schools are looking for solutions to lessen the impact for children who have fallen behind and our organisation is able to provide this. Our learning programme focuses on boosting literacy skills, as well as developing the children's love of reading and cognitive skills, all to help them improve at school.

Ship Building: a three-year strategy

Literacy Pirates has a three strategy that started in Sept 2021. The goals are to increase the number of children we work with from 200 to 800 primarily through our online programme, The Virtual Ship; and to improve the impact by having 75% of children reach our benchmark 5 months progress in each term of the programme.

Below you can read more about how the programme works and our achievements from the last year.

You can see our work in action at **www.literacypirates.org**

How the Literacy Pirates' Learning Programme works

In 2021-22 we worked with 414 Young Pirates from 27 different schools in Hackney, Haringey, Newham, Barking and Dagenham, and Essex. 246 children attended our in-person programme, 128 online, Virtual Ship and 40 through our programme delivered in two Alternative Provision schools.

We work exclusively with children nominated by their school. Schools are best placed to identify children who are both falling behind in class and have fewer opportunities in their personal circumstances.

In 2021-22 40% of the Young Pirates were in receipt of Pupil Premium Funding, 19% had diagnosed Special Educational Needs and 59% for whom English is an additional language. Interestingly, in previous years 80% of children referred have been Pupil Premium Funded pupils. The change reflects the schools using our programme to support a number of different groups of children and the increase of children facing poverty and other barriers without reaching the 'Free School Meal' threshold for Pupil Premium. We remain confident that we are working with the right children, at the right time.

Our programme is devised and led by teachers

The programme, in its current format was initially devised in 2014. It is based on 'Reading for Pleasure' and 'redrafting writing' pedagogies, as well as the principles that a low risk, positive environment gives children the ability to reinvent themselves as successful learners.

The Young Pirates read at each session, working through a set text that challenges them and having time to choose books. The pace of reading is set by them with their adult volunteer. In the second half of the session they undertake writing activities, which over a six-week period, create an extended redrafted piece of writing. We publish these pieces of writing so they can feel proud of their hard work. The content of the programme is drawn from the Young Pirates own experiences and passions. The skills in reading and writing that are taught in school, are practiced at the Literacy Pirates.

Having qualified teachers devising and leading sessions means that they can direct and support each Session and the Young Pirates personally, using their professional judgement. They are also best placed to use the collected data to drive improvement for all the Young Pirates.

121 and small group adult support

Young Pirates are supported during sessions by our Crewmates, adult volunteers. This gives them real time feedback and motivation. The volunteers are trained to help develop the literacy, confidence, and perseverance. Their motivating presence is one of our impact drivers. We had a community of more than 450 trained adults who join sessions on a regular basis and provide one to one or small group support.

We believe it is important that our Young Pirates work with people from a diverse range of backgrounds. We recruit volunteers from the local community and reach others further afield through our partnerships with universities and corporates.

Motivating Published Projects

We publish our Young Pirates' work as high-quality products, in order to give them tangible outcomes and a sense of accomplishment. We celebrate effort and help foster a confidence and pride in their work. At the end of each term we bring together family and friends at joyous events that showcase the children's work.

During 2021-22 we proudly published the Young Pirate's work in books, an interactive website, a screening at the Rio cinema and podcasts.

Virtual Ship

In March 2020, when we were forced to close the doors of our 'Ships' in Hackney and Haringey, we still wanted to continue to support our Young Pirates so we launched our online digital programme, **Virtual Ship,** which ran throughout 2020-21 as a pilot. With good first impressions of impact despite navigating the changing covid restrictions, we felt buoyed to continue with the Virtual Ship.

The Virtual Ship has become an integral part of our offering. It offers us the opportunity to work with children and communities who would not be able to come to a physical venue and live in more remote areas. We are excited by its unique offer and the exciting potential to reach many more children.

Alternative Provision

In 2020 we were asked by Haringey Council to pilot our programme with more vulnerable children who had been excluded from school. In the spring and summer terms we worked with the wonderful staff at Commerce House to deliver our programme to eight pupils. The programme was deemed a success – by the pupils and staff who appreciated the extra adult attention and ability to work towards a tangible published project.

We have continued to develop this programme and experiment with an online version in Newham. We saw mixed results online for these students, who have complex behaviour issues and challenges. We are now looking at how this programme could be extended across London through a face-to-face programme as in Haringey.

Achievements and Impact

Having started our three-year strategy in Sept 2021 we have achieved much of the first year's plans. We increased our numbers from 270 to 414. Progress against our strategic goals has been good.

Strategic goal 1 - Increase the impact of the programmes.
The impact has been steady and improvements to the programme ensured the benchmark of 45% of children reaching the 5 months progress in reading over each term was achieved. We are confident despite a small sample and qualitative evaluation that impact has been made. Further information about our impact is set out below.

Strategic goal 2 - Increase the number of school partnerships.
The investment in a Schools Partnership Manager means we have dedicated resource in this area. We have retained schools and increased the number of schools we work. This means we have grown the number of children we work with by 10% for 2022-23.

Strategic goal 3 - Increase the number of volunteers recruited.
The volunteering sector has been massively diminished by the pandemic. We have also suffered. However, since spring 2022 we have seen a steady increase in numbers, building from 200 to 450 over the year.

Strategic goal 4 - Increasing the funds raised.
The team has been especially successful with income generation from trusts and foundations, as well as corporate partnerships. In the last year we started a major donor programme which attracted 10 new donors, and from which we will continue to grow. We grew the overall income by 20%, to over £1,000,000.

Strategic goal 5 - Build the organisational capacity.
Ensuring we are a good place to work and recruit and retain excellent staff has been critical. We have increased the team size and ensured that there are more ways for staff to progress and take on responsibility. We have also work with the board to create a diversity, equity and inclusion working group and approach which has identified key projects to action for the coming year. As our team has grown our ways of working have developed to enable remote working and good communication from different sites.

We are committed to a rigorous and thoughtful approach to monitoring and evaluating the impact our learning programme makes. We stay up to date with best practice to ensure that our learning programme and monitoring and evaluation practices are fit for purpose. We use a mixture of qualitative and quantitative approaches to fully understand the impact.

In 2021-22 we used the following tools:

- Reading age Star Tests using the Accelerated Reader programme.
- Quantitative surveys with children, parents and teachers investigating progress in each of our core skill areas.

- Briefings with staff and volunteers, before and after Sessions to understand what is working well and what needs adjustment.
- Interviews with children conducted by an external organisations, The Centre for Education and Youth.

Outcome 1 Reading - Children have improved reading skills and enjoy reading

Young Pirates read with an adult at their weekly sessions. We promote Reading for Pleasure, allowing children to have a choice in what they read and encouraging them to stretch themselves with more challenging texts as much as possible. Volunteers motivate the children to keep reading and check for comprehension.

Young Pirates made an average of 5 months progress each term. 50% of parents of children who did not like reading at the start of the programme, reported that their child enjoying reading more by the end.

> *'Leo reads voraciously now and when he first came, his idea of a story was 2 sentences.' Leo parent*

> *'I would say that I've noticed a marked improvement in Lily's ability to express her thoughts articulately. Her ability to decipher more complex words, and to understand more advanced concepts has also improved.' Lily parent*

Outcome 2 Writing - Children have improved writing skills and write more.

Young Pirates create a piece of writing across each half-term. Over the six-week period they embark on a cycle of imagining, drafting and redrafting their written work. This process embeds learning and creates a piece of work that took effort. We publish the children's work in tangible projects in order to provide motivation and a sense of achievement.

75% of teachers agreed or strongly agreed that the programme had an impact on the children's literacy.

> *'Maisie has made great improvements since joining the programme. She writes at a faster pace and needs little assistance in structuring and planning her work. She was below expectations now she is working towards age-related expectations.' Maise's teacher*

> *'She's has improved in her writing too and now enjoys writing stories and is more willing and enthusiastic about reading.' Jayan's parent*

Outcome 3 Confidence - Children have increased confidence as learners in the classroom.

We create a safe space for making mistakes and provide tangible challenges to work towards, as well as giving the Young Pirates opportunities to present their work and celebrate their achievements as often as possible. We give children the confidence to ask questions, share their work and try in class, not just at our sessions.

85% of parents and 73% of teachers saw an increase in confidence of the children.

> *'Micah has worked incredibly hard this year, particularly in writing. He now tackles challenges with a growth mindset, something he did struggle with before.' Micah's teacher*

> *'I always try hard but now when I do lots of writing my teachers are impressed with me.' Young Pirate Teegan*

Outcome 4 Perseverance - Children have increased levels of perseverance, put in more effort and keep going when things are hard.

Academic success is hard work. We create an environment where children can feel successful and understand that success takes perseverance. Using established approaches like modelling, co-construction and guided reflection we help children to develop strategies for thinking about their own learning, or metacognition.

78% of children said they tried harder in class and 69% of teachers agreed.

> *'They have helped me because they have encouraged me to work hard and keep trying even when I can't do something they are not getting angry at me.' Ryan.*

Risk Review

The board retains a strategic risk register, updated before each board meeting. The major risks to the organisation mirror our priority areas of school and volunteer recruitment and fundraising.

Since the pandemic in 2020 we have been rebuilding our volunteer base, however through changing work habits volunteer numbers across the country have declined. We are pleased that our numbers climb each month but face a reduced market. We are therefore concentrating on universities and corporate partnerships to create larger pools of excellent volunteers.

School funding has proven to be a factor in whether schools choice Literacy Pirates as an intervention for their students. As schools continue to struggle to manage their budgets, cut staff and face increased costs, we must work hard to ensure schools value our programme. We have invested in a Schools Partnership Manager and will invest in communications in the coming year to build these partnerships and reach new schools.

The fundraising landscape remains uncertain. While we have been successful in securing annual increases in income over the last five years, we are well aware of the pressure on charitable giving in this economic downturn and with so many other worthwhile charities looking for support. Our investment in the fundraising team means we are able to research and make approaches for more grants and ensure that we maintain beneficial partnerships and relationships with donors.

Future Plans

The Board remains committed to our three-year strategy which will see us increase our impact for all children while also growing the number of children we work with in order to test the viability of our online programme, the Virtual Ship.

Strategic goal 1 - Increase the impact of the programmes.
In the coming year we will better prove our impact with data and have clarity about the Virtual Ship. Improving the average impact so that within the next two years 75% of children make 5 months progress in their reading age each term. We will achieve this by focusing on the programme content, using children, teacher and volunteer feedback.

Strategic goal 2 - Increase the number of school partnerships.
We will work throughout this year to increase the number of children we will work with next year by an additional 30%. A pricing review has allowed us to create a competitive offer for schools, which sits alongside renewed work to build better two-way relationships. We are aiming to better serves teachers and school's needs. Hiring a Communication Manager will complement our School Partnership Managers work to attract more schools.

Strategic goal 3 - Increase the number of volunteers recruited.
In the coming year we will continue to offer good training and volunteer management in order to double the size of our volunteer base. The challenge has been since the pandemic volunteering across the UK has fallen. We are focusing on building relationships with universities and corporates in order to tap into large pools of great volunteers.

Strategic goal 4 - Increasing the funds raised.
Trusts and foundation grants, corporate partnerships and gifts from individuals make up the largest incomes streams and remain our core focus for the coming year. The target is to secure an increase in the average gift size, we have therefore invested in the fundraising team bringing in greater expertise and capacity.

Strategic goal 5 - Build the organisational capacity.
In the next year we will focus on bring expertise to different aspects of the organisation. This is especially true in the digital aspects, both the technical ability to run an effective online programme and the use of tech in the ways we work together. The latter will shift the ways of working within the organisation to ensure we are more nimble in our operations, able to test different strategies to achieve strategic goal 1 of increasing the impact.

Statement of Trustees' Responsibilities

The trustees (who are also the directors of The Literacy Pirates (A Company Limited By Guarantee) for the purposes of company law) are responsible for preparing the Report of the Trustees 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Finally…

Thank You. Our thanks go especially to our ever-increasing community of volunteers, school partners and our funding. They are the driving force that enables us to deliver our programme and impact.

Thank You for joining us in our adventures in learning.

A salute to you all!

Nick Canning

Chair of Trustees

Report of the Independent Auditor to the Members of The Literacy Pirates (a Company Limited by Guarantee)

Opinion
We have audited the financial statements of The Literacy Pirates (A Company Limited By Guarantee) (the 'charitable company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 31st August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and 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
In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. 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.

The figures for the comparative year were unaudited.

Report of the Independent Auditor to the Members of The Literacy Pirates (a Company Limited by Guarantee)

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

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

In preparing the financial statements, the trustees are responsible for assessing the 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.

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the charitable company and the industry in which it operates, and considered the risk of acts by the charitable company that were contrary to applicable laws and regulations, including fraud. We identified that the following laws and regulations are central to the charitable company:

- Companies Act 20006
- Charities Act 2011
- Charities SORP 2019
- Health & safety regulations

Report of the Independent Auditor to the Members of The Literacy Pirates (a Company Limited by Guarantee)

We did not find any instances of non-compliance or breaches of the legislation framework applicable to the charitable company.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We identified that the following areas were of high risk:
- Completeness of income. We performed various audit tests to ensure that income was not materially understated in the financial statements.
- Management override of controls. We performed various audit tests to ensure there was no material management override of controls

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, UK tax legislation, Charities Act 2011 and Charities SORP 2019. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel when considered necessary. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of management bias by the directors that represented a risk of material misstatement due to fraud.

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 Report of the Independent Auditors.

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

John Thacker FCA DChA (Senior Statutory Auditor)
for and on behalf of Chariot House Limited
Chartered Accountants and Statutory Auditor
44 Grand Parade
Brighton
BN2 9QA

7th March 2023

The Literacy Pirates Limited
Statement of Financial Activities (Including Income and Expenditure Account)
For the financial period ended 31st August 2022

	Note	Restricted 2021-22	Unrestricted 2021-22	Total 2021-22	Total 2020-21
		£	£	£	£
Income					
Donations & legacies	**2**	511,576	489,363	1,000,939	825,919
Charitable activities	**3**	-	46,184	46,184	43,915
Investment income		-	1,705	1,705	425
Trading income	**4**	-	18,863	18,863	13,445
Other income	**5**	-	300	300	2,457
Total Income		511,576	556,415	1,067,991	886,161
Expenditure					
Raising funds	**6**	7,721	139,338	147,059	102,193
Charitable activities	**7**	498,721	235,633	734,354	601,151
Total Expenditure		506,442	374,971	881,413	703,344
Net Income/(Expense)		5,134	181,444	186,578	182,817
Transfers Between Funds		- 1	1	-	-
Net Movement Between Funds		5,133	181,445	186,578	182,817
Total Funds Brought Forward		196,461	523,986	720,447	537,630
Total Funds Carried Forward		201,594	705,431	907,025	720,447

The Literacy Pirates Limited
Balance Sheet
As at 31st August 2022 Company Registration Number: 7790039

	Note	2021-22 £	2020-21 £
Fixed Assets			
Tangible Fixed Assets	**12**	15,771	19,652
		15,771	19,652
Current Assets			
Debtors	**13**	60,568	29,312
Cash at bank and in hand		953,626	747,443
		1,014,194	776,755
Liabilities			
Creditors: amounts falling due within one year	**14**	(122,940)	(75,960)
Net Current Assets		891,254	700,795
Total Assets less Current Liabilities		907,025	720,447
The Funds of the Charity			
Restricted funds	**17**	201,594	196,461
Designated funds	**18**	15,771	19,652
Unrestricted funds	**18**	689,660	504,334
Total Charity Funds		907,025	720,447

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 2 February 2023 and were signed on its behalf by:

Nick Canning
Chair of Trustees

20th February 2023

The Literacy Pirates Limited
Statement of Cash Flows
For the financial period ended 31st August 2022

	Note	2021-22	2020-21
		£	£
Cash flows from operating activities			
Net cash flow from operating activities	19	210,672	242,045
Cash flows from investing activities:			
Purchase of tangible fixed assets		(6,194)	(8,119)
Interest income		1,705	425
Net cash flow from investing activities:		(4,489)	(7,694)
Net increase/(decrease) in cash and cash equivalents in the period		206,183	234,351
Net cash and cash equivalents at the start of the period		747,443	513,092
Net cash and cash equivalents at the end of the period		953,626	747,443

Cash and cash equivalents are made up of cash held at the bank, in hand, and in deposit accounts only. These comprised of:

	2021-22	2020-21
	£	£
Cash in hand	215	196
Cash at bank	743,411	662,247
Cash on short term deposit	210,000	85,000
	953,626	747,443

The charity is a company limited by guarantee incorporated in England and Wales. The registered office is 138 Kingsland High Street London E8 2NS.

1) Accounting Policies

Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102 (effective 1 January 2015) – (Charities SORP (FRS102)), and the Companies Act 2006.

The Charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been drawn up for a 12 month period from the 1st September 2021 to the 31st August 2022. The comparative financial statements, described as "2020-21" in the notes to the financial statements, cover the period 1st September 2020 to 31st August 2021.

The accounts have been prepared under the historic cost convention, unless otherwise stated in the accounting policies.

Assessment of going concern

The Charity recorded a surplus of £186,578 in the financial period and held net cash of £953,626 and free reserves of £689,660 at the balance sheet date.

At the time of approving the financial statements, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. In reaching this opinion, the trustees have considered forward budgets and cash flow forecasts. The trustees continue to adopt the going concern basis in accounting in preparation of financial statements.

Fund accounting

Unrestricted funds are general funds that are available for use at the trustees' discretion in furtherance of the objective of the charity.

Designated funds are funds established by the trustees from time to time for specific projects or purposes, are not in any way restricted and any surplus or deficit will be transferred to/from the general purposes fund when the designated fund is closed. The value of fixed tangible assets, net of depreciation, is included under designated funds as this value is considered unavailable for general purposes.

Restricted funds are those donated for use in particular area of specific purposes, the use of which is restricted to that area or purpose.

Income

Incoming resources are accounted for as soon Literacy Pirates has entitlement to the income and there is both probability of receipt and the amount is measurable.

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

Income from school referral partners is deferred across the duration of the academic terms or years for which they have paid.

Grant income is recognised in full in the year in which it is receivable, unless there are specific performance related conditions that prevent its recognition. Where performance conditions apply, grant income is deferred until those conditions are met.

Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. Expenditure is accounted for on an accruals basis and has been classified under headings in the SOFA in the aggregate of all costs related to that category.

Cost of raising funds relate to those specific costs incurred in organising and staging fundraising events and seeking voluntary contributions, together with employment costs of fundraising staff.

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

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs comprise those costs associated with meeting the constitutional and strategic requirements of the charity and the audit fees and costs linked to strategic management of the charity.

Volunteers

The Charity benefits from the contribution of many volunteers who give their time. In accordance with guidance in the Charities SORP FRS 102, no monetary value is included in the accounts for an equivalent time cost given by volunteers.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible within 100 days to a known amount of cash and are subject to an insignificant risk of change in value.

Tangible Fixed Assets

Tangible fixed assets costing £1,000 or more including irrecoverable VAT and incidental installation costs are capitalised, where they meet the definition of fixed assets according to the relevant financial standards in force. Tangible fixed assets are stated at cost net of depreciation charged to date. Depreciation is charged on a straight line basis to the following standards:

Leasehold Improvements	20% / 5 Years, or the duration of the lease whichever the shorter
IT Equipment	33% / 3 Years

Tangible fixed assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, with no stated interest rate and receivable within one year are measured at transaction price.

Basic financial liabilities

Basic financial liabilities, including creditors, with no stated interest rate and payable within one year, are recorded at transaction price.

Operating leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expenses when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Defined contribution pension scheme

The Charity operates a defined contribution pension scheme that is compliant with Auto-Enrolment legislation. The defined contribution pension scheme costs charged in the statement of financial activities represent the employer's pension contributions payable by the Charity, and the balance payable reported in the notes to the accounts represents a combination of employers' contributions and employees' deductions payable at the balance sheet date.

Critical accounting estimates and judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Trustees do not consider there to be any estimates or judgements that are critical to the financial statements.

2) Voluntary Income (Donations and Legacies)

	Restricted Funds 2021-22	Unrestricted Funds 2021-22	Total Funds 2021-22	Total Funds 2020-21
	£	£	£	£
AKO Foundation	41,562	-	41,562	-
Amazon	5,000	5,141	10,141	-
Axis Foundation	6,500	-	6,500	5,000
Bain Capital Children's Fund Europe	74,327	-	74,327	75,000
Betty Messenger Charitable Foundation	12,000	-	12,000	-
BNI Foundation	1,000	-	1,000	-
Bridge Renewal Trust	-	-	-	4,600
Chapman Charitable Trust	1,000	-	1,000	-
Charles S French Charitable Trust	3,000	-	3,000	-
Clarion Futures	-	13,000	13,000	5,000
Colt Technology Services (UK)	-	14,000	14,000	-
CPF Trust	-	1,000	1,000	1,000
David & Ruth Lewis Family Charitable T.	10,000	-	10,000	-
David Tebbutt Trust	-	1,500	1,500	3,000
Derwent London Community Fund	-	-	-	5,000
Drapers' Charitable Fund	-	25,000	25,000	-
Fidelity UK Foundation	-	-	-	20,000
Foundation for Future London	8,000	-	8,000	-
FundApps	-	10,000	10,000	-
Garfield Weston Foundation	-	25,000	25,000	-
Golden Circle Tuition	-	1,000	1,000	-
Gravis Capital Management	-	5,000	5,000	-
Greater London Authority	29,075	-	29,075	38,762
Jack Petchey Foundation Company	8,723	-	8,723	11,846
King's College London	-	-	-	3,010
Kusuma Trust	-	10,000	10,000	-
L&Q Placemakers Fund	17,000	-	17,000	-
Leathersellers' Company Charitable Fund	-	-	-	15,000
London Community Response Fund	15,000	-	15,000	15,000
M&G Community Fund	-	2,000	2,000	-
Masonic Charitable Foundation	-	-	-	5,000
Monday Charitable Trust	-	-	-	20,000
Phillips 66 Ltd	-	1,500	1,500	-
Postcode Society Trust	15,156	-	15,156	-
QS Enrolment Solutions	-	465	465	-
St. James Place Charitable Foundation	10,000	-	10,000	-
Skipton Building Society	-	2,400	2,400	-
Swire Charitable Trust	-	-	-	25,000
The 29th May 1961 Charitable Trust	-	-	-	4,000
The Allen & Overy Foundation	5,000	-	5,000	-
The ASK Charitable Foundation	33,333	-	33,333	-
The Buzzacott Stuart Defries Mem'l Fund	-	1,000	1,000	-
The Casey Trust	3,000	-	3,000	-
Subtotals Carried Forward	298,676	118,006	416,682	256,218

2) Voluntary Income (Donations and Legacies) Continued

Subtotals Brought Forward	298,676	118,006	416,682	256,218
The Charity of Sir Richard Whittington (The Mercers' Company)	40,000	-	40,000	55,000
The Colenutt Family Charitable Foundatio	-	1,000	1,000	-
The Constable Educational Trust	-	-	-	50,000
The Dixie Rose Findlay Charitable Trust	3,000	-	3,000	-
The D'Oyly Carte Charitable Trust	3,000	-	3,000	-
The DWF Charitable Foundation	2,000	-	2,000	-
The Englefield Charitable Trust	2,000	-	2,000	-
The Frognal Trust	1,500	-	1,500	-
The Goldsmiths' Company	-	-	-	20,000
The Gosling Foundation	-	15,000	15,000	25,000
The Haberdashers' Company	-	-	-	2,000
The Hadley Trust	-	5,000	5,000	-
The Hargreaves Foundation	30,000	-	30,000	30,000
The Hedley Foundation	1,000	-	1,000	-
The Ironmongers' Company	5,000	-	5,000	-
The Monica Rabagliati Charitable Trust	3,000	-	3,000	-
The National Lottery Community Fund	-	-	-	10,000
The Pantheon Charitable Trust	-	22,500	22,500	10,000
The Pears Family Charitable Foundation	40,000	15,000	55,000	15,000
The Portal Trust	17,500	-	17,500	-
The Sir Trevor Chinn Charitable Trust No2	-	500	500	1,000
Theirworld	10,000	-	10,000	-
Tottenham Grammar School Foundation	5,000	-	5,000	-
UBS	8,900	-	8,900	2,000
Walcot Foundation	25,000	-	25,000	-
Wattle and Slate	-	264	264	-
West Hackney Parochial Charity	15,000	-	15,000	15,000
Other Corporate Giving	-	8,014	8,014	42,929
Other Trusts & Foundations	-	90,000	90,000	84,700
Individual Giving	1,000	204,079	205,079	207,072
Legacy Giving	-	10,000	10,000	-
Totals	511,576	489,363	1,000,939	825,919

(2020-21: £403,012 of funds were restricted and £422,907 were unrestricted)

The Literacy Pirates would like to thank all our funders. This includes those that joined the Captain's Collective and those donors giving multi-year funding, including our Pirate Pals, giving monthly donations. Also those Trusts and Foundations, individuals and corporates who choose to give anonymously, plus everyone who offers us pro-bono support.

3) Income from Charitable Activities

	Total Funds 2021-22	Total Funds 2020-21
	£	£
School Referral Partners	46,184	43,915
Total	46,184	43,915

The income listed above relates to the one charitable activity: promoting the education of people in the UK through support to develop their literacy and creativity. All income from charitable activities was unrestricted. (2020-21: all income was unrestricted).

4) Trading Income

	Total Funds 2021-22	Total Funds 2020-21
	£	£
Property Sub-let, service charges	14,519	13,375
Occasional Room Hire	4,344	70
Total	18,863	13,445

All trading income was unrestricted (2020-21: all income unrestricted).

5) Other Income

	Total Funds 2021-22	Total Funds 2020-21
	£	£
Coronavirus Job Retention Grants	-	2,457
Charges for Staff Attendance at Events	300	-
Total	300	2,457

All other income was unrestricted. (2020-21: all income was unrestricted).

6) Expenditure on Raising Funds

	Restricted Funds 2021-22	Unrestricted Funds 2021-22	Total Funds 2021-22	Total Funds 2020-21
	£	£	£	£
Staff costs	7,721	96,169	103,890	97,095
Other fundraising costs	-	43,169	43,169	5,098
	7,721	139,338	147,059	102,193

(2020-21: all expenditure was unrestricted).

7) Expenditure on Charitable Activities

	Restricted Funds 2021-22	Unrestricted Funds 2021-22	Total Funds 2021-22	Total Funds 2020-21
	£	£	£	£
Staff costs	361,238	139,898	501,136	423,372
Education materials and activities	23,596	11,743	35,339	26,093
Volunteer costs	2,671	1,181	3,852	2,605
Fantastical space costs	74,649	27,283	101,932	81,307
Depreciation	-	10,075	10,075	10,338
Other costs	35,456	29,257	64,713	31,609
Support costs (see note 8)	1,111	10,607	11,718	24,482
Governance costs (see note 8)	-	5,589	5,589	1,345
	498,721	235,633	734,354	601,151

(2020-21: restricted expenditure was £457,793 and unrestricted expenditure £143,358).

8) Support and Governance Costs

	Restricted Funds 2021-22	Unrestricted Funds 2021-22	Total Funds 2021-22	Total Funds 2020-21
	£	£	£	£
Support costs:				
IT and telephone costs	375	5,853	6,228	19,653
Office supplies	736	3,734	4,470	3,874
Other costs	-	1,020	1,020	955
Total support costs:	1,111	10,607	11,718	24,482
Recharged to charitable activities	- 1,111	- 10,607	- 11,718	- 24,482
Governance costs:				
Audit Fees	-	5,400	5,400	-
Independent Examiners' fees	-	-	-	1,295
Trustee meeting costs	-	189	189	50
Total governance costs:	-	5,589	5,589	1,345
Recharged to charitable activities	-	- 5,589	- 5,589	- 1,345

(2020-21: all expenditure was unrestricted).

9) Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation Tax purposes. Accordingly the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

10) Comparatives for the Statement of Financial Activities

	Restricted 2020-21	Unrestricted 2020-21	Total 2020-21
	£	£	£
Income			
Donations & legacies	403,012	422,907	825,919
Charitable activities	-	43,915	43,915
Investment income	-	425	425
Trading income	-	13,445	13,445
Other income	-	2,457	2,457
Total Income	403,012	483,149	886,161
Expenditure			
Raising funds	-	102,193	102,193
Charitable activities	457,793	143,358	601,151
Total Expenditure	457,793	245,551	703,344
Net Income/(Expense)	(54,781)	237,598	182,817
Transfers Between Funds	66	- 66	-
Net Movement Between Funds	(54,715)	237,532	182,817
Total Funds Brought Forward	251,176	286,454	537,630
Total Funds Carried Forward	196,461	523,986	720,447

11) Staff Costs

	2021-22	2020-21
	£	£
Wages and salaries	552,184	473,807
Social security costs	43,843	38,841
Pension costs	8,999	7,818
	605,026	520,466

No employee earned remuneration of more than £60,000 per year (2020-21: no employees)

The average number of employees during the period were 20 (2020-21: 20). Employees are counted irrespective of whether the worker is employed full time or part time, in accordance with the requirements of the SORP. As the Charity employs some part time and sessional workers, the average head count would be 17 based on full time equivalents (2020-21: 16).

Key management personnel.
The key management personnel of the Charity comprise the trustees (who are not remunerated) and the Chief Executive along with the Director of Learning, Head of Fundraising and Financial Manager.
Included in the above staff costs are the remuneration paid to key management personnel over the financial period:

	2021-22	2020-21
	£	£
Wages and salaries	145,710	135,211
Social security costs	15,738	14,539
Pension costs	2,323	2,214
	163,771	151,964

The charity operates a defined contribution pension scheme provided by The People's Pension which satisfies the requirements of automatic enrolment pension legislation.
At the end of the year, amounts of £1,754 were due to the pension scheme provider (2020-21: £1,642).
Pension costs are allocated to the one charitable activity. These costs are split between restricted and unrestricted funds in line with the individual funding agreements.

12) Tangible fixed assets

	Leasehold Improvements	Computer Equipment For Learning	Computer Equipment For Staff	Total
	£	£	£	£
Cost or valuation:				
At the start of the financial period	25,411	16,194	3,019	44,624
Additions in the financial period	-	4,098	2,096	6,194
At the end of the financial period	25,411	20,292	5,115	50,818
Depreciation:				
At the start of the financial period	13,552	11,420	-	24,972
Charge for the financial period	5,082	3,502	1,491	10,075
At the end of the financial period	18,634	14,922	1,491	35,047
Net book value:				
At the end of the financial period	6,777	5,370	3,624	15,771
At the start of the financial period	11,859	4,774	3,019	19,652

13) Debtors

	2021-22	2020-21
	£	£
Trade debtors	19,145	12,913
Prepayments	24,753	10,063
Accrued Income	9,938	54
Other debtors	6,732	6,282
	60,568	29,312

14) Creditors

	2021-22	2020-21
	£	£
Trade creditors	25,023	10,277
Taxation and social security	13,579	-
Accruals	23,438	4,640
Other creditors	4,458	3,656
Deferred income (see note 15)	56,442	57,387
	122,940	75,960

15) Deferred Income

	2021-22 £	2020-21 £
Deferred income brought forward	57,387	40,325
Amount released to income from Charitable Activities	(44,562)	(39,204)
Amount of income deferred during the financial period	43,617	56,266
Deferred income held at the end of the financial period	56,442	57,387

Deferred income relates to funds received in the period but where the trustees judge that the criteria for recoginition is not yet met. Typically these incomes come from either restricted grants that are ringfenced for staff salaries, or income from school partners that is earned across the academic years for which they fund. Of the deferred income amount brought forward from 2020-21, the majority was released in 2021-22. The new amount of deferred income in 2021-22 was £43,617 and this amount is carried forward to spend in the future financial periods in accordance with the conditions set by donors.

16) Analysis of Net Assets Between Funds

	Restricted Funds 2021-22 £	Designated Funds 2021-22 £	Unrestricted Funds 2021-22 £	Total Funds 2021-22 £
Tangible Fixed Assets	-	15,771	-	15,771
Cash at bank and in hand	201,594	-	752,032	953,626
Debtors	-	-	60,568	60,568
Less: current liabilities	-	-	(122,940)	(122,940)
	201,594	15,771	689,660	907,025

	Restricted Funds 2020-21 £	Designated Funds 2020-21 £	Unrestricted Funds 2020-21 £	Total Funds 2020-21 £
Tangible Fixed Assets	-	19,652	-	19,652
Cash at bank and in hand	196,461	-	550,982	747,443
Debtors	-	-	29,312	29,312
Less: current liabilities	-	-	(75,960)	(75,960)
	196,461	19,652	504,334	720,447

17) Restricted Funds

	As at 1st Sept 2021 2021-22 £	Income 2021-22 £	Expenditure 2021-22 £	Transfers 2021-22 £	As at 31st Aug 2022 2021-22 £
AKO Foundation	-	41,562	(41,562)	-	-
Amazon	-	5,000	(5,000)	-	-
Axis Foundation	-	6,500	(6,500)	-	-
Bain Capital Children's Fund Europe	75,000	74,327	(75,000)	-	74,327
Betty Messenger Charitable Foundation	-	12,000	(2,000)	-	10,000
BNI Foundation	-	1,000	-	-	1,000
Chapman Charitable Trust	-	1,000	(1,000)	-	-
Charles S French Charitable Trust	-	3,000	(3,000)	-	-
David & Ruth Lewis Family Charitable T.	-	10,000	(10,000)	-	-
Foundation for Future London	-	8,000	(3,858)	-	4,142
Greater London Authority	8,500	29,075	(37,576)	-	-
Jack Petchey Foundation Company	3,855	8,723	(12,578)	-	-
L&Q Placemakers Fund	-	7,000	(7,000)	-	-
L&Q Placemakers Fund	-	10,000	-	-	10,000
Leathersellers' Company Charitable Fund	12,588	-	(12,588)	-	-
London Community Response Fund	-	15,000	(15,000)	-	-
Postcode Society Trust	-	15,156	(15,156)	-	-
St. James Place Charitable Foundation	-	10,000	(10,000)	-	-
The Allen & Overy Foundation	-	5,000	(5,000)	-	-
The ASK Charitable Foundation	-	33,333	(28,833)	-	4,500
The Casey Trust	-	3,000	(3,000)	-	-
The Charity of Sir Richard Whittington (The Mercers' Company)	86,518	40,000	(82,893)	-	43,625
The Dixie Rose Findlay Charitable Trust	-	3,000	-	-	3,000
The D'Oyly Carte Charitable Trust	-	3,000	(3,000)	-	-
The DWF Charitable Foundation	-	2,000	(2,000)	-	-
The Englefield Charitable Trust	-	2,000	(2,000)	-	-
The Frognal Trust	-	1,500	(1,500)	-	-
The Hargreaves Foundation	-	30,000	(30,000)	-	-
The Hedley Foundation	-	1,000	(999)	(1)	-
The Ironmongers' Company	-	5,000	(5,000)	-	-
The Monica Rabagliati Charitable Trust	-	3,000	(3,000)	-	-
The Pears Family Charitable Foundation	-	40,000	(36,200)	-	3,800
The Portal Trust	-	17,500	-	-	17,500
Theirworld	-	10,000	(10,000)	-	-
Tottenham Grammar School Foundation	-	5,000	(5,000)	-	-
UBS	-	8,400	(4,200)	-	4,200
UBS	-	500	-	-	500
Walcot Foundation	-	25,000	-	-	25,000
West Hackney Parochial Charity	-	15,000	(15,000)	-	-
Individual Giving	-	1,000	(1,000)	-	-
Anonymous Trust & Foundation Grant	10,000	-	(10,000)	-	-
Total	196,461	511,576	(506,442)	(1)	201,594

17) Restricted Funds Continued

Restricted funds:

AKO Foundation	A two-year grant towards the learning programme; specifically a Volunteer Co-ordinator and Session Assistant for the virtual ship.
Axis Foundation	A grant for redecoration of the learning space.
Bain Capital Children's Fund Europe	A grant to help expand the impact and reach of the virtual learning programme.
Betty Messenger Charitable Foundation	A grant to support the general learning programme.
BNI Foundation	A grant towards costs of the Young Authors Project.
Chapman Charitable Trust	A grant to support the general learning programme.
Charles S French Charitable Trust	A grant towards the costs of the Making a Movie Project.
David & Ruth Lewis Family Charitable T.	A grant to support the core costs of running the learning programme.
Foundation for Future London	A grant to support A Year of Creative Learning Adventures.
Greater London Authority	Funding for the Haringey ship Teacher along with education resources.
Jack Petchey Foundation Company	Funding for an Intern.
L&Q Placemakers Fund	A grant towards the Book Project.
L&Q Placemakers Fund	A grant towards the running costs of the virtual ship.
Leathersellers' Company Charitable Fund	Funding towards the recruitment of volunteers.
London Community Response Fund	Grants to adapt the learning programme to virtual delivery in response to Covid-19.
Postcode Society Trust	A grant to cover the Session Leader salary costs of running the Podcast Programme.
St. James Place Charitable Foundation	A grant towards the Session Leader salary costs of the Making a Move Project.
The Allen & Overy Foundation	A grant to support the core costs of running the learning programme.
The ASK Charitable Foundation	A grant towards the salary of the School Partnerships Manager.
The Casey Trust	A grant towards the running costs of the virtual ship.
The Charity of Sir Richard Whittington (The Mercers' Company)	Funding for the Haringey Ship.
The Dixie Rose Findlay Charitable Trust	A grant towards the running costs of the virtual ship.
The D'Oyly Carte Charitable Trust	A grant towards the Film Project.
The DWF Charitable Foundation	A grant towards the costs of the Young Pirates Podcast Project.
The Englefield Charitable Trust	A grant to cover the costs of display hoardings of the Young Pirates work.
The Frognal Trust	A grant to support the general learning programme.
The Hargreaves Foundation	A grant to support the general learning programme.
The Hedley Foundation	A grant towards the costs of the Audio Project.
The Ironmongers' Company	A grant towards the costs of the Audio Project.
The Monica Rabagliati Charitable Trust	A grant to support the general learning programme.
The Pears Family Charitable Foundation	A grant 50% funded by DCMS to project manage improvements in volunteer infrastructure.
The Portal Trust	A grant towards the Young Authors' Book Project.
Theirworld	A grant to support the general learning programme.
Tottenham Grammar School Foundation	A grant towards the costs of running the Haringey learning programme.
UBS	Sponsorship of one school cohort for two years.
UBS	A grant towards the costs of administering Pirate Fan Mail.
Walcot Foundation	A grant towards the costs of running the virtual learning programme in Lambeth between 2022-25.
West Hackney Parochial Charity	A multi-year grant towards the costs of running the learning programme in Hackney.
Individual Giving	A donation to fund laptop purchase for the online learning programme.
Anonymous Trust & Foundation Grant	A grant to support the general learning programme.

18) Unrestricted Funds

	As at 1st Sept 2021 2021-22 £	Income 2021-22 £	Expenditure 2021-22 £	Transfers 2021-22 £	As at 31st Aug 2022 2021-22 £
Designated Funds:					
- Fixed asset fund	19,652	-	(10,075)	6,194	15,771
Total Designated funds	19,652	-	(10,075)	6,194	15,771
Unrestricted Funds	504,334	556,415	(364,896)	(6,193)	689,660
Total Unrestricted Fund	523,986	556,415	(374,971)	1	705,431

	As at 1st Sept 2021 2020-21 £	Income 2020-21 £	Expenditure 2020-21 £	Transfers 2020-21 £	As at 31st Aug 2021 2020-21 £
Designated Funds:					
- Fixed asset fund	21,871	-	(10,338)	8,119	19,652
Total Designated funds	21,871	-	(10,338)	8,119	19,652
Unrestricted Funds	264,583	483,149	(235,213)	(8,185)	504,334
Total Unrestricted Fund	286,454	483,149	(245,551)	(66)	523,986

Designated funds:
- Fixed asset fund. This fund reflects the value of fixed assets that are not available as part of the Charity's day to day working capital.

Unrestricted funds:
- General unrestricted funds are the free reserves after allowing for all designated funds.

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

	2021-22 £	2020-21 £
Net movement in funds:	186,578	182,817
Add: Depreciation	10,075	10,338
Deduct: Investment income	(1,705)	(425)
Decrease/(increase) in debtors	(31,256)	49,464
Increase/(decrease) in creditors	46,980	(149)
Net cash flow from operating activities	210,672	242,045

20) Lease commitments

At the balance sheet date, the charity was committed to paying the following non-cancellable operating leases in respect of land and buildings.

	2021-22 £	2020-21 £
Due in one year	80,532	33,562
Due in 2-5 years	111,895	-
	192,427	33,562

The charity leases property in both Hackney and Haringey. The lease for the Hackney premises expired on 30 June 2022. As heads of term have been agreed to extend the Hackney lease, the rent payable has been disclosed in the note above.

21) Related party transactions

During the financial period the company made the following related party transactions:

Trustees

No Trustee received any remuneration for their services to the Charity.
All Trustees waived their right to claim expenses from the Charity during the period. Consequently no expenses were paid to Trustees (2020-21: £nil)
Trustees made voluntary donations of £3,700 including Gift Aid during the period. (2020-21: £305)

The Literacy Pirates Limited

England & Wales - Charity number 1145115

Accounts

LITERACY PIRATES

Literacy, Confidence & Perseverance.

The Literacy Pirates Limited

(formerly The Hackney Pirates Limited)

Annual Reports and Financial Statements

Reporting period

1st Sept 2020 to 31st Aug 2021

Charity registration number: 1145115

Company registration number: 07790039

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Reference and Administrative Details

Status	The Literacy Pirates Limited (formerly The Hackney Pirates Limited) is a charitable company limited by guarantee, incorporated on 28 September 2011 and registered as a charity on 16 December 2011.
Governing Document	The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.
Company registration number	07790039
Charity registration number	1145115
Registered Office	138 Kingsland High Street, E8 2NS, London
Principal Office	138 Kingsland High Street, E8 2NS, London
Board of Trustees	Jason Arday Nicola Arscott (Left 29th November 2020) Alon Avner Nicholas Canning (Chair from Dec 2020) Katherine Fennell Martin Halford Erin Northey Rachel Parkin (Left 8th March 2021) James Westhead (Chair until Dec 2020)
Chief Executive	Jude Williams
Telephone	020 3327 1777
Website	www.literacypirates.org
Email	admin@literacypirates.org
Bankers	Unity Trust Bank Plc Nine Brindley Place Birmingham B1 2HB
Independent Examiner	Windmill Accounts Ltd 26 Windmill Drive Croxley Green Rickmansworth Hertfordshire WD3 3FD

Ahoy!

Welcome to our 2020-21 annual review where we share what has happened over the year at The Literacy Pirates. The report and accounts covers the period 1st Sept 2020 to 31st Aug 2021.

We can reflect on what the children attending our programme, we call them Young Pirates, have achieved since Sept 2020; we are delighted and often moved by their courage and resilience. Their effort resulted in pride-filled book launches and incredible film premieres, and improvements in their reading and writing skills as well as their confidence and perseverance in the classroom.

Report of the Trustees

The Literacy Pirates board of trustees present their report and the independently examined financial statements for the period from 1st Sept 2020 to 31st Aug 2021.

The reference and administrative information set out forms part of this report and the financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Charities SORP (2019).

Structure, governance & management

The organisation was established as a charitable company under a memorandum of association, which established the objects and powers of the charitable company and is governed under its articles of association. In accordance with the articles of association, the trustees retire by rotation at the end of their terms of office and are eligible for re-election. The trustees delegate the day to day management of the charity to the Chief Executive. The trustees have read and had due regard to the Charity Commission's public benefit guidance and confirm that the charity's work meets the requirements.

Trustee Recruitment

Trustees are recruited on the basis of relevant skills and empathy towards the organisation's charitable objectives. The organisation uses existing networks, specialist Trustee recruitment databases and social media campaigns to find trustees. New Trustees receive a comprehensive induction upon taking office which includes an explanation of the organisation's operations, vision mission and values, child protection and safeguarding, impact, funding, finance and the role of a trustee.

Reserves Policy

In July 2021 the Trustees reviewed the charity's reserves policy to better reflect our desire to grow and ensure we have reserves to allow for that growth. The new policy is to hold reserves of at least six months of operating expenditure.

Despite the turbulent year with the pandemic, we have been able to comply with our reserves policy having free reserves of £504,334 equating to 8.6 months of operating cost cover at the reporting date.

About us

The Literacy Pirates makes a transformative impact on the literacy, confidence and perseverance of children so that they can achieve both at school and in the world beyond. The Literacy Pirates works exclusively with children who are underachieving at school and have fewer opportunities in their lives.

We achieve this by providing a high quality, after school learning programme offering reading and writing practice. We work with children aged 9 to 13 years old; around the transitional years between primary and secondary school.

The programme is devised and led by teachers, supported by volunteers giving young people extra personalised attention. It takes place in our specially created pirate-themed fantastical learning environment, that is relentlessly positivite. We believe that young people learn best when working towards tangible, published projects; so each term our Young Pirates create high quality published books, films and apps.

You can see our work in action at **www.literacypirates.org**

Why we are needed

On average children who come to The Literacy Pirates are 1 to 3 years behind in their reading age. This means it is difficult to keep up with their schoolwork. This can lead to disengagement from school and even exclusion.

This gap has been further exacerbated by disruption of learning due to Covid-19 lockdowns and restrictions. Recent data from the EEF indicates that the attainment gap between some children and their more privileged peers could have widened by as much as 75% since the closure of schools earlier this year.

Schools are looking for solutions to lessen the impact for children who have fallen behind and our organisation is able to provide this. Our learning programme focuses on boosting academic skills, as well as developing the children's cognitive skills, that help them improve at school.

The Literacy Pirates' Learning Programme

In 2020-21 we worked with 270 Young Pirates from 24 different schools in Hackney and Haringey, and new for this year we worked with a school in Newham.

We work exclusively with children nominated by their school. Schools are best placed to identify children who are both falling behind in class and have fewer opportunities in their personal circumstances.

In 2020-21 42% of the Young Pirates were in receipt of Pupil Premium Funding, 11% had a diagnosed Special Educational Needs and 42% for whom English is an additional language. Interestingly, in previous years 80% of children referred have been Pupil Premium Funded pupils. The change reflects the schools using our programme to support a number of different groups of children.

Our programme is devised and led by teachers

The programme, in its current format was initially devised in 2014. It is based on 'Reading for Pleasure' and 'redrafting' pedagogies, as well as the principles that a low risk, positive environment gives children the ability to reinvent themselves as successful learners.

The Young Pirates read at each session, working through a set text that challenges them and having time to choose books. The pace of reading is set by them with their adult volunteer. In the second half of the session they undertake writing activities, which over a six-week period, create an extended redrafted piece of writing. We publish these pieces of writing so they can feel proud of their hard work. The content of the programme is drawn from the Young Pirates own experiences and passions. The skills in reading and writing that are taught in school, are practiced at the Literacy Pirates.

Having qualified teachers leading sessions means that they can direct and support the Young Pirates using their professional judgement. They are also best placed to use the collected data to drive improvement for all the Young Pirates.

121 and small group adult support

Young Pirates are supported during sessions by our Crewmates, adult volunteers. This gives them real time feedback and motivation. The volunteers are trained to help develop the literacy, confidence, and perseverance. Their motivating presence is one of our impact drivers. We had a community of more than 600 trained adults before lockdown who join sessions on a regular basis and provide one to one or small group support. We have built that community back up since Sept 2020 to 250 active volunteers.

We believe it is important that our Young Pirates work with people from a diverse range of backgrounds. We recruit volunteers from the local community and reach others further afield through our partnerships with universities and corporates.

Motivating Published Projects

We publish our Young Pirates' work as high-quality products, in order to give them tangible outcomes and a sense of accomplishment. We celebrate effort and help foster a confidence and pride in their work. At the end of each term we bring together family and friends at joyous events that showcase the children's work.

Before and during lockdown we proudly published the Young Pirate's work:

- ✓ Books: '2000 & Strange' and 'Down Memory River' and 'A Guide to Being a Kid'.
- ✓ Website 'Pirates into the Future'
- ✓ A film screened at the Rio 'Alien Alliteration'
- ✓ Holiday workshop in conjunction with Age UK sending postcards to isolated older people
- ✓ Podcast on Wellbeing

Virtual Ship

In March 2020, when we were forced to close the doors of our 'Ships' in Hackney and Haringey we still wanted to continue to support our Young Pirates. So we launched our **Virtual Ship** which ran throughout the last academic year. The Virtual Ship enabled us to navigate the changing covid restrictions. In fact we opened our physical doors for the first half term of the autumn term.

The Virtual Ship has become an integral part of our offering. The Virtual Ship allows us to future-proof against further lockdowns. It also offers the opportunity to work with children and communities who would not be able to come to a physical venue and live in more remote areas.

Alternative Provision

In 2020 we were asked by Haringey Council to pilot our programme with more vulnerable children who had been excluded from school. In the spring and summer terms we worked with the wonderful staff at Commerce House to deliver our programme to eight pupils. The programme was deemed a success – by the pupils and staff who appreciated the extra adult attention and ability to work towards a tangible published project.

We will continue to develop this programme and look for additional brough Councils to work with.

Achievements and Impact

We are committed to a rigorous and thoughtful approach to monitoring and evaluating the impact our learning programme makes. We stay up to date with best practice to ensure that our learning programme and monitoring and evaluation practices are fit for purpose. We use a mixture of qualitative and quantitative approaches to fully understand the impact.

In 2020-21 we used the following tools:

- Reading age Star Tests using the Accelerated Reader programme.
- Quantitative surveys with children, parents and teachers investigating progress in each of our core skill areas.
- Briefings with staff and volunteers, before and after Sessions to understand what is working well and what needs adjustment.

We had results from 44% of Young Pirates, teachers and parents which were analysed.

Reading Children have improved reading skills and enjoy reading

Young Pirates read with an adult at their weekly sessions. We promote Reading for Pleasure, allowing children to have a choice in what they read and encouraging them to stretch themselves with more challenging texts as much as possible. Volunteers motivate the children to keep reading and check for comprehension.

Young Pirates made an average of 15 months progress in 9 months.

'Teriss has more ideas. He is more confident and affirmative with his ideas and what he wants to do. He is more expressive and can articulate himself much better. He writes his own comics and has become an independent learner. He is doing MUCH better in school.' Teriss' parent

Writing Children have improved writing skills and write more.

Young Pirates create a piece of writing across each half-term. Over the six-week period they embark on a cycle of imagining, drafting and redrafting their written work. This process embeds learning and creates a piece of work that took effort. We publish the children's work in tangible projects in order to provide motivation and a sense of achievement.

64% of teachers saw an improvement overall
66% of teachers saw their pupils' literacy skills improve in the classroom due to Literacy Pirates.

'Kai is making steady progress in writing, reading and comprehension. He has grown in confidence this academic year.' *Kai's teacher*

Confidence Children have increased confidence as learners in the classroom.

We create a safe space for making mistakes and provide tangible challenges to work towards, as well as giving the Young Pirates opportunities to present their work and celebrate their achievements as often as possible. We give children the confidence to ask questions, share their work and try in class, not just at our sessions.

90% of parents and 68% of teachers saw an increase in confidence of the children.

'The change in Nassim's attitude to English has been significant. His confidence in reading has improved, alongside his literacy which is lovely to see. He now frequently reads clearly and coherently in front of the class!' Nassim's teacher

Perseverance Children have increased levels of perseverance, put in more effort and keep going when things are hard.

Academic success is hard work. We create an environment where children can feel successful and understand that success takes perseverance. Using established approaches like modelling, co-construction and guided reflection we help children to develop strategies for thinking about their own learning, or metacognition.

87% of children said they tried harder in class and 83% of parents agreed.

'In my opinion, the Pirates has brought out the best in me and now I'm one of the best students in literacy.' Young Pirate Krystal

Finally...

We have started looking to the future, and now have our three year plan for 2021 to 2024. We are planning to extend the reach of our Virtual Ship and support more children than ever.

Thanks go especially to our ever-increasing community of volunteers and our funding partners. They are the driving force of our programme and impact.

Thank You for joining us in our adventures in learning.

A salute to you all!



Nick Canning, Chair of Trustees

Independent examiner's report to the trustees of The Literacy Pirates Limited ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the period ended 31 August 2021.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or

2. the accounts do not accord with those records; or

3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or

4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Donna Rawlins

The Institute of Chartered Accountants in England and Wales

Windmill Accounts Ltd
26 Windmill Drive
Croxley Green
Rickmansworth
Herts
WD3 3FD

The Literacy Pirates Limited
Statement of Financial Activities (Including Income and Expenditure Account)
For the financial period ended 31st August 2021

	Note	Restricted 2020-21 *12 months* £	Unrestricted 2020-21 *12 months* £	Total 2020-21 *12 months* £	Total 2020 *3 months* £
Income					
Donations & legacies	2	403,012	422,907	825,919	239,301
Charitable activities	3	-	43,915	43,915	-
Investment income		-	425	425	253
Trading income		-	13,445	13,445	-
Other income	4	-	2,457	2,457	14,768
Total Income		403,012	483,149	886,161	254,322
Expenditure					
Raising funds	5	-	102,193	102,193	25,808
Charitable activities	6	457,793	143,358	601,151	118,330
Total Expenditure		457,793	245,551	703,344	144,138
Net Income/(Expense)		(54,781)	237,598	182,817	110,184
Transfers Between Funds		66	- 66	-	-
Net Movement Between Funds		(54,715)	237,532	182,817	110,184
Total Funds Brought Forward		251,176	286,454	537,630	427,446
Total Funds Carried Forward		196,461	523,986	720,447	537,630

The Literacy Pirates Limited
Balance Sheet
As at 31st August 2021

Company Registration Number: 7790039

	Note	2020-21 £	2020 £
Fixed Assets			
Tangible Fixed Assets	9	19,652	21,871
		19,652	21,871
Current Assets			
Debtors	11	29,312	78,776
Cash at bank and in hand		747,443	513,092
		776,755	591,868
Liabilities			
Creditors: amounts falling due within one year	12	(75,960)	(76,109)
Net Current Assets		700,795	515,759
Total Assets less Current Liabilities		720,447	537,630
The Funds of the Charity			
Restricted funds	15	196,461	251,176
Designated funds	16	19,652	21,871
Unrestricted funds	16	504,334	264,583
Total Charity Funds		720,447	537,630

For the financial period ended 31st August 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Trustees' (who are also directors for the purposes of company law) responsibilities:
* The trustees have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476; and
* The trustees acknowledge their responsibility for complying with the requireents of the Act with respect to accounting records and the preparation of accounts.

The trustees have prepared financial statements in accordance with the Companies Act 2006 and the Charities Act 2011. These accounts are prepared in accordance with the special provisions of part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

Approved by the trustees on 1ST NOV 2021 and signed on their behalf by:

NACS

Nick Canning, Chair.

The Literacy Pirates Limited
Statement of Cash Flows
For the financial period ended 31st August 2021

	Note	2020-21 *12 months* £	2020 *3 months* £
Cash flows from operating activities			
Net cash flow from operating activities	17	242,045	211,765
Cash flows from investing activities:			
Purchase of tangible fixed assets		(8,119)	-
Interest income		425	253
Net cash flow from investing activities:		(7,694)	253
Net increase/(decrease) in cash and cash equivalents in the period		234,351	212,018
Net cash and cash equivalents at the start of the period		513,092	301,074
Net cash and cash equivalents at the end of the period		747,443	513,092

Cash and cash equivalents are made up of cash held at the bank, in hand, and in deposit accounts only. These comprised of:

	2020-21 *12 months* £	2020 *3 months* £
Cash in hand	196	395
Cash at bank	662,247	427,697
Cash on short term deposit	85,000	85,000
	747,443	513,092

The charity is a company limited by guarantee incorporated in England and Wales. The registered office is 138 Kingsland High Street London E8 2NS.

1) Accounting Policies

Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102 (effective 1 January 2015) – (Charities SORP (FRS102)), and the Companies Act 2006.

The Charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been drawn up for a 12 month period from the 1st September 2020 to the 31st August 2021. The comparative financial statements, described as "2020" in the notes to the financial statements, were drawn for a three month period in order to align the charity's year end with the academic year.

The accounts have been prepared under the historic cost convention, unless otherwise stated in the accounting policies.

Assessment of going concern

The Charity recorded a surplus of £182,817 in the financial period and held net cash of £747,443 and free reserves of £504,334 at the balance sheet date.

During the period ended 31 August 2021 the world continued to be impacted by a global pandemic, COVID-19. It is unclear what the long term impact of the charity will be at this time, however the trustees do not believe this will impact on the going concern of the charity. We have received generous funding towards the costs of adapting our programme to cope with the pandemic and go into the next financial period with a strong financial position.

At the time of approving the financial statements, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. In reaching this opinion, the trustees have considered forward budgets and cash flow forecasts. The trustees continue to adopt the going concern basis in accounting in preparation of financial statements.

Fund accounting

Unrestricted funds are general funds that are available for use at the trustees' discretion in furtherance of the objective of the charity.

Designated funds are funds established by the trustees from time to time for specific projects or purposes, are not in any way restricted and any surplus or deficit will be transferred to/from the general purposes fund when the designated fund is closed. The value of fixed tangible assets, net of depreciation, is included under designated funds as this value is considered unavailable for general purposes.

Restricted funds are those donated for use in particular area of specific purposes, the use of which is restricted to that area or purpose.

Income

Incoming resources are accounted for as soon Literacy Pirates has entitlement to the income and there is both probability of receipts and the amount is measurable.

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

Income from school referral partners is invoiced in advance of the academic year and deferred across the duration of the academic year.

Grant income is recognised in full in the year in which it is receivable unless there are specific performance related conditions that prevent its recognition and instead the income is deferred.

Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on a cash basis and has been classified under headings that aggregate all the costs related to the category.

Cost of raising funds relate to those specific costs incurred in organising and staging fundraising events and seeking voluntary contributions together with attributable support costs.

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

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs comprise those costs associated with meeting the constitutional and strategic requirements of the charity and the audit fees and costs linked to strategic management of the charity.

Volunteers

The Charity benefits from the contribution of many volunteers who give their time. In accordance with guidance in the Charities SORP FRS 102, no monetary value is included in the accounts for an equivalent time cost given by volunteers.

Taxation

As a registered charity, the company is exempt from income and corporation tax to the extent that its income and gains are applied to charitable purpose only.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Tangible Fixed Assets

Tangible fixed assets costing £1,000 or more including irrecoverable VAT and incidental installation costs are capitalised, where they meet the definition of fixed assets according to the relevant financial standards in force. Tangible fixed assets are stated at cost net of depreciation charged to date. Depreciation is charged on a straight line basis to the following standards:

Leasehold Improvements	20% / 5 Years, or the life of the lease whichever the shorter
IT Equipment	33% / 3 Years

Tangible fixed assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, with no stated interest rate and receivable within one year are measured at transaction price.

Basic financial liabilities

Basic financial liabilities, including creditors, with no stated interest rate and payable within one year, are recorded at transaction price.

Operating leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expenses when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Defined contribution pension scheme

The Charity operates a defined contribution pension scheme that is compliant with Auto-Enrolment legislation. The defined contribution pension scheme costs charged in the statement of financial activities represent the employer's pension contributions payable by the Charity, and the balance payable reported in the notes to the accounts represents a combination of employers' contributions and employees' deductions payable at the balance sheet date.

Tangible Fixed Assets

Tangible fixed assets costing £1,000 or more including irrecoverable VAT and incidental installation costs are capitalised, where they meet the definition of fixed assets according to the relevant financial standards in force. Tangible fixed assets are stated at cost net of depreciation charged to date. Depreciation is charged on a straight line basis to the following standards:

Leasehold Improvements	20% / 5 Years, or the life of the lease whichever the shorter
IT Equipment	33% / 3 Years

Tangible fixed assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Critical accounting estimates and judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Trustees do not consider there to be any estimates or judgements that are critical to the financial statements.

2) Voluntary Income (Donations and Legacies)

	Restricted Funds 2020-21 *12 months* £	Unrestricted Funds 2020-21 *12 months* £	Total Funds 2020-21 *12 months* £	Total Funds 2020 *3 months* £
Axis Foundation	5,000	-	5,000	-
Bain Capital Children's Fund Europe	75,000	-	75,000	-
Bernard Sunley Foundation	-	-	-	5,000
Clarion Futures	5,000	-	5,000	2,000
Constable Education Trust	50,000	-	50,000	-
CPF Trust	-	1,000	1,000	-
David Tebbutt Trust	-	3,000	3,000	-
Derwent London	5,000	-	5,000	5,000
Fidelity UK Foundation	20,000	-	20,000	-
Gosling Foundation	25,000	-	25,000	-
Hargreaves Foundation	30,000	-	30,000	-
Jack Petchey Foundation Company	11,845	1	11,846	4,648
King's College London	3,010	-	3,010	-
Leathersellers' Company Charitable Fund	15,000	-	15,000	-
London Community Response Fund	15,000	-	15,000	31,123
Masonic Charitable Foundation	-	5,000	5,000	-
Mayor's Young Londoners Fund	38,762	-	38,762	11,630
Monday Charitable Trust	-	20,000	20,000	-
Pears Foundation	-	15,000	15,000	-
Swire Charitable Trust	-	25,000	25,000	25,000
The 29th May 1961 Charitable Trust	-	4,000	4,000	-
The Charity of Sir Richard Whittington (The Mercers' Company)	55,000	-	55,000	-
The Fore (The Bulldog Trust)	-	-	-	5,000
The Goldsmiths Company	-	20,000	20,000	-
The Haberdashers' Company	2,000	-	2,000	-
The National Lottery	10,000	-	10,000	50,000
The Pantheon Charitable Trust	-	10,000	10,000	-
The Sir Trevor Chinn Charitable Trust	-	1,000	1,000	-
Together we Can	4,600	-	4,600	-
UBS	2,000	-	2,000	-
West Hackney Parochial Charity	15,000	-	15,000	-
Other Trusts & Foundations	10,200	74,500	84,700	-
Individual donations	5,595	201,477	207,072	97,294
Corporate donations	-	42,929	42,929	2,606
	403,012	422,907	825,919	239,301

(2020: £109,401 of funds were restricted and £129,900 were unrestricted)

3) Income from Charitable Activities

	Restricted Funds 2020-21 *12 months* £	Unrestricted Funds 2020-21 *12 months* £	Total Funds 2020-21 *12 months* £	Total Funds 2020 *3 months* £
Referral Partners	-	43,915	43,915	-
Total	-	43,915	43,915	-

The income listed above relates to the one charitable activity: promoting the education of people in the UK through support to develop their literacy and creativity. (2020: no income due to the short financial period)

4) Other Income

	Restricted Funds 2020-21 *12 months* £	Unrestricted Funds 2020-21 *12 months* £	Total Funds 2020-21 *12 months* £	Total Funds 2020 *3 months* £
Coronavirus Job Retention Grants	-	2,457	2,457	13,555
Property Sub-let and service charges		13,445	13,445	1,213
Total	-	15,902	15,902	14,768

(2020: £13,555 of income was restricted and £1,213 unrestricted)

5) Expenditure on Raising Funds

	2020-21 *12 months* £	2020 *3 months* £
Staff costs	97,095	25,418
Other fundraising costs	5,098	390
	102,193	25,808

6) Expenditure on Charitable Activities

	2020-21 *12 months* £	2020 *3 months* £
Staff costs	423,372	83,067
Education materials and activities	26,093	4,407
Volunteer costs	2,605	22
Fantastical space costs	81,307	12,173
Depreciation	10,338	2,196
Other costs	31,609	11,558
Support costs (see note 7)	24,482	4,407
Governance costs (see note 7)	1,345	500
	601,151	118,330

(2020: restricted expenditure was £86,959 and unrestricted expenditure £31,371)

7) Support and Governance Costs

	2020-21 *12 months* £	2020 *3 months* £
Support costs:		
IT and telephone costs	19,653	2,805
Office supplies	3,874	1,351
Other costs	955	251
Total support costs:	24,482	4,407
Recharged to charitable activities (see note 6)	- 24,482	- 4,407
Governance costs:		
Independent Examiners' fees	1,295	500
Trustee meeting and expenses costs	50	-
Total governance costs:	1,345	500
Recharged to charitable activities (see note 6)	- 1,345	- 500

8) Taxation

As a charity, The Literacy Pirates Limited is exempt from the tax on income and gains falling with section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to it's charitable objects. No tax charges have arisen in the Charity.

9) Staff Costs

	2020-21 *12 months* £	2020 *3 months* £
Wages and salaries	473,807	99,139
Social security costs	38,841	7,851
Pension costs	7,818	1,494
	520,466	108,484

No employee earned remuneration of more than £60,000 per year (2020: no employees)

The average number of employees during the period were 20 (2020: 18). Employees are counted irrespective or whether the worker is employed full time or part time, in accordance with the requirements of the SORP. As the Charity employs some part time and sessional workers, the average head count would be 16 based on full time equivalents (2020: 15)

Key management personnel.
The key management personnel of the Charity comprise the trustees (who are not remunerated) and the Chief Executive along with the Director of Learning, Interim Director of Learning and the Head of Fundraising. Included in the above staff costs are the remuneration paid to key management personnel over the financial period:

	2020 *12 months* £	2020 *3 months* £
Wages and salaries	135,211	40,320
Social security costs	14,539	4,040
Pension costs	2,214	716
	151,964	45,076

The charity operates a defined contribution pension scheme provided by The People's Pension which satisfies the requirements of automatic enrolment pension legislation.
At the end of the year, amounts of £1,642 were due to the pension scheme provider (2020: £1,439)
Pension costs are allocated to the one charitable activity. These costs are split between restricted and unrestricted funds in line with the individual funding agreements.

10) Tangible fixed assets

	Leasehold Improvements £	Computer Equipment £	Total £
Cost or valuation:			
At the start of the financial period	25,411	11,094	36,505
Additions in the financial period	-	8,119	8,119
At the end of the financial period	25,411	19,213	44,624
Depreciation:			
At the start of the financial period	8,470	6,164	14,634
Charge for the financial period	5,082	5,256	10,338
At the end of the financial period	13,552	11,420	24,972
Net book value:			
At the end of the financial period	11,859	7,793	19,652
At the start of the financial period	16,941	4,930	21,871

11) Debtors

	2020-21 £	2020 £
Trade debtors	12,913	9,371
Prepayments	10,063	13,035
Accrued Income	54	50,000
Other debtors	6,282	6,370
	29,312	78,776

12) Creditors

	2020-21 £	2020 £
Trade creditors	10,277	16,921
Taxation and social security	-	8,801
Accruals	4,640	6,609
Other creditors	3,656	3,453
Deferred income (see note 12)	57,387	40,325
	75,960	76,109

13) Deferred Income

	2020-21 £	2020 £
Deferred income brought forward	40,325	8,524
Amount released to income from Charitable Activities	39,204	8,524
Amount of income deferred during the financial period	56,266	40,325
Deferred income held at the end of the financial period	57,387	40,325

Deferred income relates to funds received in the period but where the trustees judge that the criteria for recoginition is not yet met. Typically these incomes are either from restricted grants that are ringfenced for staff salaries, or income from school partners that is earned across the academic years for which they fund. Of the deferred income amount brought forward from 2020, the majority was earned and released in 2020-21. The total amount of deferred income in 2020-21 was £56,266 and this amount is carried forward to spend in the next financial period in accordance with the conditions set by donors.

14) Analysis of Net Assets Between Funds

	Restricted Funds 2020-21 £	Designated Funds 2020-21 £	Unrestricted Funds 2020-21 £	Total Funds 2020-21 £
Tangible Fixed Assets	-	19,652	-	19,652
Cash at bank and in hand	196,461	-	550,982	747,443
Debtors	-	-	29,312	29,312
Less: current liabilities	-	-	- 75,960	- 75,960
	196,461	19,652	504,334	720,447

	Restricted Funds 2020 £	Designated Funds 2020 £	Unrestricted Funds 2020 £	Total Funds 2020 £
Tangible Fixed Assets	-	21,871	-	21,871
Cash at bank and in hand	251,176	-	261,916	513,092
Debtors	-	-	78,776	78,776
Less: current liabilities	-	-	(76,109)	(76,109)
	251,176	21,871	264,583	537,630

15) Restricted Funds

	As at 1st Sept 2020 2020-21 £	Income 2020-21 £	Expenditure 2020-21 £	Transfers 2020-21 £	As at 31st Aug 2021 2020-21 £
Axis Foundation	-	5,000	5,000	-	-
Bain Capital Children's Fund Europe	-	75,000	-	-	75,000
Clarion Futures	-	5,000	5,000	-	-
Constable Education Trust	-	50,000	50,000	-	-
Derwent London	-	5,000	5,000	-	-
Fidelity	-	20,000	20,000	-	-
Gosling Foundation	-	25,000	25,000	-	-
Hargreaves Foundation	-	30,000	30,000	-	-
Jack Petchey Foundation Company	-	11,845	7,991	-	3,854
Kings College London	-	3,010	3,076	66	-
Leathersellers' Company Charitable Fund	12,781	15,000	15,193	-	12,588
London Community Response Fund	19,385	15,000	34,385	-	-
Mayor's Young Londoners Fund	9,338	38,762	39,600	-	8,500
Scottish Power Foundation	86,022	-	86,022	-	-
The Charity of Sir Richard Whittington (The Mercers' Company)	73,650	55,000	42,132	-	86,518
The Haberdashers' Company	-	2,000	2,000	-	-
The National Lottery Awards for All	-	10,000	10,000	-	-
The National Lottery	50,000	-	50,000	-	-
Together We Can	-	4,600	4,600	-	-
UBS	-	2,000	2,000	-	-
West Hackney Parochial Charity	-	15,000	15,000	-	-
Other Trusts & Foundations	-	200	200	-	-
Individual Giving	-	5,595	5,595	-	-
Private Donor	-	10,000	-	-	10,000
Total	251,176	403,012	457,793	66	196,461

Restricted funds:	
Axis Foundation	A grant towards volunteering costs to deliver the education programme.
Bain Capital Children's Fund Europe	A grant to help develop a long term, virtual Ship.
Clarion Futures	A grant to fund a Christmas Card project.
Constable Education Trust	A grant towards the hybrid learning programme (vitual and in-person learning).
Derwent London	A grant towards the Book Project.
Fidelity UK Foundation	A grant to develop a platform to deliver the programme virtually.
Gosling Foundation	A grant towards the general learning programme.
Hargreaves Foundation	A grant towards the learning programme.
Jack Petchey Foundation Company	Funding for an Intern.
Kings College London	An Intern sponsorship fund.
Leathersellers' Company Charitable Fund	Funding towards the recruitment of volunteers.
London Community Response Fund	Grants to adapt the learning programme to virtual delivery in response to Covid-19.
Mayor's Young Londoners Fund	Funding for the Haringey Ship Teacher along with education resources.
Scottish Power Foundation	Funding for the Haringey Ship.
The Charity of Sir Richard Whittington (The Mercers' Company)	Funding for the Haringey Ship.
The Haberdashers' Company	A grant to fund Easter holiday workshops.
The National Lottery Awards for All	A grant to fund a Session Leader and core cost contribution.
The National Lottery	A grant towards the virtul learning programme in response to Covid-19.
Together we Can	A grant to support volunteering expenses.
UBS	Sponsorship of one school cohort.
West Hackney Parochial Charity	A grant towards core funding for the general learning programme.
Other Trusts & Foundations	A grant for the general learning programme
Individul Giving	A personal donation to support development of the website
Private Donor	A grant to support the general learning programme.

16) Unrestricted Funds

	As at 1st Sept 2020 2020-21	Income 2020-21 *12 months*	Expenditure 2020-21 *12 months*	Transfers 2020-21 *12 months*	As at 31st Aug 2021 2020-21
	£	£	£	£	£
Designated Funds:					
- Fixed asset fund	21,871	-	10,338	8,119	19,652
Total Designated funds	21,871	-	10,338	8,119	19,652
Unrestricted Funds	264,583	483,149	235,213	- 8,185	504,334
Total Unrestricted Fund	286,454	483,149	245,551	- 66	523,986

	As at 1st June 2020 2020	Income 2020 *3 months*	Expenditure 2020 *3 months*	Transfers 2020 *3 months*	As at 31st Aug 2020 2020
	£	£	£	£	£
Designated Funds:					
- Fixed asset fund	24,067	-	2,196	-	21,871
Total Designated funds	24,067	-	2,196	-	21,871
Unrestricted Funds	188,390	131,366	54,983	- 190	264,583
Total Unrestricted Fund	212,457	131,366	57,179	- 190	286,454

Designated funds:
- Fixed asset fund. This fund reflects the value of fixed assets that are not available as part of the Charity's day to day working capital.

Unrestricted funds:
- General unrestricted funds are the free reserves after allowing for all designated funds.

17) Reconciliation of net movement in funds to net cash flow from operating activities

	2020-21 *12 months* £	2020 *3 months* £
Net movement in funds:	182,817	110,184
Add: Depreciation	10,338	2,196
Deduct: Investment income	(425)	(253)
Decrease/(increase) in debtors	49,464	52,416
Increase/(decrease) in creditors	(149)	47,222
Net cash flow from operating activities	242,045	211,765

18) Lease commitments

At the balance sheet date, the charity was committed to paying the following non-cancellable operating leases in respect of land and buildings.

	2020-21 £	2020 £
Due in one year	33,562	35,182
Due in 2-5 years	-	21,270
	33,562	56,452

19) Related party transactions

During the financial period the company made the following related party transactions:

Trustees

No Trustee received any remuneration for their services to the Charity.
All Trustees waived their right to claim expenses from the Charity during the period. Consequently no expenses were paid to Trustees (2020: £nil)
Trustees made voluntary donations of £305 including Gift Aid during the period. (2020: £1,700)