

Company number: 07370167
Charity number: 1138787

The Pirate Castle

Report and financial statements
For the year ended 31 December 2022

The Pirate Castle

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The Pirate Castle

Reference and administration information

For the year ended 31 December 2022

Company number 7370167

Country of incorporation United Kingdom

Charity number 1138787

Country of registration England & Wales

Registered office and operational address Oval Road, London, NW1 7EA

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Ms Georgina Rowley	Chairperson
Mr Kai Jie Shawn Lim	Treasurer
Ms Elizabeth Bradshaw	
Mr Michael Goldhill	
Ms Victoria Hames	
Ms Carol Lincoln	(resigned 13 December 2022)
Ms Elizabeth Culwick	(resigned 11 October 2022)

Key management personnel Mr Timothy Molloy General manager

Independent examiner Joanna Pittman
Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
Invicta House
108-114 Golden Lane
LONDON
EC1Y 0TL

The trustees present their report and financial statements for the year ended 31 December 2022. Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Chair's Report

During 2022 the charity has had to grapple with a new challenge; we believe that the cost of living crisis impacted us from the half year point onwards, with lower than anticipated paddlesport bookings in the second and third quarters of the year.

2022 began where we left off in 2021 with continued steady recovery from the impact of the Covid-19 pandemic, with activity during the first half of the year broadly reflecting our expectations. However, as 2022 progressed through the spring into the summer months activity levels were not sustained as we had expected, which we understand to have been the experience of other paddlesport centres.

During the final quarter of 2022, we welcomed a marked recovery of hall hire income which had been adversely affected by legacy restrictions on indoor gathering. We were also buoyed by a grant of £40,000 in November 2022, the second tranche of a two-year grant from Garfield Weston.

Overall during 2022, paddle sport was the activity which generated the most income. Hire of our hall generated c.£20,000 more in 2022 than in the prior year and has continued to show signs of further recovery into 2023. Hall hire has historically been our most vital income stream and has been essential to the delivery of our charitable objectives. The signs of continued recovery of hiring out our spaces are encouraging.

Notwithstanding the unexpected financial conditions during 2022 we have been able to change our focus from fundraising for post-pandemic survival to the improvement of our facilities from successful applications for local Infrastructure Levy funding, supported by our Camden ward Councillors.

We were delighted to receive two grants from Camden's Infrastructure Levy, the first to transform our out of date showers and changing areas and the second enabled us to renew and upgrade our gas boilers and heating system and to refurbish the flooring in our basement Club Room. Both upgrades have been transformative and we have been delighted with the positive feedback from our users.

Increasing our earned income remains vital to the charity being able to work towards greater self-sufficiency and long-term stability. Whilst faced with the national cost of living crisis,

we are refocusing on the basic appeal of the activities and central London space we offer with new strategies.

Staff and Trustees met in November 2022 and agreed upon the charity's strategy at a professionally facilitated strategy development session. The output was a framework for new initiatives in 2023 and beyond, focusing on our visibility through marketing, including our use of social media, improving our website and upon fostering links with business, building upon our schools networking success.

Our staff team, ably led by our General Manager, continue to show resilience in the face of the new challenges now posed by the cost of living crisis. Thank you for your commitment and your hard work.

I would also like to thank, on behalf of our trustee board, our donors in 2022 and so far in 2023, for their incredible generosity and contribution to our mission.

Georgina Rowley, Chair

Objectives and activities

Purposes and aims

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

The Pirate Castle is an inclusive boating charity and fully accessible community centre on the bank of the Regent's Canal in the heart of Camden Town, London. We promote life chances, learning and healthy living through a raft of specialist canal and land-based initiatives and have been flying the flag for opportunity and adventure for over 55 years.

Canoeing, kayaking and canal boating are core to our work, with a focus on tackling disadvantage, challenging exclusion and providing opportunities for Special Needs and Disability (SEND) groups of all ages. Our projects and services improve health and wellbeing, nurture life and social skills and bring people together through active participation.

Our Main Hall and Club Room overlooking the canal are available for community and private hire, generating vital income towards core and project costs. 'Black Pearl', our traditional narrowboat, is ideal for day trips and boat handling training, whilst 'Pirate Prince', our purpose-built, fully accessible wide-beam canal, equipped with a state-of-the-art joystick control and hydraulic steering platform, is the only canal boat in central London that can be operated by wheelchair users or people with severe mobility restrictions.

Thanks to earned income, grants and donations we are able to offer subsidised rates and large discounts to schools, charities and community organisations wishing to book activities or venue space. We also provide funded or free activities for individuals most in need. This reflects our commitment to ensuring that our activities are inclusive and accessible by all.

Achievements and performance

The charity's main activities and its beneficiaries are described below. All the activities run by the charity are undertaken to further The Pirate Castle's charitable purposes for the public benefit.

Following the release from all final Covid-19 restrictions in Q1 2022, and despite the cost of living downturn from mid-year, we achieved 20% growth in earned income in 2022 from the prior year, albeit once again compared with a low base due to the impact of restrictions in 2021.

This earned income accounted for 37% of our annual funding need (compared to 49% in 2021). Excluding two significant restricted infrastructure grants, our earned income accounted for 62% of all operational funding in 2022, compared with 41% in 2021. The balance was met through fundraising activity and the final Government pandemic support grant.

Outdoor Education

Our core community paddlesport services include school holiday activity schemes, sessions for visiting schools, youth and community groups, term-time after school and weekend youth sessions ('Pirate Club'). We continued to deliver British Canoeing-accredited training programmes, along with private hire for youth, adult and corporate events. We also run weekly "Upperdeckers" sessions for over 50s and introduced two new projects during 2022: "Men's Wellbeing on the Water" aimed at improving men's mental health, followed by "Adult Paddle Club" which replaced the wellbeing project due to low-uptake of the former.

Demand remained strong for paddlesport for the first half of the year, albeit with poorer than anticipated uptake of holiday schemes. The 2022 Easter scheme began just after the lifting of all final travel restrictions and this probably affected attendance as families chose to go away for the first time since the start of the pandemic. Our annual summer scheme began strongly but dropped off halfway through as the cost of living crisis and energy costs started to bite.

During 2022, we saw 2,104 individual youngsters access our paddlesport services. Overall we provided for 5,692 youth attendances (many youngsters visited us more than once), over 322 sessions and 1,170 adult attendances over 249 sessions. In total, we delivered 571 paddlesport sessions with some selected highlights below:

Pirate Castle youth projects:

- 43 Holiday Scheme days, resulting in 1,342 attendances
- 186 Pirate Club' term-time sessions including Saturday youth club after school clubs sessions resulting in 1,782 attendances
- 20 training sessions with 108 attendances

Discounted schools / youth groups:

- 143 schools/youth group/multi-activity sessions with 1,672 attendances
- Our youth volunteers have attended 568 times over 240 sessions

Pirate Castle adult sessions:

- 102 adult sessions including Mens' Wellness, our Adult Club, Rainbow Paddlers and Upperdeckers totalling 554 attendances

Private sessions:

- 167 youth and adult sessions including Airbnb bookings with 920 attendances

Canal Boating

2022 saw improved demand for canal boating from 2021, albeit not yet reaching the heights of pre-pandemic delivery. Private hire and boat handling and other training provided the majority of activity and income through the year, though we were also able to deliver a number of community cruises and residential trips.

Canal boating earned income grew by 13% on 2021 and accounted for 18% of all the charity's earned income. The majority of our boat trips are run by our team of volunteer skippers and crew, who are trained in-house under the supervision of our Boat Manager. He has also trained a group boating "mentors" who have been able to increase capacity in delivering some boat handling courses and training new volunteers. As well as private and community trips, as an accredited training centre for the National Community Boats Association, we offer boat handling, certified skipper and crew courses for our own volunteers as well as the wider community.

In 2022 our canal boating highlights were:

- 23 community trip days – residential trips, community cruise, family days totalling 10 days with 160 attendances
- 66 private canal boat cruises with 767 attendances
- 19 training sessions including our Community Crew Course, Certificate in Community Boat Management, Boat Handling Experience Days, totalling 85 attendances
- 5 Holiday Scheme trips and two multi-activity days

Community Centre

The Pirate Castle's fully accessible venue offers two characterful spaces for hire, both overlooking the Regent's Canal. Our Main Hall and Club Room are used by a diverse range of local community and voluntary groups, private individuals and businesses for a wide range of activities and events. We offer substantial discounts for SEND groups, charities and other support organisations.

Historically, hall hire has been our most significant and reliable income source, funding our charitable work for the community. The pandemic hit this income stream incredibly hard

given its indoor setting. During 2022, hall hire showed encouraging growth on 2021, with some past regular customers returning to the venue after the lifting of restrictions. Total hall hire income grew by 71% in 2022, albeit from a very low base in 2021, and accounted for 33% of earned income. Income continues to show recovery into 2023.

In 2022 we secured bookings of:

- 248 community hire sessions
- 54 private hire sessions

Volunteering

As always, we would like to take this opportunity to recognise the hard work and dedication of our loyal team of volunteers, upon whom we rely to deliver some of our services and activities.

In 2022, our volunteer canal boat skippers, crew and training mentors collectively gave their time generously when possible to deliver boat trips and training courses and on the maintenance of our two boats.

To ensure sustainability and growth of canal boating into 2023 we again undertook specific, mens targeted volunteer recruitment and training, with considerable success. We now have six new boat crew volunteers, four new qualified skippers and twonew training mentors. In addition, four of our youth paddlesport volunteers have now qualified as competent crew.

We also invested in training and developing our youth and adult paddlesport volunteers, with weekly paddle skills sessions to help them gain the skills, confidence and leadership qualities to become Paddle Activity Assistants and Instructors. During 2022 ten of our regular paddlers passed their paddlesport Instructor (level 1) training and assessment which is a fantastic reflection on the paddlesport centre we have become.

Financial review

During 2022 total income was £371,051 (2021: £287,239) and total expenses were £424,946 (2021: £275,577).

Total funds carried forward as at 31 December 2022 are £947,020 (2021: £1,000,915). This includes designated funds of £882,475 (freehold and leasehold property, Pirate Prince); restricted funds of £40,641 (Black Pearl, our canal boat bought with the 2017 LB Camden s106 restricted grant) and part of the CIL fund that has not been applied and £77,799 unrestricted general funds which includes all cash at bank and in hand less creditors falling due within one year.

Income

We received donations and grants of £222,917 (2021: £147,874). Of this, £5,000 were restricted funds towards the delivery of our holiday scheme and youth paddle sport services. We also received £148,236 from LB Camden LCIL fund that was restricted for infrastructure spending.

Income from charitable activities and trading activity was £147,918 (2021: £118,915), including relatively modest revenue generated through the hire of our community spaces £46,164 (2021: £27,079), reflecting the impact from the cost of living crisis.

Income from our canal boats (including subsidised Camden Community Cruises) and community paddle sport / outdoor education increased to £25,134 (2021: £22,293) and £50,149 (2021: £39,860) respectively. This is primarily due to our ability to operate more in 2022 than was possible in 2021 due to Covid-19 restrictions. Income from the school holiday scheme decreased to £16,864 (2021: £26,374) reflecting, we think, the impact of the cost of living crisis.

Grants and Donations

Fundraising and donations accounted for 30% of our total unrestricted income in 2022 (2021: 59%). The trustees would like to thank all of our funders and donors for their contributions, however large or small, without which The Pirate Castle would struggle to maintain and develop our community services or achieve our charitable aims.

Donors in 2022 included the following organisations:

- Raphael Foundation
- British Humanist Association (Humanists UK)
- Allways/SportEd Foundation
- Inland Waterways Association
- Waitrose Cavendish Square
- Aldenham Club Trust
- Neighbourly

There was also unrestricted funding from other organisations and individual donors.

During 2022 we received £159,136 in restricted funds. This includes funds restricted for the following purposes:

- LB Camden LCIL granted £85,320 funding for upgraded showers and changing area and £62,916 restricted for installation of new boilers, heating system and re-flooring of our club room
- JLC School Holiday Activity Fund (SHAF) granted £4,000 funding towards our Summer Holiday Scheme covering delivery costs and subsidised places for local children.
- JLC granted £4,900 for infrastructure spend

- LabTech granted £1,000 to provide free splash holiday scheme places for local Camden children and £1,000 to cover overspend on the new showers / changing area

Expenses

Total operating expenses (total expenses excluding governance costs) in 2022 were £421,828 (2021: £271,665). Community centre costs were higher reflecting the various infrastructure projects that were funded through various restricted grants. A high proportion of our costs are associated with owning and running the building and employing our six members of staff to manage the charity and deliver our charitable activities.

Other significant costs include the depreciation of property and our canal boats.

Balance Sheet

The charity's fixed assets include The Pirate Castle building, which is part freehold and part leasehold, and our two canal boats. Our fixed assets of £891,944 are unchanged, with the exception of depreciation over the year.

Our current assets are £64,537. This is cash at bank and in hand at year end of £64,537. The cash in the bank is to ensure the charity has sufficient funds to cover our costs in the first quarter of the year when the charity's ability to earn income from outdoor canal-based activities is limited.

Creditors of £9,461 (2021: £9,439) and Debtors of £0 (2021: £5,000) at the end of 2022.

Reserves policy

It is the charity's aim to build up six months' operational expenditure to be kept as reserves. The estimated operational costs for 6 months in a closing down scenario are £66,000. Reserves are needed to meet the gap between the spending and receipt of income and to cover any unplanned emergency repairs, events and other expenditure. At the time of preparing this Report, a sub-group of Trustees is working on a reserves policy for board consideration. As at 31 December 2022, The Pirate Castle currently has free reserves of £34,322 at the end of 2022.

Plans for the future

Despite concern that the cost of living crisis hit just when we were rebuilding after the effects of the pandemic, thanks in particular to the second tranche of the Garfield Weston grant, we have started 2023 in a reasonable position and one where we can look cautiously but optimistically towards growth throughout the year.

We will continue to challenge exclusion and disadvantage, tackle inequality and improve the health, wellbeing and togetherness of our local community. Our strategy day in late 2022 provided us with a number of new ideas and ways of working to increase both recognition and uptake of services. In particular we will be looking to continue increasing engagement with current and new schools and community groups, not only to retain and grow services for the people whom we benefit but also as a good business model for recruiting participants to our community activities and offers.

Our plans in 2023 are to focus on growth through new initiatives, increasing our recognition and widening our audience. We have been aware for a long time that our brand and identity, and especially our outdated website, were in urgent need of updating and overhaul and so we intend to secure funding to undertake a brand refresh and launch a new, modern website, fit for purpose and built with Search Engine Optimisation (SEO) at its heart.

We are also looking at trialling partnerships with third party websites such as agencies who can provide bespoke parties, teambuilding, activity and entertainment days out. Airbnb Social Experience income has grown recently and shown the value and time-saving administration of outsourcing certain aspects of our offer, and increasing earned income so we can grow our charitable activities and offers.

Despite the unexpected loss of our Lead Paddlesport Coach in the spring of 2022, we were still able to extend our paddlesport offer to seven days a week, albeit at a slower rate than planned. This was in no small amount due to the continued in-house development of our youth and young adult paddlesport instructor and assistant team which continues to develop strongly. In order to retain our young team, we have secured funding from Active Thames to develop our programme further, upskill our new Lead Paddlesport Coach to be able to deliver in-house Foundation Safety and Rescue Training (FSRT) safety and rescue courses and provide some more varied and fun activities on the water including freestyle kayaking.

Canal boating had low take up at the start of the year as is common in colder months, but we are looking at increasing engagement with school and community groups as well as trialling the third party website offer to increase uptake of charitable and private bookings and in turn widening the recognition of The Pirate Castle as the place to come for a unique experience on the Regents Canal, setting ourselves apart from other operators in the area. We will continue to look to engage and re-engage with schools, community groups, care homes and other local charities for our community cruises and multi-activity days as the year progresses.

We have regained a number of weekday community group bookings in the Main Hall so we have bookings most weekdays. However private hall hire has not yet returned to previous levels. We will revisit advertising on venue hire websites for advertising our offer and our aim is the new website will showcase the uniqueness of the venue. Venue hire has historically been a vital part of our earned income.

We will also continue to improve our infrastructure – with modern, state-of-the-art changing and shower facilities and upgraded and future-proofed heating systems now in place we can look to

undertake more remedial works necessary to bring the building up to date. This will enable us to increase and widen our all-round offer to the community and public as a whole.

As always, the Trustee board and our General Manager remain focused upon the charity's financial position and building for its future. We feel that we have come through and survived some of the most challenging times in recent years and this has helped to bring a sense of confidence in what we could build in the coming years.

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

Whilst we entered 2023 with a sufficient level of reserves and are confident in the ability of the charity to secure income, we recognise that the value of the charity's reserves falls short of the level we would like, albeit that our future plans do not rely upon significant reserves. Our focus continues to be on building income generation, and in doing so to build up reserves as well as invest in our activities and infrastructure.

We draw confidence from the fact that we are not reliant upon a single income stream; we generate income from a range of activities and our track record and future fundraising pipeline mean that trustees are confident to continue to adopt the going concern basis in preparing the financial statements. Further information regarding the adoption of the going concern basis and our future plans can be found below and in the Accounting Policies to the accounts.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 8 September 2010 and registered as a charity on 2 November 2010.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts.

Appointment of trustees

As set out in the Articles of Association, trustees are appointed by resolution of the Board. Under the Articles, there must be no fewer than three trustees and no more than twelve, all of whom must also be members of the company. The Chair is elected by the Board of trustees. One third of trustees are required to retire annually under the Articles, unless the individuals remain willing to act in which case, they may be reappointed.

Details of the trustees who served during the year and to the date of this report are shown on page 1.

Statement of responsibilities of the trustees

The trustees (who are also directors of The Pirate Castle for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Pirate Castle

Trustees annual report

For the year ended 31 December 2022

Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2022 was 6 (2021:7). The trustees are members of the charity but this entitles them only to voting rights.

The trustees have no beneficial interest in the charity.

The trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on 28 September 2023 and signed on their behalf by

Georgina Rowley
Chair

Independent examiner's

Report to the trustees of

The Pirate Castle

I report to the trustees on my examination of the accounts of The Pirate Castle for the year ended 31 December 2022.

This report is made solely to the trustees as a body, in accordance with the Charities Act 2011. My examination has been undertaken so that I might state to the trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for my examination, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the charity trustees of the charitable company you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charitable company's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011 ('the 2011 Act').

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accounts in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 Accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
- 2 The accounts do not accord with those records; or
- 3 The accounts do not comply with accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- 4 The accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities

Independent examiner's

Report to the trustees of

The Pirate Castle

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Name: Joanna Pittman FCA

Independent Examiner

Address: Sayer Vincent LLP, Invicta House, 108-114 Golden Lane, London, EC1Y 0TL

Date: 29 September 2023

The Pirate Castle

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2022

		2022			2021				
	Note	Unrestricted general £	Restricted £	Unrestricted designated £	Total £	Unrestricted general £	Restricted £	Unrestricted designated £	Total £
Income from:									
Donations and legacies	2	63,781	159,136	–	222,917	142,874	–	–	142,874
CJRS Income		–	–	–	–	20,445	–	–	20,445
Charitable activities									
Canal Boating	3	25,134	–	–	25,134	22,293	–	–	22,293
Outdoor Education	3	67,013	–	–	67,013	66,234	5,000	–	71,234
Community Centre	3	46,164	–	–	46,164	27,079	–	–	27,079
Other trading activities	4	9,607	–	–	9,607	3,310	–	–	3,310
Investment income		216	–	–	216	4	–	–	4
Total income		211,915	159,136	–	371,051	282,239	5,000	–	287,239
Expenditure on:									
Charitable activities	5	255,392	144,342	25,212	424,946	237,603	12,762	25,212	275,577
Total expenditure		255,392	144,342	25,212	424,946	237,603	12,762	25,212	275,577
Net income/(expenditure) for the year	6	(43,477)	14,794	(25,212)	(53,895)	44,636	(7,762)	(25,212)	11,662
Transfers between funds		–	–	–	–	28,965	–	(28,965)	–
Net movement in funds	15a	(43,477)	14,794	(25,212)	(53,895)	73,601	(7,762)	(54,177)	11,662
Reconciliation of funds:									
Total funds brought forward		77,799	40,641	882,475	1,000,915	4,198	48,403	936,652	989,253
Total funds carried forward		34,322	55,435	857,263	947,020	77,799	40,641	882,475	1,000,915

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 16 to the financial statements.

The Pirate Castle

Balance sheet

Company no. 07370167

As at 31 December 2022

	Note	£	2022 £	£	2021 £
Fixed assets:					
Tangible assets	11		<u>891,944</u>		<u>917,946</u>
			<u>891,944</u>		<u>917,946</u>
Current assets:					
Debtors	12	–		5,000	
Cash at bank and in hand		<u>64,537</u>		<u>87,408</u>	
		<u>64,537</u>		92,408	
Liabilities:					
Creditors: amounts falling due within one year	13	<u>(9,461)</u>		<u>(9,439)</u>	
Net current assets			<u>55,076</u>		<u>82,969</u>
Total assets less current liabilities			<u>947,020</u>		<u>1,000,915</u>
Total net assets			<u>947,020</u>		<u>1,000,915</u>
The funds of the charity:	15				
Restricted funds			<u>55,435</u>		<u>40,641</u>
Unrestricted funds					
Designated funds		857,263			882,475
Unrestricted funds		<u>34,322</u>			<u>77,799</u>
Total unrestricted funds			<u>891,585</u>		<u>960,274</u>
Total charity funds			<u>947,020</u>		<u>1,000,915</u>

The opinion of the directors is that the company is entitled to the exemptions conferred by Section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge the following responsibilities:

- (i) The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- (ii) The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the special provisions applicable to small companies subject to the small companies' regime.

Approved by the trustees on 28 September 2023 and signed on their behalf by

Georgina Rowley
Chairperson

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

b) Company status and public benefit entity

The company is a charitable company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company. The charity meets the definition of a public benefit entity under FRS 102

c) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

Key judgements that the charitable company has made which have a significant effect on the accounts include the impact that Covid-19 has had on the charity in 2022 and the ability of the charity to weather further disruptions. Whilst we entered 2023 with a sufficient level of reserves and are confident in the ability of the charity to secure income, we recognise that the value of the Charity's reserves falls short of the level we would like, albeit that our future plans do not rely upon significant reserves. Our focus continues to be on building income generation, and in doing so to build up reserves as well as invest in our activities and infrastructure. We draw confidence from the fact that we are not reliant upon a single income stream; we generate income from a range of activities and our track record and future fundraising pipeline mean that trustees are confident to continue to adopt the going concern basis in preparing the financial statements.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

f) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by charitable activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity.

All expenditure is inclusive of irrecoverable VAT. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Charitable activities are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

1 Accounting policies (continued)

g) Allocation of staff and support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Where possible to attribute to specific activities, staff costs have been allocated to each activity based on an estimate of staff time. The remaining staff costs which are not directly attributable have been allocated to support costs.

Shared costs which contribute to more than one activity and support costs (the cost of overall direction and administration of each activity, comprising the salary and overhead costs) which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based in part on estimated staff time, of the amount attributable to each activity:

● Canal Boating	25%
● Outdoor Education	20%
● Community Centre	40%
● Holiday Scheme	15%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Tangible fixed assets

Items of equipment are capitalised at cost where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful lives on the following bases:

● Freehold property	2% straight line basis
● Long-term leasehold property	2% straight line basis
● Canal boats	2% straight line basis

j) Debtors

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

k) Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

l) Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit to a third party will be required in settlement, and the amount of the settlement can be measured or estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt, or the amount it has received as advanced payments for the goods or services it must provide.

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

m) Pensions

The charity contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of those contributions.

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	2022				2021			
	Unrestricted £	Restricted £	Designated £	Total £	Unrestricted £	Restricted £	Designated £	Total £
Donations	63,781	159,136	-	222,917	142,874	-	-	142,874
	63,781	159,136	-	222,917	142,874	-	-	142,874

Notes to the financial statements

For the year ended 31 December 2022

3 Income from charitable activities

	2022				2021			
	Unrestricted £	Restricted £	Designated £	Total £	Unrestricted £	Restricted £	Designated £	Total £
Canal Boating								
Private trips and training	18,892	-	-	18,892	13,639	-	-	13,639
Camden Community Cruises	6,242	-	-	6,242	8,654	-	-	8,654
Other	-	-	-	-	-	-	-	-
	25,134	-	-	25,134	22,293	-	-	22,293
Outdoor education								
John Lyons grant – outdoor education co-ordinator	-	-	-	-	-	-	-	-
Private bookings	26,250	-	-	26,250	22,443	-	-	22,443
Community and schools	12,865	-	-	12,865	10,971	-	-	10,971
School holiday scheme	16,864	-	-	16,864	26,374	5,000	-	31,374
Other	11,034	-	-	11,034	6,446	-	-	6,446
	67,013	-	-	67,013	66,234	5,000	-	71,234
Community Centre room hire								
Room hire	46,164	-	-	46,164	27,079	-	-	27,079
CIL Funding	-	-	-	-	-	-	-	-
	46,164	-	-	46,164	27,079	-	-	27,079
Total income from charitable activities	138,311	-	-	138,311	115,605	5,000	-	120,605

4 Income from other trading activities

	2022				2021			
	Unrestricted £	Restricted £	Designated £	Total £	Unrestricted £	Restricted £	Designated £	Total £
Hire of storage space	5,501	-	-	5,501	3,125	-	-	3,125
Other	4,106	-	-	4,106	185	-	-	185
	9,607	-	-	9,607	3,310	-	-	3,310

The Pirate Castle

Notes to the financial statements

For the year ended 31 December 2022

5a Analysis of expenditure (current year)

	Cost of raising funds £	Charitable activities					2022 Total £	2021 Total £
		Canal Boating £	Outdoor education £	Community centre £	Governance costs £	Support costs £		
Staff costs (Note 7)	28,711	20,736	38,281	–	–	71,777	159,504	161,394
Canal Boating Direct Costs	–	10,462	–	–	–	–	10,462	7,513
Outdoor Education Direct Costs	–	–	17,951	–	–	–	17,951	21,051
Community Centre Direct Costs	–	–	–	149,792	–	–	149,792	9,266
Holiday scheme Direct Costs	–	–	6,875	–	–	–	6,875	12,197
Office Core Costs	–	–	–	–	–	51,242	51,242	34,242
Depreciation	–	–	–	–	–	26,002	26,002	26,002
Independent examiner's fees	–	–	–	–	3,118	–	3,118	3,912
	28,711	31,198	63,107	149,792	3,118	149,021	424,946	275,577
Support costs	–	37,255	52,157	59,608	–	(149,021)	–	–
Governance costs	–	780	1,091	1,247	(3,118)	–	–	–
Total expenditure 2022	28,711	69,233	116,355	210,647	–	–	424,946	–
Total expenditure 2021	29,051	62,690	119,857	63,979	–	–		275,577

The Pirate Castle

Notes to the financial statements

For the year ended 31 December 2022

5b Analysis of expenditure (prior year)

	Cost of raising funds £	Charitable activities				Support costs £	2021 Total £
		Canal Boating £	Outdoor Education £	Community Centre £	Governance costs £		
Staff costs (Note 7)	29,051	20,981	38,735	–	–	72,627	161,394
Canal Boating Direct Costs	–	7,513	–	–	–	–	7,513
Outdoor Education Direct Costs	–	–	21,051	–	–	–	21,051
Community Centre Direct Costs	–	–	–	9,266	–	–	9,266
Holiday scheme Direct Costs	–	–	12,197	–	–	–	12,197
Office Core Costs	–	–	–	–	–	34,242	34,242
Depreciation	–	–	–	–	–	26,002	26,002
Independent examiner's fees	–	–	–	–	3,912	–	3,912
	29,051	28,494	71,983	9,266	3,912	132,871	275,577
Support costs	–	33,218	46,505	53,148	–	(132,871)	–
Governance costs	–	978	1,369	1,565	(3,912)	–	–
Total expenditure 2021	29,051	62,690	119,857	63,979	–	–	275,577

6 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2022 £	2021 £
Depreciation	26,002	26,002
Independent examiner's remuneration (excluding VAT):		
Current examiner – for examination	3,500	3,200
	<u>26,002</u>	<u>26,002</u>

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	144,522	146,258
Redundancy and termination costs	–	–
Social security costs	13,249	12,922
Employer's contribution to defined contribution pension scheme	1,733	2,214
	<u>159,504</u>	<u>161,394</u>

No employee earned more than £60,000 during the year (2021: nil).

The total employee benefits including pension contributions of the key management personnel (the General Manager and Development manager) were £79,183 (2021: £81,051).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2021: £0). No charity trustee received payment for professional or other services supplied to the charity (2021: £0).

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2022 No.	2021 No.
Outdoor Education	1.0	1.0
Support staff	5.0	5.0
	<u>6.0</u>	<u>6.0</u>

9 Related party transactions

Aggregate donation from related parties in 2022 of £0 (2021: £0).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

10 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11 Tangible fixed assets

	Freehold property £	Long Leasehold £	Narrowboat – Pirate Prince £	Narrowboat – Black Pearl £	Total £
Cost or valuation					
At the start of the year	1,014,444	112,406	133,761	39,485	1,300,096
At the end of the year	1,014,444	112,406	133,761	39,485	1,300,096
Depreciation					
At the start of the year	267,541	82,502	28,093	4,014	382,150
Charge for the year	20,289	2,248	2,675	790	26,002
At the end of the year	287,830	84,750	30,768	4,804	408,152
Net book value					
At the end of the year	726,614	27,656	102,993	34,681	891,944
At the start of the year	746,903	29,904	105,668	35,471	917,946

All of the above assets are used for charitable purposes.

12 Debtors

	2022 £	2021 £
Trade debtors	–	–
Accrued income	–	5,000
	–	5,000

13 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	1,882	1,438
Other taxation and social security	3,279	3,461
Other creditors	700	700
Accruals	3,600	3,840
	9,461	9,439

14a Analysis of net assets between funds (current year)

	General unrestricted £	Restricted £	Designated £	Total funds £
Tangible fixed assets	–	34,681	857,263	891,944
Current assets	43,783	20,754	–	64,537
Creditors due within one year	(9,461)	–	–	(9,461)
Net assets at the end of the year	34,322	55,435	857,263	947,020

14b Analysis of net assets between funds (prior year)

	General unrestricted £	Restricted £	Designated £	Total funds £
Tangible fixed assets	–	35,471	882,475	917,946
Current assets	87,238	5,170	–	92,408
Creditors due within one year	(9,439)	–	–	(9,439)
Net assets at the end of the year	77,799	40,641	882,475	1,000,915

15a Movements in funds (current year)

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
Unrestricted funds:					
General funds	77,799	211,915	(255,392)	–	34,322
Designated assets (fixed assets)	882,475	–	(25,212)	–	857,263
Designated assets (JLC for 2021)	–	–	–	–	–
Total unrestricted funds	960,274	211,915	(280,604)	–	891,585
Restricted funds:					
CIL funding	5,170	–	(1,442)	–	3,728
Black Pearl	35,471	–	(790)	–	34,681
LB Camden LCIL (showers)	–	85,320	(85,320)	–	–
LB Camden LCIL (infrastructure)	–	62,916	(45,890)	–	17,026
JLC SHAF Fund	–	4,000	(4,000)	–	–
JLC (infrastructure)	–	4,900	(4,900)	–	–
Labtech (holiday scheme)	–	1,000	(1,000)	–	–
Labtech (infrastructure)	–	1,000	(1,000)	–	–
Total restricted funds	40,641	159,136	(144,342)	–	55,435
Total funds	1,000,915	371,051	(424,946)	–	947,020

Purposes of restricted funds

CIL funding – Community Infrastructure Levy funding towards essential repair and infrastructure works at The Pirate Castle.

Black Pearl – includes the net book value of the 'Black Pearl' canal boat. Depreciation related to this asset is charged to the fund.

LB Camden LCIL (showers) – infrastructure spending for new/upgraded showers and changing area

LB Camden LCIL (infrastructure) – infrastructure spending for installation of new boilers, heating system and re-flooring of club room.

JLC SHAF Fund – to provide subsidised places or offset costs on the holiday scheme.

JLC Fund – infrastructure spending

LabTech (holiday scheme) – to provide 100 free “Splash” Holiday Scheme places for local Camden kids

LabTech (infrastructure) – to cover overspend on the new showers / changing area

Purposes of designated funds

Designated funds represent the net book value of the freehold and leasehold property and the 'Pirate Prince' canal boat. Depreciation related to these assets is charged to the fund. In addition, the designated funds included £28,965 that was received from JLC as unrestricted funds to be spent in 2021 and has since been transferred into general funds.

15b Movements in funds (prior year)

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
Unrestricted funds:					
General funds	4,198	282,239	(237,603)	28,965	77,799
Designated assets (fixed assets)	907,687	–	(25,212)	–	882,475
Designated assets (JLC for 2021)	28,965	–	–	(28,965)	–
Total designated funds	936,652	–	(25,212)	(28,965)	882,475
Total unrestricted funds	940,850	282,239	(262,815)	–	960,274
Restricted funds:					
JLC SHAF Fund	–	4,000	(4,000)	–	–
LabTech fund	–	1,000	(1,000)	–	–
CIL funding	8,842	–	(3,672)	–	5,170
LCR wave 3	3,300	–	(3,300)	–	–
Black Pearl	36,261	–	(790)	–	35,471
Total restricted funds	48,403	5,000	(12,762)	–	40,641
General funds	4,198	282,239	(237,603)	28,965	77,799
Designated funds	936,652	–	(25,212)	(28,965)	882,475
Restricted funds	48,403	5,000	(12,762)	–	40,641
Total funds	989,253	287,239	(275,577)	–	1,000,915