



The Literacy Pirates Limited

Annual Reports and Financial Statements

Reporting Period: 1 Sept 2024 to 31 Aug 2025

Charity registration number: 1145115

Company registration number: 07790039

Reference and Administrative Details

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

Welcome from the CEO and Chair of Trustees

Ahoy!

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

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

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

Thank you for being part of our journey.

Jude Williams

Chief Executive/Captain

Nick Canning

Chair of Trustees

Who We Are

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

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

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

Our Year in Review: 2024–25

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

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

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

What Progress Looks Like

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

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

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

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

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

Young Pirate Spotlight: Jevelle's Story

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

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

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

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

Looking Ahead: 2025–26 and Beyond

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

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

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

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

Governance

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

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

Organisation

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

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

Appointment of Trustees

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

Trustee Recruitment

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

Trustee Induction and Training

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

Financial Overview

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

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

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

Risk Review

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

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

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

Statement of Trustees' Responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

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

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

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

In so far as the Trustees are aware:

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

Finally...

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

Thank You for joining us in our adventures in learning.

A salute to you all!



Nick Canning, Chair of Trustees

26 November 2025

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

Opinion

We have audited the financial statements of The Literacy Pirates Limited (the 'charitable company') for the year ended 31st August 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st August 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

We identified that the following areas were of high risk:

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

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

Shona Wardrop

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

Date: 12 December 2025

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

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

The Literacy Pirates Limited
Balance Sheet
As at 31st August 2025

Company Registration Number: 7790039

	Note	2024-25 £	2023-24 £
Fixed Assets			
Tangible Fixed Assets	13	2,874	8,150
		<hr/> 2,874	<hr/> 8,150
Current Assets			
Debtors	14	80,379	78,119
Cash at bank and in hand		888,628	929,412
		<hr/> 969,007	<hr/> 1,007,531
Liabilities			
Creditors: amounts falling due within one year	15	238,628	260,920
		<hr/>	<hr/>
Net Current Assets		730,379	746,611
		<hr/>	<hr/>
Total Assets less Current Liabilities		733,254	754,761
		<hr/>	<hr/>
The Funds of the Charity			
Restricted funds	18	164,611	202,406
Designated funds	19	2,874	8,150
Unrestricted funds	19	565,769	544,205
		<hr/>	<hr/>
Total Charity Funds		733,254	754,761
		<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 26/11/2025 and were signed on its behalf by:



Nick Canning, Chair.

26th November 2025

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

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

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

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

The Literacy Pirates Limited
Notes to the Financial Statements
For the Period Ending 31st August 2025

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

1) Accounting Policies

Accounting convention

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

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

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

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

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

Assessment of going concern

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

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

Fund accounting

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

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

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

Income

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

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

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

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

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.

The Literacy Pirates Limited
Notes to the Financial Statements
For the Period Ending 31st August 2025

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.

The Literacy Pirates Limited
Notes to the Financial Statements
For the Period Ending 31st August 2025

2) Voluntary Income (Donations and Legacies)

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

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

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

3) Income from Charitable Activities

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

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

4) Investment Income

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

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

The Literacy Pirates Limited
Notes to the Financial Statements
For the Period Ending 31st August 2025

5) Trading Income

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

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

6) Other Income

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

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

7) Expenditure on Raising Funds

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

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

The Literacy Pirates Limited
Notes to the Financial Statements
For the Period Ending 31st August 2025

8) Expenditure on Charitable Activities

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

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

9) Support and Governance Costs

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

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

10) Taxation

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

The Literacy Pirates Limited
Notes to the Financial Statements
For the Period Ending 31st August 2025

11) Comparatives for the Statement of Financial Activities

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

The Literacy Pirates Limited
Notes to the Financial Statements
For the Period Ending 31st August 2025

12) Staff Costs

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

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

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

Key management personnel.

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

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

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

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

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

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

The charity operates a defined contribution pension scheme provided by The People's Pension which satisfies the requirements of automatic enrolment pension legislation.

At the end of the year, amounts of £4,036 were due to the pension scheme provider (2023-24: £3,385). Pension costs are allocated to the one charitable activity. These costs are split between restricted and unrestricted funds in line with the individual funding agreements.

The Literacy Pirates Limited
Notes to the Financial Statements
For the Period Ending 31st August 2025

13) Tangible fixed assets

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

14) Debtors

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

15) Creditors

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

16) Deferred Income

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

The Literacy Pirates Limited
Notes to the Financial Statements
For the Period Ending 31st August 2025

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

17) Analysis of Net Assets Between Funds

	Restricted Funds 2024-25 £	Designated Funds 2024-25 £	Unrestricted Funds 2024-25 £	Total Funds 2024-25 £
Tangible Fixed Assets	-	2,874	-	2,874
Cash at bank and in hand	164,611	-	724,017	888,628
Debtors	-	-	80,379	80,379
Less: current liabilities	-	-	(238,628)	(238,628)
	<hr/>	<hr/>	<hr/>	<hr/>
	164,611	2,874	565,767	733,253
	<hr/>	<hr/>	<hr/>	<hr/>
	Restricted Funds 2023-24 £	Designated Funds 2023-24 £	Unrestricted Funds 2023-24 £	Total Funds 2023-24 £
Tangible Fixed Assets	-	8,150	-	8,150
Cash at bank and in hand	202,406	-	727,006	727,006
Debtors	-	-	78,119	78,119
Less: current liabilities	-	-	(260,920)	(260,920)
	<hr/>	<hr/>	<hr/>	<hr/>
	202,406	8,150	544,205	754,761
	<hr/>	<hr/>	<hr/>	<hr/>

The Literacy Pirates Limited
Notes to the Financial Statements
For the Period Ending 31st August 2025

18) Restricted Funds

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

The Literacy Pirates Limited
Notes to the Financial Statements
For the Period Ending 31st August 2025

18) Restricted Funds Continued

Restricted funds:

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

19) Unrestricted Funds

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

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For the Period Ending 31st August 2025

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

Designated funds:

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

Unrestricted funds:

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

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

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

21) Lease commitments

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

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

22) Related party transactions

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

Trustees

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

All Trustees waived their right to claim expenses from the Charity during the period. Consequently no expenses were paid to Trustees (2023-24: £nil)

Trustees made new voluntary donations of £8,540 in the financial year (2023-24: £152,860).

£70,588 of deferred income released in the period originated from a related party, as disclosed in the previous annual report & accounts (2023-24: no income from related parties was released).