



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 29 th November 2020) Alon Avner Nicholas Canning (Chair from Dec 2020) Katherine Fennell Martin Halford Erin Northey Rachel Parkin (Left 8 th 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 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.

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 borough 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.

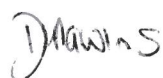
Independent examiner's statement

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 am 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
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Herts
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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
		<hr/> 19,652	<hr/> 21,871
Current Assets			
Debtors	11	29,312	78,776
Cash at bank and in hand		747,443	513,092
		<hr/> 776,755	<hr/> 591,868
Liabilities			
Creditors: amounts falling due within one year	12	(75,960)	(76,109)
		<hr/>	<hr/>
Net Current Assets		700,795	515,759
		<hr/>	<hr/>
Total Assets less Current Liabilities		720,447	537,630
		<hr/>	<hr/>
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
		<hr/>	<hr/>
Total Charity Funds		720,447	537,630
		<hr/>	<hr/>

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 requirements 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 15th Nov 2021 and signed on their behalf by:



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 as 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
	<hr/>	<hr/>
	601,151	118,330
	<hr/>	<hr/>

(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
	<hr/>	<hr/>
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
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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 its 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
	<hr/>	<hr/>
	520,466	108,484
	<hr/>	<hr/>

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 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 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
	<hr/>	<hr/>
	151,964	45,076
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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	<u>25,411</u>	<u>19,213</u>	<u>44,624</u>
Depreciation:			
At the start of the financial period	8,470	6,164	14,634
Charge for the financial period	<u>5,082</u>	<u>5,256</u>	<u>10,338</u>
At the end of the financial period	<u>13,552</u>	<u>11,420</u>	<u>24,972</u>
Net book value:			
At the end of the financial period	<u>11,859</u>	<u>7,793</u>	<u>19,652</u>
At the start of the financial period	<u>16,941</u>	<u>4,930</u>	<u>21,871</u>

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
	<u>29,312</u>	<u>78,776</u>

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
	<u>75,960</u>	<u>76,109</u>

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 recognition 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 (virtual 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 virtual 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
Individual 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
	<hr/>	<hr/>
Net cash flow from operating activities	242,045	211,765
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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
	<hr/>	<hr/>
	33,562	56,452
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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)

