



**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	<a href="http://www.literacypirates.org">www.literacypirates.org</a>
Email	<a href="mailto:admin@literacypirates.org">admin@literacypirates.org</a>
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 1 <sup>st</sup> Floor, Block B, Western House Lynch Wood Peterborough PE2 6FZ

Flagstone Group Ltd  
1<sup>st</sup> 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](http://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*

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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](http://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: *17<sup>th</sup> 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
		£	£	£	£
<b>Income</b>					
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
<b>Total Income</b>		446,160	601,737	1,047,897	1,067,991
<b>Expenditure</b>					
Raising funds	7	3,326	205,649	208,975	147,059
Charitable activities	8	468,844	426,433	895,277	734,354
<b>Total Expenditure</b>		472,170	632,082	1,104,252	881,413
<b>Net Income/(Expense)</b>		(26,010)	(30,345)	(56,355)	186,578
<b>Transfers Between Funds</b>		3,525	(3,525)	-	-
<b>Net Movement Between Funds</b>		(22,485)	(33,870)	(56,355)	186,578
<b>Total Funds Brought Forward</b>		201,594	705,431	907,025	720,447
<b>Total Funds Carried Forward</b>		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 £
<b>Fixed Assets</b>			
Tangible Fixed Assets	13	17,322	15,771
		<hr/> 17,322	<hr/> 15,771
<b>Current Assets</b>			
Debtors	14	64,130	60,568
Cash at bank and in hand		856,533	953,626
		<hr/> 920,663	<hr/> 1,014,194
<b>Liabilities</b>			
Creditors: amounts falling due within one year	15	(87,315)	(122,940)
		<hr/>	<hr/>
<b>Net Current Assets</b>		833,348	891,254
		<hr/>	<hr/>
<b>Total Assets less Current Liabilities</b>		850,670	907,025
		<hr/>	<hr/>
<b>The Funds of the Charity</b>			
Restricted funds	18	179,109	201,594
Designated funds	19	17,322	15,771
Unrestricted funds	19	654,239	689,660
		<hr/>	<hr/>
<b>Total Charity Funds</b>		850,670	907,025
		<hr/>	<hr/>

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: 15<sup>th</sup> May 2024



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

	<b>Note</b>	<b>2022-23</b>	<b>2021-22</b>
		<b>£</b>	<b>£</b>
Cash flows from operating activities			
Net cash flow from operating activities	<b>20</b>	(101,398)	210,672
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Cash flows from investing activities:			
Purchase of tangible fixed assets		(12,795)	(6,194)
Interest income		17,100	1,705
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Net cash flow from investing activities:		4,305	(4,489)
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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
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Net cash and cash equivalents at the end of the period		856,533	953,626
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Cash and cash equivalents are made up of cash held at the bank, in hand, and in deposit accounts only.  
These comprised of:

	<b>2022-23</b>	<b>2021-22</b>
	<b>£</b>	<b>£</b>
Cash in hand	106	215
Cash at bank	262,710	743,411
Cash on short term deposit	593,717	210,000
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	856,533	953,626
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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 1<sup>st</sup> September 2022 to the 31<sup>st</sup> August 2023. The comparative financial statements, described as “2021-22” in the notes to the financial statements, cover the period 1<sup>st</sup> September 2021 to 31<sup>st</sup> 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	-
<i>Subtotal Carried Forward</i>	<u>205,116</u>	<u>43,708</u>	<u>248,824</u>	<u>379,349</u>

## 2) Voluntary Income (Donations and Legacies)

<i>Subtotal Brought Forward</i>	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 Foundation	-	-	-	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 Frogmal 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 Haremead 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
<b>Totals</b>	<b>440,135</b>	<b>462,109</b>	<b>902,244</b>	<b>1,000,939</b>

(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

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

	<b>Total Funds 2022-23</b>	<b>Total Funds 2021-22</b>
	<b>£</b>	<b>£</b>
Interest on Bank Deposits	17,100	1,705
	<hr/>	<hr/>
<b>Total</b>	<b>17,100</b>	<b>18,863</b>
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All investment income was unrestricted (2021-22: all income unrestricted).

### 5) Trading Income

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

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	-
<b>Total</b>	<b>6,025</b>	<b>220</b>	<b>6,245</b>	<b>300</b>

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
	<b>3,326</b>	<b>205,649</b>	<b>208,975</b>	<b>147,059</b>

(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
	<b>468,844</b>	<b>426,433</b>	<b>895,277</b>	<b>734,354</b>

(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
	£	£	£	£
<b>Support costs:</b>				
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
<b>Total support costs:</b>	3,294	21,031	24,325	11,718
Recharged to charitable activities	- 3,294	- 21,031	- 24,325	- 11,718
<b>Governance costs:</b>				
Audit Fees	-	5,670	5,670	5,400
Trustee meeting costs	-	74	74	189
<b>Total governance costs:</b>	-	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**

	<b>Restricted 2021-22</b>	<b>Unrestricted 2021-22</b>	<b>Total 2021-22</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income</b>			
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
<b>Total Income</b>	<b>511,576</b>	<b>556,415</b>	<b>1,067,991</b>
	<hr/>	<hr/>	<hr/>
<b>Expenditure</b>			
Raising funds	7,721	139,338	147,059
Charitable activities	498,721	235,633	734,354
<b>Total Expenditure</b>	<b>506,442</b>	<b>374,971</b>	<b>881,413</b>
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<b>Net Income/(Expense)</b>	<b>5,134</b>	<b>181,444</b>	<b>186,578</b>
<b>Transfers Between Funds</b>	<b>- 1</b>	<b>1</b>	<b>-</b>
<b>Net Movement Between Funds</b>	<b>5,133</b>	<b>181,445</b>	<b>186,578</b>
<b>Total Funds Brought Forward</b>	<b>196,461</b>	<b>523,986</b>	<b>720,447</b>
<b>Total Funds Carried Forward</b>	<b>201,594</b>	<b>705,431</b>	<b>907,025</b>
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## 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
	<hr/>	<hr/>
	789,966	605,026
	<hr/>	<hr/>

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
	<hr/>	<hr/>
	185,523	163,771
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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 £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 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 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)	-	-
<b>Total</b>	<b>201,594</b>	<b>446,160</b>	<b>(472,170)</b>	<b>3,525</b>	<b>179,109</b>

## 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 Haremead 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
	<hr/>	<hr/>
	127,632	192,427
	<hr/>	<hr/>

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).