

Company registered number
5906258

SHANNON TRUST

(Company registered by guarantee no. 5906258;
registered charity no. 1117249 (England & Wales), SC043470 (Scotland))

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

SHANNON TRUST**(Company limited by guarantee no. 5906258, registered charity no. 1117249)**

REPORT AND FINANCIAL STATEMENTS**For the year ended 31 December 2022**

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SHANNON TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS

For the year ended 31 December 2022

Company reg. no.	5906258
Charity reg. no. (England)	1117249
Charity reg. no. (Scotland)	SC043470
Registered office	International House 24 Holborn Viaduct London, EC1A 2BN
Trustees	<p>The trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:</p> <p>Michael Wemms, Chair Andrew Reid, Treasurer Barry Porter Resigned 05 May 2022 John Bensted William Payne, Senior Independent Trustee Brenda Bates Ellen Coady Resigned 01 July 2022 Cristalina Fernandes-Bates Ceri Godwin Caroline King Pankaj Sethi Joanna Marston Appointed 14 September 2022</p>
Key management personnel	<p>Ian Merrill, CEO</p> <p>Christopher Morgan, Director of Business Support & Company Secretary</p>
Bankers	<p>CAF Bank Ltd 25 Kings Hill Avenue Kent, ME19 4JQ</p> <p>Aldermore Bank PLC 1st Floor, Block B Western House Lynch Wood Peterborough, PE2 6F2</p>
Independent Auditor	<p>Richard Billingham FCA Senior Statutory Auditor Knox Cropper LLP Chartered Accountants and Statutory Auditors 65 Leadenhall Street, London, EC3A 2AD</p>
Accountants	<p>NfP Accountants Ltd 3rd Floor, 86-90 Paul Street, London, EC2A 4NE</p>

BOARD OF TRUSTEES' REPORT

For the year ended 31 December 2022

The Trustees (who are the Directors of the charitable company for the purposes of the Companies Act), present their combined Directors' report and Trustees' annual report (as required by company and charity law), together with the financial statements of Shannon Trust for year ended 31 December 2022. The Trustees confirm that the annual report and financial statements of the charity comply with current statutory requirements, the requirements of the charity's governing document, and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

The reference and administrative information set out on page 1 forms part of this report.

Objectives and activities

The Charity's Objects are the promotion of:

- the advancement of education;
- the rehabilitation of offenders;
- the relief of financial hardship sickness and distress of inmates or former inmates and their families in prisons, young offenders' institutions, secure units in high security psychiatric or other hospital units and offenders or former offenders subject to non-custodial community orders in the United Kingdom; and
- literacy schemes and similar educational initiatives.

Our strategic brand statements are as follows:

Purpose - We support people in the criminal justice system to learn to read and improve other basic skills, so they can pursue wider opportunities and thrive in the community.

Vision - A future where everyone can experience the positive impact of learning.

Mission - To connect the power of volunteers, mentors and partners to offer a range of effective, accessible and flexible learning opportunities in prisons and the community.

Strategic aims

January 2022 saw the launch of the organisation's new three-year strategy. This strategy signalled a step change in ambition for Shannon Trust, built on a renewed commitment to reach many more learners. The full strategy can be found on our website at www.shannontrust.org.uk. In summary the new strategy had three clear strands:

1. Increase the number of people completing our reading programme in prisons
2. Grow availability of our programmes in the community
3. Test new ideas to address other basic skills gaps, scaling what works

Significant progress was made across all strands, and forms the basis of further commentary below.

BOARD OF TRUSTEES' REPORT

For the year ended 31 December 2022

Public Benefit

The trustees are satisfied that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

When planning the charity's activities, the trustees considered the Charity Commission Guidance on public benefit. The trustees also considered how the charity had succeeded in delivering its aims, including any public benefit, when reviewing the achievements for the year which are set out below.

Achievements & performance

The achievements and performance detailed below portray an organisation growing in capability and confidence, partly as a result of intentional work to upgrade all aspects of business and operational delivery, but also indicative of a thriving organisational culture where staff and volunteers are engaged in their work, and share in a desire to reach and impact as many learners as possible.

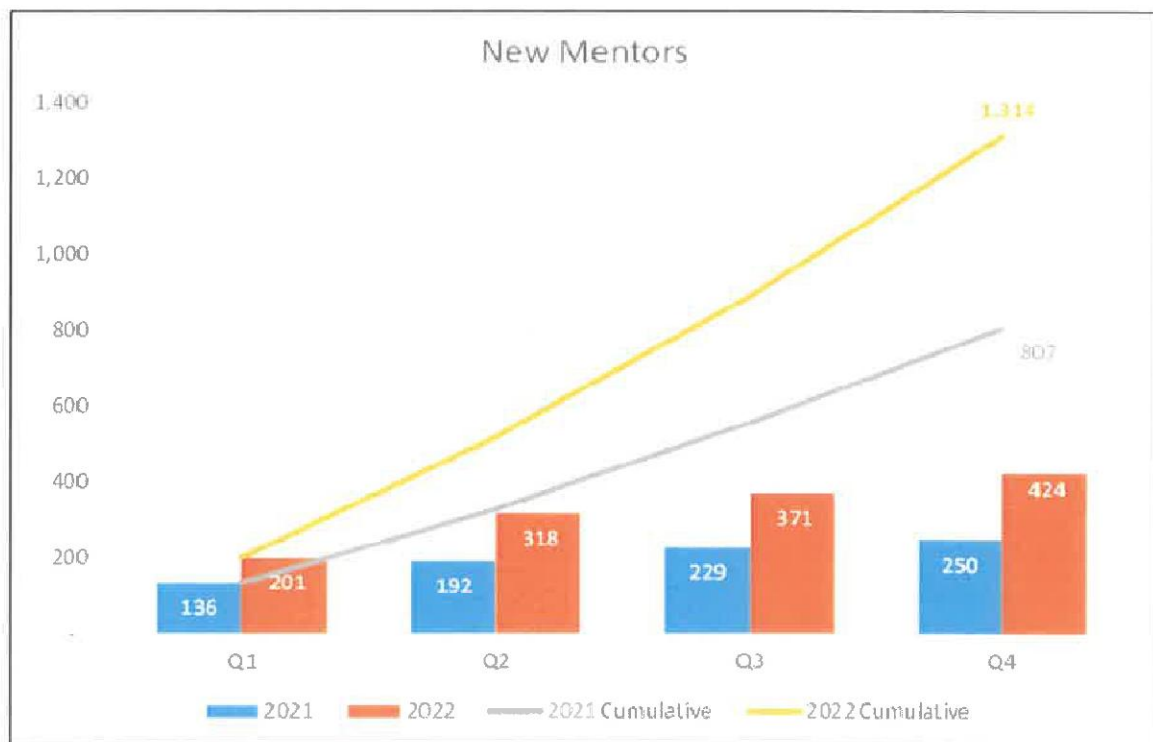
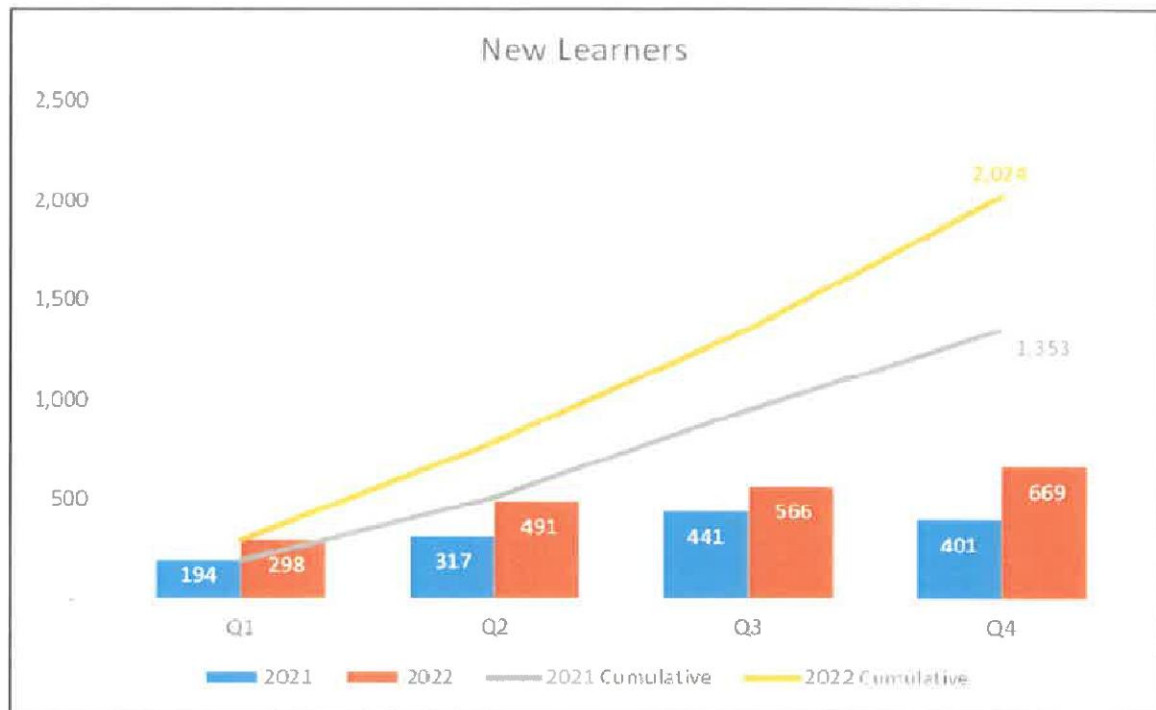
Operational delivery in prisons

As we entered 2022, many prisons across the estate were still dealing with the aftereffects of the Covid-19 pandemic, not least the high staff turnover and vacancy levels. Nonetheless, through the year many regimes regained some sense of normality, allowing for programmes to re-start or consolidate further.

During 2022 we worked with more than 2,000 new learners, 1,300 new mentors, and actively engaged with a total caseload of 2,776 learners, representing a significant increase on the performance seen in 2021. The encouraging increases in the numbers of mentors recruited and trained, and the number of learners engaging with our programmes have two main drivers. Firstly, our organisational effectiveness has grown, with improvements across business support, communications & marketing and income generation. Secondly, our operational capacity has grown through securing contracted income which has allowed the expansion of the workforce, particularly at prison programme facilitator level. In short, we improved our ability to work with more learners, to better effect.

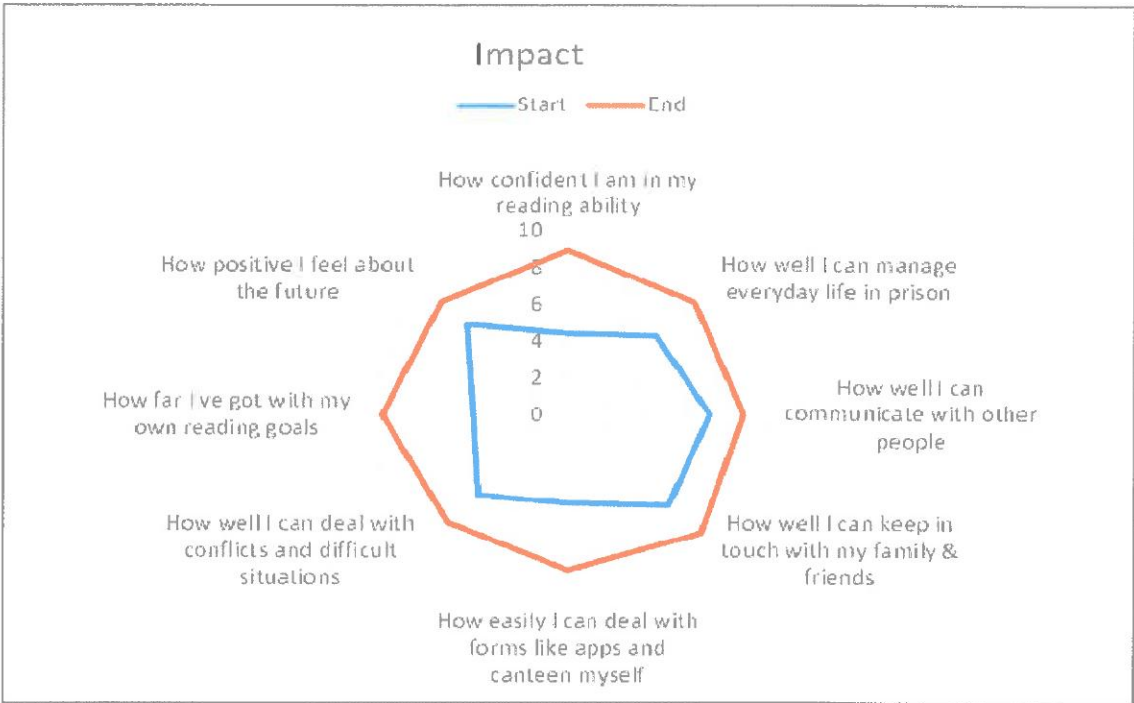
BOARD OF TRUSTEES' REPORT

For the year ended 31 December 2022



BOARD OF TRUSTEES' REPORT
For the year ended 31 December 2022

The drive to improve our monitoring and evaluation processes, and report on the impact of learning to read with Turning Pages continued. Again, there were improvements for learners across all measures, with increases in learner confidence most obvious. The average improvements can be seen below:



Operational delivery in the community

Our work outside of prisons, in community settings, developed in two important aspects:

Community pilot: we completed our community pilot work, generating rich learning about how the organisation will best build its future community offer. We tested the efficacy of several variations of our model with a range of community partners, such as substance misuse agencies and rehabilitation services, gaining an in-depth understanding of learning needs in community settings.

Prison Leavers Innovation Challenge: we were delighted to be ranked first – with our digital partner Yalla Cooperative – in the Ministry of Justice's Prison Leavers Innovation Challenge (PLIC). Our successful bid enabled the digitisation of the Turning Pages curriculum in a web-based application, which began deployment across the Kent, Surrey & Sussex probation region. With further learning from this, we hope to extend access to Turning Pages Digital (TPD) to many more people on probation in coming years.

Towards the end of 2022, we were also successful in being awarded a significant grant by the Porticus Foundation. This will enable the launch of our Early Digital Adopter programme, which will seek to build out the functionality of TPD to include partner organisation on-boarding and virtual coach training. This work will take place with a range of early adopter organisations across community settings.

SHANNON TRUST

BOARD OF TRUSTEES' REPORT

For the year ended 31 December 2022

Employees and volunteers

Once again, the Shannon Trust workforce adapted very well to changes in our operating environment and our ambitious strategic intent. Our staff team grew in number and took on further responsibilities, with the now established focus on organisational performance and development. Our team of volunteers grew too; Shannon Trust continues to view volunteers as integral to its delivery model.

Communications and marketing

2022 started with a launch of our new brand, including a new logo, new messaging and a new website. This new brand gave Shannon Trust a cleaner, more modern look, and better reflects the breadth of the work we do and the people we engage with. The past year saw an increased public profile, thanks to the BBC documentary 'Jay Blades: Learning to Read at 51', which highlighted to use of our Turning Pages reading programme, as well as our inclusion in 'Prison education: a review of reading education in prisons' published by Ofsted and HMPPS. We continue to grow our following and engagement across all communications channels, and continue to engage with prison and community partner staff to drive engagement from those who would benefit from our programmes.

Business support

We strengthened our Business Support function in 2022, adding additional resource to allow us to better support our growing workforce, as well as provide a better experience for suppliers, partners and other stakeholders. We also made organisational changes to bring communications, marketing, income generation and business support closer together, to allow us to plan more effectively and drive further operational efficiencies.

Annual business planning

During 2022, we again worked to an ambitious annual business plan, informed by the Four Disciplines approach to execution. In so doing, we identified the organisation's wildly important goals, lead and lag measures captured in scoreboards owned by staff teams, all supported by a culture of shared accountability. Progress against the business plan was good across all areas.

Financial review

Financial Position

The Charity incurred net expenditure for the year of £8,250 (2021 - net income of £34,008), details of which are shown in the Statement of Financial Activities on page 15. Total income for the year amounted to £1,110,478, an increase of £320,761 on the previous year, and total expenditure amounted to £1,118,728, an increase of £363,019 on the previous year.

BOARD OF TRUSTEES' REPORT

For the year ended 31 December 2022

Income sources

As in previous years, the charity's primary source of funding was grants from Trusts and Foundations, which accounted for 62.6% of total income. However, in line with our new three-year strategy, we are now actively seeking contract funding for our work, both in prisons and the community, and in 2022 15.9% of our income came from this source. We are encouraged by our initial success in building this income stream and expect further growth in 2023, although we expect that Trusts & Foundations will always remain an important source of funding. Donations from individuals accounted for a further 8.7% of income. Other income, including earned income, legacies and corporate donations amounted to 12.8% of all income.

The charity is extremely grateful for the continued support of a range of grant giving trusts and foundations, generous individuals and pro-bono assistance from companies, including the Julia & Hans Rausing Trust, the Porticus Foundation, the Garfield Weston Foundation, the Tuixen Foundation, the Big Ask Foundation, the Adrian Swire Charitable Trust, and the Texel Foundation.

Reserves Policy

The charity's vision is to build a future where everyone can experience the positive impact of learning. Our mission is to connect the power of volunteers, mentors and partners to offer a range of effective, accessible and flexible learning opportunities in prisons and the community.

Providing these learning opportunities is therefore core to our mission, and to the reserves policy we have set to ensure we are able to deliver on our vision and mission. The policy aims to ensure our work is protected from the risk of disruption at short notice due to a lack of funds, whilst at the same time ensuring we do not retain income for longer than required.

The trustees have therefore agreed that the charity should hold sufficient free reserves to ensure the continuity of our core activities, taking into account the following factors:

Income variation: our income is generated from a variety of sources, including grants, individual giving and the profits from the commercial sale of our learning resources. All of these income sources have an element of uncertainty as to both value and timing.

Working capital: our contracting activities often require us to incur costs (primarily salary costs) in advance of payment being received.

Free reserves for the purpose of this policy are defined as unrestricted funds, less the value of any designated reserves, and excluding the value of any fixed assets or other illiquid assets.

The trustees have also agreed that the charity should hold a level of designated reserves for the following purposes:

Development fund: in order to deliver on its mission and vision, the charity may on occasion need to invest in new initiatives or opportunities in the absence of, or in advance of, funding being secured for them.

Contingency reserve: to ensure the continuity of the charity's core activities in the event of unplanned adverse events. In establishing the value of this reserve, the trustees will have regard to the principal risks facing the charity, and the mitigations that are in place to manage them.

SHANNON TRUST

BOARD OF TRUSTEES' REPORT

For the year ended 31 December 2022

The trustees have set a target level of reserves for the charity as follows:

Reserve	Value	Method of calculation
Free reserves		
- Income variation	£150,000	3 months' budgeted future income, excluding contract income and restricted donations
- Working capital	£247,000	2 months' budgeted future contract income
	£397,000	
Designated reserves		
- Development fund	£75,000	As assessed by the trustees, having regard to the charity's 3 year strategy and annual business plan
- Contingency reserve	£50,000	As assessed by the trustees, having regard to the principal risks facing the charity and the mitigations in place to manage them.
	£125,000	
Total unrestricted reserves	£522,000	

At 31 December 2022, Shannon Trust had free reserves of £318,768 and designated reserves of £125,000. Free reserves are currently below the charity's target. However, a business plan and associated budget is in place for 2023, which anticipates that the required level of free reserves will be achieved by 31st December 2023.

The trustees will review the level of reserves, including designated reserves, every six months to ensure that an appropriate level of reserves are held in accordance with this policy. The trustees will also have regard to this policy when approving the annual budget. The reserves policy will be reviewed annually.

The trustees have agreed a cautious and prudent approach to the investment of the charity's reserves and have agreed that all cash reserves will be placed on short-term deposit with UK-regulated banks.

In addition to its unrestricted reserves, the charity also holds restricted funds, which may only be spent on purposes specified by the donors.

Risk Management

The major risks to which the charity is exposed have been identified and are reviewed by the Trustees on a quarterly basis. Prior to the Board's quarterly reviews, the Finance & Risk Committee scrutinises the Risk Register and make recommendations to the Board on actions to be taken and the status given to each risk. The Trustees are satisfied that appropriate controls are in place to mitigate the major risks facing the charity.

Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

SHANNON TRUST

BOARD OF TRUSTEES' REPORT

For the year ended 31 December 2022

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 16th August 2006 and registered as a charity on 14th December 2006.

The company was established under a Memorandum of Association which established the objects and powers of the charity and is governed under its Articles of Association. Its Directors are also its Trustees and members of the association. In the event of the company being wound-up, its members are required to contribute an amount not exceeding £1.

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.

Recruitment, appointment and induction of new Trustees

The Directors of the company (the charity) are also charity Trustees for the purpose of charity law and under the company's Memorandum and Articles are known as Trustees. Under provision of the Articles: 1. the number of Trustees shall not be less than four but (unless determined by ordinary resolution) is not subject to any maximum. 2. at every annual general meeting one-third of the Trustees who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to one third shall retire from office; but, if there is only one trustee who is subject to retirement by rotation, they shall retire.

Under the articles the members of the company comprise the subscribers to the memorandum and such other persons or organisations as are admitted to membership in accordance with the rules made by the Trustees. Rules were made by the Trustees on the 12th March 2013 and provide that the Trustees may admit to membership any person over the age of eighteen who is not a paid worker of the charity or any of its subsidiary companies. Currently the charity has 10 members.

New trustees are recruited through the charity's website, social media and other online platforms and sector networks.

Full training and induction is given to all new trustees, which includes a briefing by the Chair and Chief Executive, meetings with relevant staff and volunteers and a visit to a prison.

Governance and management

The Trustees are responsible for the strategic direction and policy making of the charity. In 2022 the Board of Trustees met on eight occasions and the Finance & Risk Committee met quarterly between board meetings. The Remuneration Committee met twice. The day to day running of the charity is delegated to an employed management team which is headed by the Chief Executive Officer, supported by a team of volunteers.

Related parties and relationships with other organisations

Shannon Trust has a Memorandum of Understanding with Her Majesty's Prisons and Probation Service enshrining the commitment to support the Shannon Trust Reading Plan in all public prisons through access, dedicated Prison Officer time and Senior Management Team support in each establishment. This arrangement is also in place across private prisons.

SHANNON TRUST

BOARD OF TRUSTEES' REPORT

For the year ended 31 December 2022

Statement of responsibilities of the trustees

The trustees (who are also the directors of Shannon Trust for the purposes of company law) are responsible for preparing the Board of Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2022 was 8 (2021 - 11). The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

SHANNON TRUST

BOARD OF TRUSTEES' REPORT

For the year ended 31 December 2022

Independent Auditor

Richard Billingham of Knox Cropper LLP was re-appointed as the charity's Senior Statutory Auditor during the year.

Approval of the report

This report was approved by the Board of Trustees on 03 May 2023 and signed on their behalf by:



Michael Wemms
Chair

INDEPENDENT AUDITOR'S REPORT
For the year ended 31 December 2022

Opinion

We have audited the financial statements of Shannon Trust (the 'charitable company') for the year ended 31 December 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis of 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 Auditor's 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT
For the year ended 31 December 2022

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 course of 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.

Opinion 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 trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared, is consistent with the financial statements; and
- the directors' report included within the trustees' report 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 directors' report included within the trustees' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate and proper 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, 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.

INDEPENDENT AUDITOR'S REPORT
For the year ended 31 December 2022

Auditor's 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 an auditor's report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The Charitable Company is required to comply with both company law and charity law as applicable in England, Wales and Scotland and, based on our knowledge of its activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.
- We gained an understanding of how the charitable company complied with its legal and regulatory framework, including the requirement to properly account for restricted funds, through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the charitable company's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions.

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 auditor's report.

Use of the audit report

This report is made solely to the charitable company's member in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's 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, the charitable company's members as a body and the charitable company's trustees as a body for our audit work, for this report or for the opinions we have formed.



Richard Billinghamurst FCA (Senior Statutory Auditor)

for and on behalf of Knox Cropper LLP

Chartered Accountants and Statutory Auditors

65 Leadenhall Street

London, EC3A 2AD

Date: 03 May 2023

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SHANNON TRUST

STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating Income and Expenditure Account & Statement of Total Realised Gains and Losses)

For the year ended 31 December 2022

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
INCOME FROM							
Donations and legacies	2	524,637	330,066	854,703	403,019	331,667	734,686
Charitable activities							
Reading programme	3	251,398	-	251,398	54,380	-	54,380
Investment income: bank interest		4,240	-	4,240	555	-	555
Other income		137	-	137	96	-	96
TOTAL INCOME		780,412	330,066	1,110,478	458,050	331,667	789,717
EXPENDITURE ON:							
Raising funds	4	104,520	-	104,520	69,622	3,442	73,064
Charitable activities							
Prison delivery	4	722,759	185,673	908,432	242,686	367,084	609,770
Community delivery		69,766	1,299	71,065	60,271	3,515	63,786
Turning pages sustainability income project (TPSI)		34,711	-	34,711	9,089	-	9,089
		827,236	186,972	1,014,208	312,046	370,599	682,645
TOTAL EXPENDITURE		931,756	186,972	1,118,728	381,668	374,041	755,709
NET INCOME/(EXPENDITURE) FOR THE YEAR		(151,344)	143,094	(8,250)	76,382	(42,374)	34,008
RECONCILIATION OF FUNDS							
TOTAL FUNDS AT 1 JANUARY 2022		595,112	1,357	596,469	518,730	43,731	562,461
TOTAL FUNDS AT 31 DECEMBER 2022		£ 443,768	£ 144,451	£ 588,219	£ 595,112	£ 1,357	£ 596,469

All income and expenditure has arisen from continuing activities

The annexed notes form part of these financial statements

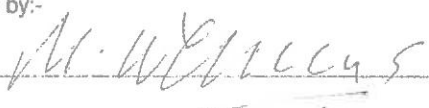
SHANNON TRUST
(company limited by guarantee number 5906258)

BALANCE SHEET
As at 31 December 2022

	Notes	£	2022 £	£	2021 £
FIXED ASSETS					
Tangible assets	12		-		1
CURRENT ASSETS					
Debtors	13	67,978		12,588	
Cash at bank and in hand		547,904		656,361	
		<u>615,882</u>		<u>668,949</u>	
CREDITORS: amounts falling due within one year	14	(27,663)		(72,481)	
NET CURRENT ASSETS			<u>588,219</u>		<u>596,468</u>
NET ASSETS		<u>£ 588,219</u>		<u>£ 596,469</u>	
FUNDS					
Restricted funds	15		144,451		1,357
Unrestricted funds:					
Designated funds	15	125,000		125,000	
General fund	15	318,768		470,112	
		<u>443,768</u>		<u>595,112</u>	
		<u>£ 588,219</u>		<u>£ 596,469</u>	

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

They were approved, and authorised for issue, by the Board of Trustees on 03 May 2023 and signed on their behalf by:-

 MICHAEL WEMMS, Chair

The annexed notes form part of these financial statements

SHANNON TRUST**STATEMENT OF CASHFLOWS****For the year ended 31 December 2022**

	2022		2021	
	£	£	£	£
Cash flows from operating activities		(8,250)		34,008
Net cash provided by / (used in) operating activities				
(Increase)/decrease in debtors	(55,390)		17,446	
Increase/(decrease) in creditors	(44,817)		(116,389)	
		(100,207)		(98,943)
Change in cash and cash equivalents in the year		(108,457)		(64,935)
Cash and cash equivalents at the beginning of the year		656,361		721,296
Cash and cash equivalents at the year end		£ 547,904		£ 656,361

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The accounts have been prepared under the historical cost accounting rules, and 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) (effective 1 January 2019) - (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.

Judgements and key sources of estimation uncertainty are detailed in the accounting policies where applicable.

Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

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 estimating income and expenditure for the next 12 months, in particular the likelihood of various contracts and grants being awarded.

Income

Income is recognised when the charity has entitlement to the funds: this is when 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.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income is only deferred when: the donor specifies that the grant or donation must only be used in future accounting periods; or for performance related grants, where these are received in advance of the performances or specific event to which they relate.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

Donations of gifts, services and facilities

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

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity 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.

Interest receivable

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

Company status

Shannon Trust is a company limited by guarantee. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

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.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Fundraising costs

Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.

Charitable activities

Expenditure on charitable activities includes the costs of delivering services and reading activities undertaken to further the purposes of the charity and their associated support costs.

Other expenditure

Other expenditure represents those items not falling into any other heading.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Staff costs are stated on the basis of staff time. Support costs which cannot be directly attributed to charitable activities are allocated in proportion to staff costs.

Where information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of the area of literature occupied by each activity.

Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

Tangible fixed assets and depreciation

Tangible fixed assets (excluding investments) are stated at cost less depreciation. The cost of minor additions or those costing less than £2,000 are not capitalised. Other fixed assets with an expected life of more than one year are included at cost and depreciated over three years.

Debtors

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 trade discounts due.

Cash at bank and in hand

Cash at bank and cash 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. Cash balances exclude any funds held on behalf of service users.

Creditors and provisions

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 trade discounts due.

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.

Pensions

The charity operates a defined contributions pension scheme, which is a Group Stakeholder Pension Scheme. During the year, the charity contributed up to 5% of gross pay for all staff. The contributions made during the year are treated as an expense and were £22,112 (2021 - £13,168).

SHANNON TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2022

2. DONATIONS AND LEGACIES

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £	Total Funds 2021 £	Total Funds 2021 £
Trusts and foundations	365,000	330,066	695,066	308,901	331,667	640,568
Individual donors	66,282	-	66,282	52,418	-	52,418
Major donors	30,250	-	30,250	41,700	-	41,700
Corporate donations	22,855	-	22,855	-	-	-
Legacies	40,250	-	40,250	-	-	-
	£ 524,637	£ 330,066	£ 854,703	£ 403,019	£ 331,667	£ 734,686

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Contracts and SLAs	176,770	-	176,770	13,001
Sale of reading manuals	74,628	-	74,628	41,379
	£ 251,398	£ Nil	£ 251,398	£ 54,380

SHANNON TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2022

4. ANALYSIS OF EXPENDITURE

	Staff costs £	Direct costs £	Governance costs £	Support costs £	Total 2022 £	Total 2021 £
Prison delivery	471,189	174,696	7,789	254,758	908,432	609,770
Community delivery	42,921	4,229	709	23,206	71,065	63,786
Turning pages sustainability	-	34,711	-	-	34,711	9,089
	<u>514,110</u>	<u>213,636</u>	<u>8,498</u>	<u>277,964</u>	<u>1,014,208</u>	<u>682,645</u>
Fundraising costs	64,272	4,436	1,062	34,750	104,520	73,064
Governance costs	-	9,560	(9,560)	-	-	-
Support costs	261,708	51,006	-	(312,714)	-	-
	<u>£ 840,090</u>	<u>£ 278,638</u>	<u>£ Nil</u>	<u>£ Nil</u>	<u>£ 1,118,728</u>	<u>£ 755,709</u>

2021

Prison delivery	271,596	88,702	9,483	239,989	609,770
Community delivery	33,247	-	1,161	29,378	63,786
Turning pages sustainability	-	9,089	-	-	9,089
	<u>304,843</u>	<u>97,791</u>	<u>10,644</u>	<u>269,367</u>	<u>682,645</u>
Fundraising costs	35,897	4,194	1,253	31,720	73,064
Governance costs	-	11,897	(11,897)	-	-
Support costs	247,009	54,078	-	(301,087)	-
	<u>£ 587,749</u>	<u>£ 167,960</u>	<u>£ Nil</u>	<u>£ Nil</u>	<u>£ 755,709</u>

Of the total expenditure, £931,756 was unrestricted (2021 - £381,668) and £186,972 was restricted (2021 - £374,041).

5. NET INCOME / EXPENDITURE FOR THE YEAR

This is stated after charging / crediting:

	2022 £	2021 £
Audit fees	<u>5,670</u>	<u>6,390</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

6. STAFF COSTS AND NUMBERS

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
Salary costs						
Wages and salaries	555,374	118,466	673,840	232,555	200,259	432,814
Social security costs	68,481	-	68,481	42,878	-	42,878
Pension costs	22,112	-	22,112	13,168	-	13,168
Redundancy costs	-	-	-	9,415	-	9,415
	645,967	118,466	764,433	298,016	200,259	498,275
Other staffing costs						
Recruitment	14,152	-	14,152	12,384	2,283	14,667
Staff training and development	20,210	-	20,210	2,753	5,548	8,301
Death in service	507	-	507	-	-	-
Consultancy	40,788	-	40,788	65,044	1,462	66,506
	£ 721,624	£ 118,466	£ 840,090	£ 378,197	£ 209,552	£ 587,749

The average number of employees (head count based on number of staff employed) during the year was 18.8 (2021 - 11.4).

The total employee benefits, including pension contributions, of the key management personnel were £148,027 (2021 - £111,037). KMPs include the CEO and the Director of Business Support.

During the year, one employee earned between £70,000 - £80,000 (2021 - one employee earned between £60,000 - £70,000).

7. TRUSTEES' REMUNERATION AND EXPENSES

The charity trustees were not paid and did not receive any other benefits from association with the charity in the year (2021 - £nil). No charity trustee received payment for professional or other services supplied to the charity (2021 - £nil).

Trustees' expenses, representing the payment or reimbursement of travel and subsistence costs, totalled £770 (2021 - £47), incurred by 3 trustees (2021 - 1 trustee) relating to attendance at meetings of the trustees.

SHANNON TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

8. OTHER RELATED PARTY TRANSACTIONS

Other than trustees' expenses above, there are no reportable related party transactions to disclose for 2022 (2021 - none).

9. TAXATION

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

10. PENSION SCHEME

The charity operates a defined contributions pension scheme, which is a Group Stakeholder Pension Scheme, registered with HM Revenue & Customs in accordance with the Finance Act 2004. The fund manager invests in unitised funds, accumulating until the members chosen retirement age. The fund manager's charges are factored into the unit value at 1% per annum.

11. SUPPORT AND GOVERNANCE COSTS

	2022 £	2021 £
Support costs		
Premises costs	5,907	8,460
Website and online costs	7,581	10,930
PRA & other adverts	-	5,670
Other comms and marketing	5,022	2,255
IT systems, computers and office equipment	10,827	10,769
Telephones	4,497	4,613
Repairs and maintenance	141	1,609
Legal and professional fees	-	2,400
Events and conferences	1,739	755
Staff travel and subsistence	12,844	5,037
Other office costs	2,448	1,580
	51,006	54,078
Governance costs		
Board meetings	2,244	762
Audit	5,670	6,390
Audit preparation	1,200	1,200
Other governance costs	446	3,545
	9,560	11,897
Support staff costs	261,708	247,009
	£ 322,274	£ 312,984

SHANNON TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2022

12. TANGIBLE FIXED ASSETS

	Office equipment £
Cost	
At 1 January 2022	4,533
Disposals	(4,533)
At 31 December 2022	-
Depreciation	
At 1 January 2022	4,532
On disposals	(4,532)
At 31 December 2022	-
Net book value	
At 31 December 2021	£ 1
At 31 December 2022	£ Nil

13. DEBTORS

	2022 £	2021 £
Due within one year		
Trade debtors	67,978	7,933
Accrued income	-	2,415
VAT repayment due	-	440
Prepayments	-	1,800
	£ 67,978	£ 12,588

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Deferred grant income	-	60,000
VAT creditors	6,511	-
Accruals	21,152	12,481
	£ 27,663	£ 72,481
Deferred income		
Balance at 1 January 2022	60,000	-
Amount released to incoming resources	(60,000)	-
Amount deferred in the year	-	60,000
Balance at 31 December 2022	£ Nil	£ 60,000

SHANNON TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2022

15. STATEMENT OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers and investment gains/(losses) £	Carried Forward £
DESIGNATED FUNDS					
Contingency Fund	50,000	-	-	-	50,000
Development Fund	75,000	-	-	-	75,000
	<u>£ 125,000</u>	<u>£ Nil</u>	<u>£ Nil</u>	<u>£ Nil</u>	<u>£ 125,000</u>
RESTRICTED FUNDS					
Prison delivery	-	330,066	(185,673)	-	144,393
Community delivery	1,357	-	(1,299)	-	58
	<u>£ 1,357</u>	<u>£ 330,066</u>	<u>£ (186,972)</u>	<u>£ Nil</u>	<u>£ 144,451</u>
SUMMARY OF FUNDS					
Designated Funds	125,000	-	-	-	125,000
General Funds	470,112	780,412	(931,756)	-	318,768
	<u>595,112</u>	<u>780,412</u>	<u>(931,756)</u>	<u>-</u>	<u>443,768</u>
Restricted Funds	1,357	330,066	(186,972)	-	144,451
	<u>£ 596,469</u>	<u>£ 1,110,478</u>	<u>£ (1,118,728)</u>	<u>£ Nil</u>	<u>£ 588,219</u>

Restricted funds

Prison delivery – income restricted for elements of the delivery of the Shannon Trust Reading Plan via the National Reading Network (all prisons in England, Wales and Northern Ireland). Restrictions relate to public/private prisons, specified delivery locations, and types of prisons such as work within the Young Persons Estate and Young Offender Institutes.

Community delivery – Shannon Trust has partnered with a number of services in the community to help them learn through our Turning Pages manuals, the help of volunteer reading coaches and self-study resources. The programme is tailored to the learner, and is run in the way which works best for them. Our community work also means people who have taken part in our programmes in prison can continue upon release.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

STATEMENT OF FUNDS - 2021

	<i>Brought Forward</i> £	<i>Incoming Resources</i> £	<i>Resources Expended</i> £	<i>Transfers and investment gains/(losses)</i> £	<i>Carried Forward</i> £
DESIGNATED FUNDS					
Contingency Fund	50,000	-	-	-	50,000
Development Fund	75,000	-	-	-	75,000
	<u>£ 125,000</u>	<u>£ Nil</u>	<u>£ Nil</u>	<u>£ Nil</u>	<u>£ 125,000</u>
RESTRICTED FUNDS					
Prison delivery	43,731	201,667	(245,398)	-	-
Community delivery	-	130,000	(128,643)	-	1,357
	<u>£ 43,731</u>	<u>£ 331,667</u>	<u>£ (374,041)</u>	<u>£ Nil</u>	<u>£ 1,357</u>
SUMMARY OF FUNDS					
Designated Funds	125,000	-	-	-	125,000
General Funds	518,730	458,050	(381,668)	-	595,112
Restricted Funds	43,731	331,667	(374,041)	-	1,357
	<u>£ 687,461</u>	<u>£ 789,717</u>	<u>£ (755,709)</u>	<u>£ Nil</u>	<u>£ 721,469</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Designated Funds £	Unrestricted Funds General Funds £	Restricted Funds £	Total Funds £
Net current assets	125,000	318,768	144,451	588,219
	<u>£ 125,000</u>	<u>£ 318,768</u>	<u>£ 144,451</u>	<u>£ 588,219</u>

SHANNON TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

17. ANALYSIS OF THE NET MOVEMENT IN FUNDS

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Net movement in funds	(151,344)	143,094	(8,250)	34,008
Net disposals of fixed assets	(1)	-	(1)	-
	<u>£ (151,345)</u>	<u>£ 143,094</u>	<u>£ (8,251)</u>	<u>£ 34,008</u>

18. OPERATING LEASE COMMITMENTS

The charity had no lease commitments at the year end (2021 - the same).

19. OTHER COMPANY INFORMATION

Shannon Trust is a charitable company limited by guarantee, registered in England with registration number 5906258. Its registered office address is International House, Holborn Viaduct, 24 London, England, EC1A 2BN. The accounts are presented in GBP rounded to £1.