FINE CELL WORK

England & Wales · Charity number 1049095

Details

Status	Registered
Legal form	Charitable company
Company number	03095356
Registered	1995-09-09
Register	View on the Charity Commission register

Contact

Address	Fine Cell Work Unit 2-5 Berrytime Studios 190-192 Queenstown Road London SW8 3NR
Phone	02073730443
Email	info@finecellwork.co.uk
Website	www.finecellwork.co.uk

Activities

Objects: FOR THE RELIEF, REHABILITATION, ADVANCEMENT OF EDUCATION AND TRAINING FOR EMPLOYMENT OF PRISON INMATES AND THE RELIEF OF POVERTY AMONGST EX-INMATES AND THEIR FAMILIES.

Activities: Fine Cell Work is a charity which trains and pays prison inmates to do craft work in their cells. Our object is to rehabilitate them through productive, creative activity and the chance of saving a nestegg for release.

Classification

- **How:** Provides Human Resources, Provides Services
- **What:** Education/training, The Prevention Or Relief Of Poverty, Arts/culture/heritage/science, Economic/community Development/employment
- **Who:** Other Defined Groups, The General Public/mankind

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Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,322,426	£1,291,893	£817,595	16
2023-12-31	£1,152,548	£1,182,533	£787,062	15
2022-12-31	£1,141,612	£1,169,091	£817,047	15
2021-12-31	£1,116,433	£950,012	£844,526	15
2020-12-31	£1,130,199	£1,060,255	£678,105	16

Trustees

Name	Role	Appointed
Annabel Franks		2025-03-04
April Birtwistle		2024-06-11
Cathy Robinson		2013-11-28
Elizabeth Downing		2025-03-02
Elizabeth Rose		2025-06-17
Jane Mulvagh		2024-06-11
Jennifer Rademaker		2022-06-13
Julian Diment		2019-11-19
KIT KEMP		2014-09-26
Nicholas Moore		2024-06-11
TABITHA ELWES		2015-06-23

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FINE CELL WORK

England & Wales - Charity number 1049095

Accounts

FINE CELL WORK

(LIMITED BY GUARANTEE)

Charity Registration No. 1049095

Company Registration No.03095356 (England and Wales)

TRUSTEES' REPORT AND ACCOUNTS

FOR THE

YEAR ENDED 31 DECEMBER 2024

LEGAL AND ADMINISTRATIVE INFORMATION

Patrons	Tracy Chevalier Dame Judi Dench CH Kaffe Fassett Esther Freud Cath Kidston MBE Libby Purves OBE The Hon.Emma Soames Isabella Tree
Trustees	Jennifer Rademaker (Chair) April Birtwhistle Julian Diment Elizabeth Downing Tabitha Elwes Annabel Frank Kit Kemp MBE Miranda Kendall (Vice Chair) Nick Moore Jane Mulvagh Andrew Murray (Treasurer) Cathy Robinson
Executive Director	Victoria Gillies
Founding Director	Dr Katy Emck OBE
Financial Director	Mariana Spater
Charity Number	1049095
Company Number	03095356
Registered Office & Principal Address	190-192 Queenstown Road London SW8 3NR
Auditors	James Cowper Kreston Audit 8th Floor Reading Bridge House George Street Reading RG1 8LS
Bankers	Unity Trust Bank 4 Brindley Place Birmingham B1 2HB

FINE CELL WORK
(LIMITED BY GUARANTEE)

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TRUSTEES' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2024

The Trustees present their report and accounts for the 12-month period ended 31 December 2024. The accounts have been prepared in accordance with Fine Cell Work's Memorandum and Articles of Association and with the accounting policies set out in note 2 to the accounts and comply with the charity's governing document, applicable law and the requirements of the Charities SORP (FRS 102).

GOVERNANCE, STRUCTURE AND MANAGEMENT

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 25 August 1995 and registered as a charity on 9 September 1995. 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. In the event of the company being wound up, members guarantee to contribute an amount not exceeding £10.

Recruitment and Appointment of Trustees

The directors of the company are also charity trustees for the purposes of charity law. The number of trustees shall not be more than twelve or less than three. The charity may by ordinary resolution appoint a person who is willing to be a trustee and may also determine the rotation in which any additional trustees are to retire. Meetings take place four times a year, with an Annual General Meeting held in the summer. There is an ongoing programme of trustee strategy meetings to discuss and set the charity's effectiveness, goals, aims and purpose. Guidance and training are also given to promote understanding of Charity Governance and specific issues related to the Charity and its work.

None of the trustees has any beneficial interest in the company and there are no related parties to the charity. The range of trustees is intended to reflect Fine Cell Work's own blend of needs incorporating experience of prisons and understanding of rehabilitation issues, safeguarding, working with volunteers, fundraising, marketing, communications, merchandising, product design, textile production and knowledge of interior design and its commercial aspects relevant to establishing an effective business profile for the charity. Four trustees stepped down in the year each having given many years of loyal support enabling us to recruit three new trustees with specific skills to support the charity's ambition to work with more people in prison.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Jennifer Rademaker (Chair)
Marion Bedford (resigned 11 June 2024)
April Birtwhistle (appointed 11 June 2024)
Julian Diment
Tabitha Elwes
Kit Kemp MBE
Miranda Kendall (Vice Chair)
Cath Kidston MBE (resigned 12 March 2024)
Nick Moore (appointed 11 June 2024)
Jane Mulvagh (appointed 11 June 2024)
Andrew Murray (Treasurer)
Cathy Robinson
Emma Soames (resigned 11 September 2024)
Nicola Wright (resigned 11 September 2024)

Recruitment and Appointment of the Board Advisory Group

Involving our service users at Board level is essential but many of the people we work with, due to the nature of their offending, are not able to sit on a Board of Trustees of a charity. In 2023, this was addressed by setting up the Board Advisory Group. With five current or graduate apprentices, the group meets quarterly with the Chair and Vice Chair of the Board alongside the Executive Director and Director of Programmes. The Board Advisory Group has enabled us to tap into a larger and more diverse population of service users than we could have ever achieved with a trustee appointment. The meetings allow us to continue to review both our in-prison and post-release programmes to identify what, in the view of our service users, we do well and how we can do better. The testimonies of lived experience have given the organisation a better appreciation of the realities of finding employment when your offending record requires disclosure to employers.

STAFFING, PROGRAMMES AND VOLUNTEERS

In 2024 Fine Cell Work's 27 years' experience working in prison, strong management structure and innovative, flexible approach, alongside an active, multi-talented Board, enabled the charity to consolidate and embed the growth of their in-prison programmes, restoring levels of engagement beyond pre-pandemic numbers whist maintaining its wide, national reach. For both in-prison and post-release programmes, the charity continued to build their engagement with their service users and strengthen their relationships and impact in the sector.

Fine Cell Work (FCW) is run by the Executive Director supported by the senior management team comprised of the Founding Director, Finance Director, and Director of Programmes. The senior management team is supported by a permanent, full-time staff of twelve and one part-time staff member working three days a week giving the charity, by year end, a full-time equivalent of 15.5 employees.

The Directors' salaries are determined by the Trustees with reference to market rates and the financial resources of the charity and reviewed annually.

The duties of FCW's staff were divided between providing skills and paid work for prisoners; supporting volunteers delivering in-prison stitching classes (cell groups); working in collaboration with volunteers who supported production, sales and fundraising; developing and providing skilled and varied work to be stitched; managing marketing and sales; fundraising; business planning and financial management. To support our programme for prison leavers, Open the Gates, staff duties included provision of work experience, employment training and mentoring as well as delivering workshops on well-being, boundaries, textile skills and interview preparation.

Programmes of engagement

There are four strands of activity providing textiles activities to prisoners and prison-leavers across four distinct programmes:

- Cellwork: - over 600 two-hour stitching classes delivered annually taught by highly skilled, well-trained volunteers for stitchers to create beautiful, hand-embroidered products from FCW kits in their cells.
- Workshops: - sewing and embroidery machine training and commercial production undertaken in two workshops, one full-time, one part-time, taught by prison and FCW staff.

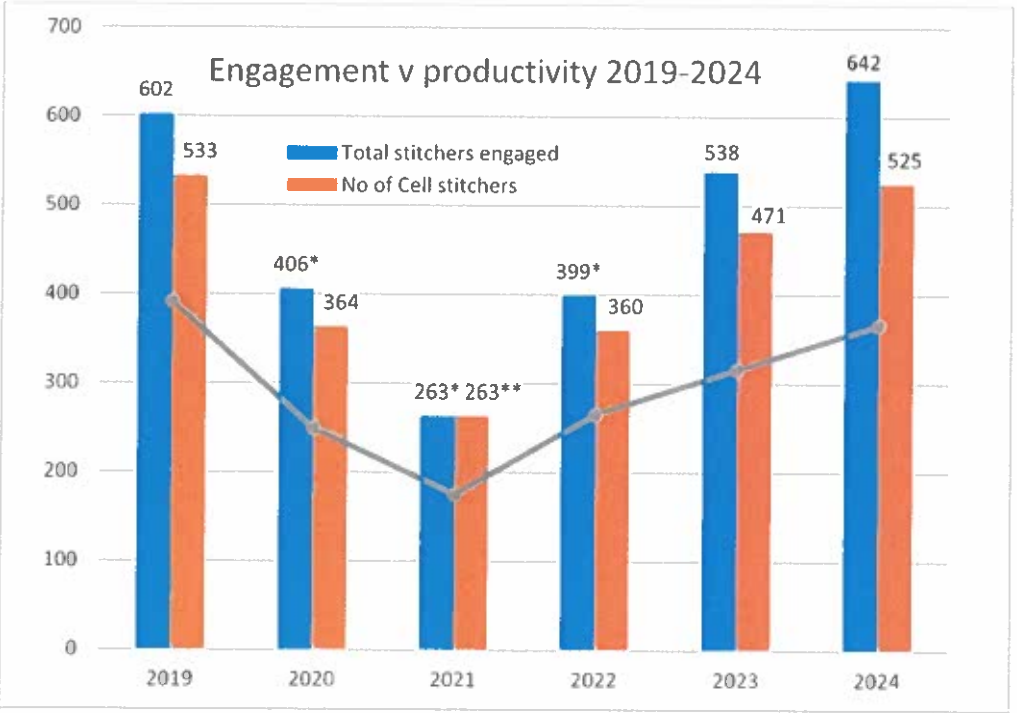
- Lone Stitchers: - for stitchers that have developed advanced skills in one of our cell groups and been moved to a prison without a cell group. FCW staff directly support these stitchers with work, feedback, and payment.
- Open The Gate (OTG) - supporting prison leavers to stabilise and rebuild their lives through a work experience and vocational training centred programme in the positive, therapeutic environment at our London-based textile workshop and Hub, the Clothworkers Studio.

Programme Outputs

During the year, the charity worked in 38 prisons; in 21 prisons we ran 27 cell groups and in a further 17 prisons we supported lone stitchers. In the year we closed groups in two prisons resulting in our facilitating 25 groups in 19 prisons at year end.

In total, we engaged with 642 stitchers in 2024, up from the 538 stitchers we supported in 2023, an increase of 20%. We finally managing to exceed the number of stitchers we worked with in 2019 before the pandemic. Of these, 327 stitchers joined FCW's in-prison programmes, an increase of 17% on the new recruits who joined the previous year, with 258 joining cell groups and 69 joining one of our two in-prison workshops.

Of the 642 stitchers we supported in the year, 505 (458 in 2023) resided within the male prison estate, 79% of our workforce, and 137 (80 in 2023) in the female prison estate, 21% of our workforce. For context, in the prison estate as a whole only 4% of the prison population is female. Working with more women is a strategic goal of the charity. Whilst we worked with significantly more women this year than last, the high turnover in the textile workshop in HMP Foston Hall contributed to this rise.



** prison workshops weren't open in the year, so all stitchers were 'cell-stitchers'

* during covid, stitcher numbers were difficult to ascertain with our volunteers not able to teach in prisons, so numbers were based on information we had to hand. We expect these figures to be overestimates. The number of stitchers who returned work in these years is an accurate figure.

There were 525 'cell group stitchers', participating in fortnightly stitching classes and taking our kits back to their cells, and 105 'workshop stitchers', working in either in our dedicated workshop in HMP Littlehey or in our His Majesty's Prison and Probation Service (HMPPS) workshop partnership in HMP Foston Hall. In the year, 42 worked in our full-time textile workshop in the men's estate and 63 in our part-time workshop in the women's estate. Ten stitchers participated in both workshop and stitching classes. Of the total cell work stitchers, 366 returned work in the year and completed a record number of kits, up 23% on the previous year. This increased productivity resulted in the total payments to stitchers of £92,239 raising 30% on payments made to our in-prison workforce in 2023.

The average length of engagement with FCW continued to rise with those in stitching classes working with the charity for an average of 2.4 years and those in the HMP Littlehey workshop for an average of 1.25 years. For the women in the workshop in HMP Foston Hall, in our first full year of the workshop partnership, the average was only 2.5 months. This is a reflection on the more transient population in this prison.

Of the 58% of stitchers we worked with in 2024 who returned monitoring and evaluation forms, 73.5% disclosed they were white British and 26.5% from minority ethnic backgrounds.

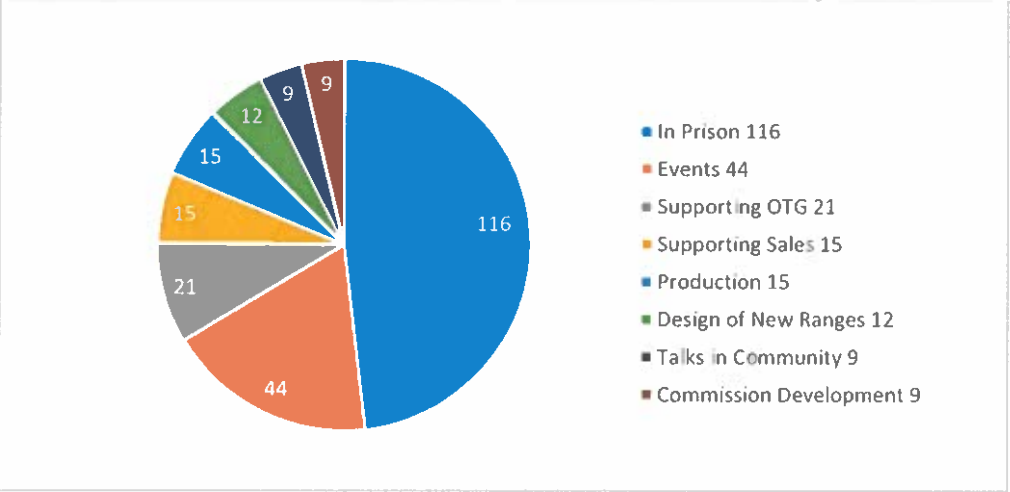
On the OTG post-release programme, we supported 31 prison leavers. At the Clothworkers' Studio (the Studio), we provided employment training to 26 ex-prisoners (who we refer to as apprentices) and supported three prison leavers we worked with in prison who were not able to travel to the London area. This remote engagement involved a bespoke package of support, which included regular phone calls, signposting to local organisations and stitching materials. Two prison leavers who graduated from our post-release programme pre-2024, were supported with general wellbeing, career and welfare advice. Of the 31 apprentices and graduates engaged with in the year, 48% were new recruits, 32% were women with 68% white British and 32% from minority groups. 52% had stitched with us in prison.

Volunteers

The small ratio of FCW staff to prisoners and prison leavers was supported by extensive, essential activities of our volunteer team teaching in prisons and in the Studio, mentoring, supporting production and commissions, delivering workshops, helping with administration and design, promoting our work, helping at sales events across the country, supporting events, and manning the Peter Jones pop-up shop.

During the year, with 11 trustees generously volunteering their time and expertise and five members of the Board Advisory Group, 194 individuals covered 257 volunteering opportunities.

VOLUNTEERING OPPORTUNITIES



MISSION AND OBJECTIVES

FCW addresses three key social issues: the need for rehabilitation in prison and for prison leavers in the community, the challenges of release, and negative public perceptions of people who are or have been in prison. The charity aims to strengthen its position as a leading contributor to prison rehabilitation and to drive for greater positive awareness and change.

Our work addresses the key issues affecting offending behaviour by developing and reinforcing work skills, building strong relationships and mental and emotional resilience, and providing the opportunity to build a financial buffer. We aim to enable our stitchers and workshop workers in prison to complete their sentences with new skills, money earned and saved, and the self-belief to live a future free from offending. For the apprentices engaged in our post-release programme, OTG, the aim is to support them into a socially connected, stable, crime-free lifestyle, through work experience and employment skills, mentoring, and bespoke workshops to broaden competence, confidence and resilience.

As a charity and social enterprise, our core purpose is supporting prisoners and prison-leavers back into society. We do this by providing skills-based training focusing on building self-worth, self-respect, self-confidence, self-discipline and connection to the wider community. Our unique mission is to train and pay prisoners to do exquisite needlework in order create beautiful products for sale. The textile products created are bespoke, designed in collaboration with well-respected designers and of such high quality that they not only sell to the public but also to interior designers, museums, and heritage organisations.

Our vision is to build independent, crime-free lives. To support this, we have built and continue to grow FCW as a sustainable social entity with the prisoners and prison leavers as stakeholders in the enterprise. Our relationship with our workforce is a true partnership. The respect for our programmes in prison continues to grow as we become further embedded in the prison system, with prison staff and prisoners valuing the provision of paid, creative work that can be done by prisoners in their cells and the opportunity for prison leavers to be supported by the charity on release.

ACTIVITIES

Stitchers work independently in their cells for 24 hours a week on average, with many voluntarily working for as long as 40 hours. Our engagement with people in prison is exceptional – the average length of our in-cell

workforce working with the charity, at 2.4 years, allows our stitchers to build a strong relationship with to the charity. We aim to pay our stitchers approximately twenty five percent of the net sale proceeds. Our stitchers

are always paid for the work they return regardless of whether the item stitched is sold. They are encouraged to save for release.

In addition, we run a textile workshop in prison making up the work stitched in cells into products – predominantly cushions, bags, giftware and tableware - and the workshop for prison leavers in the Studio. We continued our partnership with HMPPS's textile workshop senior team to deliver wider training, work experience and the opportunity for post-release support in their workshop in HMP Foston Hall.

In the year, on the advice and guidance of the Programmes and Operations Manager at Prison Industries at HMPPS, we set up and outfitted a workshop in a second prison in the women's estate that will open early in 2025.

The charity continues to build its expertise and awareness of the demand and opportunities in the marketplace, building relationships with successful designers and artists to develop a wide range of desirable products and identify opportunities for commissions. It is important that FCW products appeal to our growing customer base, so the work of our stitchers remains meaningful.

To accommodate and maximise the involvement and training of as many stitchers and apprentices as possible, the production process is, by necessity, multi-layered. Four stitchers and apprentices are involved in the creation and sale-readiness of each product. With the exception of design, charting, screen printing and laser cutting, all production is carried out in UK prisons or the Studio. The charity covered 25% of its costs from selling products this year.

The Trustees regularly review and assess the Charity's public benefit as set out by the Charity Commission.

2024 – THE YEAR IN FOCUS

In the previous financial year we rebuilt our work in the prison estate and built organisational resilience to support our plan to work with more people in prison and on release. We:

- set up a Board Advisory Group to provide service user oversight of and input to the issues before the Board of Trustees.
- set up our partnership with HMPPS workshops by establishing a two-day a month programme in HMP Foston Hall.
- reviewed our theory of change to show our support of social change for our service users.
- reviewed our existing evaluation and how we can build on this to demonstrate the impact on service users including their mental health.
- updated our messaging and website functionality to build both sales and donations.
- provided bespoke management training to strengthen the management team.

This review and planning gave 2024 a forward-looking focus, allowing us to build on the consultations of the previous year and to develop a more targeted direction for growth.

Highlights for the year include:

- Completing the rebuilding of our programmes post-covid; the number of people in prison supported by FCW finally exceeded the number of people we supported in 2019, a key milestone for the charity.
- Prisoner pay was higher than we have paid before with a record number of stitchers receiving awards in recognition of their work.
- Income received from prisons was higher than we have ever achieved in the past and there is an increasing number of enquiries from prisons wanting either our in-cell programme or a workshop partnership. This demonstrated the increasing awareness in the prisons of the benefits of our programmes.
- Awareness of FCW also continued to grow apace within the wider prison estate. Our relationship with both the Ministry of Justice (MoJ) and HMPPS continued to develop. The MoJ produced a video about the work of the charity and to date has had more views than any other film they have released. We worked closely with HMPPS developing our partnership in the textile workshop in HMP Foston Hall and, through their recommendation, set up a new dedicated FCW workshop in HMP Send where, in the new year, our staff will deliver skills-based, employment training and work experience two days a week making FCW products.
- In the wider community, the number of FCW donors and customers continued to grow with a sold out, profile-raising event early in the year, the Big Give campaign at year end which introduced 43 new donors, and a private event in Suffolk in the autumn that attracted both record attendees and record sales. After the review of messaging on our website and updating our product pages, online sales were at the highest level ever for the charity with the weekly enewsletters and regular social media posts attracting ever growing audiences.
- A newly established partnership with Royal Hospital Chelsea and our workshops, where we create products from the Chelsea Pensioners iconic scarlet coats to be sold in their newly established retail outlet, brought wider awareness of our work.
- Exhibitions that featured some of our most symbolic work in Winchester Cathedral Law Week and in Sheffield Museum alongside our participation in the award-winning exhibition at St Albans Museum, broadened this awareness to a national audience. This was supported by increased media publicity with FCW featured in separate stories on Sky News and LBC News.

ACHIEVEMENTS AND PERFORMANCE

Charitable Activities

Working in prison

In the first week of 2024, we finally reopened our stitching class in HMP Gartree. The reopening of this class was a good, positive start for the year as we finally re-established all the groups that we had worked in pre-covid that we still needed. We were 'back in business' after the challenges that arose from responding to the pandemic. The successes of the previous four years had largely been down to our ability to be flexible, to assess the situation in hand and adapt our programme delivery and production to meet the challenges as much as possible in ever-changing circumstances in the prison estate.

In contrast the success of this year was reliant on our ability to make our programme delivery more scalable; tightening and codifying our processes to make our expectations clearer to staff, volunteers and stitchers in order to ensure the growth of our national, in-prison programmes which could be effectively managed by the mall staff team in London. A new, proactive Director of Programmes joined us in late March and provided the

necessary enthusiasm, direction and management of the small programmes' team to embed these new ways of working. Visits to both stitching classes and our workshops from FCW staff more than doubled.
The prison estate remains under continuous pressure to accommodate an increasing number of people either sentenced or on remand. With almost 20% of the prison population currently on remand, any prison that

serves the courts has a very high churn. With a programme that works most effectively with people who are in prison for at least a year, in some prisons it can be more difficult for our charity to deliver its purposeful, paid activity. During the year we reviewed where we were delivering our programmes successfully and where we felt we were not delivering a meaningful intervention. As a result we closed groups in two prisons. We opened three new stitching groups and set up and fitted out a dedicated FCW workshop in the women's estate in prisons with populations better suited to our services.

To acknowledge exceptional support we received from our contacts in prison, in 2024 we awarded a total of twelve prison awards in six categories:

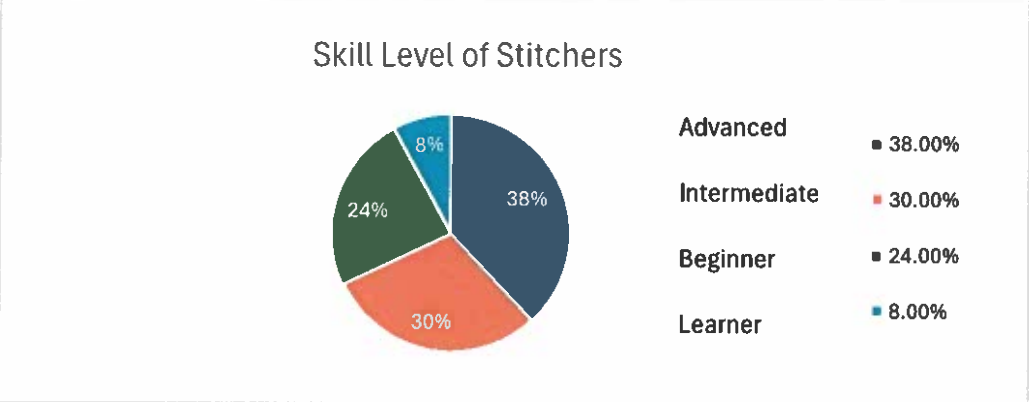


Cellwork

'Every stitch brings the light of hope in our darkest days of struggle. There is always a story behind the stitcher who wants to make a difference from the inside out'. FCW Stitcher

Whilst building stitching skills is key to the delivery of the programme, the wider benefits of FCW extend beyond this. The exceptional length and depth of engagement of stitchers working in their cells, prompt payment for their work, the expectation of stitchers to peer mentor each other alongside the team building ethos of the classes, the biannual distribution of our magazine, *Stitch Up,* and the sale of their work to the public, all provide an invaluable connection to the world beyond prison. The fact that many customers write to thank the stitcher for their work impacts this further. The number of letters increases each year, with 710 being sent to our stitchers, up from 430 in 2023. This sense of inclusion in the broader community is a key factor in building self-respect and resilience. The increased prison visits from FCW staff in the year, meant that all groups received at least two visits which reinforced the connection and importance of our stitchers to the charity.

As our stitcher numbers grow, managing our capacity for the demand for our programme is becoming increasingly challenging. In the year we received requests from 26 new prisons. We must ensure that our existing workforce have both sufficient kits to stitch and that the kits available meet the required level of skill before we commit to opening new groups. To meet the growing demand for work from our stitchers, we made 24% more kits than the previous year.



With our learners working on a sampler and on practice kits which are kept as a point of reference of different stitches and keepsakes to showcase their initial work, our beginner level stitchers are able stitch kits, for which they are paid, requiring neat but basic stitching to create items that will be sold. Thus 68% of our stitchers are either intermediate or advanced, able to complete more complex stitching so we need to make sure that product (and therefore kit) development reflects the greater need for this work. Our most talented stitchers are able to take on the challenge of commissions with 54 stitchers completing 114 bespoke commission pieces in the year.

Money paid to our in-cell stitchers totalled £92,239, with over £1,600 paid to our top stitcher in the year. 13 stitchers were paid over £1,000 and 53 over £500. This empowers them to build financial resilience and gives them greater independence. They can support their own costs in prison, send money to their families as well as save for their release. The charity provides an unprecedented opportunity for prisoners to earn a regular income working in their cells.

As our stitchers gain more stitching experience, we offer further specialist training accredited by the Open College Network (OCN). In order to encourage volunteers to deliver this opportunity to their stitchers, further training was delivered to our volunteers teaching in prison including piloting the quilt making OCN in one of our long-term groups to give the stitchers another opportunity for learning. As a result of the training, an impressive 37 units of study were completed in cell groups, 11 more than last year. Stitchers are paid £30 for each completed unit. Four stitchers completed three units of study, up from one stitcher in 2023. This makes five stitchers who have reached this remarkable goal which entitles them to receive a further 10% bonus payment annually on the total payment made for their work in the year.

To further motivate our stitchers to stitch Christmas decorations, we introduced a bonus for every five decoration kits stitched. In total, 29 stitchers received the £5 bonus. The highest bonus paid was to a stitcher in HMP Gartree who was paid a bonus of £75.

Awards are given annually towards the end of the year to our stitchers to reward their commitment to FCW. The categories are for outstanding progress, excellence in stitching skill development, and peer mentoring with special awards for outstanding contributions to FCW. Any stitchers who completed eight kits in the year and weren't nominated for an award was given a Production Commendation. At year end we presented 146 awards and 32 commendations. All awards and commendations include a financial bonus payment with payments totalling over £11,000.

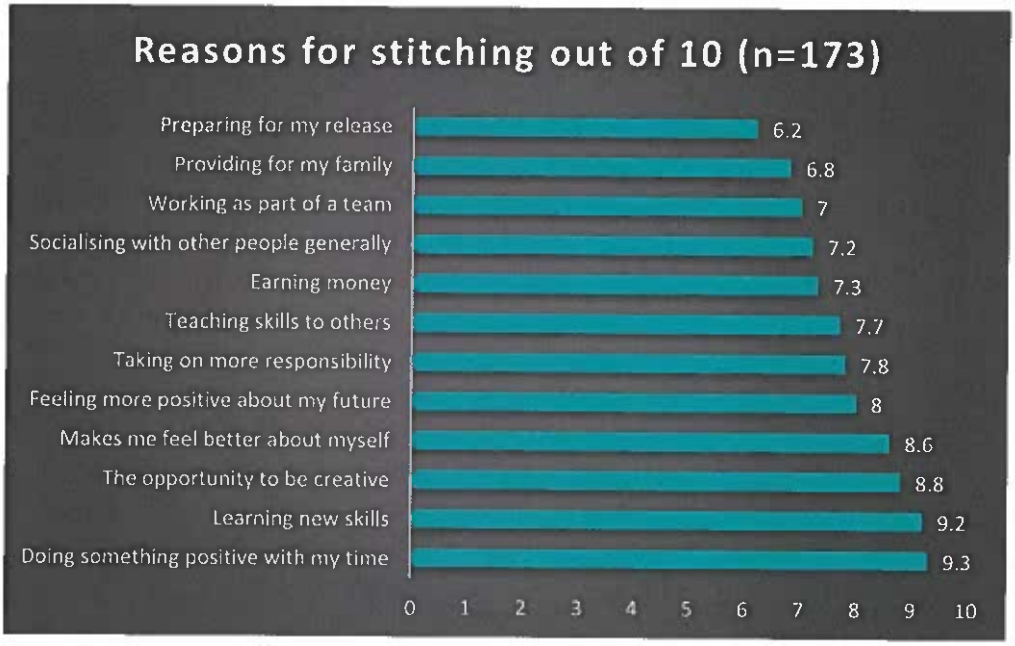
Impact of being part of a stitching group

Surveys were sent to our in-cell stitchers to get feedback from 2024. We have been sending the surveys out for seven years from the same external researcher which gives invaluable, comparative feedback and enables us to regularly review programme delivery to maximise the benefits for our stitchers.

The survey, the annual stitchers review, was sent to 330 stitchers, the number of people we were working with in cells in February 2025. Just over half completed the survey.

One of the questions stitchers were asked was how long they had been stitching with FCW; 163 survey respondents answered this question and the length of time with FCW varied considerably from one month to over 20 years. Over two fifths (44%) had been stitching for under one year which reflects both the launching of a number of new groups over the last two years and, possibly, the impact of the prison early release schemes which are generating more turnover of stitchers. At the other end of the scale, more than one in seven (15%) of respondents had been stitching with FCW for six years or longer.

Stitchers were asked to rate how important a list of 12 different factors were for them as individuals about being a stitcher on a scale from zero to ten (with ten representing the most important). This list was constructed from hundreds of interviews with FCW stitchers and forms a core component of the annual survey. The chart below ranks these 12 factors according to their average importance (out of 10) for this cohort of stitchers.



At the end of his report, the researcher concluded:

One of the abiding pleasures in analysing the returns every year is that although many of the benefits derived from stitching remain constant, new ones emerge or gain greater prominence. I have chosen four themes to highlight this year.

Although earning money is a strong driver for the majority of stitchers and a primary motivation for people in prison to start stitching, many respondents this year explicitly stated that earning extra income had become a much smaller focus for them. This is reflected in the lower ranking of "earning money" in the list of twelve common reasons for stitching.

The importance of being treated as a human being by FCW volunteers and staff also stands out in this year's comments, with a real emphasis on the fact that this experience is restricted almost entirely to FCW groups. This acknowledgement of their simple humanity seems to re-energise stitchers to maintain some level of emotional wellbeing in prison.

A third strong theme in this year's responses has been how the quality of the work they do for FCW links so directly with stitchers' sense of self-worth. The fact that the products are self-evidently of superior quality, a feeling reinforced by the fact that customers pay commercial prices to buy them has a strong impact on many. This factor not only validates their work (differentiating it from most other prison employment activities) but, in many cases, validates them as individuals, giving the sort of inner satisfaction of a job well-done.

Finally, the sense that stitching not only provides the means for individuals to survive long periods of incarceration but that it also creates a community, a safe social network of stitchers who rely on each other to get through prison life. The bond developed through a regular common interest appears to allow for greater levels of trust than is usual in custody.

Impact on mental health and wellbeing

In 2023 we reintroduced the wellbeing surveys distributed to every stitcher in their first month of stitching and then at regular follow-up periods with the aim of measuring FCW's impact on psychological health. By mid-2024 sufficient surveys had been returned to the external evaluator to prepare his first interim report on the impact of stitching on prisoners' emotional and psychological wellbeing.

This interim report combined the analysis of both quantitative and qualitative data. It concluded that for most people there are measurable gains to their mental wellbeing from becoming a FCW stitcher.

The analysis of 78 follow-up surveys established that:

- Stitchers report on average, an increase in their self-assessed wellbeing
- There is a reduction in the number of stitchers who experience low wellbeing and an increase in those falling within the high wellbeing range.
- Fewer stitchers are indicated to be suffering from clinical or mild depression after nine months of stitching.

Our qualitative work identifies five particular benefits to the wellbeing of people stitching for FCW in prison:

- An improved ability to manage poor mental health including reduction in self-harming and the importance of stitching as a mindful activity which helps manage anxiety and various neurodivergent conditions.
- Better mood for finding a constructive purpose and means of achievement in the prison setting.
- Improvements in feelings of self-worth from the learning of skills and a supportive peer group.
- The opportunity to be less isolated by developing a friendship group bonded by a shared love of and experience in stitching.
- The practical and psychological benefits of becoming financially independent via the income generated from stitchers' own hard work.

Impact report
In June 2024, we commissioned a short report by respected evaluator and commentator on criminal justice, Russell Webster. It summarised the range of activities undertaken by FCW and its impact and drew the following conclusions:

Life in prison is difficult for almost everyone. As we have seen, the ongoing twin crises of overcrowding and under-staffing means that since the pandemic, life inside has been much harder with more time spent locked up in a cell and less access to work, education and other activities.

The work of FCW has become even more important to the 320 people in prison currently working with the charity. The many hours they spend stitching represent time spent constructively, producing beautiful products to a high standard.

Stitchers report a host of benefits, including a sense of purpose and pride, improved self-esteem and more psychological resilience. They also feel better able to cope with the deprivations of incarceration and any mental health conditions.

Importantly, stitchers talk about how they feel connected to society when they stitch, knowing that the products they make are bought by the general public; a feeling that is reinforced by the thank you cards and letters many customers complete.

There are practical benefits from stitching too. The chance to regain financial independence and a sense of pride in not having to rely on family members for day-to-day living expenses as well as the chance to save (typically several hundred pounds) for their release.

FCW's prison intervention is unique not just for the hundreds of hours which most stitchers invest in the work but the fact that they can maintain their stitching through many years and, of course, for nearly one hundred people, continue their association with FCW through the Open the Gates project on release.

Supporting Volunteers
To support the growth of our in-prison programmes, 90 volunteers, including 39 new volunteers, went into prison to train prisoners in soft work skills by teaching embroidery, canvas work and quilting. This is a significant increase on our 67 prison volunteers in 2023. Five volunteered in more than one prison and 21

volunteered in more than one stitching class. Two volunteers facilitated two community stitching classes working with recent prison leavers.

In 2024 we reviewed our volunteer strategy with the lens on retention and wellbeing. The main focus points were both new volunteer and refresher training, volunteer management, safeguarding and best practice. With the prison system more stretched than ever before, and people in prison becoming increasingly isolated, we recognised that many volunteers were needing to provide more emotional support of stitchers than they had previously been used to or prepared for. We were keen to support volunteers to recognise and manage the vicarious stress they might experience when working empathetically with victims of trauma or institutionalisation. With this in mind, we explored opportunities for externally facilitated training for volunteers. In August 2024, *Understanding Manipulation – How we get our needs met* was designed and delivered to a well-attended and appreciative audience of FCW front-line staff and volunteer teachers by Dr Rachel Marcarian, a Forensic Psychologist with over 19 years of experience in the sector. We continue to work to identify opportunities for learning and development of our volunteers and staff.

In 2024 we also established regular reflective practice sessions for prison volunteers. Facilitated by the Director of Programmes and our Programme Coordinator, we delivered eight online sessions. Attendance at the sessions increased steadily with a solid core group of regular attendees, every stitching group was represented across the eight sessions.

'For me, reflective practice is invaluable. It encourages honest dialogue, shared learning, and helps clarify what good practice and best practice look like in the prison setting'. FCW volunteer

This year, we have also worked on the development of our volunteer newsletter as a means to communicate directly with all volunteers and keep them abreast of organisational developments and good news stories from across our network. A more accessible format and information sharing through images, digestible data and celebrations have resulted in volunteers feeling more connected with the organisation.

The Programmes and Production teams worked together to identify and pilot *Volunteero*, a software created exclusively for effective volunteer management. The introduction of the app will enable quicker and clearer communication between staff and volunteers and will unblock lines of communication to allow for more meaningful interaction between staff and volunteers.

Finally, we have further strengthened our best practice by developing FCW Guidelines for volunteers working in secure settings which has been distributed to all volunteers and provided a useful template for a similar document for staff. These guidelines, written in consultation with the Board, will be reviewed annually, and, used in conjunction with other efforts to engage with volunteers, are intended to keep our volunteers safe and supported whilst volunteering in prison. Ultimately, we want to represent best practice in volunteer management. This is done by our paying close attention to developments in the sector, by listening to and understanding the experience of our volunteers, and by utilising the insights and expertise of our Board and wider network to inform both organisational policy and practice.

In-prison workshops

"It makes a huge positive difference for many reasons: the opportunity to learn and use such a range of textile techniques and skills; to have a tranquil haven from the stressful prison experience and having the privilege of playing a part in FCW's support for prisoners." FCW workshop stitcher

With our recently established part-time workshop in HMP Foston Hall and our well-established workshop in HMP Littlehey, we supported 105 men and women in workshops during the year.

Of these, 42 worked in our workshop in HMP Littlehey with a workforce of 24 at any given time. Set up 14 years ago, this full-time workshop makes up at least 80% of the kits stitched in prison cells into the final product returning over 5,000 products to the Studio in the year. In addition, the workshop prepared 2,200

needlepoint kits, handstitched small ranges of products which lend themselves to a group activity, and produced our whole range of machine stitched cushions, tableware and giftware.

The wide range of activities require many skills and are the antithesis of the repetitive tasks of many prison textiles workshops. Taking on new and varied tasks requires concentration, motivation and builds confidence to take on new skills, which are important attributes to prepare for work post-release. Our workshop is an essential part of the social enterprise and fosters the workers' appreciation of their relevance to the wider organisation and engagement with the world beyond prison. The nature of the work develops their ability to work as part of a team, broadening their employability skills.

With experienced supervisors provided by the prison to run the workshop, productivity and workshop morale continued to be high. To build capacity in our workshops, FCW expanded its workshop team with another full-time member of staff thus allowed us to provide more regular visits to this workshop. The increased oversight meant that more specific training in specialist production techniques could be delivered and enabled the workshop to take on more bespoke production. This included creating some of the products from the coats of the Chelsea Pensioners, a complex project that was of particular importance to those in the workshop who had been in the armed services.

A longstanding textile tutor from FCW provided more extensive training to the workshop fortnightly focusing specifically on delivering the OCN's accredited units of study, with 11 units of study completed in the year.

Impact of working in our in-prison workshop
Feedback was also gathered from our workshop stitchers at HMP Littlehey. Fourteen workshop stitchers returned the survey, representing almost half (47%) of the workshop team at the time of the survey.

The analysis of the survey returns demonstrates that prisoners working in the workshop derive enormous satisfaction from working with FCW. An atmosphere of productivity where all are treated with respect is much appreciated in the context of the stressful prison environment and has become a highly desirable work placement.

All the workshop participants who responded to this study were very appreciative of the work of FCW and of staff who visit and help organise the workshops, deriving an important sense of community with other workshop stitchers in the workshop and a sense of ownership and pride in being part of the wider FCW family. The ethos of the workshop where they were actively encouraged to suggest improvements to the workshop processes was a source of particular satisfaction to many. The fact that the products are of such premium quality and things of beauty was also a huge contrast with the prison environment and a source of continuous pride and burgeoning self-worth.

Perhaps the most important factor was that the FCW workshop felt as close as is possible in prison to a real work environment; survey respondents described entering the workshop as leaving prison behind for the day and reconnecting with the outside world. This gave them resilience to cope with incarceration and motivated them to plan for their eventual release.

Most survey respondents differentiated their experiences in the workshop from the rest of their life in prison; seeing it both as an oasis of calm where respect was both given and received and as a place where their time in prison had a purpose and a connection to the outside world.

Our partnership workshop with HMPPS
At the textile workshop at HMP Foston Hall, two members of FCW specialist training staff continued to deliver an all-day workshop every fortnight on a variety of different production methods including hand stitching and small production runs. To celebrate one year of the partnership, the Chair of the Board and the Executive

Director visited the workshop in August to meet the women and to hand out certificates of achievement for those who had been in the workshop for several sessions and certificates of participation to newer members of the workshop. Two women from the workshop joined our OTG programme in London when they were released from prison.

In the last quarter of the year, the turnover of women in the prison significantly increased which impacted attendance in the textile workshop; engagement in the workshop went from a few months to a few weeks. This meant that in the year, the average length of engagement with the programme became only 2.5 months. The increasingly high turnover created a challenge in getting meaningful outcomes. Training and production had to be adapted each visit to meet a wide range of skill levels of a more transitory workforce. In mid-November, the prison had to close the workshop as the supervisor running the workshop was on extended sick leave. By the end of the year, the workshop was still closed. We will review the position once the workshop reopens and when we have the assurance that the prison population is again more stable.

Rehabilitation Pathway and post-release support: Open the Gates (OTG)

'FCW means rehabilitation. FCW means getting used to working with people in different environments. FCW is creative. It's a place to focus on your future and distract yourself from worries and problems you experience in the outside world.' - OTG apprentice

Eight years ago, the OTG programme was established to support prisoners post-release at the Clothworkers' Studio in Battersea. During that time, we have supported 104 prison leavers. Over 75% of these prison leavers (who we refer to as apprentices) had received sentences of four years or more, with many having complex offending histories and support needs.

In many instances, this support can take well over a year; for a few this can take over 18 months. The average length on the programme is 11 months involving an average of 440 hours of individual training and support. The success of this bespoke approach is that this year 50% of our graduates moved into employment or further tertiary training.

The Studio continued to be a thriving, productive workplace with an ethos of inclusion, consultation and co-operation, offering a wide range of roles and responsibilities to match individual skill sets. We deliver individual support to those who are experiencing the most barriers to accessing employment and other services, some of the most marginalised people in the community.

We maintained our focus on work experience, employment, education and training with all apprentices undertaking elements of workshop production, warehousing, stock management and dispatch. The support provided by apprentices' facilitation of sales and product management, as well as warehousing, and dispatch was key to the running the logistics of the social enterprise in the Studio. Textiles production included machining, new product samples, simple upholstery and working on commissions. Sitting alongside this work experience is training of soft skills in the workplace including timekeeping, boundaries, working in a team, participation in meetings and service user forums, problem solving, working to targets and deadlines; all skills that further support successful reintegration into society.

In total, 15 units of study accredited by OCN were successfully completed by apprentices in the year, who received formal certificates of achievement in a wide range of disciplines: Warehousing and Dispatch, Digital

Embroidery, Quilt Making, Machine Stitched Soft Furnishings, Hand Stitching Techniques, and Peer Teaching.

Service user engagement remained a key focus. The Board Advisory Group enabled the Board and the broader organisation to benefit from our service users' lived experience and insights and to advise the Board on wider organisational areas and opportunities. Bi-monthly service user involvement meetings gave all current apprentices a forum to develop and shape the service we provide and build their commitment to the organisation.

We continued to offer a fortnightly craft club to enable a regular social opportunity for both current apprentices and graduates of the programme. This has the advantage of a regular 'check-in' for those that may be struggling and need further support. Trips to an exhibition by The Chelsea Pensioners, and to the Koestler Exhibition encouraged social integration and shared interest.

Staff and external providers facilitated 34 workshops to broaden apprentices' resilience, skills, and aptitude to acquire new skills. These sessions were designed to build employment confidence and preparation for work and covered subjects as diverse as CV and cover letter writing, disclosure of offending history, communication, basic upholstery, digital embroidery, lampshade making and understanding sewing patterns.

The Engagement and Support Officer delivered regular one to one sessions with apprentices who needed more personalised support with resettlement and preparation for employment, vocational training and volunteering.

Apprentices supported two Open Days at the Studio where the focus was on building partnerships with other organisations working in the sector to encourage referrals onto the programme. Attendees represented 15 existing and new referral partners including sector charities, probation, prisons and community organisations.

In the year, eight apprentices graduated; one moved into employment and three into further vocational training. Three apprentices disengaged due to challenges they encountered with either their health, motivation, or historic substance use, and two apprentices were recalled for breaching licence conditions. No one on the programme reoffended.

THE SOCIAL ENTERPRISE, COMMUNICATIONS AND FUNDRAISING

Income from Trading

In 2024, earned income across all channels was £363,049, up 18% on income from this source in 2023 of £307,060.

Earned income is broken down into income from the sale of the prison-made products and income from prisons paying a nominal fee per place in each cell group. Income from sales was £324,236, an increase of 7% on the previous year.

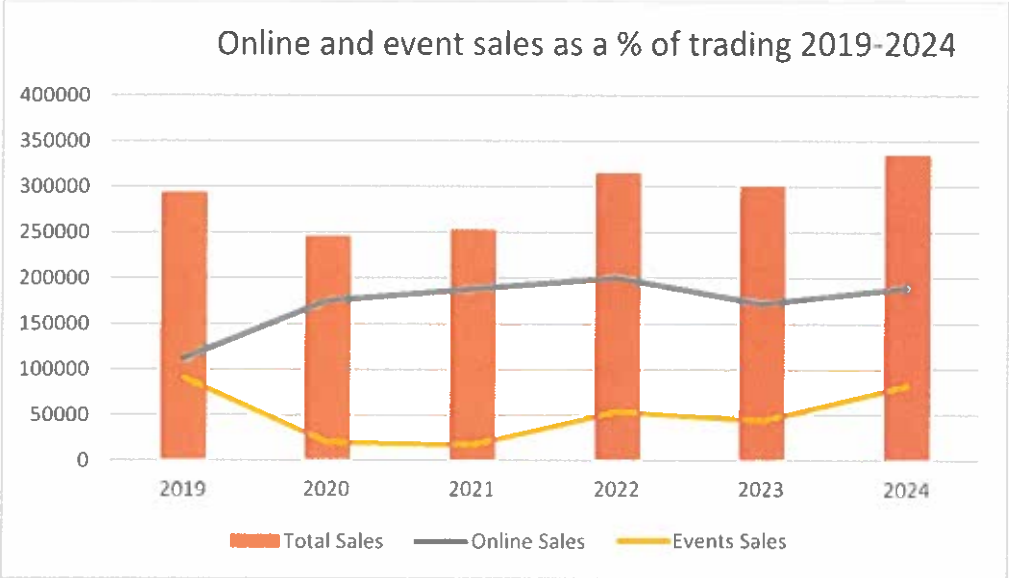
Income derived from prisons where FCW delivers its services was £38,813, considerably more than the £4,000 from this source in 2023. As reported last year there were issues around delays in payment from the prison service and a mismatch in fiscal years between them and FCW. In 2024 these issues were addressed and a much better information flow with the prisons enabled us to invoice outstanding sums from 2023 and the sums due for 2024. We expect future year on year sums will be more consistent.

Sales by channel

Trading income in the year continued its steady increase of the last two years with growth across several categories: net revenue from embroidered cushions increased by 14% at £75,500 and needlepoint cushions by 44% at £38,000. The majority of new launches were embroidery cushions, due to stronger demand from stitchers. Sales of both embroidered and needlepoint cushions benefitted from improved stock availability across the range. Embroidered giftware and needlepoint giftware categories also saw growth; net revenue

from embroidered gifts grew to £60,700, an increase of 30%, and needlepoint giftware grew to £18,500, a 17% increase.

Online



Revenue generated directly through the website accounted for 55% of total sales. After the slight dip in online sales last year, it was gratifying to see sales via the website grow to £171,052 in 2024, an increase of 6% on 2023, bucking the general trend of decline across the retail sector. Our average order value was 10% higher than in 2023.

Events

The total revenue generated by events in the year was £80,000, accounting for 25% of net sales, double the amount from this source in 2023. In March we launched a new initiative, an in-person Studio Sale raising £11,500 at a traditionally quiet time of the trading year. In August, we were given our third pop-up space in Peter Jones, Sloane Square. As well as generating £7,300 in sales, the prime ground-floor location gave us a fantastic opportunity to introduce our stitchers' work to a wide range of potential customers. Our biggest-ever house sale in Suffolk in September, followed by the Cotswold Christmas Fair and our annual Christmas event at St Peter's in Notting Hill, resulted in the record sales from events.

Retail partnerships and commissions

Trading income from retailer partnerships raised £10,800, down on £34,500 in 2023, accounting for 3.5% of trading income. Of this total, £5,800 came from our partnership with Royal Chelsea Hospital with much larger orders planned for 2025, with the balance from ongoing sales of needlepoint cushions to interior designers

and retailers, Pentreath & Hall. Commissions sales at £30,700 were down on the £52,800 invoiced in 2023, a year where there had been the completion of several long-term projects.

Product launches & highlights

Catalogue sales (sales of all FCW products less commissions) in the year amounted to £260,200, an increase of 10% from 2023. During the year, we launched 33 new products. Generating a total revenue of £29,000, new designs accounted for 11% of total catalogue sales, down from new products launched in 2023 which accounted for 17% of catalogue sales. Sales of existing product lines were strong, bolstered by better stock availability and supported by backlist promotional activity on email and social media.

Limited-edition launches of small production runs of unique, one-off products, supported by more detailed photography to accompany e-newsletter and social media promotions, were a successful new enterprise. Not only did they give stitchers the opportunity to showcase their creativity, but the products sold out within 48 hours from launch. New products included the Cottage Cushions, a design based on a traditional country dwelling, and the Pahang Quilted Bags and Purses range, a collection curated and stitched from silks woven in Malaysian prisons.

New design collaborations with trustee Kit Kemp, Knepp Rewilding and William Yeoward created a variety of multi-skilled. interesting work for our stitchers and were popular with customers. Embroidered and needlepoint bags, a relatively unexplored category for FCW, sold well with demand almost always exceeded supply.

Sales of Christmas decorations totalling £40,200 were up by almost 50% on 2023. The 2024's limited edition hand-embroidered Baking Bear decoration, released at the end of October, was our bestselling product by value, and third bestselling by volume, generating over £5,000 of revenue via 249 units sold – 200 of these within a fortnight of launch.

Commissions

2024 saw the completion of a variety of commission projects. Two large scale embroidery artworks designed and commissioned by Cornelia Parker featuring embroidered text on both sides of the fabric were the most complex and challenging, offering the opportunity for development amongst our most advanced stitchers. A collection of artworks was completed for our long-standing partner, Carolina Mazzolari, which featured the artists creative interpretation of a herringbone stitch. The commissions offered a new perspective on creative exploration to our stitchers, who usually work with very specific technical parameters.

Digital embroidery projects were completed for both Leeds Castle and Emma Thompson, providing vital work for machinists in our production workshop. In the workshop they also worked on a highly detailed coat of arms for The Broderers' Livery Company.

The artist Polly Borland commissioned us to create large scale needlepoint artworks of Queen Elizabeth II, which included over forty different colours. Our ecclesiastical projects are also a key aspect of our commissions work, and in 2024 we completed two kneelers for St Mary's Sloane Square featuring a design inspired by the seven sacraments.

Several commissions are ongoing and will be completed in 2025. The Charleston Trust who run the historic country residence of The Bloomsbury Group, commissioned us to produce four facsimiles of legacy needlepoint artworks from the house. A complex project funded by The Mercers Foundation, it has involved colour matching, charting, hand dyeing wools, creating instructions, and reproducing the designs, emulating the creative approach of the original makers. Kits for three two-metre kneelers for St Luke's Church in Chelsea, designed by us and inspired by iconography from the interior of the church, are about to be put in production in prison ready for delivery in late 2025.

Finally a Livery Company has commissioned us to create 200 needlepoint decorations featuring a symbolic figure from the Livery's history to be delivered mid-2025.

Communications

Through events
With a challenging fundraising environment, the focus in 2024 was to ensure that our messaging to raise funds was clear and timely. To this end, we identified opportunities to increase our visibility and credibility,

raising awareness about the lack of rehabilitation and the realities of release as we presented our unique and effective solution. Public perception can shift when people are made aware of the challenges alongside being told about the positive impact our programmes had.

The opportunity for these issues to be discussed came from:

- A short film about FCW produced by the Ministry of Justice. The video, featuring FCW stitchers, apprentices, volunteers, staff and trustees, was uploaded to their YouTube channel in March, and is still their most watched video of all time, with over 70k views.
- Our Patron Tracy Chevalier and Executive Director giving a talk followed by a Q&A to a large audience at Sheffield Museum on *The Power of Stitching in Prison.* The Sleep Quilt and our William Morris range were part of the year-long *Head and Heart: Ruskin Collection* exhibition at the Museum.
- Winchester Law Week, where our Cell Quilt was on display in Winchester Cathedral and the *Catching the Chain* exhibition St Albans Museum where our iconic Prison Calendar needlepoint was featured. Both exhibitions allowed us to both showcase our wider product range and engage visitors.
- Talks to guests at all events by apprentices, volunteers and the Executive Director on the state of the sector and the positive impact of our work on rebuilding independent, crime-free lives

Publicity
Interest from the media in our innovative programme delivery continued. This included features in Sky News and LBC radio, later syndicated to Capital Radio and Classic FM on our response to topical, political issues in criminal justice, a lead feature with stunning, original photography in *More or Less* magazine and the inclusion in the Financial Times, *How to Give It this Spring?* - on a meaningful way of giving back by buying gifts with social impact.

Other articles featuring our work included *Inherited* – an e-magazine produced by the British Antique Dealers' Association and *The Textile Eye*, a special Trade Show Report which provides insights for inspired designers.

Website
We continued to build on the strong foundations laid by our work with the digital marketing agency in 2023, rolling out improvements in functionality and updating our product page templates to include more dynamic cross-merchandising and up-selling opportunities. We added a function for customers to add an optional donation at checkout which raised £4,500 in donations since its implementation in August.

Online newsletter
We continued to send weekly e-mail newsletters to our subscriber base, which saw modest net subscriber growth of 7% over the year. Our open rates and click-through rates remained consistently high (over 50% open rate and a click through rate of 5%), with the total revenue attributed from newsletters increasing by 13% compared to 2023. While the majority of campaigns were focused on driving e-commerce sales for the social enterprise, our designs and stitchers' work were presented within a narrative highlighting their importance to the charity. Additional campaigns included garnering support for the Big Give campaign in

December, giving voices to the stories and experiences of our stitchers and apprentices, and shining a light on the hard work of our volunteers.

Social media

Whilst our social media content strategy continued to be led by Instagram, we cross-posted the majority to our Facebook, LinkedIn and X accounts, and also established a presence on TikTok.

Our posts supporting our product launch and promotion schedule were highlighted by vastly improved photography and messaging. Our overall posting strategy continued to represent the many facets of the charity as we strove to create a balance of content encompassing the breadth of our organisation, driving awareness of our work and programmes, encouraging donations, supporting recruitment of staff and volunteers, and giving a voice to our in-prison stitchers and OTG apprentices.

Fundraising

With 25% of our income coming from the social enterprise, the charity needs to fundraise for the balance. Our recent focus to diversify our funding streams to increase our financial resilience, is reflected below.

Fundraising and selling through events

Our main priority, alongside raising much-needed income, was to raise awareness of the impact of our work, to steward existing supporters while cultivating new people. Our first event early in Q1, *A Night of Words and Music: Celebrating Hope and Freedom,* was supported by actors Sinéad Cusack, Simon Callow and Will Keen, author and playwright Esther Freud, rewilding pioneer and author Isabella Tree with music from the Zielinski Quartet and Soul Sanctuary Gospel choir and compèred by former Shakespeare's Globe Artistic Director Dominic Dromgoole. The evening enabled us to reconnect with past supporters, to highlight and celebrate the charity's rich beginnings and to attract new supporters with 50% of ticket sales to new contacts.

With the support of Bank of America, we invited 20 current and potential supporters to a curated private view of the exhibition *Unravel: The Power and Politics of Textiles in Art* at the Barbican. This led to one donor increasing their monthly giving and the receipt of a new multi-year grant (£20,000 a year over 2 years). Our house sale in Suffolk not only raised 35% of sales income from events but new donors were also introduced to our work. Further opportunities for sales and fundraising included a champagne reception hosted by the Tallow Chandlers' Livery Company in their historic hall in October.

Fundraising with major donors and corporates

The total raised from major donors and corporates in 2024 was £309,212. There was a strong start to the year with the Bank of America agreeing to continue their support of our post release programme with a donation of US$50,000 in February. In March, as a result of an ongoing relationship with a major donor through their wealth manager, we received £75,000, our largest donation from an individual.

FCW Champions, our regular giving campaign, raised over £20,750 during the year – a significant increase from the £15,000 from this source in 2023. With donations ranging from £5 a month to £2,000 per annum, 56 different donors contributed.

While events are effective for stewardship and to raise awareness of the impact of our work, in the current fundraising climate, it is proving more challenging to attract large donations from events. Fundraising appeals are now proving to be more successful. At the end of 2021 and 2023 we ran two successful appeals. As a variation on this approach, this year we took part in The Big Give's Christmas Challenge for the first time. With our target for the campaign a cautious £10,000, donations were initially funded by a preliminary appeal to our supporters which were then matched by our Champion at the Big Give, the Monday Charitable Trust.

We reached our target in less than 24 hours and went on to raise over £41,000 by the end of the campaign. This included a donation to the fund of £15,000 from the de Lazslo Trust, an established regular donor.

Fundraising from grants

In 2024 FCW received £635,819 from grants from Trusts and Foundations, a very substantial 28% increase on the previous year. This in part reflected the loyalty of many longstanding funders, to whom we are enormously grateful. These included:

- the Drapers Livery Company and the Philip King Trust, who renewed their support with multi-year pledges,
- the Clothworkers Foundation, the John Murray Trust, the de Laszlo Foundation, the Sommers, the Brothers', the Hadrian, 1772, Jack Lane, WA Cadbury, Farringdon and Radcliffe Trusts as well as the Clothworkers Foundation, who all renewed their support with one-year grants,
- grants towards expanding and extending our work from the Henry Oldfield Trust, the MIVA Foundation and the Merchant Taylors Charity,
- ongoing, multi-year grants from the Considered Ask Trust, the Adrian Swire Trust, CHK Charities, the John Armitage Trust, the City Bridge and the Charles Hayward, Peter Stebbings, Eleanor Rathbone, Rothschild and Henry Smith Charities,
- The Aldo Trust, the Ancaster Trust, the Broderers and Upholderers Livery Companies, the James Roll Trust, Michael Varah Memorial Fund, Ancaster Trust, Needlemakers Livery Company and the Taurus Trust continued to support us with annual grants,
- grants from new funders, the Holy Society of Jesus, the McGrath Trust, the Aurum Trust, the Leigh Trust and the Cedar Trust.

PRINCIPLE RISKS AND UNCERTAINTIES

Using a comprehensive Risk Register, the Trustees regularly assess the major risks to which the charity is exposed, and systems established to manage and mitigate those risks. Key areas that undergo risk assessment are currently threats to revenue, working in the community, working in prisons (particularly with the current staff shortages across the estate and the prison capacity restraints), staff-related risks and IT infrastructure risks.

The risk of a drop in external funding is mitigated by a strategic plan to increase FCW's sustainability through product sales, new funding sources and increased funding resources. The reserves policy seeks to retain sufficient funds to cover any short-term funding losses. Internal control risks are minimised by procedures for the authorisation of transactions and projects.

Risk with the OTG post-release programme is mitigated by building relationships with probation and other organisations working with prison leavers and the support of a trustee who has several years' experience working in prison and in HMPPS providing expertise and knowledge to both the Board and the senior management team.

The risk of working in prisons is twofold. The risk to volunteers working in prisons is mitigated by ongoing and increasing training by FCW staff and external professionals to enhance their resilience and knowledge, and also by working with prisons to ensure a safe environment for our volunteers. The criminal justice system itself is also a challenge with the strain on prison capacity driving high-level and frequent change to prison and probation policies and increased prisoner movement within the estate. Currently staffing levels of front-line prison and probation officers is of concern as this could affect prisons' ability to accommodate our volunteers and activities. This is mitigated by working with the trustees, professionals in the field and other prison charities to ensure an understanding of the overall prison environment. In order to be more embedded in the prison estate, we continued to build a closer working relationship with HMPPS.

Staff risks relate to the retention of key members of staff, staff recruitment and staff safety. To mitigate these risks, salary reviews, building staff resilience, encouraging and supporting staff training, and strict policies governing working with prison leavers in the charity's premises are in place. Increasing the focus on staff wellbeing, team building and personal development has been a feature of the year, and this will be built on in future. Organisational reviews take place regularly to ensure that the most appropriate staff structure is in place to support the work of the charity and the resilience of team members.

IT infrastructure risk assessment covers key databases, such as our supporter database and information on the server and includes back-up protocols to recover and restore lost data should any loss occur.

FCW's Employer's Liability, Public Liability, stock, buildings, office contents, terrorism and business interruption insurance policies further minimise the financial risks to the charity. The charity has appropriate health and safety and safeguarding policies in place.

FINANCIAL REVIEW

In 2024, FCW's total incoming resources were £1,322,426 up 14.7% on the previous year. Donations and grant income were up 13.5% on 2023. Income from the sale of prisoners' work was up 7% on 2023.

RESERVES POLICY

The Trustees have established a policy whereby the unrestricted funds not committed in tangible assets held by the charity should be maintained at a level of four to six months of budgeted expenditure, currently equal to £536,514 for six months in general funds. At this level, the Trustees feel they would be able to continue the current activities of the charity in the event of a significant drop in funding or other changed circumstances. It remains a core aim to build and maintain FCW's unrestricted reserves at this level.

At the end of 2024 FCW participated in The Big Give fundraising initiative. This raised £41,100 and the Trustees have resolved to designate this sum to be used in 2025 to build stitcher numbers in prison.

There is also a separate designated reserve equal to the value of the charity's fixed asset net book value is retained. This is in accordance with current best practice.

Total reserves at the year end were £817,595 (2023 £787,062) of which £28,000 were restricted (2023 £16,100), £69,048 were designated (2023 £27,532) and £720,547 unrestricted (2023 £743,430). Free reserves at year end were £720,547 (2023 £743,430).

CORPORATE AND SOCIAL RESPONSIBILITY

FCW has set the goal of going beyond its charitable mission in order to make positive contributions to the wider community, our stakeholders and society.

We aim to achieve this by:

- Providing sustainable outcomes for our beneficiaries and society as a whole, leading to lower levels of reoffending and enabling beneficiaries to lead crime free lives
- Working with HMPPS to support their efforts to offer purposeful, rehabilitative work in prison and provide opportunities and positive pathways post-release
- Minimising our impact on the environment by sourcing ethical, sustainable and upcycling materials where possible for the making of our products and encouraging green initiatives within the organisation including recycling and alternatives to car usage

- Providing support, wellbeing and development programmes for our staff to nurture them and provide opportunities and resilience in their day-to-day work. We are accredited Living Wage Foundation employers
- Ensuring that we are financially sustainable
- Having a positive impact on the lives of our volunteers and support them to deliver our programmes
- Developing a positive relationship with suppliers including prompt payment

Seeking to improve our governance and transparency to enable the community to understand our mission and our positive outcomes.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

The trustees, who are also the directors of FCW for the purpose of company law, are responsible for preparing the 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 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.
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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

On behalf of the Board of Trustees



Jennifer Rademaker (Chair)

17/06/25

Date

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FINE CELL WORK

We have audited the financial statements of FINE CELL WORK (the 'charitable company') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).
In our opinion the financial statements:

- give true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure for the year
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council'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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information
The trustees are responsible for the other information. The other information comprises the information included in the governors' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of our 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 trustees' report (incorporating the directors' report).
We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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' exemptions in preparing the trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of the trustees
As explained more fully in the trustees' responsibilities statement, 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.

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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

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 our report

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

Alexander Peal BSc (Hons) FCA DChA (Senior Statutory Auditor)
for and on behalf of

.....
James Cowper Kreston Audit

24 June 2025
Date

8th Floor
Reading Bridge House
George Street
Reading
RG1 8LS

FINE CELL WORK
(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME & EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Un-restricted Funds £	Restricted Funds £	Designated Funds £	Total 2024 £	Total 2023 £
Income from:						
Donations and grants	3	**464,112**	**439,519**	**41,400**	**945,031**	832,607
Charitable activities	4	**363,049**	**-**	**-**	**363,049**	307,060
Investment income		**14,346**	**-**	**-**	**14,346**	12,881
Total income		**841,507**	**439,519**	**41,400**	**1,322,426**	1,152,548
Expenditure on:						
Cost of Raising Funds	5	**202,971**	**-**	**-**	**202,971**	197,361
Charitable activities						
Prisoner Training & Support	5	**661,303**	**427,619**	**-**	**1,088,922**	985,172
Total expenditure		**864,274**	**427,619**	**41,400**	**1,291,893**	1,182,533
Net income/(expenditure)		**(22,767)**	**11,900**	**41,400**	**30,533**	(29,985)
Transfer between funds		**(316)**	**-**	**316**	**-**	**-**
Fund balances at 1 January 2024		**743,430**	**16,100**	**27,532**	**787,062**	817,047
Fund balances at 31 December 2024		**720,347**	**28,000**	**69,248**	**817,595**	787,062

All activities of the charity are classified as continuing. There are no other recognised gains or losses other than those reported on the Statement of Financial Activities.

The notes on pages 33 to 49 form part of these accounts.

FINE CELL WORK
(LIMITED BY GUARANTEE)

BALANCE SHEET
AS AT 31 DECEMBER 2024

	Notes	£	2024 £	£	2023 £
Fixed assets					
Tangible assets	9		**27,847**		27,532
			27,847		27,532
Current assets					
Stocks		**221,540**		199,006	
Debtors	10	**70,148**		62,894	
Cash at bank and in hand		**571,439**		562,015	
		863,127		823,915	
Non-current assets		**12,500**		12,500	
Creditors: amounts falling due within one year	11	**(85,879)**		(76,885)	
Net current assets			**789,748**		759,530
Total assets less current liabilities			**817,595**		787,062
Income funds					
Restricted funds	14		**28,000**		16,100
Designated funds	16		**69,048**		27,532
Unrestricted funds	17		**720,547**		743,430
			817,595		787,062

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to Accounting records and preparation of financial statements.
The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies' regime.
The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

A W. Murray

Andrew Murray (Treasurer)

17·vi 2025

Date

Company Registration No. 03095356

The notes on pages 33 to 49 form part of these accounts.

FINE CELL WORK
(LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes		2024		2023
		£	£	£	£
Cash flows from operating activities:					
Net income/expenditure for the year		**30,533**		(29,985)	
Depreciation of tangible fixed assets	**9**	**24,120**		29,630	
Increase/(decrease) in creditors	**11**	**8,994**		(55,158)	
(Increase)/decrease in debtors	**10**	**(7,254)**		(18,030)	
(Increase)/decrease in stocks		**(22,534)**		(11,232)	
Investment income		**(14,346)**		(12,881)	
Net cash provided by/(used in) operating activities			**19,513**		(97,656)
Cashflows from investing activities					
Interest income		**14,346**		12,881	
Purchase of tangible fixed assets	**9**	**(24,435)**		(6,500)	
Cash provided by/(used in) investing activities			**(10,089)**		6,381
Increase/(decrease) in cash			**9,424**		(91,275)
Cash and cash equivalents at the beginning of the year			**562,015**		653,290
Cash and cash equivalents at the end of			**571,439**		562,015

	1 Jan 2024	Cashflow	31 Dec 2024
	£	£	£
Cash at bank and in hand	**562,015**	**9,424**	**571,439**

The notes on pages 33 to 49 form part of these accounts.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2024

1 Statutory information

Fine Cell Work is a charitable company, limited by guarantee, registered in England and Wales. The charitable company's registered number and registered office address can be found on the Legal and Administrative Information page.

2 Accounting policies

2.1 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 (FRS102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

Fine Cell Work meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). There are no material uncertainties about Fine Cell Work's ability to continue as a going concern.

2.2 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Charitable Activities – represents income from sales of goods and is recognised when receivable, excluding Value Added Tax.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors and deferred income. Where entitlement occurs before income is received, the income is accrued.

2.3 Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Costs of raising funds comprises those costs incurred in order to raise funds from external sources.

Charitable activity expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. It also includes costs associated with meeting the constitutional and statutory requirements of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on a staff time basis.

2.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	3 years straight line basis
Fixtures, fittings and equipment	3 years straight line basis

2.5 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

2.6 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discounts.

2.7 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments. The Trustees seek to use short and medium term deposits where possible to maximise the return on monies held at the bank and to manage cash flow.

2.8 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.

2.9 Stock and work in progress

Stock is valued at the lower of cost and net realisable value.

2.10 Pensions

The charity operates a defined contributions pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

2.11 Fund accounting

The charity has various funds for which it is responsible:

The Trustees also authorised the creation of a designated fund to cover the Fixed Asset value.

2.12 Taxation

The company is a registered charity (number: 1049095). All of the charity's income falls within the exemptions set out in part 11 of the Corporation Tax Act 2010.

2.13 Financial Instruments

The company 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 instrument method.

2.14 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Critical areas of judgement:

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the assets and projected disposal values.

3 Income from donations and grants

	Unrestricted Funds	Restricted Funds	Designated Funds	Total 2024	Total 2023
	£	£	£	£	£
Donations and grants	**464,112**	**439,519**	**41,400**	**945,031**	832,607

Donations and grants
Unrestricted funds:

	Total 2024	Total 2023
Garfield Weston	**110,000**	110,000
Dalby Trust	**-**	7,500
De Lazlo Foundation	**14,730**	-
Taurus Trust	**7,500**	5,000
Al-Fayed Foundation	**-**	5,000
Considered Ask Foundation	**19,250**	38,500
Bromley Trust	**-**	10,000
Reo Stakis	**10,000**	20,000
Crucible	**75,000**	-
Overwhelm Limited	**-**	5,000
Aurum Trust	**20,000**	-
Armitage Trust	**22,000**	-
Devonshire Trust	**-**	5,000
Moorview Charitable Trust	**-**	10,000
CHK Charities	**15,000**	-
B & L Know Fund	**-**	15,000
Haramead Trust	**20,000**	-
Charles R Burrell 1987 Charitable Trust	**20,000**	-
Charles Burrell and Isabella Tree	**-**	20,000
Susannah Peake	**5,000**	20,000
Upholderers Livery Company	**1,500**	-
Lady Elizabeth Cavendish Trust	**-**	52,083
Other grants, donations and (<£5,000) and Gift Aid	**124,132**	170,939
	464,112	494,022

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

3 Income from donations and grants (continued)

	Total 2024 £	Total 2023 £
Restricted funds:		
Adrian Swire Trust	**25,000**	25,000
Bank of America Foundation	**38.889**	39,933
Brothers Trust	**10,000**	10,000
Bromley Trust	**10,000**	-
Hadrian Trust	**1,000**	1,000
Colyer-Fergusson Charitable Trust	**-**	10,000
Henry Oldfield Trust	**10,000**	25,000
Merchant Taylors	**15,000**	10,000
De Laszlo Foundation	**-**	10,000
Rothschild Foundation	**9,000**	12,000
Cedar House Trust	**10,000**	-
City Bridge Trust	**38,108**	50,405
Considered Ask Foundation	**10,903**	5,737
The Clothworkers' Company	**20,000**	-
MIVA Trust	**14,000**	9,000
Needlemakers Livery Company	**3,850**	3,080
Ratcliff Trust	**-**	4,000
1772 Trust	**-**	2,000
Radcliffe Trust	**-**	5,000
Peter Stebbings Trust	**10,000**	10,000
The Drapers' Company	**25,000**	-
Eleanor Rathbone Trust	**2,000**	2,000
Simon Gibson Trust	**3,043**	-
Sheriffs and Recorders	**435**	678
Philip King Trust	**30,000**	-
St Adhelms Chapel Trust	**-**	5,000
Anonymous	**5,000**	5,000
HDH Charitable Trust	**-**	1,000
Matrix Causes Fund	**-**	3,000
James Knott Trust	**5,000**	-
Jack Lane Foundation	**1,000**	-
Henry Smith Foundation	**60,000**	60,000
Michael Varah Memorial Foundation	**-**	1,752
Leigh Trust	**5,000**	-
McGrath Trust	**2,000**	-
Carried Forward	**364,228**	310,585

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

3 Income from donations and grants (continued)

	2024	2023
	£	£
Brought forward	**364,228**	310,585
Aldo Trust	**5,000**	5,000
Charles Hayward Foundation	**20,000**	20,000
John Murray Trust	**10,000**	-
James Roll Trust	**1,250**	-
Souter Trust	**3,741**	-
Worshipful Company of Broderers	**3,000**	3,000
Schitz Engle Trust	**6,000**	-
Sommers Trust	**10,000**	-
Upholderers Livery Company	**1,800**	-
Society of the Holy Child of Jesus	**14,500**	-
	439,519	338,585

4 Income from charitable activities

	2024	2023
	£	£
Sale of prisoners' work	**324,236**	303,060
Income from cell work	**38,813**	4,000
	363,049	307,060

5 Expenditure

	Staff Costs	Depreciation	Other Costs	Total 2024	Total 2023
	£	£	£	£	£
Expenditure on:					
Costs of generating donations and grants	**178,470**	**-**	**24,501**	**202,971**	197,361
Charitable activities					
Prisoner Training & Support	**514,082**	**24,120**	**416,810**	**955,013**	854,895
Activities undertaken directly					
Support costs	**-**	**-**	**133,910**	**133,910**	130,277
	692,552	**24,120**	**575,221**	**1,291,893**	1,182,533

Analysis of support costs (including governance costs)

	2024	2023
	£	£
Rent	**107,400**	102,700
Governance costs	**15,534**	17,927
Insurance	**10,976**	9,650
	133,910	130,277

Included within support costs is £11,000 (2023: £10,000) in relation to audit fees for the current auditors.

6 Statement of financial activities - Comparative funds – year ended 31 December 2023

	Unrestricted Funds	Restricted Funds	Designated Funds	Total 2023
Income from:	£	£	£	£
Donations and grants	494,022	338,585	-	832,607
Charitable activities	307,060	-	-	307,060
Investment income	12,881	-	-	12,881
Total income	813,963	338,585	-	1,152,548
Expenditure on:				
Costs of raising funds	197,361	-	-	197,361
Charitable activities				
Prisoner Training & Support	653,995	331,177	-	985,172
Total expenditure	851,356	331,177	-	1,182,533
Net income/(expenditure)	(37,393)	7,408	-	(29,985)
Transfer between funds	86,790	-	(86,790)	-
Fund balances at 1 January 2023	694,033	8,692	114,322	817,047
Fund balances at 31 December 2023	743,430	16,100	27,532	787,062

7 Trustees' transactions

The Trustee expenses in the year were £1,793 (2023-£1,372) relating to travel expenses incurred in their capacity as a volunteer teacher in prison (2023 travel expenses) claimed by one (2023 one) Trustee.

8 Employees

Number of employees

	2024 Number	2023 Number
The average monthly number of employees during the year was	**16**	15

Employment costs

	2024 £	2023 £
Wages and salaries	**610,972**	527,022
Social security costs	**56,818**	48,179
Other pension costs	**24,764**	21,144
	692,554	596,345

The number of employees whose annual emoluments exceeded £60,000 in the year were as follows:

	2024 Number	2023 Number
£80,001-£90,000	**1**	-
£70,001-£80,000	**-**	1
£60,001-£70,000	-	-

The key management personnel of the charity comprises the founding director, executive director and finance director. The total employee benefits of key management personnel of the charity were £177,598 (2023: £168,136).

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

9 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 January 2024	**9,679**	**154,343**	**164,022**
Additions	**-**	**24,435**	**24,435**
At 31 December 2024	**9,679**	**178,778**	**188,457**
Depreciation			
At 1 January 2024	**9,679**	**126,811**	**136,490**
Charge for the year	**-**	**24,120**	**24,120**
At 31 December 2024	**9,679**	**150,931**	**160,610**
Net book value			
At 31 December 2024	**-**	**27,847**	**27,847**
At 31 December 2023	-	27,532	27,532

10 Debtors

	2024	2023
	£	£
Trade debtors	**6,340**	11,527
Other debtors	**12,500**	12,500
Prepayments and accrued income	**63,808**	51,367
	82,648	75,394

11 Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	**19,353**	12,278
Taxes and social security costs	**32,765**	35,520
Other creditors	**1,166**	1,340
Accruals and deferred income	**32,595**	27,747
	85,879	76,885

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

12 Deferred Income

Included in deferred income are amounts relating to donations with timing conditions outside the control of the charity.

	2024	2023
	£	£
Brought forward as at 1st January 2024	-	52,083
Received in year	-	
Released in year		(52,083)
Carried forward at 31st December 2024	-	-

13 Pension and other post-retirement benefit commitments

Defined contribution

There were £3,695 contributions (2023 £3,059) due.

	2024	2023
	£	£
Contributions payable by the charity for the year	**24,764**	21,144

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

14 Restricted funds

	Balance at 1 January 2024	Incoming resources	Resources expended	Balance at 31 December 2024
	£	£	£	£
Developing post release employment and support for ex-prisoners	-	163,797	154,797	9,000
In prison workshop development	-	35,000	24,700	10,300
Funding for the Director of Programmes post	-	30,000	30,000	-
Prisoner training and awards	-	12,000	12,000	-
Accredited Training	-	3,850	3,850	-
Volunteers expenses	-	16,500	16,500	-
Expanding stitcher numbers	-	15,000	15,000	-
Rebuilding Cell Work post pandemic	8,000	104,991	111,991	1,000
Cell work core costs	-	16,043	13,343	2,700
Support for prisoners in The Northeast	-	6,000	3,500	2,500
Stitcher training kits	-	5,435	2,935	2,500
Post release training programmes	8,100	-	8,100	-
Impact Evaluation	-	10,903	10,903	-
Support for female prisoners	-	20,000	20,000	-
	16,100	439,519	427,619	28,000

14 Restricted funds (continued)

	Balance at 1 January 2023 £	Incoming resources £	Resources expended £	Balance at 31 December 2023 £
Developing post release employment and support for ex-prisoners	-	159,338	159,338	-
Newsletter		3,000	3,000	-
Open the Gates apprentice stipends	2,636	1,752	4,388	-
Prisoner training and awards	-	15,000	15,000	-
Accredited Training	-	3,758	3,758	-
Volunteers' expenses	-	2,000	2,000	-
Rebuilding cell work post pandemic	-	82,000	74,000	8,000
Cell work core costs	-	21,000	21,000	-
Support for prisoners in Kent	-	10,000	10,000	-
Stitcher training kits	-	5,000	5,000	-
Post release training programmes	-	10,000	1,900	8,100
Impact evaluation	6,056	5,737	11,793	-
Support for female prisoners	-	20,000	20,000	-
	8,692	338,585	331,177	16,100

14 **Restricted funds (continued)**

Developing post-release employment and training support for ex-prisoners

The Bank of America Foundation, City Bridge, Adrian Swire, Henry Oldfield, Cedar House, Sommers and The Peter Stebbing Memorial Trusts, The Upholders Livery Company funded the development and delivery of post-release support for ex-prisoners. The Clothworkers Foundation funded capital costs for upgrades to the apprentices hub in Battersea.

Rebuilding in prison stitcher numbers post Covid.

The Bromley, Souter and James Roll Trusts, The Drapers Liver Company and The Henry Smith Charity all supported the initiative to rebuild stitcher numbers in prison after the Covid pandemic drastically reduced numbers.

Accredited Training

The Needlemakers Company supported the OCN training programme.

Support for prisoners and ex-prisoners in the Northeast Region

The Hadrian and James Knott Trusts funded support for prisoners and ex-prisoners in the Northeast Region.

Volunteers expenses

The Eleanor Rathbone Trust and the Society of the Holy Child of Jesus funded volunteer expenses.

Expanding stitcher numbers

The Leigh and John Murray Trusts supported expanding the number of prisoners engaged with.

In Cell support

The Broderers Company, Simon Gibson Trust, The Jack Lane and Rothschild Foundations supported the costs of cell work for prisoners.

Prisoner awards

The Brothers and McGrath Trusts supported awards made to prisoners.

Support for female prisoners

The Charles Hayward Foundation provided support for working with women in the prison estate.

Stitcher Training Kits

The Aldo supported the provision of stitcher training kits.

In prison workshop support

The Merchant Taylors Livery Company, MIVA and Schitz Engle Trusts supported the development of new in prison workshops.

Director of Programmes

The Philip King Trust supported part of the role of Director of Programmes.

Evaluation

The ASK Trust supported evaluation of Fine Cell Work's programmes.

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

15 Unrestricted funds

		Movement in funds			
	Balance at 1 January 2024	**Incoming resources**	**Resources expended**	**Transfer between funds**	**Balance at 31 December 2024**
	£	**£**	**£**	**£**	**£**
Unrestricted funds	**743,430**	**841,507**	**864,274**	**(316)**	**720,347**

		Movement in funds			
	Balance at 1 January 2023	Incoming resources	Resources expended	Transfer between funds	Balance at 31 December 2023
	£	£	£	£	£
Unrestricted funds	694,033	813,963	851,356	76,790	743,430

16 Designated funds

	Balance at 1 January 2024	**Incoming resources**	**Resources expended**	**Transfer between funds**	**Balance at 31 December 2024**
	£	**£**	**£**	**£**	**£**
Fixed Asset Fund	**27,532**	**-**	**-**	**316**	**27,848**
Growing stitcher numbers fund	**-**	**41,400**	**-**	**-**	**41,400**
	27,532	**41,400**	**-**	**316**	**69,248**

	Balance at 1 January 2023	Incoming resources	Resources expended	Transfer between funds	Balance at 31 December 2023
	£	£	£	£	£
Fixed Asset Fund	50,663	-	-	(23,131)	50,663
Rebuilding Cell Work	63,659	-	-	(63,659)	-
	114,322	-	-	(86,790)	50,663

17 Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Designated Funds	Total 2024
	£	£	£	£
Fund balances at 31 December 2024 are represented by:				
Tangible fixed assets	**27,848**	**-**	**-**	**27,848**
Current assets	**778,378**	**28,000**	**69,248**	**875,626**
Creditors: amounts falling due	**(85,879)**	**-**	**-**	**(85,879)**
	720,347	**28,000**	**69,248**	**817,595**

	Unrestricted Funds	Restricted Funds	Designated Funds	Total 2023
	£	£	£	£
Fund balances at 31 December 2023 are represented by:				
Tangible fixed assets	27,532	-	-	27,532
Current assets	792,783	16,100	27,532	836,415
Creditors: amounts falling due within one year	(76,885)	-	-	(76,885)
	743,430	16,100	27,532	787,062

18 Commitments under operating leases

At 31 December 2024 the company had total commitments under non-cancellable operating leases payable as follows:

	Land and buildings	
	2024	2023
	£	£
Within one year	**105,000**	105.000
Between two and five years	**288,750**	393,750
	393,750	498,750

19 Related Parties

There were no related party transactions in the year.

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

20 Control

The charity is a company limited by guarantee and is under the control of the Trustees.

FINE CELL WORK

England & Wales - Charity number 1049095

Accounts

Charity Registration No. 1049095

Company Registration No.03095356 (England and Wales)

FINE CELL WORK

(LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND ACCOUNTS

FOR THE

YEAR ENDED 31 DECEMBER 2023

LEGAL AND ADMINISTRATIVE INFORMATION

Patrons	Tracy Chevalier Dame Judi Dench CH Kaffe Fassett Esther Freud Cath Kidston MBE Libby Purves OBE Isabella Tree
Trustees	Jennifer Rademaker (Chair) Marion Bedford Julian Diment Tabitha Elwes Kit Kemp MBE Miranda Kendall (Vice Chair) Andrew Murray (Treasurer) Cathy Robinson Emma Soames Nicola Wright
Executive Director	Victoria Gillies
Founding Director	Dr Katy Emck OBE
Financial Director	Mariana Spater
Charity Number	1049095
Company Number	03095356
Registered Office & Principal Address	190-192 Queenstown Road London SW8 3NR
Auditors	James Cowper Kreston Audit 8th Floor Reading Bridge House George Street Reading RG1 8LS
Bankers	Unity Trust Bank 4 Brindley Place Birmingham B1 2HB

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their report and accounts for the 12-month period ended 31 December 2023. The accounts have been prepared in accordance with Fine Cell Work's Memorandum and Articles of Association and with the accounting policies set out in note 2 to the accounts and comply with the charity's governing document, applicable law and the requirements of the Charities SORP (FRS 102).

Governance, Structure and Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 25 August 1995 and registered as a charity on 9 September 1995. 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. In the event of the company being wound up, members guarantee to contribute an amount not exceeding £10.

Recruitment and Appointment of Trustees

The directors of the company are also charity trustees for the purposes of charity law. The number of trustees shall not be more than twelve or less than three. The charity may by ordinary resolution appoint a person who is willing to be a trustee and may also determine the rotation in which any additional trustees are to retire. Meetings take place five times a year, with an Annual General Meeting held in the summer. There is an ongoing programme of trustee strategy meetings to discuss and set the charity's effectiveness, goals, aims and purpose. Guidance and training are also given to promote understanding of Charity Governance and specific issues related to the Charity and its work.

None of the trustees has any beneficial interest in the company and there are no related parties to the charity with the exception disclosed in note 19 of the accounts.

The range of trustees is intended to reflect Fine Cell Work's own blend of needs incorporating experience of prisons and understanding of rehabilitation issues, working with volunteers, fundraising, marketing, communications, merchandising, product design, textile production and knowledge of interior design and its commercial aspects relevant to establishing an effective business profile for the charity.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Jennifer Rademaker (Chair)
Marion Bedford
Julian Diment
Tabitha Elwes
Kit Kemp MBE
Miranda Kendall (Vice Chair)
Cath Kidston MBE (resigned 12 March 2024)
Andrew Murray (Treasurer)
Cathy Robinson
Emma Soames
Nicola Wright

Structure, staffing and volunteers

In 2023 Fine Cell Work's 26 years' experience working in prison, strong management structure and innovative, flexible approach, alongside an active, multi-talented Board, enabled the charity to continue to reestablish their in-prison programmes, restore levels of engagement close to pre-pandemic numbers, build their engagement with their service users and strengthen their relationships and impact in the sector. Key to this was establishing a partnership with HMPPS (His Majesty's Prison and Probation Service) textile workshops and setting up a Board Advisory Group with five service users, the Chair and Vice Chair of the Board alongside the Executive Director and Director of Programmes.

Fine Cell Work is run by the Executive Director supported by the senior management team comprised of the Founding Director, Finance Director, and Director of Programmes. The senior management team is supported by a permanent, full-time staff of eleven and, from Q4 one part-time staff member working three days a week giving the charity, by year end, a full-time equivalent of 15 employees.

The duties of Fine Cell Work's staff were divided between skills and paid work provision for prisoners; supporting volunteers delivering in-prison stitching classes (cell groups); working in collaboration with volunteers who supported production, sales and fundraising; the development and provision of skilled and varied work to be stitched; marketing and sales including management of the website and dispatch; fundraising; business planning and financial management. To support our programme for prison leavers, Open the Gates (OTG), staff duties included provision of work experience, employment training and mentoring as well as delivering workshops on well-being, boundaries, wider textile skills and interview preparation.

During the year, the charity worked in 38 prisons; in 18 prisons we ran 24 cell groups and in a further 20 prisons we supported 'lone stitchers' who have developed advanced skills in one of our cell groups and been moved to a prison without a cell group. Fine Cell Work staff support these stitchers with work, feedback, and payment directly.

With volunteers having returned to all but one of our groups this year after pandemic lockdowns, we were finally able to ascertain how many prisoners we were supporting. This was the first time since 2019 that we have been able to gather accurate statistics on stitcher numbers. In total, 538 stitchers engaged with us in 2023, still some way from the 602 stitchers we worked with in 2019. However, good progress was made as we supported 56% more new stitchers than we did in 2022.

Of the 538 stitchers, 458 resided within the male prison estate (85%) and 80 in the female prison estate (15%). We met our goal of working with more female prisoners. By comparison, in 2022, 91% of our stitchers were from the male estate and 9% from the women's. With 68% of the stitchers we worked with in 2023 returning monitoring and evaluation forms, 72% disclosed they were white British and 28% from minority ethnic backgrounds.

There were 471 'cell group stitchers', participating in fortnightly stitching classes where possible and taking the kits back to their cells, and 79 'workshop stitchers' who either worked in our full-time textile workshop in the men's estate or in our part-time workshop in the woman's estate. These numbers include 12 prisoners who worked in both cell groups and the prison workshops. Of the total cell work stitchers, 398 returned work in the year compared to 265 stitchers who returned work in 2022. In 2023, 280 stitchers were new to Fine Cell Work with 239 joining cell groups, 38 joining the workshops and three joining both a workshop and a cell group. Of the 280 new stitchers, 196 returned work whilst the remaining stitchers were still working on practice pieces.

On the OTG post-release programme, we supported 32 prison leavers. At the Clothworkers' Studio in Battersea, we provided employment training to 25 ex-prisoners (who we refer to as apprentices) and supported three prison leavers we worked with in prison who were not able to travel to the London area. This remote engagement involved a bespoke package of support, which included regular phone calls, signposting to local organisations and stitching materials. Four prison leavers who graduated from our post-release programme pre-2023, were supported with general wellbeing, career and welfare advice. Of the 32 apprentices engaged with in the year, 50% were new recruits, 35% were women with 60% white British and 40% from minority groups. 56% had stitched with us in prison.

The small ratio of Fine Cell Work staff to prisoners and prison leavers was supported by extensive, essential activities of our volunteer team teaching in prisons and in the Clothworkers Studio, mentoring, supporting production and commissions, helping with administration and design, promoting our work, helping at sales events across the country, supporting events, and manning the pop-up shop.

During the year, 67 volunteers went into prison to train prisoners in soft work skills by teaching embroidery, canvas work and quilting compared to 47 volunteers who did so in 2022. Eight people volunteered in The Clothworkers Studio to support the training of the apprentices and another three volunteered as mentors to our apprentices. In the year, eight highly skilled stitching volunteers assisted with commission development. In all 12 volunteers

helped us design and promote new design ranges. Eight volunteers assisted with production; nine volunteers gave talks on the work of the charity to community organisations, 34 volunteers served on event committees and 10 volunteers helped run our pop-up shop at Pentreath and Hall in autumn. With 11 trustees generously volunteering their time and expertise, this brought the number of volunteers supporting the charity this year to 138 individuals who covered 168 volunteering opportunities.

Remuneration policy for senior management

The directors' salaries are determined by the trustees with reference to market rates and the financial resources of the charity and reviewed annually.

Principle Risks and Uncertainties

Using a comprehensive Risk Register, the trustees regularly assess the major risks to which the charity is exposed, and systems established to manage and mitigate those risks. Key areas that undergo risk assessment are currently threats to revenue, working in the community, working in prisons (particularly with the current staff shortages across the estate, and the rapidly increasing prison population), staff-related risks and IT infrastructure risks.

The risk of a drop in external funding is mitigated by a strategic plan to increase Fine Cell Work's sustainability through product sales, new funding sources and increased fundraising resources. The reserves policy seeks to retain sufficient funds to cover any short-term funding losses. Internal control risks are minimised by procedures for the authorisation of transactions and projects.

Risk with the OTG post-release programme is mitigated by building relationships with probation and other organisations working with prison leavers, and the support of a trustee who has substantial experience working in prison and in HMPPS providing expertise and knowledge to both the Board and the senior management team.

The risk of working in prisons is twofold. The risk to volunteers working in prisons is mitigated by ongoing training by Fine Cell Work staff and by working with prisons to ensure a safe environment for our volunteers. The prison system itself is also a challenge with changing policies and frameworks. Currently staffing levels of front-line prison officers are of concern as this could affect the prison's ability to accommodate our volunteers and activities. This is mitigated by working with HMPPS, the trustees, professionals in the field and other prison charities to ensure an understanding of the overall prison environment. In order to be more embedded in the prison estate, we are building a closer relationship with HMPPS.

Staff risks relate to the retention of key members of staff, staff recruitment and staff safety. To mitigate these risks, staff policies, salary reviews, building staff resilience, encouraging and supporting staff training, wider recruitment promotion, and strict policies governing working with prison leavers in the charity's premises are in place. Organisational reviews take place regularly to ensure that the most appropriate staff structure is in place to support the work of the charity and the resilience of team members.

IT infrastructure risk assessment covers key databases, such as our supporter database and information on the server and includes back-up protocols to recover and restore lost data should any loss occur.

Fine Cell Work's Employer's Liability, Public Liability, stock, buildings, office contents, terrorism and business interruption insurance policies further minimise the financial risks to the charity. The charity has appropriate health and safety and safeguarding policies in place.

Mission, Objectives and Activities

Fine Cell Work addresses three key social issues: the need for rehabilitation in prison and for prison leavers in the community, challenges of release, and negative public perceptions of people who are or have been in prison. The charity aims to strengthen its position as a leading contributor to prison rehabilitation and to drive for greater positive awareness and change.

Our work addresses the key issues affecting offending behaviour by developing and reinforcing work skills, building strong relationships and mental and emotional resilience, and providing the opportunity to build a financial buffer. We aim to enable our stitchers and workshop workers to complete their sentences with new skills, money earned and saved, and the self-belief to stop offending. For the apprentices engaged in our post-release programme, OTG, the aim is to support them into a socially connected, stable, independent, crime-free lifestyle, through employment training, bespoke workshops to broaden skills and resilience alongside mentoring and work experience.

As a charity and social enterprise, our core purpose is supporting prisoners and prison-leavers back into society. We do this by providing skills-based training both in prisons nationwide and in the community in our hub in London, focusing on building self-worth, self-respect, self-confidence and self-discipline. Our programme delivery encourages our stitchers to take responsibility, and work as part of a team. Our unique mission is to train and pay prisoners to do exquisite needlework to create beautiful products for sale.

In furtherance of its mission, the charity teaches prisoners and apprentices transferable skills through needlework, textile production, simple upholstery, warehousing and despatch to support employment and social re-integration on release. These textile products are bespoke, designed in collaboration with well-respected designers and of such high quality that they not only sell to the public but also to interior designers, museums, and heritage organisations.

Our vision is to build independent, crime-free lives. To support this, we are building Fine Cell Work as a sustainable social entity with the prisoners and prison leavers as stakeholders in the enterprise. As one of the few charities able to continue delivering its in-prison services throughout the years of lockdown, we are now even further embedded in the prison system, with prison staff and prisoners valuing the provision of paid, creative work that can be done by prisoners in their cells.

Stitchers work independently in their cells for 24 hours a week on average, with many voluntarily working for as long as 40 hours. We aim to pay our stitchers approximately twenty five percent of the net proceeds of sale. Our stitchers are always paid for the work they return regardless of whether or when it sold and are encouraged to save for release.

In addition, we run a textile workshop in prison making up the work stitched in cells into products – predominantly cushions, giftware and tableware - and an employment training workshop for prison leavers in the Clothworkers' Studio.

In the year, we began our partnership with HMPPS's textile workshops to deliver wider training, work experience and the opportunity of post-release support. Fine Cell Work specialist training staff now delivers training in different production techniques fortnightly in our first workshop partnership.

The charity continues to build expertise and awareness of the demand and opportunities in the marketplace and to build relationships with successful designers and artists to develop a wide range of desirable products. It is important that Fine Cell Work products appeal to our growing customer base, so the dedicated, skilled work of our stitchers remains meaningful. To engage as many prisoners as possible in the production process (usually four stitchers and apprentices are involved in the creation and sale-readiness of each product), with the exception of design, charting, screen printing and laser cutting, all production is carried out in UK prisons or the Clothworkers' Studio. To accommodate and maximise the involvement and training of as many stitchers and apprentices as possible, the production process is, by necessity, multi-layered. The charity covered 26% of its costs from selling products this year, up from 25% in 2022.

The Trustees regularly review the Charity's public benefit as set out by the Charity Commission.

Building Organisational Resilience

After the 'Covid years', followed by the energy and excitement of our 25-year celebrations in 2022, 2023 was a year of consolidation to ensure the growth planned over the next three years is sustainable. To build organisational

resilience, to work with more people in prison and prison leavers, to grow the social enterprise and strength our impact in prison, the community and the criminal justice sector, we:

- Set up a Board Advisory Group to provide service user oversight of and input to the issues before the Board of Trustees
- Set up our partnership with HMPPS Textile Workshops by establishing a programme in the textile workshop in HMP Foston Hall women's prison
- Reviewed our theory of change demonstrating how it supports impact measurement and leads to lasting social change for our service users
- Reviewed our existing evaluation and how we can build on this to demonstrate the impact on service users including their mental health
- Updated our messaging and website functionality to build both sales and donations
- Provided bespoke management training to strengthen the management team
- Hosted events and meetings at the hub to strengthen our relationships with funders, livery companies and OTG partners
- Supported the growth of and engagement with customers and donors by enabling data sharing between our CRM and Shopify.

As a result, there is now more cohesion and better processes within the team with a better understanding of shared values. This is particularly important in our small team with diverse skill sets and interests.

The Board Advisory Group

Involving our service users at Board level is essential but almost all the people we work with, due to the nature of their offending, are not able to sit on a charity Board. This was addressed by setting up the Board Advisory Group last summer. With five current or graduate apprentices, the group meets quarterly. The meetings have given us the opportunity to review both our in-prison and post-release programmes to identify what, in the view of our service users, we do well and how we can do better. Recommendations for clearer, more accessible information for prison leavers on the website and for support literature to prepare prison leavers for the realities of release are the invaluable outcomes of this group that sit alongside excellent advice on how to address specific challenges the organisation is facing. A two-way link is established with the Board of Trustees through attendance by the Chair and Vice-Chair of the Board, reporting out of Board and Board Advisory Group meeting content, and reviewing organisational opportunities and challenges.

Establishing the partnership with HMPPS Textile Workshops

With the support of the Head of Textiles and the Head of Programmes, Assurance and Business Delivery at HMPPS, we are now partnering with their textile workshop at HMPPS in Foston Hall, expanding workplace skills and wider work experience to a workforce making prison apparel. Since July, two members of the FCW team deliver an all-day workshop every fortnight. Not only has this enabled us to build our work with women in prison, working closely with HMPPS has given the charity a better understanding of how the service works and how we can adapt to optimise the support we can offer to people in prison.

Review of Theory of Change and Evaluation

The collaborative sessions with an external consultant involved selected members of staff from different teams with a hub volunteer and an apprentice to involve different stakeholders in the discussions. We reviewed our evaluation practice to identify the three key areas of social issues we address and how we evidence our impact on this.

The aim was to use the wide range of data and feedback which Fine Cell Work collects to:

- demonstrate what issues we were trying to address
- build evidence to show why society should care about our work
- demonstrate that it is important and vital
- evidence why Fine Cell Work has the capacity and proven capability to address the issues.

We now have an updated, clearer, simpler theory of change which focuses on the three main areas where Fine Cell Work has impact. The first is the need for rehabilitation in both prisons and in the community. The second is societal negative views of prisoners which creates the third issue, lack of opportunities and the barriers faced by prison leavers to rebuild meaningful, independent, crime-free lives. This has enabled us to improve our programme strategy and clarify our messaging on how we address the social problems identified. It has also enabled us to review and improve the ways in which we gather, analyse and share data to better demonstrate our impact.

Updated our messaging and website functionality

The review on the theory of change informed the process of how we improved our messaging as we worked with a digital marketing agency. This reflection strengthened how we communicate what we achieve in a more holistic way rather than focusing on the detail of what we do. This allows our donors and customers to appreciate the bigger picture of the necessity of our work in addressing the need for rehabilitation, deteriorating mental health of people in prison, the challenges faced by prison leavers, and reducing reoffending.

Bespoke management training funded by City Bridge

In order to build a stronger, cohesive management team, social impact consultants delivered training over two days. The training was adapted to meet the needs of the diverse experience of the management group building understanding and collaboration within the small team.

Strengthening relationships

Open days at the Hub in Battersea with service users leading tours of the workshop and warehouse with existing and potential funders and supporters, alongside meetings with leaders of charities working with prison leavers both inside prison and post-release, allowed us to showcase the OTG programme, gave our apprentices experience in representing their work, enabled us to discuss challenges and opportunities, and share best practice working in the criminal justice sector.

Building systems for customer and donor growth

During the year Fine Cell Work was fortunately chosen to participate in the JP Morgan "Force for Good" programme providing IT project support for not-for-profit organisations. From this initiative, we benefitted from enhancements to the interface between databases.

Achievements and Performance

Working in prison

With 2023 being the first year since 2019 where there weren't closures or Covid 'lockdowns' in prisons, we were able to rebuild our in-prison programmes to support 90% of the workforce we had supported in 2019. We worked with 56% more new stitchers than the previous year making good progress towards our goal of working with over 900 people in prison by the end of 2026.

The length of time we work with our stitchers means we have a significant impact. Working with 538 stitchers by yearend, 30% of our workforce engaged with us for six months or less, a further 22% stitched with us for up to a year. Of the remaining 48% who had worked with us for over a year, 11% have been supported by the charity for over five years. Through the fortnightly stitching classes with our volunteer teachers, or, in our workshops, fortnightly full-day training with Fine Cell Work staff, the stitchers build a strong connection to the charity. A

magazine, *Stitch Up*, published by us biannually for our stitchers supports this. The sale of their work provides a further connection to the world beyond prison. The fact that many customers write to thank the stitcher for their work impacts this further. The sense of belonging and inclusion to the broader community built through the programme are all key factors in building the self-respect and resilience to not reoffend.

By end of the year, we were working in 18 prisons, four more than the previous year. We ran 24 stitching classes in these. In a further 20 prisons, we supported 'lone stitchers' directly from the office. Despite delays with the prison service organising security clearance for new volunteers, stitching classes were opened in three prisons new to us, at HMP Foston Hall, HMP Guys Marsh and HMP Thameside. We finally reopened groups in two prisons we had worked in before lockdown but had not yet been able to return to. Despite our efforts, it will not be until early 2024 that we will be able to return to HMP Long Lartin thereby having stitching classes in all the prisons we want to reengage with post lockdown.

In-cell work

To meet the growing demand for work from our stitchers, in 2023 we made a total of 3,580 kits: 44% embroidery kits, 31% needlepoint kits and 25% Christmas decoration kits. Kits for small items for both embroidery and needlepoint, such as lavender bags, pin cushions and Christmas decorations, have between two and six different products in one kit. Of all kits returned in the year, 32% were from beginner stitchers, 43% from intermediate and 26% were stitched advanced stitchers. In addition, 50 of our most talented stitchers completed 84 bespoke commission pieces.

The comparatively high proportion of new stitchers in the year meant that hours spent stitching recorded were down by 4% on the year before, (71,871 hours compared to 75,095 hours in 2022), and down 41% on total hours recorded for stitching in 2019. This is because established stitchers habitually spend longer stitching than beginners. In total, £70,688 was paid to stitchers, 8% up on the previous year due mainly to an increase in the number and value of awards presented.

Awards are given annually to our stitchers to reward their commitment to Fine Cell Work. The categories are for outstanding progress, excellence in stitching skill development, and peer mentoring with special awards for outstanding contributions to Fine Cell Work. All awards include a financial bonus payment. This year we gave 206 awards and bonuses to our stitchers in multiple categories. Most stitchers are nominated by their volunteers and then our judging panel picks certain stitchers for the top awards.

A total of £10,765 was paid to stitchers for the 206 awards, a significant increase from 119 awards and bonuses given in 2022 totalling £5,860.

With the lowest bonus attached to an award being £20 and the highest award, Outstanding Contribution to Fine Cell Work, having a remuneration of £100, awards are a good opportunity for us to acknowledge and reward the work of our stitchers. Of particular note, this year we distributed 57 Progress Awards (almost double the 30 awarded last year). We also gave out 10 Outstanding Contribution to Fine Cell Work Awards, more than usual, due to a few stitchers who worked very hard on multiple important commissions this year.

A new award was introduced, the Production Commendation, for stitchers who were not nominated by volunteers for an award but produced eight or more kits over the year. Additionally, we gave an extra one-time bonus to stitchers in four groups that have either not opened since lockdown or had been sporadic in their running, to thank them for their loyalty and continued work with us.

Feedback from our stitchers is done annually to assess service users' engagement in stitching, their primary motivations, and feedback on how the organisation is performing. Surveys were sent at the beginning of the year in 2024 to get feedback from the previous year.

The Annual Stitcher Survey, Experiences of Fine Cell Work, was sent to 295 stitchers with 165 sending back the completed survey, a 49% increase on the previous year reflecting the-recovery of our in-prison work following the

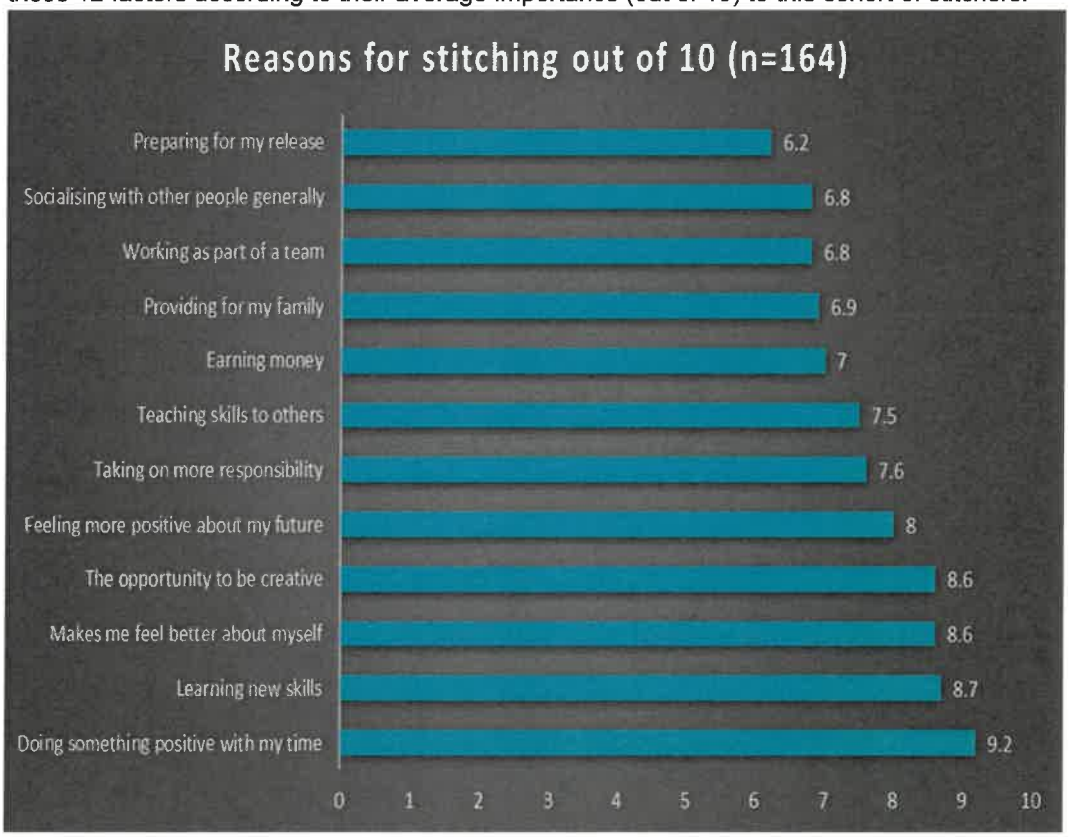
pandemic and the launch of a number of new stitching groups in prison in 2023. The completion rate for this year's survey was an excellent 56%, a full 12 percentage points higher than last year. The surveys which were returned were completed to a high standard with almost all respondents answering every question and most providing detailed comments to a wide range of questions.

The analysis of the survey by the external evaluator makes it clear that stitchers derive enormous satisfaction from working with the charity and that stitching helps them cope with imprisonment as well as allowing many to save money and plan for their release. The majority of stitchers are very appreciative of the work of the organisation and of the volunteers who run groups in particular.

This is the sixth annual survey this researcher has conducted. Three themes stood out this year:

- More people talked about how their stitching for Fine Cell Work is an important lifeline connecting them to the world outside prison and making them feel part of society, sometimes a connection they feel that they had lost over their years of incarceration.
- Responses showed the importance of the quality of the work they do for Fine Cell Work: this is reinforced by the fact that customers pay commercial prices to buy them, has a strong impact on many stitchers. This validates their work (differentiating it from many other prison employment activities) and validates them as individuals, giving them a much-needed feeling of being a person, not merely a prisoner, again.
- The fact that so many products are in themselves beautiful, colourful and intricate shines joy and a sense of positivity into what is often a monotonous and grey life inside.

The importance of stitching:
In the survey, stitchers were asked to rate how important a list of 12 different factors were for them as individuals about being a stitcher on a scale from zero to ten (with ten representing the most important). This list was constructed from a series of preliminary interviews with Fine Cell Work staff and stitchers. The chart below ranks these 12 factors according to their average importance (out of 10) to this cohort of stitchers:



To review our work with minority groups and make appropriate changes to our programmes, we send a 'stitcher monitoring & evaluation form' to all stitchers when they join a group to gather demographic data of our current stitcher group: Age, Gender, Preferred Pronouns, Disability Status, Ethnic Group, National Identity and Religion.

68% of the stitchers we worked with have returned their forms, with a total of 364 completed by year end; 190 of these were returned in 2023.

In 2021 we introduced the 'Fine Cell Work Mental Wellbeing Survey' to be completed by new stitchers when they joined a Fine Cell Work stitching group. A follow-up survey would then be sent nine months after the first mental wellbeing survey was completed to monitor progress. The opening and subsequent closing of groups in 2021 and 2022 impacted on the results of new stitcher surveys completed during this period. Because of this, we only considered follow-up surveys from stitchers that had joined groups that remain open to ensure throughout their engagement with us so that we were not only monitoring the impact of stitching on our beneficiaries but also the impact of engaging with volunteers and being part of a stitching group. It is anticipated that by mid-year 2024, sufficient follow up surveys will be returned for the external consultant to evaluate the feedback and report on his findings. By the end of 2023, 52 participants had returned the second round Mental Health evaluations.

In order to encourage volunteers to deliver our accredited in-cell training to their stitchers, further training was delivered to our volunteers teaching in prison. Stitchers are paid £30 for each unit completed and given a certificate of achievement from the Open College Network (OCN). During the year, an impressive 26 units of study had been completed in cell groups with one stitcher having completed three units of study over a two-year period. In recognition of this achievement, the stitcher will receive a bonus of 10% on his earnings from stitching in a year added to his prisoner pay every year he remains a stitcher.

Fine Cell Work's Prison Awards were introduced in 2021 to acknowledge exceptional goodwill and support we receive from selected prison we work in. For the support we received in 2023, early in 2024 we awarded a total of twelve prison awards in five categories: four prisons were presented with the 'Outstanding Contribution to Fine Cell Work Award'; three prisons were presented with the 'Gold Award for Staff Engagement and Support', three prisons were awarded the 'Best Practice in Volunteer Support'; with two prisons presented with the 'Lone Stitcher Support Award'. A new category was introduced this year, the New Group Support Award, for prisons who had been particularly helpful in setting up new groups. This was awarded to two prisons.

Framed certificates and accompanying letters are sent directly to the Governor of each of the 12 prisons. The letter gives credit to specific members of prison staff and is an opportunity to acknowledge and thank individuals for their ongoing, exceptional support.

Supporting Volunteers

With 138 volunteers supporting all aspects of the charity this year, over 80% of our volunteers have worked with the charity for over five years, nearly half of whom have volunteered with Fine Cell Work over 10 years. Their longstanding support gives them a strong connection with both the ethos and mission of the charity. 21% of volunteers took on more than one volunteering opportunity with one volunteer undertaking five different roles during the year.

Volunteers teaching in prison deliver front-line services to our stitchers and are vital to the charity. In the year, four volunteers retired and two left as they no longer wanted to volunteer in prison. New volunteers accounted for 27% of the 67 volunteers teaching in prison in 2023.

In order to facilitate growth in our in-cell programme, we did a dedicated recruitment drive to widen the pool of volunteers. We did this by promoting the opportunity through all our networks including emailing current volunteers, social media posts and building relationships with local and regional volunteer organisations nationwide.

Over 40 volunteers were trained by us in 2023 to support the reopening of prison groups, more volunteer cover in existing groups, and our establishing of groups in new prisons in 2023 and 2024. In order to accommodate training more volunteers who live throughout the UK, most training sessions are now run online. However, to accommodate

a large cohort of volunteers starting during the summer, we organised in-person training which was appreciated by the volunteers. Our ongoing plan is to organise a couple of in-person sessions per year, including future refresher training for existing volunteers and other ad-hoc training.

To thank and publicly acknowledge the value of volunteering to the charity, in Spring the Chair of the Board hosted a truly memorable lunch for volunteers at the hub with Fine Cell Work's longstanding Patron, Kaffe Fassett, and his partner, Brandon Mably as guest speakers discussing their creative motivation.

In-prison workshops

With our new parttime workshop in HMP Foston Hall and our well-established workshop in HMP Littlehey, we supported 79 men and women during the year.

Set up 13 years ago, our full-time workshop in HMP Littlehey makes up at least 70% of the kits stitched in prison cells into the final product; creates the needlepoint kits themselves; completes specific handstitched products which lend themselves to a group activity and produces machine stitched cushions, tableware and giftware.

The activities require many skills and are the complete antithesis of the repetitive tasks of many prison textiles workshops. Taking on new and varied tasks requires concentration, motivation and builds confidence to take on new skills which are important attributes to prepare for work post-release. Our workshop is an essential part of the social enterprise and fosters the workers' appreciation of their relevance to the wider organisation and engagement with the world beyond prison. The nature of the work develops their ability to work as part of a team, broadening their employable skills.

This is the first time the workshop was opened for a full year since 2018 as infrastructure challenges in the prison closed the workshop in October 2019. With a highly experienced supervisor provided by the prison to run the workshop, productivity and workshop morale went from strength to strength in the year.

A very experienced member of Fine Cell Work's teaching staff provided more extensive training to the workshop fortnightly focusing specifically on delivering the Open College Network accredited units of study, with 21 units of study successfully completed in the year.

Interior design retailers have in the past donated excess stock to us. A very generous donation of large rolls of high-quality plain linen from De Le Cuona allowed us to develop an extensive range of utility products with this excess fabric in the workshop. The launch of the beautifully crafted aprons and bags proved hugely popular with our customers and were one of the most successful in-house designed product launches in the year.

Feedback was also gathered from our workshop stitchers at HMP Littlehey. Twenty-one workshop stitchers returned the survey to our external evaluator, representing 88% of the workshop team at the time.

The analysis of the survey returns makes it clear that prisoners working in Fine Cell Work workshops derive enormous satisfaction from working with Fine Cell Work and that the atmosphere of productivity where all are treated with respect is much appreciated in the context of what is often a stressful prison environment.

All the workshop participants who responded were very appreciative of the work of the organisation and of staff who visit and help organise the workshops in particular. Unlike with many prison workshops, those working with and for Fine Cell Work expressed an important sense of community with both Fine Cell Work staff and other prisoners involved in the charity and a sense of ownership and pride in being part of the wider Fine Cell Work family. The fact that they were encouraged to suggest improvements to the workshop processes was a source of particular satisfaction to many.

Perhaps the most important factor for most workshop stitchers was that the workshop felt like as close as is possible in prison to a real work environment where attractive and practical objects were made to a high standard for sale to the general public. Many survey respondents differentiated their experiences in the workshop from the rest of their life in prison; seeing it both as an oasis of calm where respect was both given and received and as a place where their time in prison had a purpose and a connection to the outside world. They contrasted what they

saw as a real-world commercial operation with previous experiences of prison workshops. Several respondents talked about looking forward to going to work for the first time during their period of incarceration.

This year saw an increase in the number of workshop stitchers who had already developed plans to continue their association with Fine Cell Work via the OTG post-release programme.

We began working in the HMPPS's textile workshop at HMP Foston Hall in July this year, a new initiative for the charity to expand its reach. Two members of Fine Cell Work specialist training staff now deliver an all-day workshop every fortnight on a variety of different production methods including hand stitching and working on small production runs. The first four sessions formed an induction phase whereby participants made items for themselves or as gifts with the subsequent sessions in the year working on production of bags and purses specifically designed for the project.

In a spirit of collaboration and solidarity, because a full day a fortnight doesn't allow sufficient time for preparation – cutting of fabric and threads and marking out motifs to be handstitched - women engaged in our post-release programme in the Clothworkers Studio in Battersea prepared kits for the women in HMP Foston Hall to work from to support their productivity.

Rehabilitation Pathway and post-release support: Open the Gates (OTG)

Seven years ago, the OTG programme was established to support prisoners post-release at the Clothworkers' Studio in Battersea. During that time, we have supported 89 prison leavers. Over 75% of these prison leavers (who we refer to as apprentices) had received sentences of four years or more, with many having complex offending histories and support needs.

The OTG programme allows the apprentices time to adapt to the challenges of settling back into the community. In many instances, this can take well over a year; for a few this can take over 18 months. The average length on the programme is 11 months involving an average of 440 hours of individual training and support. The success of this bespoke approach is that each year we get about 40% of our graduates into employment or further tertiary training. Since the start of the programme, the reoffending rate has been only 1%.

The Clothworkers' Studio continued to be a thriving, productive workplace with an ethos of inclusion, consultation and co-operation, offering a wide range of roles and responsibilities to match individual skill sets. We deliver intensive, bespoke support to those who are experiencing the most barriers to accessing employment and other services, some of the most marginalised people in the community.

Core to the delivery of the programme is providing pastoral support and mentoring alongside the accredited embroidery and textile training courses. Our apprentices are supported by Fine Cell Work staff, volunteers, and mentors into employment, settled living and, in some cases, further employment training beyond the Clothworkers' Studio. Key to the training is work experience in the busy textiles workshop, working on production, sampling new products, simple upholstery, working on commissions which require teamwork and problem solving, facilitating sales and product management by warehousing, and dispatch. Soft skills such as timekeeping, boundaries, participation in meetings and service user forums support reintegration into society.

The Studio plays an important role in production with 20% of the kits stitched in cells made up into the finished product. Almost all commissions, particularly those requiring supervised teamwork and creativity are made up in the Studio. In the year, commissions included a large, quilted wall hanging created for Kit Kemp, five large needlepoint altar rail kneelers for Holy Trinity, and kneelers and bench seats for a church in America.

Service user engagement remained a key focus of the organisation. The newly established Board Advisory Group provides our Trustee Board, and the broader organisation, with the ability to benefit from our service users' lived experience and insights and to advise the Board on wider organisational areas of review and opportunity. Our bi-monthly service user involvement meetings give apprentices a forum to develop and shape the service we provide and build their commitment to the organisation. Regular team meetings with the apprentices who helped with warehousing and dispatch continued to reenforce their key role with the sales team and build their ability to take

responsibility as part of a wider team. These meetings led to the development of another accredited unit of study with the Open College Network; warehousing, delivering, dispatch and stock management.

In total, 19 units of study accredited by OCN were successfully completed by apprentices in the year, 11 of which were in peer teaching which recognises the team support focus of the OTG programme.

A fortnightly craft club was held on Friday afternoons for apprentices and graduate apprentices with Fine Cell Work staff and volunteers and provided a creative space for our service users to develop their hand stitching skills and encouraged social interaction. The Chair of the Board attends many of the craft club sessions as a further link between the Trustees and our service users. Trips to an exhibition by our Patron Kaffe Fassett, and to the Koestler Exhibition encouraged social integration and shared interest.

Staff and external providers facilitated 22 workshops to broaden apprentices' resilience, skills, and aptitude to acquire new skills. These sessions were designed to build employment confidence and preparation for work and covered subjects as diverse as CV writing and disclosure of offending history, respecting and setting boundaries, online safety, basic upholstery, modern quilting techniques, mounting and framing, lampshade making, interview technique, developing social skills and positive affirmation workshops to build confidence and self-belief. A further 15 one on one sessions were delivered with apprentices who needed more personalised support.

The apprentices supported two Open Days of the Clothworkers' Studio, with current and potential donors invited to the first, and current and potential partners in the criminal justice sector invited to the second, by being Ambassadors of the OTG programme. This led onto more formal Ambassador training with a professional coach volunteering her time to deliver a day's workshop on public speaking skills, confidence building, promoting Fine Cell Work, and the skills to deliver a consistent, compelling message.

Of the 32 people we supported, 16 were new recruits, 11 were women and 16 identified with a BAME background. In 2023, six 'apprentices' graduated; two graduates moved into employment, three into further vocational training, and one graduate, who is at retirement age, went to volunteer in their community. Four apprentices left the programme in the year; three disengaged due to challenges they encountered in regard to their health, motivation, and historic substance use, and one apprentice was recalled for breaching licence conditions. No one on the programme reoffended.

Sales and Commissions

In 2023, earned income across all channels was £307,060, up 6% on income from this source in 2022 of £290,193.

Earned income is broken down into income from the sale of the prison-made products and income from prisons paying a nominal fee per place in each cell group. Income from sales was £303,060, an increase of 10% on the year before. However income derived from prisons where Fine Cell Work delivers its services was only £4,000, down from £14,400 from this source last year. This was the result of delays in payment from the prison service and a mismatch in fiscal years between them and Fine Cell Work.

Sales

Gratifyingly, total sales now have finally exceeded the record levels of 2019 and were up over 8% on total sales of £280,063 achieved then.

Despite trading income in 2023, being 10% up on 2022, online sales were down 6% at £159,602. Although we made a strong start to the year, with sales for the first quarter 36% ahead of the previous year, web sales for the remaining three quarters were 10% down on 2022. This reflected the general trend across the retail sector, given the overall financial climate, and also Fine Cell Work's internal challenge of not having a senior sales and marketing person in place until the last quarter.

Sales from events raised £38,544, just exceeding the previous year's total (£37,724) and included sales in Houghton Hall and Layer Marney.

Commissions sales at £52,814 were up 51% on 2022 (£35,005). This was due to the completion of several long-term projects. We also delivered commissions to long-standing clients, including Carolina Mazzolari, Firmdale Hotels, Pentreath & Hall and the Royal Household.

Trading income from retailer partnerships gratifyingly increased 95% on 2022, with £34,445 in sales, and accounted for 11% of trading income. Of this total, 32% was generated by a design collaboration with Knepp Rewilding.

Income from pop-up shops at marginally over £3,000, was significantly down on 2022 (£15,296) as we had only one pop-up in the year. Pentreath & Hall once again gave us their Bloomsbury pop-up space, pro bono, in October for two weeks.

Product launches & highlights

Catalogue sales (sales of all Fine Cell Work products less commissions) in the year amounted to £235,817. We launched 36 new products which, at £40,370, accounted for 17% of catalogue sales. The most successful launch was a design collaboration using sustainable materials with Knepp Rewilding, celebrating the endangered wildlife living on Knepp's East Sussex estate. Launched in mid-October, one design sold out within the first two weeks. The collection generated a total of £15,383 in revenue - including sales to Knepp, who sold the range in their Wilding Kitchen & Shop.

Other key launches included the machine stitched Utility Range made from end-of-line linen donated by De La Cuona, Tasha's Trip designed by Fine Cell Work Trustee and designer Kit Kemp, and a new addition by Snowden Flood to our bestselling needlepoint Landmarks collection, Tower Bridge.

Two popular launches, the Baby's Breath and Forget-Me-Not napkins, and the geometric coasters, were designed by Fine Cell Work apprentices, a new initiative we are keen to encourage.

To enable our stitchers more creative freedom and to offer more products to support the accredited training modules from the Open College Network, we developed a new product inhouse, the folklore cushion, that gives stitchers the creative freedom to choose their own embroidery stitches and colours from a pre-picked palette. Launched towards the end of the year, the folklore kit was popular with our stitchers and our customers.

Our online sample sale in August gave us the opportunity to offer our customers a selection of unique, one-off items at significantly reduced prices. Running for three weeks in August, the sale generated nearly £9,000 from over 235 products.

Following the success of our 25th birthday Great Sewing Bear Christmas decoration last year, we designed a new hand-stitched decoration this year inspired by our best-selling Swag Bag. The Swag Bear was a success with all available stock sold, a total of 165 Swag Bears, raising over £4,000 - accounting for 15% of total decoration sales (£27,178) - making it our bestselling decoration of the year.

Online newsletter

Our online newsletter remained our most powerful marketing tool. We continued to channel our energies into this, increasing our frequency of sending by 15%, with a total of 45 unique email campaigns sent during the year. Newsletters generated 1,156 orders, an increase of 82% (634 in 2022), with attributed revenue increasing by 102%.

Commissions

Stitchers and volunteers work closely together on commissions planning the project and identifying new skills required. With the welcome return of our volunteer teachers to their prison groups providing encouragement, expertise and regular updates to the office this year, three large, multi-piece commissions were finally completed having been in process for a number of years.

In 2023, 50 expert stitchers completed 84 specialist commission pieces including an 11-metre-long needlepoint altar-front kneeler in five pieces designed by Cressida Bell for Holy Trinity Church in Sloane Square, 14 bespoke needlepoint chairs featuring individual petit point designs for a private house in Buckinghamshire and a project for a church in Virginia in America which consisted of 8 church bench seats, all stitched in cross stitch needlepoint. All commissions with the exception of upholstering the needlepoint chairs, were made-up by Fine Cell Work specialists and apprentices in the Clothworkers Studio.

We worked on 11 pieces of complex embroidery for repeat commissions client and artist Carolina Mazzalori which will form the basis of her artworks. One such piece was a large-scale embroidery that measured over two metres in height and took over 100 hours to stitch.

Several intermediate and advanced level stitchers completed a wide variety of commissions for long-standing retail partners: Pentreath & Hall, Hauser & Wirth, Blithfield, GPO Museum and the United Kingdom Antarctic Heritage Trust (UKAHT).

A new quilting commission, a large 180cm x 180 cm multi-layer quilt for Firmdale Hotels was begun and completed in the year. The project, which resulted in a feature wall-hanging for one of the Firmdale Hotels in New York, was a very successful team effort involving the Firmdale creative team working alongside Fine Cell Work stitchers, apprentices, volunteers and staff. Designed by Kit Kemp, pieces of fabric with images of hedgerow animals were delicately embellished by stitchers in prison before being painstakingly machine pieced together in the Clothworkers' Studio. Apprentices then spent several weeks quilting the many layers together.

For the Royal Household, we stitched Her Majesty the Queen's cypher on linen to create 20 cushions. The highlight of the year was completion of a commission for the Royal Visit to Kenya where our Design and Commissions specialists worked alongside experienced stitchers in the Clothworkers Studio to create a stunning, bespoke, embroidered cushion with the Kenyan national flower entwinned with native British wildflowers.

Fundraising and Selling through events

Events are an effective form in promoting knowledge and understanding of the impact of our work and of raising money. Events where we bring products for sale have always been very effective at showcasing the skill and beauty of our stitchers' work, encouraging sales and building on our network of customers, donors and volunteers.

The only fundraising event this year was a return to the Hurlingham Club in September with a private dinner for 60. The evening featured an engaging talk by renowned author Chris Atkins, perfectly aligned with the release of his new book, *Time After Time: Repeat Offenders*, and raised £11,670 in donations.

We were fortunate to host sales in two prestigious, historic locations in the year. The first in June was at Houghton Hall in Norfolk. The historic Picture Gallery gave a stunning backdrop to our products to optimise sales opportunities. Lord and Lady Cholmondeley hosted a well-attended evening reception and sale followed by a sale the next day of our hand-embroidered luxury products. The two-day, ticketed event raised £12,245 in donations and £8,220 in sales. Following the event, Lady Cholmondeley generously continued to support the charity by stocking Fine Cell Work cushions in the gift shop at Houghton.

Our second was at Layer Marney in Colchester, our fourth sale at this fabulous Tudor venue, hosted by longstanding supporters Nick and Shelia Charrington. This two-day event began with a private fundraising reception followed by a Christmas Sale open to the public the next day raising just over £7,000 in sales.

We joined forces with the Dulwich Quilters at Bell House in Dulwich to showcase an extensive array of meticulously hand-embroidered quilts including a number created by Fine Cell Work stitchers.

For the first time, thanks to the generosity of a volunteer in manning the sale and covering the cost, we took a table at the Cotswold Fair and raised almost £5,000 from sales over the three days of the sale.

The sales event calendar ended with our annual Christmas Sale at St Peter's in Notting Hill. With a motivational speech by Andrea Coomber from the Howard League of Penal Reform on the current scarcity of purposeful activity in prisons, guests were encouraged to buy resulting in record sales for the event of £14,500.

To broaden fundraising opportunities, in April we welcomed trustees of grant-making organisations that had supported us in the past to an Open Day at the Clothworkers Studio to celebrate achievements made through our post-release OTG programme. Our guests visited the workshop and heard from the apprentices about the impact of the programme. Conversations on the day led to opportunities to apply for further support.

In order to create wider opportunities to meet our most loyal supporters, we hosted a profile-raising event and drinks reception in May at the studios of artists Carolina Mazzolari and Conrad Shawcross. The well-attended evening included talks by these two prestigious artists about the connections between their art and prison.

To build awareness of our work in the interior design sector, in September, we were given a stand at the Chelsea Harbour Design Centre for Focus 23. This provided a fantastic platform for networking with prominent interior and fabric designers.

With charities struggling to meet fundraising targets due to various pressures including the cost of living, we decided to launch an appeal at the end of the year. With the theme, "one stitch at a time" focusing on the progress and recruitment of stitchers, we ran the appeal from mid-October to 31st December with an initial target of £50,000. Thanks to the generous support we received, we raised £97,630 from 260 donors, of which 137 were new donors to us. We took the opportunity provided by two well-established 'giving occasions': Giving Tuesday, an international day for giving to charity on the last Tuesday in November and pre-Christmas seasonal giving to make our ask.

Communications

Our annual stitcher survey, sent out to nearly 300 stitchers, continued to give us statistical information, feedback and quotes to support the evaluation of our services. Combined with consultative work with a digital agency, this informed our communications strategy and ability to create engaging, unique content.

Key to our communications strategy was the launch of our upgraded website in 2023. Working with the digital marketing agency, several areas were established that would benefit from improvements:

- reviewing and refining brand messaging across all communication channels
- identifying and addressing barriers to conversion across the website, with a view to increasing product purchase rate
- utilising our Google Ad Grant to set up and refine Google Ad campaigns to drive increased awareness, traffic and conversions to the website.

We also identified the importance of better communicating the exquisite craftsmanship of our stitchers' work in order to maximise revenue through our website – our primary sales channel. In addition to this, we wanted to make it easier for visitors to the site, both new and existing, to learn more about Fine Cell Work's mission, and to support our work through buying product or donating. To do this, it was integral that we focused on the impact of our work upon our stitchers and apprentices.

The improvements made to our website have given us a more effective platform to raise awareness about our work, promote our social enterprise and our events programme, and increase wider support. Ensuring that we review and optimise the opportunity provided by the Google Ad Grant - particularly in light of recent changes to the ways which charities can utilise this - has driven new visitors to the website, helping to grow both newsletter subscribers and sales.

The digital agency worked with us to redesign the layout and content of our subscriber newsletter, prioritising the stories behind the products, telling stitcher stories, and showcasing customer reviews.

The gathering of new sign-ups at events drove a 92% increase in newsletter subscribers during the period July to December 2023 vs the prior six months (1,026 vs 534 new subscribers for the period January to June 2023). New subscribers during July to December were also up 80% compared to the same period in 2022. However, the overall size of the subscriber list remained fairly static following a cleaning of unengaged subscribers from the list.

Our frequency of posting on Instagram increased by 160% compared to the previous year, helping to grow our follower count by 8.5% during the year, to 13,248 followers. We continued to share a balance of posts across our social media channels driving the social enterprise, encouraging donations, and promoting our wider work and programmes. Whilst our energies continued to be focused on Instagram, we cross-posted the majority of this content to Facebook (4,393), X formerly known as Twitter (5,168) and, more selectively, LinkedIn (725 followers). Our most liked posts included those on our Patron Kaffe Fassett and Brandon Mably's visit to Fine Cell Work, as well as our stitcher stories, and those demonstrating the impact of our work.

Publicity

Fine Cell Work's mission and our stitcher's creations continued to gain recognition in the media, and we were featured in major newspapers and magazines, as well as radio.

In the run-up to Christmas, several of Fine Cell Work's products were picked for inclusion in the curated gift guides of several high-end glossy magazines, with many focusing upon their being gifts with a meaningful social purpose.

The undoubted highlight of 2023 was the first in a series of videos filmed by the Ministry of Justice, featuring Fine Cell Work's stitchers in Warren Hill and post-release hub in Battersea. The subsequent Instagram post from March 2024 went viral with over 10k likes and more than 208k views – with a total watch time of almost 985 hours (as of April 2024). The full video has over 69k views.

Principal Funding Source

Our fundraising strategy to diversify our income streams is working as illustrated below.

Fundraising from grants

In 2023 Fine Cell Work received £509,885 from grants from Trusts and Foundations, a 16% increase on the previous year. We were proud to secure a major, three-year grant from the Garfield Weston Foundation as well as new, three-year grants from the Adrian Swire and another Foundation, contributing to the strength of grants funding in future years. We also received new grants towards expanding and extending our work from the Henry Oldfield Trust, the MIVA Foundation, the Brothers Trust, the Radcliffe Foundation and the Merchant Taylors Charity. We benefited from ongoing, multi-year grants from the Ask Trust, the Bank of America Foundation, the Bromley Trust, the City Bridge Foundation, the Charles Hayward, Colyer Fergusson, de Laszlo and Matrix Foundations and Peter Stebbings, Rathbone, Rothschild, Eleanor Rathbone and Henry Smith charities. The Aldo Trust, the Ancaster Trust, the Broderers Livery Company, the Gilander Foundation, the James Roll Trust, the Michael Varah Memorial Fund, the Ancaster Trust, the Needlemakers Livery Company and the Taurus Trust continued to support us with annual grants, and we also received new, one-year grants from Dalby, 1772, St Adhelms and Ratcliff Trusts.

Fundraising with major donors and corporates

In total we raised £322,722 in donations from individuals, legacies and corporations. FCW Champions, our regular giving campaign, raised £15,000 which included monthly, quarterly or annual donations from 47 different donors. Fundraising at events raised £27,000, and the Appeal raised £97,630 from 260 donors. The balance was raised through general ad hoc donations from individuals and foundations.

Financial Review

In 2023, Fine Cell Work's total incoming resources were £1,152,548 up 1% on the previous year. Donations and grant income were down 1.8% on 2022. Income from the sale of prisoners' work was up 10% on 2022.

Reserves Policy

The Trustees have established a policy whereby the unrestricted funds not committed in tangible assets held by the charity should be maintained at a level of four to six months of budgeted expenditure, currently equal to £517,347 for six months in general funds. At this level, the Trustees feel they would be able to continue the current activities of the charity in the event of a significant drop in funding or other changed circumstances. It remains a core aim to build and maintain Fine Cell Work's unrestricted reserves at this level.

In 2021 the Trustees resolved that the £127,317 raised by an appeal in that year would be a separate Designated Reserve to be used for the rebuilding of the stitcher numbers in prisons following the pandemic. In 2022, £63,500 was released from the reserve representing new stitchers in that year. In 2023 the remaining reserve was released as new stitchers returning work in the year reached 256 exceeding the balance of the designated reserve.

Also set up in 2021 the separate designated reserve equal to the value of the charity's fixed asset net book value is retained. This is in accordance with current best practice.

Total reserves at the yearend were £787,062 (2022 £817,047) of which £16,100 were restricted (2022 £8,682), £27,532 were designated (2022 £114,322) and £743,430 unrestricted (2022 £694,033). Free reserves at year end were £743,430 (2022 £694,033).

Corporate Social Responsibility

Fine Cell Work has set the goal of going beyond its charitable mission in order to make positive contributions to the wider community, our stakeholders and society.

We aim to achieve this by:

- Providing sustainable outcomes for our beneficiaries and society as a whole, leading to lower levels of reoffending and enabling beneficiaries to lead crime free lives
- Working with HMPPS to support their efforts to offer purposeful, rehabilitative work in prison and provide opportunities and positive pathways post-release
- Minimising our impact on the environment by sourcing ethical and sustainable materials for the making of our products and encouraging green initiatives within the organisation including recycling and alternatives to car usage
- Providing support, wellbeing and development programmes for our staff to nurture them and provide opportunities and resilience in their day-to-day work. We are accredited Living Wage Foundation employers
- Ensuring that we are financially sustainable
- Having a positive impact on the lives of our volunteers and support them to deliver our programmes
- Developing a positive relationship with suppliers including prompt payment
- Seeking to improve our governance and transparency to enable the community to understand our mission and our positive outcomes.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FINE CELL WORK

Statement of Trustees' Responsibilities

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

The trustees, who are also the directors of Fine Cell Work for the purpose of company law, are responsible for preparing the 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 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

On behalf of the Board of Trustees

Jennifer Rademaker (Chair) ..... Date 11/6/2024

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FINE CELL WORK

We have audited the financial statements of Fine Cell Work (the 'charitable company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure for the year
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council'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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the governors' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FINE CELL WORK (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 trustees' report (incorporating the directors' report).

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

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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' exemptions in preparing the trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement, 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.

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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

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 our report

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

Alexander Peal BSc (Hons) FCA DChA (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston Audit

8th Floor
Reading Bridge House
George Street
Reading
RG1 8LS

10 July 2024

FINE CELL WORK
(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME & EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Designated Funds £	Total 2023 £	Total 2022 £
Income from:						
Donations and grants	3	**494,022**	**338,585**	**-**	**832,607**	847,560
Charitable activities	4	**307,060**			**307,060**	290,193
Investment income		**12,881**			**12,881**	3,859
Total income		**813,963**	**338,585**	**-**	**1,152,548**	1,141,612
Expenditure on:						
Cost of Raising Funds	5	**197,361**			**197,361**	279,336
Charitable activities						
Prisoner Training & Support	5	**653,995**	**331,177**	**-**	**985,172**	889,755
Total expenditure	5	**851,356**	**331,177**	**-**	**1,182,533**	1,169,091
Net income/(expenditure)		**(37,393)**	**7,408**	**-**	**(29,985)**	(27,479)
Transfer between funds		**86,790**		**(86,790)**	**-**	**-**
Fund balances at 1 January 2023		**694,033**	**8,692**	**114,322**	**817,047**	844,526
Fund balances at 31 December 2023		**743,430**	**16,100**	**27,532**	**787,062**	817,047

All activities of the charity are classified as continuing. There are no other recognised gains or losses other than those reported on the Statement of Financial Activities.

The notes on pages 28 to 44 form part of these accounts.

FINE CELL WORK
(LIMITED BY GUARANTEE)

BALANCE SHEET
AS AT 31 DECEMBER 2023

	Notes	£	£	2023 £	2022 £
Fixed assets					
Tangible assets	9		27,532		50,662
			27,532		50,662
Current assets					
Stocks		199,006		187,774	
Debtors	10	62,894		57,364	
Cash at bank and in hand		562,015		653,290	
		823,915		898,428	
Non-current assets		12,500		-	
Creditors: amounts falling due within one year	11	(76,885)		(132,043)	
Net current assets			759,530		766,385
Total assets less current liabilities			787,062		817,047
Income funds					
Restricted funds	14		16,100		8,692
Designated funds	16		27,532		114,322
Unrestricted funds	17		743,430		694,033
			787,062		817,047

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to Accounting records and preparation of financial statements.
The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies' regime.
The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

11. vi. 2024

Andrew Murray (Treasurer)
Trustee

Company Registration No. 03095356
The notes on pages 28 to 44 form part of these accounts.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	£	2023 £	£	2022 £
Cash flows from operating activities:					
Net income/expenditure for the year		(29,985)		(27,479)	
Depreciation of tangible fixed assets	9	29,630		27,837	
Increase/(decrease) in creditors	11	(55,158)		(107,928)	
(Increase)/decrease in debtors	10	(18,030)		29,087	
(Increase)/decrease in stocks		(11,232)		(62,011)	
Investment income		(12,881)		(3,859)	
Net cash provided by/(used in) operating activities			(97,656)		(144,353)
Cashflows from investing activities					
Interest income		12,881		3,859	
Purchase of tangible fixed assets	9	(6,500)		(20,256)	
Cash provided by/(used in) investing activities			6,381		(16,397)
Increase/(decrease) in cash			(91,275)		(160,750)
Cash and cash equivalents at the beginning of the year			653,290		814,040
Cash and cash equivalents at the end of			562,015		653,290

	1 Jan 2023 £	Cashflow £	31 Dec 2023 £
Cash at bank and in hand	653,290	(91,275)	562,015

The notes on pages 28 to 44 form part of these accounts.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1 Statutory information

Fine Cell Work is a charitable company, limited by guarantee, registered in England and Wales. The charitable company's registered number and registered office address can be found on the Legal and Administrative Information page.

2 Accounting policies

2.1 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 (FRS102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

Fine Cell Work meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). There are no material uncertainties about Fine Cell Work's ability to continue as a going concern.

2.2 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Charitable Activities – represents income from sales of goods and is recognised when receivable, excluding Value Added Tax.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors and deferred income. Where entitlement occurs before income is received, the income is accrued.

2.3 Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Costs of raising funds comprises those costs incurred in order to raise funds from external sources.

Charitable activity expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. It also includes costs associated with meeting the constitutional and statutory requirements of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on a staff time basis.

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

2.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	3 years straight line basis
Fixtures, fittings and equipment	3 years straight line basis

2.5 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

2.6 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discounts.

2.7 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments. The Trustees seek to use short and medium term deposits where possible to maximise the return on monies held at the bank and to manage cash flow.

2.8 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.

2.9 Stock and work in progress

Stock is valued at the lower of cost and net realisable value.

2.10 Pensions

The charity operates a defined contributions pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

2.11 Fund accounting

The charity has various funds for which it is responsible:

The Trustees also authorised the creation of a designated fund to cover the Fixed Asset value.

2.12 Taxation

The company is a registered charity (number: 1049095). All of the charity's income falls within the exemptions set out in part 11 of the Corporation Tax Act 2010.

2.13 Financial Instruments

The company 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 instrument method.

2.14 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Critical areas of judgement:

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the assets and projected disposal values.

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

3 Income from donations and grants

	Unrestricted Funds	Restricted Funds	Designated Funds	Total 2023	Total 2022
	£	£	£	£	£
Donations and grants	**494,022**	**338,585**	**-**	**832,607**	**847,560**

Donations and grants
Unrestricted funds:

	Total 2023	Total 2022
Garfield Weston	**110,000**	-
Dalby Trust	**7,500**	-
Taurus Trust	**5,000**	-
Al-Fayed Foundation	**5,000**	-
Considered Ask Foundation	**38,500**	17,500
Bromley Trust	**10,000**	10,000
Reo Stakis	**20,000**	5,000
Michael and Clara Freeman Trust	**-**	5,000
Overwhelm Limited	**5,000**	-
Anthony Sofroniou	**-**	6,000
Armitage Trust	**-**	22,000
Devonshire Trust	**5,000**	-
Moorview Charitable Trust	**10,000**	-
Anonymous	**-**	5,000
B & L Know Fund	**15,000**	-
Crucilble Foundation	**-**	51,000
Scouloudi Foundation	**-**	7,000
Charles Burrell and Isabella Tree	**20,000**	-
Susannah Peake	**20,000**	-
Lady Elizabeth Cavendish Trust	**52,083**	125,000
Other grants, donations and (<£5,000) and Gift Aid	**170,939**	168,596
	494,022	422,096

3 Income from donations and grants (continued)

	Total 2023 £	Total 2022 £
Restricted funds:		
Adrian Swire Trust	**25,000**	15,000
Bank of America Foundation	**39,933**	36,321
Brothers Trust	**10,000**	-
Batchworth Trust	**-**	15,000
Hadrian Trust	**1,000**	-
Colyer-Fergusson Charitable Trust	**10,000**	11,500
Henry Oldfield Trust	**25,000**	-
Merchant Taylors	**10,000**	-
De Laszlo Foundation	**10,000**	10,000
Rothschild Foundation	**12,000**	10,000
Evan Cornish Foundation	**-**	5,000
City Bridge Trust	**50,405**	12,567
Considered Ask Foundation	**5,737**	9,556
Anonymous	**-**	20,000
MIVA Trust	**9,000**	-
Needlemakers Livery Company	**3,080**	-
Ratcliff Trust	**4,000**	-
1772 Trust	**2,000**	2,000
Radcliffe Trust	**5,000**	7,500
Peter Stebbings Trust	**10,000**	10,000
Hiscox Foundation	**-**	5,000
Eleanor Rathbone Trust	**2,000**	-
Trusthouse Foundation	**-**	3,000
Sheriffs and Recorders	**678**	-
John Lewis Foundation	**-**	16,000
St Adhelms Chapel Trust	**5,000**	-
Anonymous	**5,000**	-
HDH Charitable Trust	**1,000**	-
Matrix Causes Fund	**3,000**	3,000
Porticus Trust	**-**	14,998
Hedley Foundation	**-**	5,000
Henry Smith Foundation	**60,000**	60,000
Michael Varah Memorial Foundation	**1,752**	2,747
Garfield Weston Foundation	**-**	75,000
Statham Family Trust	**-**	2,500
	310,585	351,689
Carried Forward		

3 Income from donations and grants (continued)

	2023	2022
	£	£
Brought forward	**310,585**	351,689
Aldo Trust	**5,000**	5,000
Charles Hayward Foundation	**20,000**	20,000
John Coates Charitable Trust	**-**	5,000
Nina Campbell Limited	**-**	15,000
William Yeoward Limited	**-**	15,000
Worshipful Company of Broderers	**3,000**	3,000
Rio Stakis Foundation	**-**	5,000
Other donations & grants (<£5,000)	**-**	5,775
	338,585	425,464

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

4 Income from charitable activities

	2023	2022
	£	£
Sale of prisoners' work	303,060	275,793
Income from cell work	4,000	14,400
	307,060	290,193

5 Expenditure

	Staff Costs	Depreciation	Other Costs	Total 2023	Total 2022
	£	£	£	£	£
Expenditure on:					
Costs of generating donations and grants	160,379	-	36,982	97,361	279,336
Charitable activities					
Prisoner Training & Support	435,966	29,630	389,299	854,895	764,455
Activities undertaken directly					
Support costs	-	-	130,277	130,277	125,300
	596,345	29,630	556,558	1,182,533	1,169,091

Analysis of support costs (including governance costs)

	2023	2022
	£	£
Rent	102,700	96,100
Governance costs	17,927	20,066
Insurance	9,650	9,134
	130,277	125,300

Included within support costs is £10,000 (2022: £10,000) in relation to audit fees for the current auditors.

6 Statement of financial activities - Comparative funds – year ended 31 December 2022

	Unrestricted Funds	Restricted Funds	Designated Funds	Total 2022
Income from:	**£**	£	£	£
Donations and grants	**422,096**	425,464	-	847,560
Charitable activities	**290,193**	-	-	290,193
Investment income	**3,859**	-	-	3,859
Total income	**716,148**	**425,464**	**-**	**1,141,612**
Expenditure on:				
Costs of raising funds	**279,336**	**-**	**-**	**279,336**
Charitable activities				
Prisoner Training & Support	**414,948**	**474,807**	**-**	**889,755**
Total expenditure	**694,284**	**474,807**	**-**	**1,169,091**
Net income/(expenditure)	**21,864**	**(49,343)**	**-**	**(27,479)**
Transfer between funds	**71,237**	**-**	**(71,237)**	**-**
Fund balances at 1 January 2022	**600,932**	**58,035**	**185,559**	**844,526**
Fund balances at 31 December 2022	**694,033**	**8,692**	**114,322**	**817,047**

7 Trustees transactions

The Trustee expenses in the year were £1,372 (2022-£282) relating to travel expenses incurred in their capacity as a volunteer teacher in prison (2022 travel expenses) claimed by one (2022 one) Trustee.

8 Employees

Number of employees

	2023 Number	2022 Number
The average monthly number of employees during the year was	15	15

Employment costs	2023 £	2022 £
Wages and salaries	527,022	512,759
Social security costs	48,179	49,056
Other pension costs	21,144	16,279
	596,345	578,094

The number of employees whose annual emoluments exceeded £60,000 in the year were as follows:

	2023 Number	2022 Number
£70,001-£80,000	1	-
£60,001-£70,000	-	1

The key management personnel of the charity comprises the founding director, executive director and finance director. The total employee benefits of key management personnel of the charity were £168,136 (2022: £163,036).

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

9 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 January 2023	9,679	147,843	157,522
Additions	-	6,500	6,500
At 31 December 2023	9,679	154,343	164,022
Depreciation			
At 1 January 2023	9,679	97,181	106,860
Charge for the year	-	29,630	29,630
At 31 December 2023	9,679	126,811	136,490
Net book value			
At 31 December 2023	-	27,532	27,532
At 31 December 2022	-	50,662	50,662

10 Debtors

	2023	2022
	£	£
Trade debtors	11,527	4,611
Other debtors	12,500	13,075
Prepayments and accrued income	51,367	39,678
	75,394	57,364

11 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	12,278	14,997
Taxes and social security costs	35,520	21,798
Other creditors	1,340	1,366
Accruals and deferred income	27,747	93,882
	76,885	132,043

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

12 Deferred Income

Included in deferred income are amounts relating to donations with timing conditions outside the control of the charity.

	2023	2022
	£	£
Brought forward as at 1st January 2023	52,083	174,083
Received in year	-	125,000
Released in year	(52,083)	(247,000)
Carried forward at 31st December 2023	-	52,083

13 Pension and other post-retirement benefit commitments

Defined contribution

There were £3,059 contributions (2022 £2,233) due.

	2023	2022
	£	£
Contributions payable by the charity for the year	21,144	16,279

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

14 Restricted funds

	Balance at 1 January 2023 £	Incoming resources £	Resources expended £	Balance at 31 December 2023 £
Developing post release employment and training support for prisoners	-	159,338	159,338	-
Newsletter	-	3,000	3,000	-
Open the Gates apprentice stipends	2,636	1,752	4,388	-
Prisoner training and awards	-	15,000	15,000	-
Accredited Training	-	3,758	3,758	-
Volunteers expenses	-	2,000	2,000	-
Rebuilding Cell Work post pandemic	-	82,000	74,000	8,000
Cell work core costs	-	21,000	21,000	-
Support for prisoners in Kent	-	10,000	10,000	-
Stitcher training kits	-	5,000	5,000	-
Post release training programmes	-	10,000	1,900	8,100
Impact Evaluation	6,056	5,737	11,793	-
Support for female prisoners	-	20,000	20,000	-
	8,692	338,585	331,177	16,100

14 Restricted funds (continued)

	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Balance at 31 December 2022 £
Developing post release employment and training support for prisoners	15,000	96,163	111,163	-
Open the Gates apprentice stipends	2,535	2,747	2,646	2,636
Prisoner training and awards	-	5,500	5,500	-
Volunteers' expenses	-	12,500	12,500	-
Rebuilding cell work post pandemic	12,500	112,498	125,498	-
Cell work core costs	20,000	15,000	35,000	-
Support for prisoners in Kent	6,000	11,500	17,500	-
Stitcher training kits	-	10,000	10,000	-
Social enterprise support	2,000	75,000	77,000	-
Impact evaluation	-	9,556	3,500	6,056
Event sponsorship	-	55,000	55,000	-
Support for female prisoners	-	20,000	20,000	-
	58,035	425,464	474,807	8,692

14 Restricted funds (continued)

Developing post-release employment and training support for ex-prisoners

The Bank of America Foundation, City Bridge, Adrian Swire, Henry Oldfield, MIVA and The Peter Stebbing Memorial Trusts funded the development and delivery of post-release support for ex-prisoners. The Michael Varah Trust provided bursaries for the post release apprentices.

Rebuilding in prison stitcher numbers post Covid.

The HDH Charitable and Eleanor Rathbone Trusts, de Laszlo, and Radcliffe Foundations, The Matrix Causes Fund and The Henry Smith Charity all supported the initiative to rebuild stitcher numbers in prison after the Covid pandemic drastically reduced numbers.

Accredited Training

The Needlemakers Company supported the OCN training programme.

Support for prisoners and ex-prisoners in Kent

The Colyer-Fergusson Charitable Trust funded support for prisoners and ex-prisoners in the Kent region.

Volunteers expenses

The 1772 Charity funded volunteer expenses.

In Cell support

The Hadrian, Ratcliff and St Adhelm's Chapel Trusts, The Merchant Taylors and Rothschild Foundation supported the costs of cell work for prisoners.

Prisoner awards

The Brothers and Radcliffe Trusts supported awards made to prisoners.

Support for female prisoners

The Charles Hayward Foundation provided support for working with women in the prison estate.

Stitcher Training Kits

The Aldo supported the provision of stitcher training kits.

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

15 Unrestricted funds

		Movement in funds			
	Balance at 1 January 2023	Incoming resources	Resources expended	Transfer between funds	Balance at 31 December 2023
	£	£	£	£	£
Unrestricted funds	694,033	813,963	851,356	86,790	743,430

		Movement in funds			
	Balance at 1 January 2022	Incoming resources	Resources expended	Transfer between funds	Balance at 31 December 2022
	£	£	£	£	£
Unrestricted funds	600,932	716,148	694,284	71,237	694,033

16 Designated funds

	Balance at 1 January 2023	Incoming resources	Resources expended	Transfer between funds	Balance at 31 December 2023
	£	£	£	£	£
Fixed Asset Fund	50,663	-	-	(23,131)	27,532
Rebuilding Cell Work	63,659	-	-	(63,659)	-
	114,322	-	-	(86,790)	27,532

	Balance at 1 January 2022	Incoming resources	Resources expended	Transfer between funds	Balance at 31 December 2022
	£	£	£	£	£
Fixed Asset Fund	58,242	-	-	(7,579)	50,663
Rebuilding Cell Work	127,317	-	-	(63,658)	63,659
	185,559	-	-	(71,237)	114,322

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

17 Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Designated Funds	Total 2023
	£	£	£	£
Fund balances at 31 December 2023 are represented by:				
Tangible fixed assets	27,532	-	-	27,532
Current assets	792,783	16,100	27,532	836,415
Creditors: amounts falling due within one	(76,885)	-	-	(76,885)
	743,430	16,100	27,532	787,062

	Unrestricted Funds	Restricted Funds	Designate Funds	Total 2022
	£	£		£
Fund balances at 31 December 2022 are represented by:				
Tangible fixed assets	50,663	-	-	50,663
Current assets	775,413	8,692	114,322	898,427
Creditors: amounts falling due within one year				
	(132,043)	-	-	(132,043)
	694,033	8,692	114,322	817,047

18 Commitments under operating leases

At 31 December 2023 the company had total commitments under non-cancellable operating leases payable as follows:

	Land and buildings	
	2023	2022
	£	£
Within one year	105,000	71,250
Between two and five years	393,750	-
	498,750	71,250

19 Related Parties

£38,450 was paid to addmustard Ltd for the redesign and optimisation of the Charity's website. This company has a director who is also a Fine Cell Work Trustee, Julian Diment.

20 Control

The charity is a company limited by guarantee and is under the control of the trustees.

FINE CELL WORK

England & Wales - Charity number 1049095

Accounts

Charity Registration No. 1049095

Company Registration No.03095356 (England and Wales)

FINE CELL WORK

(LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND ACCOUNTS

FOR THE

YEAR ENDED 31 DECEMBER 2022

LEGAL AND ADMINISTRATIVE INFORMATION

Patrons	Tracy Chevalier Dame Judi Dench CH Kaffe Fassett Esther Freud Libby Purves OBE Isabella Tree
Trustees	Jennifer Rademaker (Chair) Marion Bedford Julian Diment Tabitha Elwes Kit Kemp MBE Miranda Kendall (Vice Chair) Cath Kidston MBE Andrew Murray (Treasurer) Cathy Robinson Emma Soames Nicola Wright
Executive Director	Victoria Gillies
Founding Director	Dr Katy Emck OBE
Financial Director	Mariana Spater
Charity Number	1049095
Company Number	03095356
Registered Office & Principal Address	190-192 Queenstown Road London SW8 3NR
Auditors	James Cowper Kreston Audit 8th Floor Reading Bridge House George Street Reading RG1 8LS
Bankers	Unity Trust Bank 4 Brindley Place Birmingham B1 2HB

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their report and accounts for the 12-month period ended 31 December 2022. The accounts have been prepared in accordance with Fine Cell Work's Memorandum and Articles of Association and with the accounting policies set out in note 2 to the accounts and comply with the charity's governing document, applicable law and the requirements of the Charities SORP (FRS 102).

Governance, Structure and Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 25 August 1995 and registered as a charity on 9 September 1995. 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. In the event of the company being wound up, members guarantee to contribute an amount not exceeding £10.

Recruitment and Appointment of Trustees

The Directors of the company are also charity Trustees for the purposes of charity law. The number of Trustees shall not be more than twelve or less than three. The charity may by ordinary resolution appoint a person who is willing to be a Trustee and may also determine the rotation in which any additional Trustees are to retire. Meetings take place five times a year, with an Annual General Meeting held in the summer. There is an ongoing programme of Trustee strategy meetings to discuss and set the charity's effectiveness, goals, aims and purpose. Guidance and trainings are also given to promote understanding of Charity Governance and specific issues related to the Charity and its work.

None of the Trustees has any beneficial interest in the company and there are no related parties to the charity with the exception disclosed in note 19 of the accounts.

The range of Trustees is intended to reflect Fine Cell Work's own blend of needs incorporating: experience of prisons and understanding of rehabilitation issues, working with volunteers, fundraising, marketing, communications, merchandising, product design, textile production and knowledge of interior design and its commercial aspects relevant to establishing an effective business profile for the charity.

The Trustees, who are also the Directors for the purpose of company law, and who served during the year were:

Sophie Kingsley (resigned 13 June 2022)
Jennifer Rademaker (Chair – appointed 13 June 2022)
Marion Bedford
Julian Diment
Tabitha Elwes
Edward Henry (resigned 28 February 2023)
Kit Kemp MBE
Miranda Kendall (Vice Chair)
Cath Kidston MBE
Andrew Murray (Treasurer)
Cathy Robinson
Emma Soames
Nicola Wright

Structure, staffing and volunteers

In 2022 Fine Cell Work's 25 years' experience working in prison, strong management structure and innovative, flexible approach, alongside an active, multi-talented Board, enabled the charity to continue to successfully navigate the impact of Covid-19 restrictions on most prisons until Q2. Thereafter, there was a gradual lifting of restrictions enabling the charity to accelerate the process of regrowing our work in prison post-lockdown. Activities

outside prisons were less impacted by restrictions in Q1 and we were able to consolidate plans to host in-person events and to rebuild our outreach and profile.

To give context, the majority of prisons in the UK, having lifted restrictions in the latter part of 2021, locked down again in December 2021 in response to the emergence of a new variant of the virus. With the exception of three of the 14 prisons where we run cell groups, prisons remained in lockdown for the first three months of the year. When prisons had these restrictions in place, we continued to work through prison staff to ensure the distribution and collection of kits. This meant that the prisoners we work with (our "stitchers") had as much activity as they needed and could continue being paid for completed work. The gradual reopening of prisons in the Spring meant by year end, we were running 19 groups in 14 prisons. Our priority was to rebuild to pre-pandemic levels.

Fine Cell Work was run by the Executive Director supported by the senior management team comprising of the Founding Director, Finance Director, and, in Q4, by a newly appointed Director of Programmes replacing the Head of Programmes who had left at the end of Q1. The senior management team was supported by a permanent, full-time staff of ten and one part-time staff member working three days a week giving the charity the full-time equivalent of 15 employees.

The duties of Fine Cell Work's staff were divided between: skills and paid work provision for prisoners; supporting volunteers delivering in-prison stitching classes (cell groups); working in collaboration with volunteers who supported production, sales and fundraising; the development and provision of skilled and varied work to be stitched; marketing and sales including management of the website and dispatch; fundraising; business planning and financial management. To support our programme for prison leavers, Open the Gates (OTG), staff duties included provision of work experience, employment training and mentoring as well as delivering workshops on well-being, boundaries and interview preparation.

Recruitment of staff was a challenge during the year. Three posts remained vacant for over three months. Staffing requirements at the office and workshop hub at Battersea, in adherence to our safeguarding policies, meant there was little flexibility to offer current and new staff more than one day a week working from home. The expectations of candidates to work predominantly from home, coupled with a very competitive market for recruitment, resulted in one key senior management post being open for six months with three recruitment drives. Whilst this meant significant savings to staff costs, it added pressure on the wider staff team, particularly on senior management. Despite this, the year ended on budget with almost all targets met and a full staff complement in all but one role.

The lack of access to prison groups in the last three years made it difficult to ascertain accurately the number of prisoners we were engaging with in prison. Those that returned work and/or responded to requests for information over this time were easily identified. However, with some prisoners still locked up for up to 23 hours a day, we were aware that a proportion of them were coping with mental health issues, had become increasingly isolated and had stopped stitching. Sensitive to this, we continued to support all stitchers who were on our books unless we were sure they had either been released or had left the prison. Where we had no contact from a stitcher, our engagement was limited to sending in the biannual prisoner newsletter, now produced as a magazine, and the annual feedback survey.

With all volunteers having returned to their groups by Q4, we began to gather more accurate statistics on stitcher numbers. However, it wasn't until the end of Q1 in 2023 that we were confident to remove stitchers we had lost contact with from our list, safe in the knowledge that we were no longer excluding prisoners who wanted to remain on the programme but had issues preventing them from doing so.

We had 399 stitchers 'on the books' at year end in 2022, 364 stitchers from the male estate and 35 stitchers in the female estate. Of the 399, 360 were 'cell group stitchers', participating in fortnightly stitching classes where possible and then taking the kits back to stitch in their cells, and 44 'workshop stitchers' who worked in our dedicated in-prison textile workshop. These numbers include five prisoners who worked in both cell groups and the prison workshop.

The statistic on which we can report with certainty was the number of stitchers who returned work in the year. In 2022, 265 returned work compared to 175 stitchers who did so in 2021, a 51% increase that was a testament to

our success in steadily regrowing our stitcher numbers during the year. 67% of stitchers returned monitoring and evaluation forms which disclosed that 73% were white British and 27% from minority groups.

There were 179 new stitchers in 2022, up from 69 new stitchers the previous year, a 159% increase. The total breaks down to 149 new 'cell work' stitchers and 31 new workshop stitchers which included one stitcher who joined both a cell group and the prison workshop. Of the 179 new stitchers, 127 returned work whilst the remaining stitchers were still working on practice pieces.

During the year, we worked in 32 prisons; in 14 prisons we ran cell groups and in a further 18 prisons we supported 'lone stitchers' who have developed advanced skills in one of our cell groups and been moved to a prison without a cell group. Fine Cell Work staff support these stitchers with work, feedback, and payment directly.

In our Open the Gate (OTG) post-release programme at the Clothworkers' Studio in our Hub in Battersea, we provided employment training for 28 apprentices compared to 26 the previous year. This compares well with numbers pre pandemic when we supported 29 apprentices in 2019. In addition, we supported three graduates of the OTG programme from previous years with general wellbeing, productivity, and welfare advice bring the total number of people supported on the programme in the year to 31.

The small ratio of staff to prisoners and prison leavers was underpinned by the extensive, essential activities of the Fine Cell Work volunteer team teaching in prisons, teaching in the Clothworkers' Studio, mentoring, supporting production and commissions, helping with administration and design, hosting and helping at sales events across the country, supporting fundraising and profile-raising events and staffing both pop-up shops.

During the year, 47 volunteers returned to prison training prisoners in embroidery, canvas work, quilting and soft work skills. Seven people volunteered in The Clothworkers' Studio to support training of the apprentices and another seven volunteered as mentors to our apprentices. In the year, six highly skilled stitching volunteers assisted with commission development. In all 14 volunteers helped us design and promote new design ranges. Eight volunteers assisted with production; 54 volunteers served on event committees and 22 volunteers helped run the Fine Cell Work's two pop-up shops. With 12 Trustees generously volunteering their time and expertise, this brought the number of volunteers supporting the charity this year to 136 individuals who covered 192 volunteering opportunities. Over 30% of our volunteers took on at least two volunteering opportunities, a demonstration of their depth of commitment to the organisation.

Remuneration policy for senior management

The Directors' salaries are determined by the Trustees with reference to market rates and the financial resources of the charity and reviewed annually.

Principle Risks and Uncertainties

Using a comprehensive Risk Register, the Trustees regularly assess the major risks to which the charity is exposed, and systems established to manage and mitigate those risks. Key areas that undergo risk assessment are currently threats to revenue, working in the community, working in prisons (particularly with the current staff shortages across the estate), staff-related risks and IT infrastructure risks.

The risk of a drop in external funding is mitigated by a strategic plan to increase Fine Cell Work's sustainability through product sales, new funding sources and increased funding resources. The reserves policy seeks to retain sufficient funds to cover any short-term funding losses. Internal control risks are minimised by procedures for the authorisation of transactions and projects.

Risk with the OTG post-release programme is mitigated by building relationships with probation and other organisations working with prison leavers and the support of a Trustee who has several years' experience working in prison and in HMPPS providing expertise and knowledge to both the Board and the senior management team.

In 2022, we undertook a review of our safeguarding policy, making a number of enhancements, and conducted relevant staff training.

The risk of working in prisons is twofold. The risk to volunteers working in prisons is mitigated by ongoing training by Fine Cell Work staff and by working with prisons to ensure a safe environment for our volunteers. The prison system itself is also a challenge with changing policies and frameworks. Currently staffing levels of front-line prison officers is of concern. This is mitigated by working with the Trustees, professionals in the field and other prison charities to ensure an understanding of the overall prison environment. In order to be more embedded in the prison estate, we are building a closer relationship with HMPPS (Her Majesty's Prison and Probation Service).

Staff risks relate to the retention of key members of staff, staff recruitment and staff safety. To mitigate these risks, staff policies, salary reviews, building staff resilience, encouraging and supporting staff training, wider recruitment promotion, and strict policies governing working with prison leavers in the charity's premises, are in place. Organisational reviews take place to ensure that the most appropriate staff structure is in place to support the work of the charity and the resilience of team members.

IT infrastructure risk assessment covers key databases, such as our supporter database and information on the server and includes back-up protocols to recover and restore lost data should any loss occur. Through Mastercard's My Cyber Risk service, a Cyber Risk Assessment was performed on Fine Cell Work's online environment in November 2022. This Assessment included a rating of our online environment, a security profile that listed any vulnerabilities by asset value and severity, and an IT profile of all internet-facing systems. We received a score of 10/10 with no immediate issues to address, along with recommendations for ongoing review.

Fine Cell Work's Employer's Liability, Public Liability, stock, buildings, office contents, terrorism and business interruption insurance policies further minimise the financial risks to the charity. The charity has appropriate health and safety and safeguarding policies in place.

Mission, Objectives and Activities

Fine Cell Work addresses three key social issues: the lack of rehabilitation in prison and for prison leavers in the community, challenges of release, and negative public perceptions of people who are or have been in prison. The charity aims to strengthen its position as a leading contributor to prison rehabilitation and to drive for greater positive awareness and change.

As a charity and social enterprise, our core purpose is supporting prisoners and prison-leavers back into society. We do this by providing skills-based training both in prisons nationwide and in the community in our hub in London, focusing on building self-worth, self-respect, self-confidence and self-discipline. Our programme delivery encourages our stitchers to take responsibility, and work as part of a team. Our unique mission is to train and pay prisoners to do exquisite needlework to create beautiful products for sale.

Our vision is to build independent crime-free lives. To support this, we are building Fine Cell Work as a sustainable social entity with the prisoners and prison leavers as stakeholders in the enterprise. As one of the few charities able to continue delivering in-prison services throughout the years of lockdown, we have become even more embedded in the prison system, with prison staff and prisoners valuing the provision of paid, creative work that can be done by prisoners in their cells.

In furtherance of its mission, the charity teaches prisoners and apprentices transferable skills through needlework, textile production, warehousing and despatch to deliver employment and social re-integration on release. These textile products are bespoke, designed in collaboration with well-respected designers and of such high quality that they are not only sold to the public but also to interior designers, museums, and heritage organisations.

Stitchers work independently in their cells for 24 hours a week on average, with many voluntarily working for as long as 40 hours. We aim to pay our stitchers a third of the net proceeds of sale. Our stitchers are always paid for the work they return regardless of whether or when it sells, and are encouraged to save for release.

In addition, we run a textile workshop in prison making up the work stitched in cells into products – predominantly cushions, giftware and tableware - and the employment training workshop in the Clothworkers' Studio.

Our work addresses the key issues affecting offending behaviour by developing and reinforcing work skills and building strong relationships and mental resilience. We aim to enable our stitchers and workshop stitchers to complete their sentences with new skills, money earned and saved, and the self-belief to stop offending. For the apprentices engaged in our post-release programme, OTG, the aim is to support them into a socially connected, stable, independent, crime-free lifestyle, through employment training, bespoke workshops to broaden skills and resilience alongside mentoring and work experience.

To ensure the activity remains purposeful, the charity continues to build expertise and awareness of the demand and opportunities in the marketplace for our products and to build relationships with successful designers and artists to support the provision of a wide range of desirable products. It is important that Fine Cell Work products appeal to our growing customer base so the dedicated, skilled work of our stitchers remains meaningful. To engage as many prisoners as possible in the production process (usually four stitchers and apprentices are involved in the creation and sale-readiness of each product), all Fine Cell Work production, with the exception of design, charting, screen printing and laser cutting, is carried out in UK prisons or The Clothworkers' Studio. To accommodate and maximise the involvement and training of as many stitchers and apprentices as possible, the production process is by necessity, multi-layered. In 2022 the charity covered 23% of its costs from selling products.

The Trustees regularly review the Charity's public benefit as set out by the Charity Commission.

Rebuilding our work post-covid

This was our 25th anniversary year. The writers' group, '26' worked with us to write a book celebrating key achievements in our history. *Threads of Time* told the story of the creation of 25 Fine Cell Work products or commissions. A crowd funding campaign in 2021 had covered all the costs of the printing of the book and brought greater awareness of the charity. In April 2022, we hosted a very successful event at our hub in Battersea to launch the book and celebrate our anniversary. With over 679 books sold, with all proceeds going to the charity, and many accolades from readers, the publication has been an effective way to disseminate the story of our work more widely. Copies of the book were sent to the libraries of all the prisons where we work.

Having run an Appeal to rebuild our work at the end of 2021 with the theme, "Keep the Sewing Going", the success of energising all aspects of the charity – programme delivery, production, design, sales, marketing and fundraising – behind this focus, demonstrated how important a theme was in unifying and giving greater impact to what we do. In 2022, the Trustees and Senior Management Team chose the theme "Regrowth" for the year to galvanise and reflect rebuilding all aspects of our work, and give a positive, collective focus for staff, supporters, stitchers and apprentices. With prisons gradually opening after the pandemic, the freedom and space of the outdoors; the beauty, serenity and colour of gardens reflected the benefits of gardens to support improved mental health, wellbeing and purposeful activity. This provided a fitting way to celebrate new beginnings.

Leading design houses, William Yeoward and Nina Campbell sponsored the creation of *The Stitchers Garden* at Chelsea Flower Show. Representing the rehabilitation of prisoners and the benefits of stitching on mental health, the garden had a tapestry of planting that echoed the texture and colour of Fine Cell Work stitched canvases. There was a pavilion with willow panels woven through a metal structure which had the real-life dimension of a prison cell. It generated a great deal of interest, challenging public perceptions of prison life. With huge crowds of visitors to the garden, 15,000 flyers on the work and impact of the charity were distributed. There were multiple conversations on the stand discussing our rehabilitative programmes with visitors.

Well-known and respected visitors to the garden included the Earl of Wessex, the Queen of Malaysia and longstanding supporters, the Duke and Duchess of Devonshire and the Duchess of Gloucester. A televised

interview of Trustee Cath Kidston with broadcaster Monty Don in the garden also helped to ensure a good media coverage for the charity offering a unique opportunity to build awareness of our work and appeal to new supporters. The garden was then moved to a prison where we run cell groups and repurposed to suit the new environment ensuring the planting was robust and easy to maintain by the prisoners.

Beautiful floral designs were created by our Trustee Cath Kidston with her new enterprise, *Joy of Print,* to support the initiative. This provided new and exciting work for stitchers. Design houses Nina Campbell and William Yeoward also created a range of products inspired by these new designs. They sold the products through their retail networks with a percentage going to Fine Cell Work. Garden parties were organised with our volunteers throughout the summer around the theme of "Regrowth".

2022 was the first year of our five-year business plan. In essence, our plan from 2022 to 2026 is to:

1. Build effectiveness, scale of impact and critical mass in prisons by partnering with HMPPS to create five key in-prison FCW hubs working with up to 60 prisoners in each hub annually, introducing:
    - Expanded support to prisoners in their cells by increasing from one stitching training group per prison to up to 3 groups.
    - Expanded workshop capacity using a three-tier model of HMPPS partnerships that allows us to upscale cost-effectively, delivering more effective, sustainable rehabilitation and training.
2. Extend our programme for prison leavers through expansion of post release support (both physical and virtual) to have a national reach.
3. Build on the outstanding success of our post-release programme with women by establishing a hub in a women's prison with through-put to our post release training scheme.
4. Expand evaluation of programmes to share best practice with Criminal Justice Sector (CJS) organisations and HMPPS to encourage the expansion of social enterprise in the prison estate.
5. Ensure a 'seat around the table' by continuing to build relationships with statutory services. This will mean we are working amongst a consortium of expert service providers, ensuring we deliver an effective post-release programme for socially isolated individuals to live independent, crime-free lives with meaningful connections to their communities.

We successfully met almost all our objectives set for the year. Over the last two years, the number of beneficiaries we engaged with in prison had fallen by 60%. Following our plan to provide a solid foundation for growth in the first two years, we re-invigorated stitching classes across our network to begin building stitcher engagement to pre-pandemic levels. We also re-opened our in-prison textile workshop and re-launched our accredited training programmes to incentivise learning. As we regrew our work, we reviewed our work with minority groups and made appropriate changes to our programmes to remove any barriers to engagement.

To set up the partnership with HMPPS, at the beginning of the year, a Fine Cell Work Trustee and the Executive Director met with the Head of Industries at HMPPS to discuss working in existing textile workshops to provide more varied work experience and accredited learning for prisoners. Further conversations with the wider team at HMPPS culminated in a meeting in the Battersea Hub of the senior members of the HMPPS Textiles and Industries team. Setting up a pilot in a prison textile workshop is planned for 2023.

To expand the evaluation of our programmes, we engaged a consultant to review our impact evaluation method. We completed phase one by year end with the consultant undertaking an organisational analysis to understand how the charity operates, who our customers are and to identify where there are gaps and opportunities. In 2023, she will conduct a review on how we identify key milestones, where to measure change and how we do this with all participants to effectively evaluate our impact. This is essential not only to enable us to tailor our programmes to achieve the greatest impact but also puts us in a stronger position to work alongside other organisations in the sector to share best practices.

Achievements and Performance

Overview

Flexibility in service delivery, robust contingency planning, prioritisation of getting work to and communicating with our stitchers, targeted production, a focus on fundraising and prudent cost management alongside our good, longstanding relationships with prison staff gave us the security to continue working through the continued lockdown in prisons at the beginning of the year and to rebuild numbers of and impact on stitchers effectively as prisons reopened.

Working in prison

With only three prisons opened to volunteers in January 2022, it wasn't until the end of March 2022 that more of the prisons we work in gradually reopened. At the end of Q2, our volunteers had returned to nine out of the 14 prisons where we now run groups. By the end of Q3, we had opened 20 groups in 14 prisons. We were unable to return to two prisons where we had cell groups pre-covid because all volunteers teaching these groups had retired and we had difficulty recruiting volunteers in localities near each prison. Stitchers in these prisons were supported by a member of prison staff who liaised directly with the Fine Cell Work office.

Despite the number of stitchers returning work up 51% up on 2021, stitcher numbers are still 30% lower than in 2019. Prisoner pay for the year totalled £65,503.

Awards are given annually to our stitchers to reward their commitment to Fine Cell Work. The categories are for outstanding progress, excellence in stitching, skill development and peer mentoring with two special awards for outstanding contributions to Fine Cell Work. All awards include a financial bonus payment. In 2021 we awarded all stitchers who returned work in the year, and paid £7,925 to the 175 stitchers who won an award.

In 2022, with the volunteers back in prisons, we reverted to our pre-pandemic process of volunteers nominating awards for stitchers in their group they felt should receive one. In all, 119 stitcher awards to the value of £5,775 were awarded despite the increase in stitchers returning work. Following a review of this at the end of the year, in 2023 we will offer a new category of commendation for stitchers who have returned work but have not been selected by their teacher for one of their nominated categories so we can reward more stitchers.

This year, we reviewed prisoner pay on all handstitched kits. What we paid prisoners was increased in over 80 of our kits. Prisoner pay is worked out to reflect the amount of work involved, the skill level required, and, in some instances, how popular the item is with customers to encourage more of our best-selling products to be stitched. To make our products more accessible to more customers and build sales, we have increased the number of small items we produce. Small items often have the advantage of better meeting the kit requirements of beginner stitchers. With the significant number of new stitchers in 2022, it was important to have enough kits to match the demand for work at this level.

Our largest production run ever, the *Joy of Print* range, with floral hand painted images printed on linen, were sent into prison to be embellished with an array of detailed stitches. This provided wide-ranging work to match the different skills of our stitchers. This interesting and plentiful work was hugely popular with our stitchers with most of the stitched kits returned to the office ahead of the deadline despite the tight schedule given.

In the first few months of lockdown in 2020, we sent several hundreds of kits into prison to make sure our stitchers had sufficient work. Over the next two years, kits were sent in whenever requested by stitchers. Far fewer kits were returned from prison than had been sent in. At the beginning of 2021, in value terms, there were 44% more kits in prison than there had been at the beginning of 2021. With the return of our volunteers to their prison groups, this trend was reversed with 14% more kits returned than were sent in during 2022.

Returning volunteers had a positive impact on experienced stitchers' ability to complete commission kits. After far fewer commissions being completed over the last two years, the encouragement and teaching of the volunteers restored both confidence and skill with our commission stitchers. By the end of the year, the quality, reliability and the rate of successfully completed commissions was back at pre-pandemic levels although there were still significantly fewer commission-level stitchers than there were then.

Feedback from our stitchers is done annually to provide the charity with an overall snapshot of service users' engagement in stitching, their primary motivations and feedback on how the organisation is performing. The surveys were all anonymous to encourage maximum feedback and allowed us to revaluate and make adaptions to our programme. Surveys were sent at the beginning of the year in 2023 to get feedback for the previous year. The survey was sent to 250 stitchers with 111 sending back the completed survey.

Themes that emerged from the surveys this year:

One theme which became more noticeable over the last two years was the huge impact that customers' letters have on stitchers. Most stitchers receive postcards or letters regularly; not only did this correspondence provide an instant boost in happiness and wellbeing but, for some, it is the first positive, unsolicited feedback they have had for many years which had a profound impact on stitchers' feelings of self-worth.

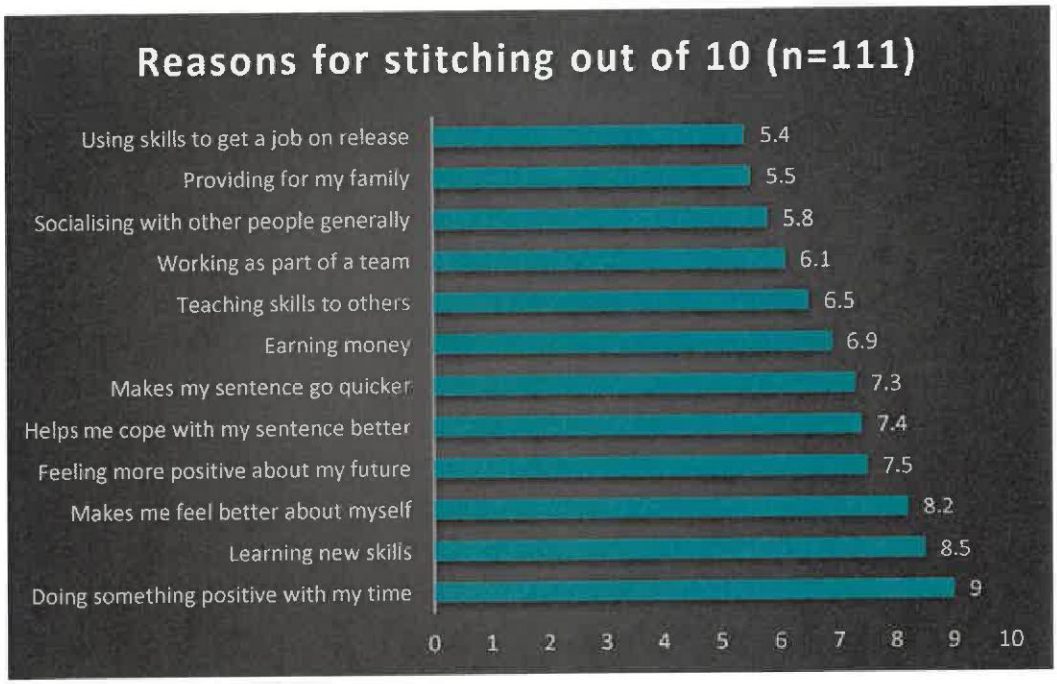
Another theme which emerged as important to a small number of stitchers was the healing potential offered by stitching. Those struggling with guilt and remorse at having committed very serious crimes commented on how producing something beautiful and having it bought by a customer who will treasure it made them feel that they had contributed something positive to the world, sometimes for the first time in very many years.

A final theme was the significant number of stitchers who talked about their feelings of an important sense of community with other stitchers and a sense of ownership and pride in being part of the Fine Cell family. They valued the fact that Fine Cell Work staff and volunteers did not judge them and offered them choice and autonomy in the way that they stitch. This degree of independence was rare in prisons and cherished by many stitchers.

All the stitchers who responded to the survey made it clear that they intend to continue stitching, with several stated that they intend to do so on release, either as part of employment or as a continuing hobby.

The importance of stitching

In the survey, stitchers were asked to rate how important a list of 12 different factors were for them as individuals about being a stitcher on a scale from zero to ten (with ten representing the most important). This list was constructed from a series of preliminary interviews with Fine Cell Work staff and stitchers. The chart below ranks these 12 factors according to their average importance (out of 10) to this cohort of stitchers:



To review our work with minority groups and make appropriate changes to our programmes, we send a 'stitcher monitoring & evaluation form' to all stitchers when they join a group to gather demographic data of our current stitcher group: Age, Gender, Preferred Pronouns, Disability Status, Ethnic Group, National Identity and Religion. Of the 265 stitchers we worked with, we had 178 completed forms.

Last year we introduced the 'Fine Cell Work Mental Wellbeing Survey' to be completed by new stitchers when they joined a Fine Cell Work stitching group. A follow-up survey would then be sent nine months after the first mental wellbeing survey was completed to monitor progress. The opening and subsequent closing of groups in 2021 impacted on the results of new stitcher surveys completed that year. Because of this, we only considered follow-up surveys from the few stitchers that had joined groups that remain open to ensure we were not only monitoring the impact of stitching on our beneficiaries but also the impact of engaging with volunteers and being part of a stitching group. There were too few completed follow up surveys by year end to provide meaningful data.

As prisons reopened, we reintroduced accredited training. Volunteers received training before they returned to prison to encourage them to deliver the accredited in-cell training to their stitchers. Stitchers were paid up to £30 for each unit completed and given a certificate of achievement from the Open College Network (OCN). The only groups with stitchers who completed units of study were in the three prisons that had been opened for the whole year. By year end, 10 certifications were awarded to stitchers in these groups.

Fine Cell Work's Prison Awards were introduced last year to acknowledge exceptional goodwill and support we received from selected prisons we work in. In July 2022 we awarded a total of seven prison awards in four categories: one prison was awarded the 'Gold Award for Best Practice in Volunteer Support'; two prisons were presented with the 'Outstanding Contribution to Fine Cell Work Award'; and three prisons were presented with the 'Gold Award for Staff Engagement and Support'. A new category introduced this year the 'Lone Stitcher Support Award', was presented to one prison.

Framed certificates and accompanying letters were sent directly to the Governor of each of the seven prisons. The letter gave credit to specific members of prison staff and was an opportunity to acknowledge and thank individuals for their ongoing, exceptional support.

Supporting Volunteers

Over 80% of our volunteers have worked with the charity for over five years, more than half of these have volunteered for over 10 years. Their dedicated, longstanding support gives them a strong connection with both the ethos and mission of the charity. Volunteers are vital to our work. A person who has volunteered for Fine Cell Work for 24 years was awarded an MBE in the year for her services to both the charity and the wider community.

To thank all volunteers for their life-changing support, and to launch the theme for the year, "Regrowth", the Chair of Trustees hosted a lunch in January at the Chelsea Physic Garden. With Cath Kidston as the guest speaker, the lunch showcased samples from her garden inspired *Joy of Print* range and introduced our garden party initiative to encourage volunteers to host small garden parties to sell our products and promote the work of the charity. 17 volunteers took up the challenge hosting seven garden parties around the country selling £12,000 of stock and raising £6,500 in donations.

To further commemorate and publicly acknowledge the value of volunteering to the charity, we hosted a special event for volunteers at the hub in May to celebrate together our 25 years working in prisons.

During the last three years, 10 long-standing volunteers teaching in prison retired. With no advanced warning of when the prison would re-open to visitors, efforts to recruit volunteers to replace volunteers who had retired were hindered. Whilst we provide comprehensive training for volunteers going into prison, the prisons provide additional key and safety training which prisons could not deliver when the prison was locked down.

When prisons reopened, we did a dedicated recruitment drive towards the end of the year to widen the pool of volunteers. We did this by promoting the opportunity through all our networks including emailing current volunteers, social medias posts and building relationships with local and regional volunteer organisations nationwide. With 55 enquires, training will begin for successful applicants in 2023.

In-prison workshops

Fine Cell Work has had a prison workshop in HMP Littlehey for 12 years. The workshop was set up to make the kits stitched in prison cells into the final product; create the kits themselves; complete specific handstitched products which lend themselves to a group activity and to create machine stitched cushions, tableware and giftware.

The activities require many skills and are the complete antithesis of the repetitive tasks of many prison textiles workshops. Taking on new and varied tasks requires concentration, motivation and builds confidence to take on new skills which are important attributes to prepare for work post-release. Our workshop is an essential part of the social enterprise and fosters the workers' appreciation of their relevance to the wider organisation and engagement with the world beyond prison. The nature of the work develops their ability to work as part of a team, broadening their employable skills.

The workshop opened at the end of March, over three years after it had closed. We had continued paying the workshop stitchers who were still in the prison despite the workshop being closed and we had kept in regular touch with these stitchers.

When the workshop open, 13 workshop stitchers returned to the workshop and gradually over the next couple of months, 12 new starters joined. With prisoners being released from prison or being moved to other prison during the course of the year, we worked with a total of 44 workshop stitchers in 2022,

With a largely inexperienced workforce, it took some months to get the production support we had planned. Initially many of the needlepoint kits they made up lacked either the correct or sufficient threads so every kit made up in the workshop had to be double checked by Fine Cell Work staff, volunteers or apprentices at the hub. The standard of making up stitched linens and canvases into products was, in some cases, so bad that they had to be unpicked and remade up in the Clothworkers' Studio. The problems were not only down to a largely unskilled workforce but

from the absence of a key member of the prison staff running the workshop who was still being assigned to other duties in the prison. Fine Cell Work staff from the production team made regular visits to the workshop to support training new starters and upskill more experienced stitchers who had lost confidence and competence after being away from the workshop for so long.

After the optimistic expectations of moving most of the kit making and making-up activities back into HMP Littlehey which would have significantly improved the capacity at the Clothworkers' Studio to develop new products and take on more commissions, this was very disappointing and impacted on morale. Rechecking kits and unpicking and remaking cushions took longer than doing the task from the outset.

By late summer, production in the prison workshop was back to pre-pandemic standards and capacity; in fact the capacity to create machine embroidered products exceeded our previous capability. For prisoners who had been locked up for so long, the team building, hand-stitching group set up in the workshop to make character Christmas decorations was extremely popular. The hand-stitching group completed 100 hipster Father Christmases and 100 snowmen.

Once the workshop was working more reliably, an experienced member of Fine Cell Work's teaching staff who had retired in 2020 returned part time to provide more extensive training to the workshop fortnightly. She reintroduced the accredited training we delivered in partnership with Open College Network (OCN). The experienced member of the prison staff returned to the workshop at the same time. Both developments had a significant impact on productivity and morale in the workshop. By year end two units of study had successfully been completed with 12 underway and the workshop was working at full, highly skilled capacity.

Feedback was also gathered from our workshop stitchers. Of the 24 stitchers in the workshop when we circulated the annual survey, 18 completed it and sent it back to our external evaluator.

The analysis of the survey returns makes it clear that prisoners working in Fine Cell Work workshops derive enormous satisfaction from working with the charity and that the atmosphere of productivity where all are treated with respect was much appreciated in the context of what was often a stressful prison environment.

Almost all the workshop participants who responded to this study were very appreciative of the work of the charity and of the Fine Cell Work staff who visited and helped organise the training workshops in particular. Unlike many prison workshops, those working in our workshop expressed an important sense of community with both Fine Cell Work staff and other prisoners involved in the charity's work and a sense of ownership and pride in being part of the Fine Cell Work family.

Perhaps the most important factor for most workshop stitchers was that the workshop felt like as close as is possible in prison to a real work environment where attractive and practical objects were made to a high standard for sale to the general public. Many survey respondents differentiated their experiences in the workshop from the rest of their life in prison; seeing it both as an oasis of calm where respect was both given and received and as a place where their time in prison had a purpose and a connection to the outside world.

This enabled several stitchers to use their time in the workshop to make practicable and realistic plans for their employment and wider lives on release.

Rehabilitation Pathway and post-release support: Open the Gates

Six years ago, the OTG programme was established to support prisoners post-release at the Clothworkers' Studio in Battersea. During that time, we have supported 74 prisoner leavers. Over 75% of these prison leavers (who we refer to as apprentices) had received sentences of four years or more, with many having complex offending histories and support needs. These factors make it more difficult for resettlement post-release.

The OTG programme allows the apprentices sufficient time to adapt to the challenges of settling back into the community. In many instances, this can take well over a year; for a few this can take over 18 months. The success

of this timely approach is that each year we get about 40% of our graduates into employment or further tertiary training. Since the start of the programme, the reoffending rate has been only 2%.

The Clothworkers' Studio continued to be a thriving, productive workplace with an ethos of inclusion, consultation, co-operation and welcome, offering a wide range of roles and responsibilities to match individual skill sets. We provided an individually tailored programme to some of the most marginalised people in the community.

Core to the delivery of the programme was providing pastoral support and mentoring alongside the accredited embroidery and textile training courses; our apprentices were supported by Fine Cell Work staff, volunteers, and mentors into employment, settled living and, in some cases, further employment training beyond the Clothworkers' Studio.

Bi-monthly service user involvement meetings gave apprentices a forum to develop and shape the service we provided and build their commitment to the organisation.

Regular team meetings with the apprentices who helped with warehousing and dispatch were implemented to reenforce their ownership of their role and ability to work as part of a wider team. From this, two apprentices came up with the initiative of 'pod tours' with one or other of them taking visitors and donors around the Clothworkers' Studio, the stock storage, and the dispatch area to showcase the care and attention that goes into preparing our products for sale and sending them out. Visitors included the Queen of Malaysia and the High Sheriff of Greater London; the interest both showed during their separate visits was the highlight of the year for many apprentices.

A fortnightly craft club was held on Friday afternoons for apprentices and graduate apprentices with Fine Cell Work staff and volunteers and provided a creative space for our service users to develop their hand stitching skills and encouraged social interaction.

With the prison workshop closed in Q1, the apprentices created over 500 kits, many including multiple products, so that the *Joy of Print* products could be sent into prison to be stitched ahead of the launch in May. Even when the workshop at HMP Littlehey opened, our reliance on the apprentices as back up production support continued well into the summer.

As production in that workshop became more reliable, we reintroduced OCN accredited training to the Clothworkers' Studio with 13 units of study completed before the end of the year.

Staff facilitated 20 workshops to broaden apprentices' resilience, skills, and aptitude to acquire new skills. These sessions were designed to build employment confidence and preparation for work. The sessions covered subjects as diverse as CV writing and disclosure of offending history, respecting and setting boundaries, basic upholstery, mounting and framing, interview technique and developing social skills. This year positive affirmations workshops were added which proved very popular.

Of the 31 people we supported, 11 were new recruits, three were past graduates of the programme, nine were women and 14 identified with a BAME background. Ten apprentices graduated, five into employment, self-employment, or a combination of both. A further two graduates went into further vocational training. One graduate who is at retirement age went to other volunteering opportunities. Two graduates this year are still trying to find employment, one still supported by a Fine Cell Work mentor. Three apprentices left the programme in the year; two disengaged and one was recalled for breaching licence conditions. No one on the programme reoffended.

Sales and Commissions

In 2022, earned income across all channels was up 3.5% at £290,193. (2021 £280,524)

Earned income is broken down into income from the sale of the prison-made products and income from prisons paying a nominal fee per place in each cell group. Income from sales was £275,793, an increase of nearly 9.3% on the year before. Delays in the opening of prison groups and some internal reorganisation within the prisons

have meant that income derived from prisons where Fine Cell Work usually delivers its services was down 32% on last year at £14,400.

Sales

With trading income of £275,793, online sales this year were 4% down on last year at £170,151. This was due mainly to web sales in the first two months of 2022 being 48% down on sales for the same period the year before; the first two months of 2021 were subject to strict lockdown restrictions resulting in exceptional online activity which mirrored ecommerce trends in the wider retail sector.

Gratifyingly, total sales are now returning to the record levels of 2019, and are just 1.5% less total sales of £280,063 achieved then. Growth in sales through our website have been significant since 2019; online sales are now 72% higher than online sales (£98,662) that year.

The most significant percentage rise in trading income from the previous year was sales at events. With a cautious start to 2022, by the end of Q1, we were confident to host a full calendar of events, something we hadn't been able to do for three years. Income from product sales at these events, at £37,724, more than trebled last year's total of £11,907 with 85% of this generated in the second half of the year. Sales at events, however, are still 35% down on 2019.

Commissions, at £35,006, were up 28% on 2021 primarily due to collaborations with Holy Trinity Sloane Square working with designer Cressida Bell, and with contemporary textile artist Carolina Mazzolari as well as from more commissions being returned from prison in the year.

We had two pop-up shops, each for 12 days, raising £15,296, 5.5% of trading income. The first, in a central position in the department store in Sloane Square, Peter Jones, was open while we hosted the garden at Chelsea Flower Show. The pop-up allowed us to showcase our Chelsea inspired collaboration with Cath Kidston and the *Joy of Print* raising a creditable £10,169.

In early November, Pentreath & Hall generously gave us their pop-up space in Bloomsbury, which raised £5,127 matching the income derived from our pop-up there in 2021. In the circumstances this was a good result with the evolving significant cost of living increases and energy price hike at the time.

Any uncertainty in delivering products handmade in prison to deadlines was exacerbated by lockdown in prison. Our lack of reliability to meet deadlines over the last couple of years, particularly the short delivery deadlines that most retailers require, meant we had very few retail partnerships. Income from retailers, already down over 30% in 2021 from sales achieved in 2019, dropped a further 10% to £17,616, accounting for just over 6% of trading income in 2022. Much of the income raised was thanks to a partnership with *Sister* working with Studio Ashby to create a stunning, predominantly needlepoint range of cushions, trays and footstools for sale on the *Sister* website.

We launched 25 new products in the year including ranges from our very successful collaborations with Cath Kidston with *Joy of Print*, with Studio Ashby for their retail company *Sister,* and with Newton Paisley inspired by their endangered flora collection. Following the popularity of handstitched Christmas napkins, we launched a small product run of our own design of handstitched lavender and mimosa table napkins that sold out immediately. Expanding our UK landmarks needlepoint range, we introduced Stonehenge which also sold out quickly. Sales of all new ranges raised nearly 17% (£46,611) of trading income, with record sales being achieved across three launches. The *Joy of Print* ranges raised £32,831 making it the most successful launch ever. The collection with Sophie Ashby was our second most successful launch ever, with sales to our customers and sales to *Sister* collectively totalling £16,483.

To celebrate our anniversary, we designed and launched a Christmas decoration, the Great British Sewing Bear. Despite only being available in November and December, 250 units were sold raising £5.893. This made the decoration the most successful small item launch in Fine Cell Work's history and accounted for a fifth of the total Christmas decoration sales at £31,920.

To maximise our sales revenue, and broaden our customer base, we developed, alongside their generous sponsorship of the garden at Chelsea Flower Show, partnerships with esteemed design houses Nina Campbell

and William Yeoward who produced their own products inspired by the *Joy of Print* hand drawn designs. These were sold through their own channels with a percentage given to Fine Cell Work from each sale.

Across all sales channels, but excluding commissions, the average order value was £50.67 which was 9% up on the previous year. We continued to create energy and focus into our marketing, particularly with our most effective marketing tool, the e-newsletter. Normally sent fortnightly, in the three-month run-up to Christmas it was sent weekly to maximise sales opportunities in the bestselling months of the year. With our open rate up 65% (and up 185% from 2019), sales from the e-newsletter were 8% up on 2021 with the number of orders up 23%.

In November 2022 a digital marketing agency offered us a pro-bono review of our online shopping website to support increased brand awareness and growth of revenue. The review identified multiple opportunities to achieve these objectives through growing brand awareness, discovering new audiences through digital marketing and advertising, and also ways to optimise SEO visibility and user experience of the website. As a result of their detailed analysis, and our increased dependence on web sales as our primary route to market, we made the decision to engage their services in early 2023.

Each item sold has the last name of the stitcher on a label attached with the customer encouraged to write and thank the stitcher. With many of our stitchers having little or no connection with the world outside prison, letters provide a unique opportunity for contact and appreciation from the wider community and are treasured. In 2022 our stitchers received more letters than have ever been sent before providing a welcome and meaningful connection with the outside world and an acknowledgment that their dedicated, highly skilled work was bought and valued.

Commissions

Stitchers and volunteers work closely together on commissions planning the project and identifying new skills required. In the first few months of the year, without the fortnightly interaction with the volunteers in most of our cell group classes, some stitchers had lost the confidence to take on complex commissions. With volunteers in many of the groups not visiting for over two years, there had been no opportunities for the recruitment and upskilling of new stitchers. At the beginning of the year our commission-level stitchers numbers were lower than they had been for several years.

In a couple of prisons, experienced stitchers had worked with less experienced stitchers who showed potential and taught and encouraged these stitchers to build their skills. This gave those stitchers the confidence to undertake small runs of commissions requiring less technical stitching skills. The new commission stitchers took on 20 cushions featuring a mystical lion embellished with intermediate-level stitches and 84 bespoke lavender bags for the Lady Mayoress of the City of London.

Complex commissions were mainly undertaken by our lone stitchers. When experienced stitchers move to a new prison where there isn't a Fine Cell Work group, the production team engages with each stitcher on a one-to-one basis through our lone stitcher programme. This year we engaged with 28 lone stitchers who proved a reliable source of commission stitching.

Despite this by the end of the year, due to the lack of experienced needlepoint stitchers, the backlog of commissions continued to grow. In accepting new commissions, we had to be very selective about projects we took on ensuring that our customers were able to accept lead-in times of up to three years. To allow us to deal with this backlog, for the second consecutive year, we didn't actively promote commissions.

However, we received four of the five needlepoint kneelers commissioned for Holy Trinity Church, Sloane Street well ahead of the deadline. Together these make a continuous pattern of 12 metres. They will be permanently positioned at the altar rail.

In addition, we have continued to work with the artist Carolina Mazzolari and delivered over 20 pieces of complex embroidery which will form the basis of her artworks.

A whole-cloth quilt (240x260cm) of an oak tree, which began early in 2020, was finally completed and delivered to the appreciative commissioning client.

The highlight of the year was the completion of a commission from the High Sheriff of Greater London and her two future successors: a ceremonial cloak to wear at official functions. In partnership with the London College of Fashion and their community programme, Making for Change, the garment was embroidered by Fine Cell Work with 13 images that reflected the role of the High Sheriffs of Greater London and the values they want to encourage: kindness, fairness and respect were depicted, alongside landmarks of London such as the Thames, the Tower of London and the London Eye. The cloak was formerly presented to the current High Sheriff with the next two successors at an event at the Merchant Taylors Livery Hall.

In the Clothworkers' Studio, 45 machine-embroidered linen, velvet backed evening bags were made for the Lady Mayoress of the City of London and 70 doves, handstitched in cell groups, were finished into Christmas decorations for our longstanding design partners, Blithfield.

Fundraising and Selling through Events

The lifting of all restrictions in March gave people the confidence to attend events. This coupled with our celebrating the 25-year anniversary meant we could finally organise a full programme of events for the year inspired by our theme of "Regrowth".

Our events began in April where we marked our 25th anniversary celebrations with the launch of our book *Threads of Time*. We hosted the evening for supporters at our hub with The Clink providing the catering thanks to the sponsorship of the Tanner Trust. Patron, *Threads of Time* contributor and author, Tracy Chevalier spoke at the event on the power of the needle, and the varied and vital work of Fine Cell Work. The event, which included a small auction, raised £8,300.

The highlight of the year was *The Stitchers' Garden*, our sanctuary garden at The RHS Chelsea Flower Show at the end of May. The Fine Cell Work staff team, on the stand for the six days of the Show, handed out 15,000 brochures about the charity to visitors to the garden. During the week of Chelsea, we had a launch reception at one of our sponsors shops, William Yeoward on King's Road, of our new range with *Joy of Print* and collaborations with William Yeoward and Nina Campbell inspired from the *Joy of Print* designs.

Sales events have always been very effective at showcasing the skill and beauty of our stitchers work, encouraging sales and growing our customer base. They are also an invaluable opportunity to meet our customers and get feedback. Over the summer our volunteers hosted Summer Garden Parties to raise awareness and funds for Fine Cell Work. With seven events around the country, £6,500 was raised in donations with sales of just over £12,000.

The sales events' calendar ended with our annual Christmas Sale at St. Peter's in Notting Hill. With an interesting talk on the current state of prisons by Juliet Lyons now retired as the Director of the Prison Reform Trust and still heavily involved in the criminal justice sector, we welcomed new and old supporters to the evening including many of our volunteers. With more stock than we had at the Christmas sale the previous year, we took £11,500 from sales and raised £1,850 from a raffle generously supported by prizes donated from other charities working in prison.

Fundraising events are our most effective way of promoting knowledge and understanding about our work and raising money. In the year we hosted two fundraising events. The first was a fundraising dinner at the Hurlingham Club for 60 guests. The intimate dinner was an excellent occasion to communicate what has been achieved and our ambitious plans for the future. The cell quilt was on display. Designed and handstitched in one of our cell groups, the quilt represents the size and contents of a two-man prison cell and was an effective way to demonstrate the limitations the space our stitchers were often locked in for 23 hours a day. One of our graduates

from the OTG programmes spoke movingly about how Fine Cell Work staff and volunteers had empowered and supported him to find full time employment in the industry he wanted to get into. The evening raised £17,600.

The largest fundraiser of the year which had been three years in the planning, was held in November at The Honourable Society of the Middle Temple. Tickets to this long-awaited event, thanks to a very effective, engaged committee, sold out faster than any other event we have hosted despite the ticket price being the highest for an event we have had. Our 180 guests were largely from the legal sector. This magnificent space, steeped in rich history, was the perfect setting for a drinks and canapés reception in the Parliament Chamber, with the opportunity to showcase and sell our products in the Queen's Room next door.

The heart of the event was an intimate performance held in The Hall, of *'Dickens, Trollope and Their Lawyers'*, cleverly scripted by former judge and previous Chair of Trustees of Fine Cell Work, His Honour Geoffrey Rivlin KC. The script was skilfully brought to life by the established and reputable actor, Simon Callow, who passionately embodied the works and voices of both Charles Dickens and Anthony Trollope, ably assisted by the eloquent barrister, Patrick Gibbs KC, as narrator. Before the performance, the audience received a thought-provoking appeal, powerfully delivered by a prison leaver who had stitched in prison with Fine Cell Work and was now an apprentice on our OTG programme. The stitcher spoke movingly about the rehabilitative impact that paid, purposeful, professional, creative needlework has had on his experience of prison, release and reintegration into the community.

With Middle Temple generously sponsoring the evening, the event raised just over £50,000 predominantly in donations to support our in-prison programmes.

Over the year, we raised £37,724 from sales at our events. A further £77,000 was raised at events from donations which contributed towards the overall total of £269,000 in donations for the year.

Communications and Publicity

Our annual stitcher survey continued to give us statistical information, feedback, and quotes not only to support the evaluation of our services but also informed our communications strategy and ability to create engaging, unique content.

As a result of the extraordinary opportunities arising from events in the first six months of the year, we employed a new staff member for six months to support and maximise communication opportunities from the garden at Chelsea, the launch of *Thread of Time* and 25 years of working with prisoners. It was a good investment, as we had better and wider publicity and media coverage than we have ever achieved before. These events gave our communications reviewed energy to acknowledge and celebrate past achievements, reengage with past supporters, promote our work to a much wider audience, build our networks and showcase the beautiful products.

We continued to send out e-newsletters fortnightly, which increased to bi-weekly send outs at the busiest time of the year from November to mid-December. In line with sales in the previous five years, our e-newsletters, with 12,000 subscribers, were our primary sales channel and had a higher than industry-average open rate. Not all e-newsletters were product based as feedback from stitchers had given us strong content to share with our mailing list to encourage both engagement and donations.

We updated the website to better communicate our mission and charitable activities. A new donation function was added to make it easier for website visitors to make both one-off and regular donations. The review of the website with the digital marketing agency at the end of the year gave us a strategy and detailed plan to build on in 2023, improving the website's functionality and messaging.

We continued to develop our social media strategies with a focus on informing our audience about our mission and activities as well as on our products. Posts that included quotes from our stitchers and demonstrated the impact of our work were the most popular ones. Information on design collaboration and stitching detail also resonated with our followers. This year we started to post regularly on LinkedIn as well as Instagram (12,562

followers), Facebook (4,400 followers) and Twitter (5,246 followers) allowing us to reach a wider audience on social media.

Publicity

The increased investment in communications was hugely successful, highlighting our events, notable commissions, and impact. We were featured in major newspapers and magazine outlets. Some highlights were:

Robert Dex from the Evening Standard wrote a piece on our collaboration with the London College of Fashion who designed the new cloak for the Lady High Sheriff of Greater London which was hand-embroidered by our stitchers.

Serena Fokschaner from House & Garden spoke to our Founding Director Katy Emck about the therapeutic value of needlework for people in prison.

Kat Lister from the Guardian wrote a dedicated piece about Fine Cell Work which featured a conversation with Executive Director Victoria Gillies and an apprentice.

Jack Rear from The Telegraph covered our *'The Stitchers' Garden'* at the RHS Chelsea Flower Show 2022. The garden which won a silver medal in the 'Sanctuary Garden' category was featured multiple times in various publications.

The garden was also the setting for a BBC interview with our Trustee, Cath Kidston MBE with the Monty Don, presenter of the popular TV series Gardeners' World.

BBC Radio Solent also featured interviews with the Executive Director, an apprentice and Trustees Kit Kemp and Cathy Robinson.

Laura Freeman from the Times covered the importance of creative rehabilitation programmes in prison and featured Fine Cell Work as her step-grandmother had been a prison volunteer who taught needlework to groups in prison for 10 years.

Sarah Ashford, a modern quilter and freelance writer has written a series of articles for Today's Quilter magazine based on the theme of "Patchwork and Perseverance" including an article about Fine Cell Work and the 25th Anniversary.

We were featured on the inside front cover of *Inside Out* the Foreign Commonwealth and Development Office magazine in their year-end issue.

Publicity for the year culminated in the charity being featured twice over the Christmas period on BBC Radio 4. Claudia Hammond, the host for a series entitled *All in the Mind*, interviewed our Executive Director, the Battersea Workshop Manager, and an apprentice, to talk about the benefits of stitching on mental health. This was featured in the episode, *Can You Knit Away Your Worries* and highlighted the therapeutic and rehabilitative benefits of stitching prisoners and prison leavers.

Nazanin Zaghari-Ratcliffe, who was detained for six years in Iran, was one of the guest editors for the *Today* programme over Christmas. She shared how sewing and knitting helped her keep calm during her imprisonment. This programme featured interviews with a Fine Cell Work stitcher, volunteer, and the Battersea Workshop Manager.

Principal Funding Source

In 2022 Fine Cell Work received £442,707 from grants from Trusts and Foundations. We secured ten new, multi-year grants extending as far as 2027. These were from the City Bridge Foundation, the Henry Smith Charity, the Ask Trust, the Bromley Trust, the Charles Hayward Foundation, the Matrix Cause Fund, the John Armitage Trust,

the Rothschild Foundation, the Peter Stebbings Charity and the de Laszlo Foundation. The Bank of America Foundation, The Aldo Trust, the Broderers Livery Company, the Gilander Foundation, the James Roll Trust, the Tanner Trust, the Michael Varah Memorial Fund, the Ancaster Trust, the Needlemakers Livery Company and the Scouloudi Foundation continued to support us with annual grants, and we received new, one-year grants from the John Coates Trust, the Batchworth Trust and the Statham Family Trust.

Financial Review

In 2022, Fine Cell Work's total incoming resources were £1,141,612 up 2.3% on the previous year. Donations and grant income were up 1.4% on 2021. Income from the sale of prisoners' work and income from prisons was up 3.4% on 2021.

Reserves Policy

The Trustees have established a policy whereby the unrestricted funds not committed in tangible assets held by the charity should be maintained at a level of four to six months of budgeted expenditure, currently equal to £522,500 for six months in general funds. At this level, the Trustees feel they would be able to continue the current activities of the charity in the event of a significant drop in funding or other changed circumstances. It remains a core aim to build and maintain Fine Cell Work's unrestricted reserves at this level.

In 2021 the Trustees resolved that the £127,317 raised by an appeal in that year would be a separate Designated Reserve to be used for the rebuilding of the stitcher numbers in prisons following the pandemic. During 2022, 127 additional stitchers completed their training and returned work. The estimated costs to introduce and train a new stitcher is £500 per person. Therefore, half of the Appeal designated reserve has been released in 2022 to be applied to this activity.

Also set up in 2021 the separate designated reserve equal to the value of the charity's fixed asset net book value is retained. This is in accordance with current best practice.

Total reserves at the yearend were £817,047 (2021 £844,526) of which £8,682 were restricted (2021 £58,035), £114,322 were designated (2021 £185,559) and £694,033 unrestricted (2021 £600,932). Free reserves at year end were £694,033 (2021 £600,932).

Corporate Social Responsibility

Fine Cell Work has set the goal of going beyond its charitable mission in order to make positive contributions to the wider community, our stakeholders and society. We aim to achieve this by:

Providing sustainable outcomes for our beneficiaries and society as a whole, leading to lower levels of reoffending and enabling beneficiaries to lead crime free lives.

Minimising our impact on the environment by sourcing ethical and sustainable materials for the making of our products and encouraging green initiatives within the organisation including recycling and alternatives to car usage.

Providing support, wellbeing and development programmes for our staff to nurture them and provide opportunities and resilience in their day-to-day work. We are accredited Living Wage Foundation employers.

Ensuring that we are financially sustainable.

Having a positive impact on the lives of our volunteers and support them to deliver our programmes.

Developing a positive relationship with suppliers including prompt payment.

Seeking to improve our governance and transparency to enable the community to understand our mission and our positive outcomes.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FINE CELL WORK

Statement of Trustees' Responsibilities

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

The trustees, who are also the directors of Fine Cell Work for the purpose of company law, are responsible for preparing the 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 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

On behalf of the Board of Trustees

Jennifer Rademaker (Chair) ..... Date..... 13th JUNE 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FINE CELL WORK

We have audited the financial statements of Fine Cell Work (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure for the year
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council'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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the governors' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 trustees' report (incorporating the directors' report).

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

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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' exemptions in preparing the trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement, 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.

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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

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 our report

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

Alexander Peal BSc (Hons) FCA DChA (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston Audit

8th Floor
Reading Bridge House
George Street
Reading
RG1 8LS

Dated: 22 June 2023

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted Funds	Restricted Funds	Designated Funds	Total 2022	Total 2021
Income from:		£	£	£	£	£
Donations and grants	3	**422,096**	**425,464**	**-**	**847,560**	835,868
Charitable activities	4	**290,193**			**290,193**	280,524
Investment income		**3,859**			**3,859**	41
Total income		**716,148**	**425,464**	**-**	**1,141,612**	1,116,433
Expenditure on:						
Cost of Raising Funds	5	**279,336**			**279,336**	172,528
Charitable activities						
Prisoner Training & Support	5	**414,948**	**474,807**	**-**	**889,755**	777,484
Total expenditure	5	**694,284**	**474,807**	**-**	**1,169,091**	950,012
Net income/(expenditure)		**21,864**	**(49,343)**	**-**	**(27,479)**	166,421
Transfer between funds		**71,237**		**(71,237)**	-	-
Fund balances at 1 January 2021		**600,932**	**58,035**	**185,559**	**844,526**	678,105
Fund balances at 31 December 2022		**694,033**	**8,692**	**114,322**	**817,047**	844,526

All activities of the charity are classified as continuing. There are no other recognised gains or losses other than those reported on the Statement of Financial Activities.

The notes on pages 29 to 44 form part of these accounts.

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	9		50,662		58,242
			50,662		58,242
Current assets					
Stocks		187,774		125,763	
Debtors	10	57,364		86,451	
Cash at bank and in hand		653,290		814,040	
		898,428		1,026,254	
Creditors: amounts falling due within one year	11	(132,043)		(239,970)	
Net current assets			766,385		786,284
Total assets less current liabilities			817,047		844,526
Income funds					
Restricted funds	14		8,692		58,035
Designated funds	16		114,322		185,559
Unrestricted funds	17		694,033		600,932
			817,047		844,526

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to Accounting records and preparation of financial statements.
The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.
The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Andrew Murray (Treasurer)
Trustee

Company Registration No. 03095356

The notes on pages 29 to 44 form part of these accounts.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Cash flows from operating activities:					
Net income/expenditure for the year		(27,479)		166,421	
Depreciation of tangible fixed assets	9	27,837		13,745	
Increase/(decrease) in creditors	11	(107,928)		(90,137)	
(Increase)/decrease in debtors	10	29,087		10,031	
(Increase)/decrease in stocks		(62,011)		(3,184)	
Investment income		(3,859)		(41)	
Net cash provided by/(used in) operating activities			(144,353)		96,835
Cashflows from investing activities					
Interest income		3,859		41	
Purchase of tangible fixed assets	9	(20,256)		(41,755)	
Cash provided by/(used in) investing activities			(16,397)		(41,714)
Increase/(decrease) in cash			(160,750)		55,121
Cash and cash equivalents at the beginning of the year			814,040		758,919
Cash and cash equivalents at the end of the year			653,290		814,040

	1 January 2022 £	Cashflow £	31 December 2022 £
Cash at bank and in hand	814,040	(160,750)	653,290

The notes on pages 29 to 44 form part of these accounts.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1 Statutory information

Fine Cell Work is a charitable company, limited by guarantee, registered in England and Wales. The charitable company's registered number and registered office address can be found on the Legal and Administrative Information page.

2 Accounting policies

2.1 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 (FRS102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

Fine Cell Work meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). There are no material uncertainties about Fine Cell Work's ability to continue as a going concern.

2.2 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Charitable Activities – represents income from sales of goods and is recognised when receivable, excluding Value Added Tax.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors and deferred income. Where entitlement occurs before income is received, the income is accrued.

2.3 Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Costs of raising funds comprises those costs incurred in order to raise funds from external sources.

Charitable activity expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. It also includes costs associated with meeting the constitutional and statutory requirements of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on a staff time basis.

2.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	3 years straight line basis
Fixtures, fittings and equipment	3 years straight line basis

2.5 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

2.6 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discounts.

2.7 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments. The Trustees seek to use short and medium term deposits where possible to maximise the return on monies held at the bank and to manage cash flow.

2.8 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.

2.9 Stock and work in progress

Stock is valued at the lower of cost and net realisable value.

2.10 Pensions

The charity operates a defined contributions pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

2.11 Fund accounting

The charity has various funds for which it is responsible:

Unrestricted funds – these are for use on the general charitable objectives of the charity.

Restricted funds – the funds are for use as directed by the donor. A description of the projects can be found in the notes to the accounts.

Designated funds – these are amounts which have been put aside at the discretion of the Trustees and comprise a fund equivalent to the donations raised to regrow prison stitcher numbers post pandemic. This has been designated by the Trustees for this purpose.

The Trustees also authorised the creation of a designated fund to cover the Fixed Asset value.

2.12 Taxation

The company is a registered charity (number: 1049095). All of the charity's income falls within the exemptions set out in part 11 of the Corporation Tax Act 2010.

2.13 Financial Instruments

The company 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 instrument method.

2.14 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Critical areas of judgement:

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the assets and projected disposal values.

3 Income from donations and grants

	Unrestricted funds	Restricted Funds	Designated Funds	Total 2022	Total 2021
	£	£	£	£	£
Donations and grants	**422,096**	**425,464**	**-**	**847,560**	**835,868**

Donations and grants
Unrestricted funds:

BC Partners				**-**	10,000
CHK Charities				**-**	50,000
Anonymous				**-**	5,000
Anonymous				**-**	5,000
Anonymous				**-**	15,000
ASK Charitable Trust				**17,500**	-
Bromley Trust				**10,000**	-
Reo Stakis				**5,000**	-
Michael and Clara Freeman Trust				**5,000**	-
Devonshire Trust				**-**	10,000
Anthony Sofroniou				**6,000**	-
Armitage Trust				**22,000**	20,000
Battcock Charitable Trust				**-**	5,000
Sharegift				**-**	5,000
Anonymous				**5,000**	-
Alison Mary Lyon Will Trust				**-**	10,000
Qais Zakara				**-**	5,000
Scouloudi Foundation				**7,000**	-
Crucilble Foundation				**51,000**	-
Sommer Family Trust				**-**	10,000
Al Fayed Foundation				**-**	10,000
Mercers Livery Company				**-**	2,000
Lady Elizabeth Cavendish Trust				**125,000**	-
The Delves Charitable Trust				**-**	5,000
Other grants, donations and (<£5,000) and Gift Aid				**168,596**	110,090
				422,096	277,090

3 Income from donations and grants (continued)

	Total 2022 £	Total 2021 £
Restricted funds:		
Adrian Swire Trust	**15,000**	15,000
Bank of America Foundation	**36,321**	35,740
Barbour Trust	**-**	2,000
Blatchworth Trust	**15,000**	5,000
Bromley Trust	**-**	10,000
Colyer-Fergusson Charitable Trust	**11,500**	12,500
Robin Corbett Award	**-**	3,000
Dalby Trust	**-**	5,000
De Lazlo Foundation	**10,000**	10,000
Rothschild Foundation	**10,000**	-
Evan Cornish Foundation	**5,000**	-
City Bridge Trust	**12,567**	-
ASK Foundation	**9,556**	-
Anonymous	**20,000**	
Great Western Railway	**-**	20,000
Goldsmiths' Company Charity	**-**	30,000
Hadrian Trust	**-**	1,000
1772 Trust	**2,000**	-
Radcliffe Trust	**7,500**	-
Peter Stebbings Trust	**10,000**	-
Hiscox Foundation	**5,000**	5,000
Hodge Foundation	**-**	4,000
Trusthouse	**3,000**	-
Philip King Trust	**-**	10,000
John Lewis Foundation	**16,000**	16,000
Leigh Foundation	**-**	5,000
Lord Barnaby's Foundation	**-**	6,000
Government Job Retention Scheme	**-**	18,362
Matrix Chambers	**3,000**	-
Porticus Trust	**14,998**	30,000
Hedley Foundation	**5,000**	-
Henry Smith Foundation	**60,000**	-
Michael Varah Memorial Foundation	**2,747**	8,529
Garfield Weston Foundation	**75,000**	100,000
Rayne Foundation	**-**	20,000
Statham Family Trust	**2,500**	2,500
Awards for All	**-**	9,530
	351,689	384,161

Carried Forward

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

3 Income from donations and grants (continued)

	Total 2022 £	Total 2021 £
Brought forward	**351,689**	384,161
Aldo Trust	**5,000**	5,000
Charles Hayward Foundation	**20,000**	-
Coates Foundation	**5,000**	-
Dischma Charitable Trust	**-**	5,000
Valentine Trust	**-**	5,000
Nina Campbell Limited	**15,000**	-
William Yeoward Limited	**15,000**	-
The Monday Charitable Trust	**-**	10,000
Merchant Taylors' Foundation	**-**	5,000
Madison Foundation	**-**	1,000
Worshipful Company of Broderers	**3,000**	3,000
Rio Stakis Foundation	**5,000**	-
Anonymous	**-**	5,000
Tanner Trust	**-**	7,000
Other donations & grants (<£5,000)	**5,775**	1,300
	425,464	431,461

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

4 Income from charitable activities

	2022	2021
	£	£
Sale of prisoners' work	275,793	252,224
Auction proceeds of prisoners' work	-	7,000
Income from cell work	14,400	21,300
	290,193	280,524

5 Expenditure

	Staff costs	Depreciation	Other Costs	Total 2022	Total 2021
	£	£	£	£	£
Expenditure on:					
Costs of generating donations and grants	167,124	-	112,212	279,336	172,528
Charitable activities					
Prisoner Training & Support	410,970	27,837	325,648	764,455	656,731
Activities undertaken directly					
Support costs	-	-	125,300	125,300	120,753
	578,094	27,837	563,160	1,169,091	950,012

Analysis of support costs (including governance costs)

	2022	2021
	£	£
Rent	96,100	96,800
Governance costs	20,066	16,960
Insurance	9,134	6,993
	125,300	120,753

Included within support costs is £10,000 (2021: £7,235) in relation to audit fees for the current auditors.

6 Statement of financial activities - Comparative funds – year ended 31 December 2021

	Unrestricted Funds	Restricted Funds	Designated Funds	Total 2021
Income from:	£	£	£	£
Donations and grants	277,090	431,461	127,317	835,868
Charitable activities	280,524	-	-	280,524
Investment income	41	-	-	41
Total income	557,655	431,461	127,317	1,116,433
Expenditure on:				
Costs of raising funds	172,528	-	-	172,528
Charitable activities				
Prisoner Training & Support	392,248	385,236	-	777,484
Total expenditure	564,776	385,236	-	950,012
Net income/(expenditure)	(7,121)	46,225	127,317	166,421
Transfer between funds	(58,242)		58,242	-
Fund balances at 1 January 2021	666,295	11,810	-	678,105
Fund balances at 31 December 2021	600,932	58,035	185,559	844,526

7 Trustees and related party transactions

None of the trustees received any remuneration or reimbursed expenses during the year (2021: £nil).

8 Employees

Number of employees

	2022 Number	2021 Number
The average monthly number of employees during the year was	15	15

Employment costs	2022 £	2021 £
Wages and salaries	512,759	450,330
Social security costs	49,056	39,955
Other pension costs	16,279	12,100
	578,094	502,385

The number of employees whose annual emoluments exceeded £60,000 In the year were as follows:

	2022 Number	2021 Number
£60,001-£70,000	1	1

The key management personnel of the charity comprises the founding director, executive director and finance director. The total employee benefits of key management personnel of the charity were £163,036 (2021: £143,166).

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

9 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 January 2022	9,679	127,587	137,266
Additions	-	20,256	20,256
At 31 December 2022	9,679	147,843	157,522
Depreciation			
At 1 January 2022	9,570	69,453	79,023
Charge for the year	109	27.728	27,837
At 31 December 2022	9,679	97,181	106,860
Net book value			
At 31 December 2022	0	50,662	50,662
At 31 December 2021	109	58,134	58,242

10 Debtors

	2022	2021
	£	£
Trade debtors	4,611	13,822
Other debtors	13,075	12,500
Prepayments and accrued income	39,678	60,129
	57,364	86,451

11 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	14,997	21,550
Taxes and social security costs	21,798	19,382
Other creditors	1,366	408
Accruals and deferred income	93,882	198,630
	132,043	239,970

12 Deferred Income

Included in deferred income are amounts relating to donations with timing conditions outside the control of the charity.

	2022	2021
	£	£
Brought forward as at 1st January 2022	**174,083**	**272,081**
Received in year	**125,000**	**99,083**
Released in year	**(247,000)**	**(197,081)**
Carried forward at 31st December 2022	**52,083**	**174,083**

13 Pension and other post-retirement benefit commitments

Defined contribution

There were £2,233 contributions (2021 £1,754) due.

	2022	2021
	£	£
Contributions payable by the charity for the year	**16,279**	**12,100**

14 Restricted funds

	Balance at 1 January 2022	Incoming resources	Resources expended	Balance at 31 December 2022
	£	£	£	£
Developing post release employment and training support for prisoners	15,000	96,163	111,163	-
Open the Gates apprentice stipends	2,535	2,747	2,646	2,636
Prisoner training and awards	-	5,500	5,000	-
Staff furlough support	-			-
Volunteers expenses	-	12,500	12,500	-
Rebuilding Cell Work post pandemic	12,500	112,498	125,498	-
Cell work core costs	20,000	15,000	35,000	-
Support for prisoners in Kent	6,000	11,500	17,500	-
Stitcher training kits	-	10,000	10,000	-
Social enterprise support	2,000	75,000	77,000	-
Impact Evaluation	-	9,556	3,500	6,056
Event Sponsorship	-	55,000	55,000	-
Support for female prisoners	-	20,000	20,000	-
	58,035	425,464	474,807	8,692

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

14 Restricted funds (continued)

	Balance at 1 January 2021	Incoming resources	Resources expended	Balance at 31 December 2021
	£	£	£	£
Developing post release employment and training support for prisoners	-	114,770	99,770	15,000
Open the Gates apprentice stipends	-	8,529	5,994	2,535
Prisoner Training and awards	5,810	7,500	13,310	-
Staff furlough support	-	18,362	18,362	-
Volunteers' expenses	-	5,000	5,000	-
Rebuilding Cell work post pandemic	-	84,800	72,300	12,500
Cell work core costs	6,000	70,000	56,000	20,000
Support for prisoners in Kent	-	12,500	6,500	6,000
Social enterprise support	-	102,000	100,000	2,000
Prisoner newsletter	-	3,000	3,000	-
Stitcher training kits	-	5,000	5,000	-
	11,810	431,461	385,236	58,035

14 Restricted funds (continued)

Developing post-release employment and training support for ex-prisoners

The Bank of America and The John Lewis Foundations, City Bridge and The Peter Stebbing Memorial Trusts and The Upholders and Needlemakers Worshipful Companies funded the development and delivery of post-release support for ex-prisoners. The Michael Varah Trust provided bursaries for the post release apprentices.

Rebuilding in prison stitcher numbers post Covid.

The Porticus, Batchworth, J&P Benson and Sir James Roll Trusts and the Evan Cornish, Hiscox John Coates, de Lazlo, Rothschild, Trusthouse and Radcliffe Foundations and The Henry Smith Charity and the Matrix Causes Fund all supported the initiative to rebuild stitcher numbers in prison after the Covid pandemic drastically reduced numbers.

Social enterprise support

The Garfield Weston Foundation funded the development of the social enterprise.

Support for prisoners and ex-prisoners in Kent

The Colyer-Fergusson Charitable Trust funded support for prisoners and ex-prisoners in the Kent region.

Volunteers expenses

The 1772 Charity funded volunteer expenses.

In Cell support

The Adrian Swire Trust supported the costs of cell work for prisoners.

Prisoner awards

The Statham Family Trust and The Broderers Livery Company contributed towards awards for prisoners.

Support for female prisoners

The Charles Heyward Foundation provided support for working with women in the prison estate.

Stitcher Training Kits

The Aldo Trust and the Headley Foundation support the provision of stitcher training kits.

Impact Evaluation

The ASK Foundation funded an impact evaluation study.

Event Sponsorship

An anonymous donor, William Yeoward Limited, Nina Campbell Limited and the Rio Stakis Foundation provided sponsorship for events.

15 Unrestricted funds

	Balance at 1 January 2022	Incoming resources	Movement in funds Resources expended	Transfer between funds	Balance at 31 December 2022
	£	£	£	£	£
Unrestricted funds	600,932	716,148	694,284	71,237	694,033

	Balance at 1 January 2021	Incoming resources	Movement in funds Resources expended	Transfer between funds	Balance at 31 December 2021
	£	£	£	£	£
Unrestricted funds	666,295	557,655	564,776	-	659,174

16 Designated funds

	Balance at 1 January 2022	Incoming resources	Movement in funds Resources expended	Transfer between funds	Balance at 31 December 2022
	£	£	£	£	£
Fixed Asset Fund	58,242	-	-	(7,579)	50,663
Rebuilding Cell Work	127,317	-	-	(63,658)	63,659
	185,559	-	-	(71,237)	114,322

	Balance at 1 January 2021	Incoming resources	Movement in funds Resources expended	Transfer between funds	Balance at 31 December 2021
	£	£	£	£	£
Fixed Asset Fund	-	-	-	58,242	58,242
Rebuilding Cell Work	-	127,317	-	-	127,317
	-	127,317	-	58,242	185,559

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

17 Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Designated Funds	Total 2022
	£	£	£	£
Fund balances at 31 December 2022 are represented by:				
Tangible fixed assets	50,663	-	-	50,663
Current assets	775,413	8,692	114,322	898,427
Creditors: amounts falling due within one year	(132,043)	-	-	(132,043)
	694,033	8,692	114,322	817,047

	Unrestricted funds	Restricted funds	Designated Funds	Total 2021
	£	£		£
Fund balances at 31 December 2021 are represented by:				
Tangible fixed assets	58,242	-	-	58,242
Current assets	862,902	36,035	127,317	1,026,254
Creditors: amounts falling due within one year	(261,970)	-	-	(261,970)
	659,174	36,035	127.317	822,526

18 Commitments under operating leases

At 31 December 2022 the company had total commitments under non-cancellable operating leases payable as follows:

	Land and buildings	
	2022	2021
	£	£
Within one year	71,250	95,000
Between two and five years	-	71,250
	71,250	166,250

19 Related Parties

£1,050 purchased by Meson Restaurants Ltd who has a joint directorship with Trustee Julian Diment (2021 £nil).

20 Control

The charity is a company limited by guarantee and is under the control of the trustees.

FINE CELL WORK

England & Wales - Charity number 1049095

Accounts

Charity Registration No.

1049095

Company Registration No.03095356 (England and Wales)

FINE CELL WORK

(LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND ACCOUNTS

FOR THE

YEAR ENDED 31 DECEMBER 2021

LEGAL AND ADMINISTRATIVE INFORMATION

Patrons	Tracy Chevalier Dame Judi Dench CH Kaffe Fassett Esther Freud Libby Purves OBE Gen the Lord Ramsbotham GCB CBE Isabella Tree
Trustees	Sophie Kingsley (Chair) Marion Bedford Julian Diment Tabitha Elwes Edward Henry Kit Kemp MBE Miranda Kendall (Vice Chair) Cath Kidston MBE Andrew Murray (Treasurer) Cathy Robinson Emma Soames Nicola Wright
Executive Director	Victoria Gillies
Founding Director	Dr Katy Emck OBE
Financial Director	Mariana Spater
Charity Number	1049095
Company Number	03095356
Registered Office & Principal Address	190-192 Queenstown Road London SW8 3NR
Auditors	James Cowper Kreston 8th Floor Reading Bridge House George Street Reading RG1 8LS
Bankers	Unity Trust Bank 4 Brindley Place Birmingham B1 2HB

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their report and accounts for the 12-month period ended 31 December 2021. The accounts have been prepared in accordance with Fine Cell Work's Memorandum and Articles of Association and with the accounting policies set out in note 2 to the accounts and comply with the charity's governing document, applicable law and the requirements of the Charities SORP (FRS 102).

Governance, Structure and Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 25 August 1995 and registered as a charity on 9 September 1995. 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. In the event of the company being wound up, members guarantee to contribute an amount not exceeding £10.

Recruitment and Appointment of Trustees

The Directors of the company are also charity Trustees for the purposes of charity law. The number of Trustees shall not be more than twelve or less than three. The charity may by ordinary resolution appoint a person who is willing to be a Trustee and may also determine the rotation in which any additional Trustees are to retire. Meetings take place five times a year, with an Annual General Meeting held in the summer. There is an ongoing programme of Trustee strategy meetings to discuss and set the charity's effectiveness, goals, aims and purpose. Guidance and training are also given to promote understanding of Charity Governance and specific issues related to the Charity and its work.

None of the Trustees has any beneficial interest in the company and there are no related parties to the charity.

The range of Trustees is intended to reflect Fine Cell Work's own blend of needs incorporating: experience of prisons and understanding of rehabilitation issues, working with volunteers, fundraising, marketing, communications, merchandising, product design, textile production and knowledge of interior design and its commercial aspects relevant to establishing an effective business profile for the charity.

The Trustees, who are also the Directors for the purpose of company law, and who served during the year were:

Sophie Kingsley (Chair)
Marion Bedford (appointed 16 March 2021)
Julian Diment
Tabitha Elwes
Edward Henry (Vice Chair until 15 June 2021)
Kit Kemp MBE
Miranda Kendall (Vice Chair from 15 June 2021)
Fiona Lees Millais (resigned 16 March 2021)
Cath Kidston MBE
Andrew Murray (Treasurer)
Cathy Robinson
Emma Soames
Nicola Wright

Structure, staffing and volunteers

In 2021 Fine Cell Work's 24 years' experience working in prison, strong management structure and innovative, flexible, practical approach, alongside an active, multi-talented Board, enabled the charity to continue to successfully navigate the impact the restrictions arising from the Covid-19 pandemic on both prisons and the wider community and to further grow the charity's reserves to support rebuilding our programmes in prison when the remaining restrictions preventing visits were lifted.

Prisons remained in lockdown for much of the year which meant visits by external providers, which included those by Fine Cell Work staff and volunteer teachers, were not allowed. During the year out of the 15 prisons we now run cell groups in, nine prisons opened for a period of time ranging from one to five months which allowed our volunteers to return to their classes to teach. Tight restrictions on numbers in each class limited the teaching time available to each stitcher and offered little opportunity to recruit new stitchers. By December, all but three of those prisons had closed to external providers. In the prisons that remained on a security footing that didn't allow visitors and in prisons who allowed visits and then reimposed restrictions, we continued to work either directly with our prison stitchers or, where possible, through prison staff to ensure the distribution and collection of kits so that the stitchers had as much work as they needed and could continue being paid by the charity for work that was returned.

Fine Cell Work was run by the Executive Director supported by the senior management team comprising of the Founding Director, Finance Director, and the Head of Programme Delivery. The senior management team was supported by a permanent, full-time staff of nine and two part-time staff members working between three and four days a week giving the charity the full-time equivalent of 13.5 employees.

The duties of Fine Cell Work's staff were divided between: skills and paid work provision for prisoners; supporting key volunteers who were able to return to prison or who continued to help production and work remotely to support in-cell work; regular communications with our stitchers and supporters; the development and provision of skilled and varied work to be stitched; marketing and sales; fundraising, including two fundraising appeals, business planning and financial management. To support our programme for ex-prisoners, Open the Gates, staff duties included provision of work experience, employment training, mentoring, employment opportunities as well as workshops on well-being and self-care, boundaries and interview preparation.

Lockdown in the community in the first three and a half months of the year restricted opportunities to build our work in prison as well as fundraising and sales events. Six members of the events, sales and production teams were therefore on part-time furlough for four months. This allowed the charity to manage its expenditure as tightly as possible but meant a loss of 12 working days a week.

Closing the office for the first lockdown in 2020 from mid-March to mid-June created logistical problems with misdirected post impacting on our ability to send and receive work to our hand-stitchers in prison. Responding to the restrictions in the community, in the first 16 weeks of 2021, we closed the Clothworkers Studio and reverted to supporting the ex-prisoners (who we refer to as apprentices) remotely. However, the office remained open to facilitate our work in prison with skeleton staff manning the office to accommodate social distancing and travel limitations. This involved a rota of staff working in the office and working from home.

During the year, 98 volunteers supported the work of the charity: of those, 35 volunteers were able to return to prison and teach at least one stitching class (cell group) in the second half of the year.

With volunteers having limited access to prison groups and the majority unable to return to prison at all, to get statistics for our in-prison engagement during the year, we prepared a monitoring and evaluation form which we sent to all stitchers we engaged with in 2019/2020 and offered a small fee for the return of the completed form. In total, 263 monitoring and evaluation forms were returned. Of those who completed the forms, 175 were stitchers who returned at least one kit. The remaining 88 didn't return work. There were 69 new stitchers in 2021, a number we ascertained by either a prison contact or volunteer giving us an updated list of who is in the group, or by someone returning work with a name we had not seen before.

By way of comparison, we estimate we engaged with 364 stitchers in 2020 (533 in 2019) with 250 returning work during that year.

With the workshop in HMP Littlehey closed for all but six weeks of the year, we continued to pay prisoners in the workshop, our workshop stitchers, the monthly enhanced pay as normal. In total over the course of 2021, 12 workshop workers were paid by us, compared to 42 in 2020. Five of these were also doing cellwork in their cells. Therefore, the total number of prisoners we engaged with in 2021 was 270.

In the Clothworkers' Studio, we provided employment training for 26 apprentices compared to 24 the previous year and 31 in 2019. Of the 26 apprentices, eight were new recruits, 30% were women and 27% identified with a BAME background.

The small ratio of staff to prisoners and apprentices was supported by Fine Cell Work volunteers. In this exceptional year, with lockdown in prisons and no events or pop-up shop opportunities for most of the year, key volunteers really stepped up to support the work of the charity.

In 2021, 35 volunteers went into prisons to train inmates in embroidery, canvas work, quilting and other sewing skills. Social distancing requirements in the office and workshop restricted the number of volunteers we were able to engage with. Only six people were able to volunteer in The Clothworkers Studio to support training of the apprentices. Another 10 volunteered as mentors to our apprentices. In course of the year, five highly skilled stitching volunteers assisted with commission development. The services of 19 creative designers and support staff volunteered their skills to lead in the development of new designs and products. A further seven volunteers assisted with production and kit making and 17 volunteers served on either the sole event committee or the sole two-week pop-up shop. With 12 trustees generously volunteering their time, this brings the total number of volunteers supporting the charity in the year to 98 down from 155 in 2020 and 253 in 2019.

Remuneration policy for senior management

The Directors' salaries are determined by the Trustees with reference to market rates and the financial resources of the charity and reviewed annually.

Principle Risks and Uncertainties

Using a comprehensive Risk Register, the Trustees regularly assess the major risks to which the charity is exposed, and systems established to manage and mitigate those risks. Key areas that undergo risk assessment are currently Covid-19, threats to revenue, working in the community, working in prisons, staff-related risks and IT infrastructure risks.

Covid-19 continues to be a risk to all strands of the charity's activities. Principally it restricts access to prisons and our beneficiaries within them. In the future it still has the potential to restrict fundraising events, working collaboratively or having a physical retail presence. In the past two years we have been able to demonstrate that this can be mitigated by adapting our programme delivery to meet the needs of the particular circumstances and by reviewing our policies and procedures to adapt to any restrictions and optimising the use of technology to maintain contact with beneficiaries, donors, staff and volunteers.

The risk of a drop in external funding is mitigated by a strategic plan to increase Fine Cell Work's sustainability through product sales, new funding sources and increased resources within the fundraising function. The reserves policy seeks to retain sufficient funds to cover any short-term funding losses. Internal control risks are minimised by procedures for the authorisation of transactions and projects.

Risk with the Open the Gates post-release programme is mitigated by building relationships with probation and other organisations working with ex-prisoners and the support of a trustee who has several years' experience working in prison and in HMPPS providing expertise and knowledge to both the Board and the senior management team.

The risk of working in prisons is twofold. The risk to volunteers working in prisons is mitigated by ongoing training by Fine Cell Work staff and by working with prisons to ensure a safe environment for our volunteers. The prison system itself is also a challenge with changing policies and frameworks. This is mitigated by working with the Trustees, professionals in the field and other prison charities to ensure an understanding of the overall prison environment.

Staff risks relate to the retention of key members of staff and staff safety. To mitigate these risks staff policies, salary reviews, building staff resilience, encouraging and supporting staff training and strict policies governing working with ex-prisoners in the charity's premises, are in place. Organisational reviews take place to ensure that the most appropriate staff structure is in place to support the work of the charity and the resilience of team members.

IT infrastructure risk assessment covers key databases, such as our supporter database and information on the server and includes back-up protocols to recover and restore lost data should any loss occur.

Fine Cell Work's Employer's Liability, Public Liability, stock, office contents and business interruption insurance policies further minimise the financial risks to the charity. The charity has appropriate health and safety and safeguarding policies in place.

Mission, Objectives and Activities

Fine Cell Work is a charity and social enterprise with a unique mission – we train and pay prisoners to do exquisite needlework to create beautiful products for sale to support their rehabilitation. Our vision is to build independent crime-free lives. To support this, we are building Fine Cell Work as a sustainable social business and charity with the prisoners and ex-prisoners as stakeholders in the enterprise. Since the pandemic we have become even more embedded in the prison system, with prison staff and prisoners valuing the provision of practical, paid, creative work that can be done by prisoners in their cells.

In furtherance of its mission, the charity teaches prisoners and apprentices transferable skills through needlework and textile production to deliver employment and social re-integration on release. We enable prisoners to work within a successful social enterprise by training them to do highly skilled, commercial needlework and textiles production. The products are bespoke, designed in collaboration with well-respected designers, beautiful and of such high quality that they are sold to customers, interior designers, museums and heritage organisations.

The work is self-motivating; stitchers work independently in their cells for 24 hours a week on average, with many voluntarily working for as long as 40 hours. The stitchers earn approximately a third of the proceeds from the sale of their products and are encouraged to save for release.

In addition, we run textile workshops in prison making up the work stitched in-cells into products – predominantly cushions, giftware and tableware - and an employment training workshop in the Clothworkers Studio in Battersea.

Our work addresses the key issues affecting offending behaviour by developing and reinforcing work skills and building strong relationships and mental resilience. We aim to enable our stitchers and workshop workers to complete their sentences with new skills, money earned and saved, and the self-belief to stop offending. For the apprentices engaged in our post-release programme, Open the Gates, the aim is to support them into a socially connected, stable, independent, crime-free lifestyle, through employment training, mentoring and work experience.

To ensure the activity remains purposeful, the charity continues to build expertise and awareness of the demand and opportunities in the marketplace for our products and to build relationships with successful designers and artists to support the provision of wide ranging, highly desirable designs and products. It is important that Fine Cell Work products appeal to our growing customer base, so the dedicated, skilled work of our stitchers remains meaningful. To engage as many prisoners as possible in the production process, all Fine Cell Work production, with the exception of design, charting, screen printing and laser cutting, is carried out in UK prisons or The Clothworkers' Studio in Battersea.

The Trustees regularly review the Charity's public benefit as set out by the Charity Commission.

Building Resilience with Future Planning

Planning our 25-year anniversary with events and partnerships

The year began with over three months of lockdown restrictions with staff working predominantly from home and volunteers still unable to go into prison to teach prisoners. With the ongoing restrictions impacting our ability to plan in the short term, it was an appropriate time to start planning for 2022.

In 2022, Fine Cell Work will celebrate its 25-year anniversary. In April 2022, we plan to launch a book, *The Threads of Time*, with the writers' group '26' on 25 stitcher stories told through the creation of 25 Fine Cell Work products or commissions. A Crowdfunder to fund publishing the book was set up in May 2021 and exceeded its fundraising target by more than 100%, raising over £26,000.

The book will be a wonderful opportunity to acknowledge successes of the past, but our celebrations of this milestone next year also need to focus on the future. With restrictions in the community and in prisons predicted to last for much of the year, it was decided that 2022 would be the year of 'regrowth' reflecting the charity's focus for 2022 of regrowing our in-prison programmes and will centre around gardens. After nearly two years of restrictions, we feel that the freedom and space of the outdoors, with the beauty of gardens in particular, matched with the benefits of both to mental health, are appropriate ways to celebrate.

Inspired by the work of the charity, a garden designer approached us at the beginning of 2020 to design a garden for us for the Chelsea Flower Show. Plans that had been put on hold were now revived to form the focal point of our 25-year celebrations. With the theme of the year decided, a garden representing the rehabilitation of prisoners and the benefits of stitching on mental health was, we felt, an inspired way to promote the work of the charity.

It was important that the cost of the creation of the garden did not come out of charitable funds. We are most grateful to secure sponsorship from highly esteemed design houses, William Yeoward and Nina Campbell to cover the costs. To support the initiative, Fine Cell Work trustee, Cath Kidston agreed to design a range of fabrics for us inspired by the garden. The application for *The Stitchers Garden* was submitted to the Royal Horticultural Society in mid-May and in June we were advised that despite a very competitive process, our garden had been selected to be a sanctuary garden at Chelsea Flower Show in May 2022.

As the year progressed, with our production capacity down and with our volunteers unable to return to prison for at least the first half of the year to train our existing stitchers or to identify and teach new stitchers, it became increasingly apparent that stock levels for the last few months of 2021 and for 2022 would be impacted. The beautiful floral designs created by Cath Kidston with her new enterprise, Joy of Print, with Fine Cell Work stitchers embellishing the designs with a complex range of stitches, provided new and exciting work for stitchers. Design houses Nina Campbell and William Yeoward offered to create their own range of products inspired by the new designs and agreed that they would sell these products with a percentage going to the charity. Sales and events plans for 2022 began to be made around this garden theme adding focus and energy to the future.

Business Planning

The last five-year business planning ended in 2020. However, with the continued uncertainties around working in prison, the restrictions in the wider community impacting on our ability to deliver our post-release training programme, Open the Gates and the difficulties hosting in-person sales and fundraising events, it was decided to make 2021 a year of consolidation and business planning; with the next five-year plan running from 2022 – 2026. The wisdom of this decision was reinforced with restrictions in all but three prisons we work in still in place at the end of the year and the lack of confidence we felt in hosting, and our supporters in attending, larger events that extended almost to year end.

In a strategy day with trustees and senior management in early 2020, the consensus was to increase the number of beneficiaries of our in-prison programmes by 50% over five years whilst retaining the current level of provision of post-release employment preparation support. More resource was planned for evaluating our programmes and it was agreed the charity would take a more outward-facing role in sharing lessons learnt in building social enterprise in prison more widely.

The business plan was written following this strategy and in consultation with the Fine Cell Work staff team, with the following overarching goals:

- increase Fine Cell Work's impact on prisoners' lives by expanding our presence and engagement in prisons in partnership with HMPPS;
- increase our standing as a national brand demonstrating the potential of prisons;
- to become productive places of hope and rehabilitation;
- build the social enterprise so income from trading raises from £250,000 in 2021 to £500,000 in 2026.

Before we can expand our work, we will need to rebuild after the pandemic. While we were one of the few prison charities whose programmes were able to continue in 2020-21 – albeit in modified form - the number of beneficiaries we engaged with in prison fell by 60%. To provide a solid foundation for growth, in the first two years of the plan we will re-invigorate stitching classes across our network to return capacity to pre-pandemic levels, re-open our prison textile workshop, and will re-launch our accredited training programmes to incentivise learning and participation further.

As we regrow our programmes, we will review our work with minority groups and make appropriate changes to our programmes to remove any barriers to engagement.

Over the five years from 2022, we will:

1. Build effectiveness, scale of impact and critical mass in prisons by partnering with HMPPS to create five key in-prison FCW hubs working with up to 60 prisoners in each hub annually, introducing:
    - Expanded support to prisoners in their cells by increasing from one stitching training group per prison to 3 groups
    - Expanded workshop capacity using a three-tier model of HMPPS partnerships that allows us to upscale cost-effectively, delivering more effective, sustainable rehabilitation and training
2. Extend our programme for ex-prisoners through expansion of post release support (both physical and virtual) to have a national reach.
3. Build on the outstanding success of our post-release programme with women by establishing a hub in a women's' prison with through-put to our post release training scheme.
4. Expand evaluation of programmes to share best practice with Criminal Justice Sector (CJS) organisations and HMPPS to encourage the expansion of social enterprise in the prison estate.
5. Ensure a 'seat around the table' by continuing to build relationships with statutory services. This will mean we are working amongst a consortium of expert service providers, ensuring we deliver an effective post-release programme for socially isolated individuals to live independent, crime-free lives with meaningful connections to their communities.

Financial Planning

To ensure that we were in a strong financial position to rebuild our work in prison, we planned an appeal to our supporters and customers in the final quarter of the year. It was hoped that we would recruit a major donor fundraiser to oversee the appeal. However, our recruitment process was unsuccessful and made us realise that a development manager role was more appropriate than a role just to support major donors. As we were unable to recruit a development manger in time, we went ahead with the appeal without the additional staff support.

The Appeal, Keep the Sewing Going, a phrase sent to us by one of our stitchers during the pandemic, raised £127,000 to support rebuilding our work in prison. The response was heartening and provided welcome additional financial security to the charity. The Emergency Appeal, as we referred to it, provided the opportunity to re-engage with Trusts that haven't supported us for a long time as we no longer fit their criteria; the urgency of our ask meant they were able to make a one-off donation. Other trusts who give small donations annually, gave larger amounts. Gratifyingly, including the Appeal in our newsletter to our customers, who historically support the charity by buying rather than donating, raised over £23,000.

In 2021, the charity was honoured with the prestigious Highly Commended Robin Corbett Award for our work reintegrating prisoners into the community. The recognition of the value of our work by a highly respected panel of judges in the criminal justice system gave a welcome boost to all involved with the charity.

Achievements and Performance

Overview

Flexibility in service delivery, robust contingency planning, prioritisation of getting work to and communicating with our stitchers, targeted production, a focus on fundraising and prudent cost management alongside our good, longstanding relationships with prison staff gave us the security to continue working in prisons through the continued lockdown in prisons. We remained one of the few organisations able to deliver its services to prisoners while prisons remained in lockdown.

Restrictions in the community added to the challenges faced by both our current apprentices and a few apprentices who had graduated from our OTG programme in the past. Recruitment onto the OTG programme was impacted by fewer prisoners being released from prison and fewer job opportunities available for our apprentices to move onto. Our programmes team, working alongside mentors supporting half of our apprentices, worked collaboratively to support the additional need.

Working in prison

Over the year, either remotely or with volunteers teaching in person, we engaged with stitchers in 30 prisons. This included working in 22 cell groups in 15 prisons (some prisons we work in have more than one cell group). All prisons were closed to visitors for the first six months of the year. One of the prisons we work in, an open prison, allowed limited access in June with one volunteer able to see one stitcher at a time during the two-hour session. Teaching was restrained by the need to comply with social distancing.

By November, we had volunteers back in eight of the 15 prisons we now have cell groups in, with six more prisons scheduled to open to visitors in the next couple of months. Volunteers visits to the groups were subject to a variety of restrictions. Social distancing meant that stitchers were only able to attend singly or in very small numbers making it very difficult to recruit new stitchers. The two hours allocated to the classes meant that stitchers were only with our volunteer teachers for short periods of time. This suited some of them who, after over 16 months of lockdown restrictions, were reluctant to socialise.

The rise of the more contagious variant of Covid in December caused almost all prisons to close their doors to visitors. By year end, we were only allowed to visit three of the prisons where we have groups.

Whilst the number of productive stitchers was 60% down on pre-pandemic levels, productivity was only down 40% due to the high skill level of many of the stitchers we were working with and the increased number of kits many of our stitchers were completing. Without volunteers teaching in prison and returning kits to us, the only way we could judge production output was by kits returned. This was complicated by how logistically difficult it could be for stitchers to return work regularly through prison staff.

The restrictions in prison meant we couldn't send kits in volume and had to rely on requests from individual stitchers or a prison contact. This sometimes meant unavoidable delays getting work to our stitchers.

In the first 16 weeks of the year, supporting all stitchers, creating kits and making up completed kits into products could only be done by staff. For the rest of the year, kits were made up by staff and volunteers with most of the making up of completed kits into products done in the hub. In the first half of the year the office received 600 letters from prisoners with queries on production and materials.

After sending so many kits into prison at the start of the pandemic coupled with sending kits at the request of either stitchers or prison staff, in value terms, we had 44% more kits in prison at the start of 2021 than we had at the start of 2020. During 2021, kits were returned in greater numbers than were sent out (1,858 sent compared to 1,948 returned). We are waiting until the volunteers return when there is wider access to the prison estate to see if any of the excess kits can be found although we anticipate that a significant number of the excess kits sent in 2020 will be lost in the prison system.

With prisons closed to our volunteer teachers for much or all of the year, keeping in regular contact with our stitchers to make them feel motivated, valued and appreciated remained a priority. Communications from the staff team to individual stitchers continued to be sent monthly and included two bumper 40-page newsletters with articles connecting them to the wider FCW community. Our prison volunteers were encouraged to write cards to the stitchers in their groups and almost all did. Gratifyingly, our customers wrote more letters of appreciation to our stitchers than ever before which offered a very welcome boost. At the end of 2021, as was done at the end of 2020, we gave prisoner awards with a generous financial bonus, to all stitchers who had returned two or more kits in the year.

Prisoner pay for the year totalled £61,282 a slight drop on the £63,057 paid to prisoners in 2020.

We continued to build relationships with prison staff with regular communications which included sending a small gift to 29 staff in 19 prisons who facilitated the distribution and collection of kits. At a time when it was difficult to show purposeful activity for prisoners, we were able to send regular reports to Governors and senior management on the impressive in-cell productivity of our stitchers in their prison.

A new initiative was the introduction of Fine Cell Work's Prison Awards as a gesture of thanks for the goodwill and support we have received from the prison in the year of lockdown. In April 2021, awards were granted in three categories – *The Fine Cell Work Gold Award for Best Practice in Volunteer Support, The Gold Award for Staff Engagement and Support* and *Outstanding Contribution to Fine Cell Work.*

The challenges faced this year included the lack of reliable, timely supply of threads and linens. The impact of Brexit was felt from the beginning of the year when it took four months for our regular order of threads to arrive from France. During the course of the year, it became increasingly difficult to source sufficient linen from Europe, and prices rose sharply. We adapted our ordering processes by allowing longer lead times and by ordering in larger quantities, particularly for linens which also lessened the impact of the significant price increases and our carbon footprint.

During the year, we continued to pay bonuses for highly skilled work in addition to prisoner pay on all of our kits. However, as the year progressed we noticed that some stitchers were taking advantage of this and returning more work stitched using larger stitches to fill the linen. Although we continued to pay the bonus in the year, we will review this as the prison estate opens more widely to make sure that we are encouraging beautiful, well stitched work and that our bonus system is fair and a reward for excellent work.

At the end of January 2021, we sent out our annual stitcher survey. The survey was sent to approximately 280 stitchers, although we estimated that the number of active stitchers is probably somewhat lower. The lack of face-to-face contact with Fine Cell Work volunteers means that it is harder than usual to calculate the number of stitchers accurately. Eighty-five individual stitchers completed the survey. This was a very high completion rate when the circumstances of prison lockdown are considered and compares favourably with the previous edition of the survey in summer 2019 which was sent to more than 300 stitchers and returned by 96 stitchers.

This is the same survey we send out each year with the supervision of Russell Webster, an independent consultant and evaluator within the criminal justice sector. His report highlights the impact of working with FCW on stitchers during lockdown.

His report concluded: *The completion rate for this year's annual feedback surveys was surprisingly high, compared with the previous edition, despite the fact that stitchers received the survey after they had been subject to lockdown for a period of ten months. The surveys which were returned were completed to a high standard with almost all respondents answering every question and most providing detailed comments to a wide range of questions.*

The analysis of the survey returns makes it clear that stitchers derive enormous satisfaction from working with Fine Cell Work and that stitching helps them cope with imprisonment as well as allowing many to save money and plan for their release.

A very large majority of stitchers are very appreciative of the work of the organisation and of the volunteers who run groups in particular, with many respondents talking about how much they missed seeing their regular group facilitators. Criticisms are typically of relatively minor issues relating to the administration of the work, rather than any substantive problems.

A number of new issues emerged from this year's survey. The dominant new theme was, unsurprisingly, the impact of prison lockdown, imposed to lessen the spread of coronavirus. For those individuals to whom FCW was able to provide a reliable supply of materials, stitching became one of their key survival strategies. Restricted to a life spent almost entirely "behind the cell door", stitching gave people something positive, creative and fulfilling to do in the long hours without human contact. The completion of kits and exchange of information with FCW staff, even though not in person, provided invaluable contact with the outside world. People spoke of the importance of being remembered by the outside world. Of course, for those who were not receiving materials (always due to difficulties at their prison establishment, not failures on the part of FCW), the loss of stitching as a way of coping with the experience of incarceration at the time they needed it most was painful.

Perhaps related to the experience of lockdown, a new theme which emerged from this year's survey was the feeling of being connected to and visible to the outside world that stitching, and in particular the sale of the products people stitched, provided.

In a parallel fashion, a greater number of stitchers, not just those who have been with FCW for some years, shared more comments about their feelings of an important sense of community with other stitchers and a sense of ownership and pride in being part of the Fine Cell family. Lockdown and the additional efforts that Fine Cell staff and volunteers have put in to try to ensure that stitchers received kits and the organisation's decision to send in a "bonus" to help people with the funds needed to keep in touch with family during lockdown seem to have further strengthened this existing feeling of belonging.

In order to review our work with minority groups and make appropriate changes to our programmes to remove any barriers to engagement, we need to collect better data on our workforce in prison. Working with Russell Webster, at the beginning of June 2021 we sent out a 'stitcher monitoring & evaluation form' to all current stitchers. The intention of this form was to gather demographic data of our current stitcher group: Age, Gender, Preferred Pronouns, Disability Status, Ethnic Group, National Identity and Religion. We sent this survey to 266 stitchers (all stitchers 'on the books' in June 2021) and to all new stitchers thereafter. We gave a small monetary reward for completing the form increased return and received 85 completed monitoring and evaluation forms within the first two weeks of sending them out. According to our statistics spreadsheet, by the end of 2021 we had completed monitoring and evaluation forms from 245 stitchers (including new stitchers who were sent the form when they joined in 2021, when prison volunteers started to return).

Alongside the monitoring and evaluation form, we worked with Russell Webster to develop a 'Fine Cell Work Mental Wellbeing Survey'. Many stitchers have told us that stitching improved their mental wellbeing. We wanted to test this feedback in a research study. Stitchers are asked to rate seven statements about their feelings and thoughts. These statements come from the short Warwick Edinburgh Mental Wellbeing Scale (WEMWBS) which has been used all over the world for the last 15 years to measure people's mental wellbeing. We have since asked all new stitchers to

complete this survey when they join the group, they will then be sent a follow up survey nine months after completing the first mental wellbeing survey. All new stitchers will be paid £2 for completing both the monitoring & evaluation form and the mental wellbeing survey.

Supporting Volunteers

The small ratio of staff to prisoners is usually underpinned by the extensive and essential activities of the Fine Cell Work Volunteer Team teaching in prisons, teaching in the Clothworkers Studio, mentoring apprentices, supporting production and commissions, helping with administration and design, hosting sales' events, supporting fundraising events and manning pop-up shops and sales' events across the country. With many volunteers unable to go into prison, neither events nor pop-up shops possible and social distancing severely restricting the number of volunteers able to support the office and Clothworkers Studio, it was important to ensure all our volunteers retained a sense of connection with the charity, particularly those who weren't able to work with us this year.

Regular updates were sent to all volunteers on how we were continuing to adapt our programmes, what we were achieving, news from our stitchers and our future plans. The popular monthly stitch club continued on zoom for the first six months of the year, culminating in an afternoon tea for our volunteers. An invitation to join the zoom was sent with a couple of teabags, a Fine Cell Work branded jammy dodger biscuit and a recipe for a chocolate orange drizzle cake, the subject of many stitch club conversations over the last year, to all our volunteers. This very successful event, hosted by the programmes team was attended by over 30 volunteers. It provided a valuable forum for volunteers to discuss any reservation they might have in returning to prison.

In anticipation of prisons reopening, we rolled out refresher training for all volunteers teaching in prison. The use of zoom meant it was logistically easy to train all volunteers returning to teach in prison no matter where they lived. A new prison, HMP Huntercombe had contacted us early in lockdown to open a cell group in the prison. We were finally able to offer on-site training at Fine Cell Work for new volunteers preparing for the group in the prison.

Efforts to recruit new volunteers to replace volunteers who had retired over the last few months were hindered by the ongoing situation in prison and the resulting uncertainty about when they would be able to begin. Recently recruited volunteers are in regular contact with the office to build their connection with the charity.

In-prison workshops

Fine Cell Work has two prison workshops, one in HMP Gartree, the other in HMP Littlehey. The workshops were set up to make the kits stitched in prison cells into the final product, to create the kits themselves, to complete specific handstitched products which lend themselves to a group activity and to create machine stitched cushions, tableware and giftware.

The activities require many skills and are the complete antithesis of the repetitive tasks of many prison textiles workshops. Taking on new and varied tasks requires concentration, motivation and builds confidence to take on new skills; important attributes to prepare for work post-release. Our workshops are an essential part of the social enterprise and fosters the workers' appreciation of their relevance to the wider organisation and engagement with the world beyond prison. The nature of the work develops their ability to work as part of a team, broadening their employable skills.

In HMP Littlehey, the workshop was closed for all but six weeks in 2021 and closed for all but a month of 2020. Whilst this has had a significant impact on kit and stock production, the fact we have managed to maintain a reasonable level of stock since is noteworthy and demonstrates the agility and adaptability of the Fine Cell Work staff team. Despite the workshop closure, we continued to pay our workshop stitchers monthly as usual.

The workshop at HMP Gartree has been closed from March 2020. The prison staff member running the workshop has since left the prison and many attempts to contact the prison to discuss reopening the workshop have been unsuccessful.

We addressed the lack of production from our prison workshops in the first few months of the year by getting the workshop supervisor in the Clothworkers Studio in Battersea making up stock both in the workshop and at home. When the workshop in Battersea, the Clothworkers Studio reopened in April, this was taken over by the apprentices in the workshop. As the demand from our customers exceed our ability to make up stock, a self-employed textile trained ex-apprentice was paid on a per piece basis to make the products. With another member of staff working on the embroidery machine as time allowed, to restock some of our machine products and prioritise making of the products in greatest demand, we had sufficient stock to meet the increasing demands of online shoppers.

Rehabilitation Pathway and post-release support: Open the Gates

Five years ago, the Open the Gates programme was established to support prisoners post-release at the Clothworkers Studio in Battersea. Over 75% of these ex-prisoners (who we refer to as apprentices) have received sentences of four years or more, with many having complex offending histories and support needs.

The Clothworkers Studio is a thriving, productive workplace with an ethos of inclusion, consultation, co-operation and welcome offering a wide range of roles and responsibilities to match individual skill sets. We provide an individually tailored programme to some of the most marginalised people in the community.

Core to the delivery of the programme is providing pastoral support and mentoring alongside the accredited embroidery and textile training courses; our apprentices are supported by Fine Cell Work staff, volunteers and mentors into employment, settled living and, in some cases, further employment training beyond the Clothworkers Studio.

Service user involvement meetings give apprentices a forum to develop and shape the service we provide and build their commitment to the organisation. Regular team meetings with the apprentices who help with both warehousing and dispatch were implemented to increase the quality of the work and make them feel part of the team.

Restrictions in the community meant the Studio was closed for the first 16 weeks of the year and the 14 apprentices we were currently supporting were supported remotely, Lessons learnt from the lockdown in 2020, including extensive feedback from the apprentices in summer 2020, meant we were able to support apprentices more impactfully with a comprehensive package of regular contact, self-care support, purposeful activity, including some Fine Cell Work production where appropriate, and remote learning for an accredited course. The task of supporting apprentices was shared more widely amongst the team to create more capacity and avoid staff burnout.

The Studio re-opened on 19 April. To accommodate social distancing and allow us to work with as many apprentices as possible in each session, volunteers didn't return to the workshop until late summer to support the training of apprentices and production. With the sales, events and fundraising team now on the same site as the Clothworkers Studio, since October 2020, the benefit of the whole organisation on one site enabled us to engage with more apprentices and to offer broader employment training opportunities.

Our reliance on the Studio for the making up of the canvases and linens stitched in prison had a positive impact on the OTG programme. Apprentices rose to the challenge, relishing the fact that the charity was dependent on their skills to have products to sell. This enhanced their commitment and made them feel an even greater sense of connection with the wider charity. Two apprentices took over the responsibility of dispatch over the busy pre-Christmas season. Apprentices and staff alike thrived on what was achieved; working together building stock and reorganising both the stock room and dispatch area to make it more efficient and effective. This led to a more interactive working and training environment and better outcomes for everyone.

The challenges of the last 16 months for some apprentices who had graduated into employment meant we had to provide them with additional support. This proved invaluable in helping them readjust to their changing circumstances and continue to progress. Adapting to support our apprentices remotely in lockdown has given us the learning to introduce remote support for our stitchers released out of London. This not only makes our post-release programmes less London-centric, it also enables us to support stitchers we have worked with in prison who are released outside London.

New skills training classes were introduced when the Clothworkers Studio reopened to broaden apprentices' resilience, skills and aptitude of acquiring new skills for employment confidence and preparation for work with 11 training sessions delivered in the year. The sessions covered subjects as diverse as CV writing and disclosure of offending history, respecting and setting boundaries, basic upholstery, mounting and framing, interview technique and developing social skills.

A fortnightly craft club on Friday afternoons was also started for both apprentices and graduate apprentices with Fine Cell Work staff to provide a creative space to develop and encourage social interaction.

In the year we worked with 26 apprentices; 36% entered the workforce or further tertiary training. No apprentice reoffended although one apprentice was recalled to prison for breaching his licence conditions. Ten apprentices received mentoring from an employment mentor whilst seven completed an Open College Network accredited training course with a further five apprentices beginning a unit of study.

Sales and Commissions

In 2021, earned income across all channels was 39% down from the exceptional income in 2020 of £460,937 which included the one-off income of £226,100 that year from the sale of stitched contemporary artworks.

Earned income is broken down into income from the sale of the prison-made products and income from prisons paying a nominal fee per place in each cell group. Income from sales was £252,224, an increase of nearly 4% on the year before notwithstanding the stock shortages after nearly two years of not being able to build our workforce. Despite Fine Cell Work delivering its services remotely to stitchers throughout the year, the prisons where we usually deliver stitching classes agreed to pay their fee in acknowledgement of the value they placed on what we achieved with our stitchers. Gratifyingly, we received more income from prisons than ever before receiving a total of £21,300.

Sales

With our trading income at £252,224, online sales were at an all-time record of £177,050, up nearly 10% on the impressive growth achieved in online sales in 2020. Online sales were 80% higher than in 2019. Income from sales at events, at £11,907, was more than 200% up on 2020 as we were able to host our annual Christmas sale this year, but down 80% on income from sales in 2019. With one pop-up shop for only two weeks, sales from this source were down by 65% on 2020 when we had had a successful pop-up for several weeks leading up to the first lockdown.

The most significant drop in income was from commissions. Although only down 18% from 2020, income was down nearly 60% from commissions in 2019. The drop in income from this source explains much of the drop in trading income experienced by the charity in the last two years.

These results were despite a lack of supply of stock due to Covid restrictions in prison, At the beginning of 2021, stock was at an all-time low with 31% fewer products made up and ready to be sold than we had at the beginning of 2020. Conversely, due to the limitations on our making up stock in 2020, we had 79% more completed kits stitched in prison but unmade up into final products.

Decreasing stock levels impacted on trading as the year progressed particularly with the high demand in the run-up to Christmas. For many lines, demand outstripped supply and we saw sales pick up as soon lines were back in stock. An in-depth analysis of stock levels and sales performance highlighted opportunities to increase sales levels by improving stock levels of top selling lines. To maximise sales opportunities, we ensured that the kits sent into prison were for products in highest demand and we targeted those products in the limited but impressive 'production making up' capacity in the Studio. In addition, finding new workarounds to get sufficient, varied stock to promote and to sell, meant we explored in-house designs by both apprentices and staff and made up small production runs of the selected new designs. These included eight new handstitched card ranges and four designs of hand-stitched table napkin sets. The new products were so well received, with many selling out within a few days, that all these designs have been added to our core collection. To further support web sales, we planned our marketing and social media campaigns around stock we had in sufficient quantity.

We continued to create energy and focus into our marketing, particularly with our most effective marketing tool, the fortnightly enewsletter. Using professional lifestyle photography and targeted ranges for marketing opportunities during the year meant the enewsletter better showcased our beautiful products. Our initiative of producing limited runs of new designs not only provided a wider range of work for our stitchers but also provided variety and interest for our existing followers. For our website, we updated our main imagery on the homepage fortnightly in line with the email newsletters going out.

The high levels of sales achieved in 2020 from the enewsletter were maintained with sales in 2021 up 75% on sales from enewsletters in 2019. Even though the online store sessions decreased by 18% from 2020 and we had fewer visitors, in 2021 the online conversion rate increased by 50% and orders by 11%. We also continued showcasing customer reviews on the homepage to build on our reputation. The number of reviews doubled to 600 with the majority of reviews awarding our products and service with 5 stars.

To support processing of increased levels of orders, the dispatch area was transformed, improving the overall workflow and involvement of apprentices, benefitting the quality of the output as well offering an opportunity for apprentices to work in a professional despatch area.

In 2021, there were a total of five new cushion design launches and three further designs were added to existing ranges. A Fine Cell Work design of the fig with two cushion designs and a range of table linens, raised £9,500 in sales and was our most successful range launch. Our most successful design partnership, with The William Morris Society of two cushion designs, giftware and Christmas cards raised £7,700. An exclusive Studio Ashby limited edition cushion range in three colourways was launched successfully and we are working on a larger collaboration with this esteemed design studio for launch in 2022. New ranges launched in 2021 raised a total of £24,466, 10% of our income from trading.

Pentreath & Hall generously gave us a pop-up shop beside their shop in Bloomsbury for two weeks in the lead up to Christmas. Despite reservations of customers arising from another Covid outbreak, we took £5,064 in sales which compared favourably with the £1,200 taken in the pop-up we had in the same place in October 2020.

As the lockdown in prison and the community lasted for far longer than we had hoped this year, we have had to develop new ways of working to prepare for the potential of lack of availability of stock and opportunities for product launches next year. To maximise our sales revenue next year and to continue supporting as many our beneficiaries as we can, we developed new partnerships with highly regarded design houses Nina Campbell, William Yeoward and Joy of Print to use both new designs and merchandising to bridge the gap in income from sales we anticipate will result from not having enough products for 2022.

Commissions

Commissions are worked on in collaboration between the stitcher and the volunteer planning the execution of the project, identifying any new skills required. Without the fortnightly interaction and teaching with the volunteers in cell group classes, some stitchers, even the most experienced, lost the confidence to take on more complex commissions. As a result, some commissions were completed incorrectly or to a poor standard, which meant we had to start again. This meant creating a new kit for the commission piece and then sending the kit to a different stitcher to be completed. This contributed to the back log and pressure in general, particularly as some pieces are the work of hundreds of hours of stitching.

One of our workarounds was our lone stitchers. When experienced stitchers move to a new prison where there isn't a Fine Cell Work group, the production team engages with each stitcher on a one-to-one basis through our lone stitcher programme. This year we engaged with 25 lone stitchers who proved a reliable source of commission stitchers thanks to the communication links we have set up with them when they became lone stitchers.

Despite this by the end of the year, due to the lack of experienced needlepoint stitchers, the backlog of commissions continued to grow. In accepting new commissions, we had to be very selective about needlepoint projects we took

on ensuring that our commissioning customers were able to accept lead-in times of up to three years. To allow us to deal with this backlog, we didn't actively promote commissions this year.

There were highlights for commissions during the year. We completed and delivered a large Church set which involved many techniques. With a large proportion of hand embroidery, including goldwork, undertaken in prison, the machine embroidery and machine stitching were undertaken by apprentices in the Clothworkers Studio where the commissioned pieces were assembled. The set for St Mary's Church, Welwyn, comprised of a High Altar Frontal, Super Frontal, Nave Frontal, Lectern Fall and Chasuble and Stole with white-work embroidered altar cloths. The collaborative stitching technique on the panels of the altar frontal, was "free machine embroider". The original design was created by our in house team and the technical aspects of machine stitching the commission together was managed by the staff in the Clothworkers studio with help from the apprentices.

In addition we have continued to work with the artist Carolina Mazzolari and in the last few months we have delivered eleven pieces of complex embroidery to her which will form the basis of her artworks.

Having worked on the commission for three years, we were finally able to deliver the set of kneelers for the private chapel at Knole which looks stunning in situ. The colour and design followed the existing colour scheme in the chapel and the stitched motifs integrated the carved decoration of the wooden panelling within the chapel.

Fundraising and Selling through Events

Fundraising events are our most effective way of promoting knowledge and understanding about our work, and raising money. Although a large fundraising event was planned for Middle Temple, first in March, then moved to November, it was decided to host the event in November 2022 due to the restrictions in the community and, when they were lifted, the reluctance of people to attend large gatherings. This meant we had no large fundraising events in the year. The resultant loss of income was well compensated by the success of the Appeal.

Sales events are also very effective at showcasing our work, encouraging sales and growing our customer base. It is also an invaluable opportunity to meet our customers and get feedback. In early December we hosted our annual Christmas sales event at St Peters Church in Notting Hill, a sufficiently large venue to accommodate social distancing. Fine Cell Work staff and volunteers provided the catering and the church kindly gave us the venue so there was no financial risk to the charity if the attendance had been poor or if the event had to be cancelled at the last minute. In the event we had a good turnout of guests and sales of £9,100. Sales were lower than sales at our annual Christmas sales events hosted pre-covid due to lower attendance and lack of stock. However, this was compensated somewhat by donations of £2,214 as a result of the event.

With face-to-face sales opportunities extremely limited during the year, we joined three table-top sales and raised just over £3,000 in total.

Communications

Our annual stitcher survey continued to give us statistical information, feedback and quotes not only to support our evaluation of the services we were able to deliver within the restricted regime of prison but also informed our communications strategy and ability to create engaging, unique content.

Our newsletter subscribers increased by nearly 10% to 12,000 subscribers. We continued to send out newsletters fortnightly, which increased to bi-weekly send outs at the busiest time of the year from November to mid-December.

With prisons still closed and volunteers not able to visit, at the beginning of the year we decided to start on a positive note with our first enewsletter focused on Fine Cell Work highlights of the year before, (Reasons to be Cheerful). Due to the ongoing demand for creative hobbies, we continued building on the success of the previous year of the sale of kits and sent out an enewsletter promoting all our kits (Craft your own cushion).

Having successfully increased our social media following over the past four years, our focus shifted to diversifying our content to driving growth and increase participation. Launching small production runs of new products including mimosa cards, wheelbarrow cards, hand-stitched table napkins and hand-stitched Christmas cards added interest

and engagement over the year. We also focused on project-based content which showcased the range of projects that our stitchers and apprentices take part in. In February/March, whilst still in lockdown and finding content generation challenging, we used it as an opportunity to look back at the Human Touch exhibition - one year on. As well as sharing images of the artworks on social channels, we also produced a blog which gave an exclusive insight into where some of the artworks had ended up, with feedback from the buyers. We showcased other collaborative projects completed by our stitchers and apprentices, including the Coat of Hopes cape which made its way to the COP26 summit and the altar front for St Mary's Church, Welwyn. We also asked our apprentices to produce bespoke pieces specifically to allow us to engage with our supporters over topical events, including the Euro 2020 final in support of England which attracted wide, positive engagement.

The crowdfunding campaign in Spring to support the publishing costs of our 25th anniversary book, *The Threads of Time* and 'the Keep the Sewing Going' Appeal in the autumn, were our first prolonged integrated digital campaigns spanned across enewsletters and social media with carefully planned messaging. For the first time we actually saw a direct relationship between engagement on social media and actual monetary contributions to the campaign which was a great success with targets being surpassed prior to the campaigns ending.

Media continues to be an effective way to broaden our networks and raise awareness of what positive outcomes can be achieved in prison. Adjoa Andoh, a well-known, respected actress, referred to Fine Cell Work in an interview on Radio 4 in January which resulted in the sale of 20 kits and four large cushions. Fine Cell Work's Founding Director Dr Katy Emck was interviewed in two podcasts, *Hope and Patience* with Amelia Rope and Holly Tucker's podcast *Conversations of Inspiration* both of which helped us build awareness of the charity to new audiences and drove traffic to the website.

The importance of publications was very apparent when we received sales in response to an article in The Guardian of Christmas Gift Guide: 200 Feelgood Gift Ideas 2021. This attracted a lot of visitors to the website, and The Guardian was our top referrer source for 2021.

Principal Funding Source

In 2021 Fine Cell Work received £428,977 from grants from Trusts and Foundations. Major, multi-year grants were received from the Porticus Trust, the Rayne Foundation, the Bromley Trust, the Colyer-Fergusson Charitable Trust, the Garfield Weston Foundation, the Goldsmiths Livery Company, the John Lewis Foundation, the de Laszlo Foundation, the Philip King Trust, the Adrian Swire Trust and the Weinstock Trust. The Broderers Livery Company supported us for the thirteenth year running and the Aldo Trust, the Scouloudi Trust, the Tanner Trust, the Valentine Trust, the Ancaster Trust, the Michael Varah Memorial Fund, the Gilander Trust, the Hiscox Foundation, Lord Barnbys Trust, the Statham Family Trust, the Dalby Trust, the Cedars Trust and the James Roll Trust also renewed grant awards. New funders included the Madison Foundation, the Hodge Trust and the Leigh Trust.

Financial Review

In 2021, Fine Cell Work's total incoming resources were £1,116,433, down 1% on the previous year. Donations and grant income were up 25% on 2020. Income from the sale of prisoners' work was up 4% on 2020.

Reserves Policy

The Trustees have established a policy whereby the unrestricted funds not committed in tangible assets held by the charity should be maintained at a level of four to six months of budgeted expenditure, currently equal to £545,000 for six months in general funds. At this level, the Trustees feel they would be able to continue the current activities of the charity in the event of a significant drop in funding or other changed circumstances. It remains a core aim to build and maintain Fine Cell Work's unrestricted reserves at this level.

In the autumn of 2021, an appeal "Keep the Sewing Going" was launched to raise money to fund the return to prison when they opened up and rebuild stitcher numbers. The Trustees have resolved that the £127,317 raised will be a separate Designated Reserve. This reserve will be used for this purpose or any other as decided by the Trustees.

In addition, the Trustees' resolved that a separate designated reserve be set up equal to the value of the charity's fixed asset value. This is in accordance with current best practice.

Total reserves at the yearend were £844,526 (2020 £678,105) of which £58,035 were restricted (2020 £11,810), £185,559 were designated (2020 £nil) and £600,932 unrestricted (2020 £666,295). Free reserves at year end were £600,932 (2020 £636,062).

Corporate Social Responsibility

Fine Cell Work has set the goal of going beyond its charitable mission in order to make positive contributions to the wider community, our stakeholders and society. We aim to achieve this by:

Providing sustainable outcomes for our beneficiaries and society as a whole, leading to lower levels of reoffending and enabling beneficiaries to lead crime free lives.

Minimising our impact on the environment by sourcing ethical and sustainable materials for the making of our products and encouraging green initiatives within the organisation including recycling and alternatives to car usage.

Providing support, wellbeing and development programmes for our staff to nurture them and provide opportunities and resilience in their day to day work. We are accredited Living Wage Foundation employers.

Ensuring that we are financially sustainable

Having a positive impact on the lives of our volunteers and support them to deliver our programmes.

Developing a positive relationship with suppliers including prompt payment.

Seeking to improve our governance and transparency to enable the community to understand our mission and our positive outcomes

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Statement of Trustees' Responsibilities

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

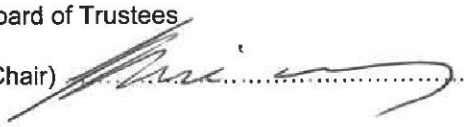
The trustees, who are also the directors of Fine Cell Work for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

On behalf of the Board of Trustees

Sophie Kingsley (Chair)  Date 13th JUNE 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FINE CELL WORK

We have audited the financial statements of Fine Cell Work (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure for the year
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council'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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the governors' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FINE CELL WORK (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 trustees' report (incorporating the directors' report).

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

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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' exemptions in preparing the trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement, 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.

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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FINE CELL WORK (CONTINUED)

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

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 our report

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

Alexander Peal BSc (Hons) FCA DChA (Senior Statutory Auditor)

for and on behalf of



James Cowper Kreston,

Statutory Auditor

8th Floor
Reading Bridge House
George Street
Reading
RG1 8LS

Dated: 30 June 2022

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted Funds	Restricted Funds	Designated Funds	Total 2021	Total 2020
		£	£	£	£	£
Income from:						
Donations and grants	3	277,090	431,461	127,317	835,868	668,400
Charitable activities	4	280,524			280,524	460,937
Investment income		41			41	862
Total income		557,655	431,461	127,317	1,116,433	1,130,199
Expenditure on:						
Cost of Raising Funds	5	172,528			172,528	229,136
Charitable activities						
Prisoner Training & Support	5	392,248	385,236	-	777,484	831,119
Total expenditure	5	564,776	385,236	-	950,012	1,060,255
Net income/(expenditure)		(7,121)	46,225	127,317	166,421	69,944
Transfer between funds		(58,242)		58,242	-	-
Fund balances at 1 January 2021		666,295	11,810	-	678,105	608,161
Fund balances at 31 December 2021		600,932	58,035	185,559	844,526	678,105

All activities of the charity are classified as continuing. There are no other recognised gains or losses other than those reported on the Statement of Financial Activities.

The notes on pages 27 to 42 form part of these accounts.

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	9		58,242		30,233
			58,242		30,233
Current assets					
Stocks		125,763		122,578	
Debtors	10	86,451		96,482	
Cash at bank and in hand		814,040		758,919	
		1,026,254		977,979	
Creditors: amounts falling due within one year	11	(239,970)		(255,107)	
Net current assets			786,284		722,872
Creditors: falling due after more than one year	12		-		(75,000)
Net Assets			844,526		678,105
Income funds					
Restricted funds	15		58,035		11,810
Designated funds	17		185,559		-
Unrestricted funds	16		600,932		666,295
			844,526		678,105

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to Accounting records and preparation of financial statements.
The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.
The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Andrew Murray (Treasurer)
Trustee

Company Registration No. 03095356

The notes on pages 27 to 42 form part of these accounts.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities:					
Net income/expenditure for the year		166,421		69,944	
Depreciation of tangible fixed assets	9	13,745		14,542	
Increase/(decrease) in creditors	12	(90,137)		(70,031)	
(Increase)/decrease in debtors	11	10,031		147,302	
(Increase)/decrease in stocks		(3,184)		(6,643)	
Investment income		(41)		(862)	
Net cash provided by/(used in) operating activities			96,835		154,252
Cashflows from investing activities					
Interest income		41		862	
Purchase of tangible fixed assets	9	(41,755)		(29,094)	
Cash provided by/(used in) investing activities			(41,714)		(28,232)
Increase/(decrease) in cash			55,121		126,020
Cash and cash equivalents at the beginning of the year			758,919		632,899
Cash and cash equivalents at the end of the year			814,040		758,919

	1 January 2021 £	Cashflow £	31 December 2021 £
Cash at bank and in hand	758,919	55,121	814,040

The notes on pages 27 to 42 form part of these accounts.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Statutory information

Fine Cell Work is a charitable company, limited by guarantee, registered in England and Wales. The charitable company's registered number and registered office address can be found on the Legal and Administrative Information page.

2 Accounting policies

2.1 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 (FRS102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

Fine Cell Work meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). There are no material uncertainties about Fine Cell Work's ability to continue as a going concern.

2.2 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Charitable Activities – represents income from sales of goods and is recognised when receivable, excluding Value Added Tax.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors and deferred income. Where entitlement occurs before income is received, the income is accrued.

2.3 Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Costs of raising funds comprises those costs incurred in order to raise funds from external sources.

Charitable activity expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. It also includes costs associated with meeting the constitutional and statutory requirements of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on a staff time basis.

2.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	3 years straight line basis
Fixtures, fittings and equipment	3 years straight line basis

2.5 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

2.6 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discounts.

2.7 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments. The Trustees seek to use short and medium term deposits where possible to maximise the return on monies held at the bank and to manage cash flow.

2.8 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.

2.9 Stock and work in progress

Stock is valued at the lower of cost and net realisable value.

2.10 Pensions

The charity operates a defined contributions pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

2.11 Fund accounting

The charity has various funds for which it is responsible:

Unrestricted funds – these are for use on the general charitable objectives of the charity.

Restricted funds – the funds are for use as directed by the donor. A description of the projects can be found in the notes to the accounts.

Designated funds – these are amounts which have been put aside at the discretion of the Trustees and comprise a fund equivalent to the donations raised to regrow prison stitcher numbers post pandemic. This has been designated by the Trustees for this purpose.

The Trustees also authorised the creation of a designated fund to cover the Fixed Asset value.

2.12 Taxation

The company is a registered charity (number: 1049095). All of the charity's income falls within the exemptions set out in part 11 of the Corporation Tax Act 2010.

2.13 Financial Instruments

The company 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 instrument method.

2.14 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Critical areas of judgement:

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the assets and projected disposal values.

3 Income from donations and grants

	Unrestricted funds	Restricted Funds	Designated Funds	Total 2021	Total 2020
	£	£	£	£	£
Donations and grants	**277,090**	**431,461**	**127,317**	**835,868**	**668,400**

Donations and grants
Unrestricted funds:

BC Partners				**10,000**	-
CHK Charities				**50,000**	5,000
Anonymous				**5,000**	-
Anonymous				**5,000**	-
Anonymous				**15,000**	15,000
Leathersellers Livery Company				-	875
Dalby Trust				-	5,000
Third House Trust				-	20,000
Devonshire Trust				**10,000**	-
Violet and Milo Cripps Trust				-	17,203
Armitage Trust				**20,000**	-
Battcock Charitable Trust				**5,000**	-
Sharegift				**5,000**	-
De Lazlo Foundation				-	10,000
Alison Mary Lyon Will Trust				**10,000**	-
Qais Zakara				**5,000**	-
Permira Foundation				-	3,000
Seymour Strang Trust				-	1,000
Sommer Family Trust				**10,000**	-
Al Fayed Foundation				**10,000**	-
Mercers Livery Company				**2,000**	-
Emerton-Christie Charity				-	3,000
The Delves Charitable Trust				**5,000**	-
Other grants and donations (<£5,000)				**110,090**	176,857
				277,090	256,935

3 Income from donations and grants (continued)

	Total 2021 £	Total 2020 £
Restricted funds:		
Anonymous	-	5,000
Adrian Swire Trust	**15,000**	-
Bank of America Foundation	**35,740**	-
Barbour Trust	**2,000**	-
Blatchworth Trust	**5,000**	-
Bromley Trust	**10,000**	10,000
Colyer-Fergusson Charitable Trust	**12,500**	-
Robin Corbett Award	**3,000**	-
Dalby Trust	**5,000**	-
De Lazlo Foundation	**10,000**	-
Lottery Fund	-	109,866
Evan Cornish Foundation	-	3,500
City Bridge Trust	-	4,875
Drapers Livery Company	-	15,000
Great Western Railway	**20,000**	-
Goldsmiths' Company Charity	**30,000**	30,000
Hadrian Trust	**1,000**	-
1772 Trust	-	2,000
Alice Cooper Dean	-	3,000
Peter Stebbings Trust	-	7,500
Hiscox Foundation	**5,000**	-
Hodge Foundation	**4,000**	-
Westminster Foundation	-	19,999
Philip King Trust	**10,000**	10,000
John Lewis Foundation	**16,000**	-
Leigh Foundation	**5,000**	-
Lord Barnaby's Foundation	**6,000**	-
Government Job Retention Scheme	**18,362**	12,447
Needleworkers Livery Company	-	2,000
Porticus Trust	**30,000**	-
Rathbone Trust	-	3,000
Newby Trust	-	3,000
Michael Varah Memorial Foundation	**8,529**	1,170
Garfield Weston Foundation	**100,000**	100,000
Rayne Foundation	**20,000**	20,000
Statham Family Trust	**2,500**	-
Awards for All	**9,530**	-
	384,161	362,357

Carried Forward

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

3 Income from donations and grants (continued)

	Total 2021 £	Total 2020 £
Brought forward	**384,161**	362,357
Aldo Trust	**5,000**	5,000
Lloyds TSB	**-**	32,858
Dischma Charitable Trust	**5,000**	-
Valentine Trust	**5,000**	-
The Monday Charitable Trust	**10,000**	-
Merchant Taylors' Foundation	**5,000**	-
Madison Foundation	**1,000**	-
Worshipful Company of Broderers	**3,000**	5,000
Anonymous	**5,000**	-
Tanner Trust	**7,000**	5,000
Other donations & grants (<£5,000)	**1,300**	1,450
	431,461	411,465

4 Income from charitable activities

	2021	2020
	£	£
Sale of prisoners' work	**252,224**	**243,237**
Auction proceeds of prisoners' work	**7,000**	**226,100**
Income from cell work	**21,300**	**(8,400)**
	280,524	**460,937**

5 Expenditure

	Staff costs	Depreciation	Other Costs	Total 2021	Total 2020
	£	£	£	£	£
Expenditure on:					
Costs of generating donations and grants	**162,984**	**-**	**9,544**	**172,528**	**229,136**
Charitable activities					
Prisoner Training & Support	**342,387**	**13,745**	**300,599**	**656,731**	**713,383**
Activities undertaken directly					
Support costs	-	-	**120,753**	**120,753**	**117,736**
	505,371	**13,745**	**430,896**	**950,012**	**1,060,255**

Analysis of support costs (including governance costs)

	2021	2020
	£	£
Rent	**96,800**	**96,188**
Governance costs	**16,960**	**14,428**
Insurance	**6,993**	**7,120**
	120.753	**117,736**

Included within support costs is £7,235 (2020: £6,499) in relation to audit fees for the current auditors.

6 Statement of financial activities - Comparative funds – year ended 31 December 2020

	Unrestricted funds	Restricted funds	Total 2020
Income from:	£	£	£
Donations and grants	256,935	411,465	668,400
Charitable activities	460,937	-	460,937
Investment income	862	-	862
Total income	718,734	411,465	1,130,199
Expenditure on:			
Costs of generating donations and grants	229,136	-	229,136
Charitable activities			
Prisoner Training & Support	422,177	408,942	831,119
Total expenditure	651,313	408,942	1,060,255
Net income/(expenditure)	67,421	2,523	(38,333)
Fund balances at 1 January 2020	598,874	9,287	608,161
Fund balances at 31 December 2020	666,295	11,810	678,105

7 Trustees and related party transactions

None of the trustees received any remuneration or reimbursed expenses during the year (2020: £nil).

8 Employees

Number of employees

	2021 Number	2020 Number
The average monthly number of employees during the year was	15	16

Employment costs	2021 £	2020 £
Wages and salaries	450,330	483,587
Social security costs	39,955	42,309
Other pension costs	12,100	13,122
	502,385	539,018

The number of employees whose annual emoluments exceeded £60,000 In the year were as follows:

	2021 Number	2020 Number
£60,001-£70,000	1	0

The key management personnel of the charity comprises the founding director, executive director and finance director. The total employee benefits of key management personnel of the charity were £143,166 (2020: £144,097).

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

9 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 January 2021	9,679	85,832	95,511
Additions	-	41,755	41,755
At 31 December 2021	9,679	127,587	137,266
Depreciation			
At 1 January 2021	8,971	56,307	65,278
Charge for the year	599	13,146	13,745
At 31 December 2021	8,971	69,453	79,023
Net book value			
At 31 December 2021	109	58,134	58,242
At 31 December 2020	708	29,525	30,233

10 Debtors

	2021	2020
	£	£
Trade debtors	13,822	14,141
Other debtors	12,500	18,070
Prepayments and accrued income	60,129	64,271
	86,451	96,482

11 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	21,550	4,596
Taxes and social security costs	19,382	20,530
Other creditors	408	3,164
Accruals and deferred income	198,630	226,817
	239,970	255,107

12 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Deferred grant income	-	75,000

13 Deferred Income

Included within deferred income are amounts relating to events which are taking place in 2022 and grants with timing conditions outside the control of the charity.

	2021	2020
	£	£
Brought forward as at 1st January 2021	272,081	275,000
Received in year	99,083	97,081
Released in year	(197,081)	(100,000)
Carried forward at 31st December 2021	174,083	272,081

14 Pension and other post-retirement benefit commitments

Defined contribution

There were £1,754 contributions (2020: £1,815) due.

	2021	2020
	£	£
Contributions payable by the charity for the year	12,100	13,122

15 Restricted funds

	Balance at 1 January 2021	Incoming resources	Resources expended	Balance at 31 December 2021
	£	£	£	£
Developing post release employment and training support for prisoners	-	114,770	99,770	15,000
Open the Gates apprentice stipends		8,529	5,994	2,535
Prisoner training and awards	5,810	7,500	13,310	-
Staff furlough support	-	18,362	18,362	-
Volunteers expenses	-	5,000	5,000	-
Rebuilding Cell Work post pandemic	-	84,800	72,300	12,500
Cell work core costs	6,000	70,000	56,000	20,000
Support for prisoners in Kent	-	12,500	6,500	6,000
Stitcher training kits	-	5,000	5,000	-
Social enterprise support	-	102,000	100,000	2,000
Prisoner newsletter	-	3,000	3,000	-
	11,810	431,461	385,236	58,035

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

15 Restricted funds (continued)

	Balance at 1 January 2020	Movement in funds: Incoming resources	Movement in funds: Resources expended	Movement in funds: Transfers between funds	Balance at 31 December 2020
	£	£	£	£	£
Developing post release employment and training support for prisoners	-	180,474	180,474	-	-
Open the Gates apprentice stipends	3,037	1,170	4,207	-	-
Prisoner Training and awards	4,750	10,000	8,940	-	5,810
Staff furlough support	-	12,447	12,447	-	-
Volunteers' expenses	-	9,000	9,000	-	-
Cell work core costs	1,500	48,500	44,000	-	6,000
Rent and core costs	-	34,999	34,999	-	-
Social enterprise support	-	100,000	100,000	-	-
Prisoner newsletter	-	3,000	3,000	-	-
Staff resilience training	-	4,875	4,875	-	-
Postage support	-	7,000	7,000	-	-
	9,287	411,465	408,942	-	11,810

15 Restricted funds (continued)

Developing post-release employment and training support for ex-prisoners

The National Lottery Awards for All, The Bank of America Foundation, The Rayne Foundation, The John Lewis Foundation, the Robin Corbett Award, The Dischma and Monday Charitable Trusts and The Philip King and The Tanner Trust funded the development and delivery of post-release support for ex-prisoners. The Michael Varah Trust provided bursaries for the post release apprentices.

Staff furlough

The Government Job Retention Scheme funded furlough staff salaries.

Rebuilding in prison stitcher numbers post Covid.

GWR, The Porticus, Barbour, Batchworth, Dalby, Hadrian, James Roll, Jack Lane and Leigh Trusts and The Hiscox, Hodge, Lord Barnaby's and Madison Foundations all supported the initiative to rebuild stitcher numbers in prison after the Covid pandemic drastically reduced numbers.

Social enterprise support

The Garfield Weston Foundation funded the development of the social enterprise.

Support for prisoners and ex-prisoners in Kent

The Colyer-Fergusson Charitable Trust funded support for prisoners and ex-prisoners in the Kent region.

Volunteers expenses

An anonymous donor funded volunteer expenses.

In Cell support

The Adrian Swire and Bromley Trusts, The de Lazlo Foundation, Merchant Taylors' Foundation and The Goldsmiths Company Charity all supported the costs of cell work for prisoners.

Prisoner awards

The Valentine and Statham Family Trusts contributed towards awards for prisoners.

Prisoner newsletter

The Worshipful Company of Broderers funded Fine Cell Work's prisoner newsletter.

Other projects

Various other funders have given specific donations which have been applied to the charitable purposes as requested.

16 Unrestricted funds

	Balance at 1 January 2021	Movement in funds: Incoming resources	Movement in funds: Resources expended	Movement in funds: Transfer between funds	Balance at 31 December 2021
	£	£	£	£	£
Unrestricted funds	666,295	557,655	564,776	-	659,174

	Balance at 1 January 2020	Movement in funds: Incoming resources	Movement in funds: Resources expended	Movement in funds: Transfer between funds	Balance at 31 December 2020
	£	£	£	£	£
Unrestricted funds	598,874	718,734	651,313	-	666,295

17 Designated funds

	Balance at 1 January 2021	Movement in funds: Incoming resources	Movement in funds: Resources expended	Movement in funds: Transfer between funds	Balance at 31 December 2021
	£	£	£	£	£
Fixed Asset Fund	-	-	-	58,242	58,242
Rebuilding Cell Work	-	127,317	-	-	127,317
	-	127,317	-	58,242	185,559

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

18 Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Designated Funds	Total 2021
	£	£	£	£
Fund balances at 31 December 2021 are represented by:				
Tangible fixed assets	58,242	-		58,242
Current assets	862,902	36,035	127,317	1,026,254
Creditors: amounts falling due within one year	(261,970)	-		(261,970)
	659,174	36,035	127,317	822,526

	Unrestricted funds	Restricted funds	Total 2020
	£	£	£
Fund balances at 31 December 2020 are represented by:			
Tangible fixed assets	30,233	-	30,233
Current assets	891,169	86,810	977,979
Creditors: amounts falling due within one year	(255,107)	-	(255,107)
Creditors: amounts falling due after more than one year	-	(75,000)	(75,000)
	666,295	11,810	678,105

19 Commitments under operating leases

At 31 December 2021 the company had total commitments under non-cancellable operating leases payable as follows:

	Land and buildings	
	2021	2020
	£	£
Within one year	95,000	95,000
Between two and five years	71,250	166,250
	166,250	261,250

20 Related Parties

There were no related party transactions in 2021 (2020: £Nil).

21 Control

The charity is a company limited by guarantee and is under the control of the trustees.

FINE CELL WORK

England & Wales - Charity number 1049095

Accounts

Charity Registration No.

1049095

Company Registration No.03095356 (England and Wales)

FINE CELL WORK

(LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND ACCOUNTS

FOR THE

YEAR ENDED 31 DECEMBER 2020

LEGAL AND ADMINISTRATIVE INFORMATION

Patrons	Tracy Chevalier Dame Judi Dench CH Kaffe Fassett Esther Freud Libby Purves OBE Gen the Lord Ramsbotham GCB CBE Isabella Tree
Trustees	Sophie Kingsley (Chair) Marion Bedford (appointed 16 March 2021) Julian Diment Tabitha Elwes Edward Henry (Vice Chair) Kit Kemp MBE Miranda Kendall Fiona Lees-Millais (resigned 16 March 2021) Cath Kidston MBE Andrew Murray (Treasurer) Cathy Robinson Emma Soames Nicola Wright
Executive Director	Victoria Gillies
Founding Director	Dr Katy Emck OBE
Financial Director	Mariana Spater
Charity Number	1049095
Company Number	03095356
Registered Office & Principal Address	190-192 Queenstown Road London SW8 3NR
Auditors	James Cowper Kreston 8th Floor Reading Bridge House George Street Reading RG1 8LS
Bankers	Unity Trust Bank 4 Brindley Place Birmingham B1 2HB

FINE CELL WORK
(LIMITED BY GUARANTEE)

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their report and accounts for the 12-month period ended 31 December 2020. The accounts have been prepared in accordance with Fine Cell Work's Memorandum and Articles of Association and with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, applicable law and the requirements of the Charities SORP (FRS 102).

Governance, Structure and Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 25 August 1995 and registered as a charity on 9 September 1995. 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. In the event of the company being wound up, members guarantee to contribute an amount not exceeding £10.

Recruitment and Appointment of Trustees

The Directors of the company are also charity Trustees for the purposes of charity law. The number of Trustees shall not be more than twelve or less than three. The charity may by ordinary resolution appoint a person who is willing to be a Trustee and may also determine the rotation in which any additional Trustees are to retire. Meetings take place four times a year, with an Annual General Meeting held in the summer. There is an ongoing programme of Trustee strategy meetings to discuss and set the charity's effectiveness, goals, aims and purpose. Guidance and training are also given to promote understanding of Charity Governance and specific issues related to the Charity and its work.

None of the Trustees has any beneficial interest in the company and there are no related parties to the charity.

The range of Trustees is intended to reflect Fine Cell Work's own blend of needs incorporating: experience of prisons and understanding of rehabilitation issues, working with volunteers, fundraising, marketing, communications, merchandising, product design, textile production and knowledge of interior design and its commercial aspects relevant to establishing an effective business profile for the charity.

The Trustees, who are also the Directors for the purpose of company law, and who served during the year were:

Sophie Kingsley (Chair)
Julian Diment
Tabitha Elwes
Edward Henry (Vice Chair)
Miranda Kendall
Cath Kidston MBE
Kit Kemp MBE
Fiona Lees-Millais
Andrew Murray (Treasurer)
Cathy Robinson
Emma Soames
Nicola Wright

Structure, staffing and volunteers

In 2020 Fine Cell Work's 23 years' experience working in prison, strong management structure and innovative, flexible approach, alongside an active, multi-talented Board, enabled the charity to build its reserves as planned at the beginning of the year and then to navigate the exceptional circumstances that arose in March from the worldwide Covid-19 pandemic.

As a result of the pandemic, all prisons locked down from mid-March and remained in lockdown for the rest of the year. This meant visits by external providers, which included those by Fine Cell Work staff and volunteer teachers, were not allowed. To continue delivering our in-cell programme within the new restrictions, the charity worked directly with 29 prison staff in 21 prisons who facilitated the distribution and collection of kits which were returned to the office so that the stitchers could continue being paid by the charity.

Fine Cell Work was run by the Executive Director supported by the senior management team comprising of the Founding Director, Finance Director and the Head of Programme Delivery. The senior management team was supported by a permanent, full-time staff of nine and two part-time staff members working between two and four days a week giving the charity the full-time equivalent of 13 employees.

The duties of Fine Cell Work's staff were divided between; skills and paid work provision for prisoners; supporting key volunteers who continued to help production and work remotely to support in-cell work; regular communications with our stitchers and supporters; the development and provision of skilled and varied work to be stitched; marketing and sales; fundraising and financial management. To support our programme for ex-prisoners, Open the Gates, staff duties included provision of work experience, employment training, mentoring, employment opportunities and, when required during lockdown, remote support including twice weekly telephone calls, advice on well-being and self-care as well as provision of exceptional, emergency financial support. As the charity responded to the pandemic, staff roles were on occasions redeployed to allow the operational flexibility and capability to meet the challenge of delivering our programmes within the restrictions of lockdown.

In response to the changing situation in prison and the wider community, the charity reduced one full time position to part-time and, during the course of the year, two staff positions were on full time furlough for three months with a third on part-time furlough for a month.

The offices and the Clothworkers Studio were closed for three months from mid-March. Thereafter, a working regime for staff was set up to accommodate social distancing and travel limitations. This involved a rota of working in the office and working from home.

At the beginning of the year 67 volunteers were teaching in prison. When our volunteer teachers were no longer able to go into prison to train and support prisoners, they were therefore neither able to recruit new stitchers nor were able to provide a record of prisoners we engaged with. To get statistics for our in-prison engagement during lockdown, we had to rely on numbers of prisoners the office was in contact with during the year, either directly or via prison officers, as well as all those who returned work during the year.

From this, we have surmised that in total we engaged with 406 prisoners in 2020 compared with 602 prisoners in 2019. These include 364 prisoners who are hand-stitchers (who we refer to as stitchers) and 42 prisoners working in our prison workshops. This compared to our working with 533 stitchers and 69 prisoners in workshop in 2019.

Although we worked with 364 stitchers, only 250 stitchers returned work during the year. Before the cell groups closed, 69 learner stitchers had not reached the skill level to work independently on Fine Cell Work kits. During lockdown, where possible, these stitchers were provided with donated materials to work on their own projects. In addition, there were a further 44 stitchers in groups at the beginning of the year who didn't return work in the year.

Our most productive prison workshop was only open for one month in the year and the other Fine Cell Work prison workshop, for only ten weeks. In this short time, we engaged with 42 prisoners across both workshops.

In the Clothworkers' Studio, we provided employment training for 24 ex-prisoners (who we refer to as apprentices) compared to 31 the previous year. Of the 24 apprentices, 13 were new recruits, nearly 40% of apprentices were in their twenties and thirties, 30% were women and 20% had a BAME background.

The small ratio of staff to prisoners and apprentices was supported by Fine Cell Work volunteers. In this exceptional year, with lockdown in prisons and no events or pop-up shop opportunities for most of the year, key volunteers really stepped up to support the work of the charity.

In 2020, 67 volunteers went into prisons to train inmates in embroidery, canvas work, quilting and other sewing skills in the first quarter of the year. Of these, 17 supported remote teaching in the remaining nine months. Ten people volunteered in The Clothworkers Studio to support training of the apprentices, with another 12 volunteering as mentors to our apprentices. In course of the year, 18 highly skilled stitching volunteers assisted with commission development, predominantly remotely. The services of eight creative studios volunteered their skills to lead in the development of new designs and products. A further fifteen volunteers assisted with production and office administration, nine volunteers served on the sole event committee and 13 volunteers helped run Fine Cell Work's pre-lockdown pop-up shop. This brings the total of volunteers supporting the charity in the year to 155 down from 253 in 2019.

Remuneration policy for senior management

The Directors' salaries are determined by the Trustees with reference to market rates and the financial resources of the charity and reviewed annually.

Principle Risks and Uncertainties

Using a comprehensive Risk Register, the Trustees regularly assess the major risks to which the charity is exposed, and systems established to manage and mitigate those risks. Key areas that undergo risk assessment are currently Covid-19, threats to revenue, working in the community, working in prisons, staff-related risks and IT infrastructure risks.

The Covid-19 pandemic has created a unique risk to all strands of the charity's activities. These include being unable to access prisons to work with beneficiaries, hold fundraising events, work collaboratively or have a physical retail presence. This has been mitigated by adapting our programme delivery to meet the on-going challenges, reviewing our policies and procedures to adapt to the current government restrictions and optimising the use of technology to maintain contact with beneficiaries, donors, staff and volunteers.

The risk of a drop in external funding is mitigated by a strategic and business plan to increase Fine Cell Work's sustainability through product sales and new funding sources and is further underpinned by the charity doubling its reserves in Q1 of 2020. Internal control risks are minimised by procedures for the authorisation of transactions and projects.

Risk with the Open the Gates post-release programme is mitigated by building relationships with probation and other organisations working with ex-prisoners and secondly by the knowledge and experience of the Advisory Council providing advice to the Board and staff.

The risk of working in prisons is twofold. The risk to volunteers working in prisons is mitigated by ongoing training by Fine Cell Work staff and by working with prisons to ensure a safe environment for our volunteers. The prison system itself is also a challenge with changing policies and frameworks. This is mitigated by working with the Trustees, Advisory Council and other prison charities to ensure an understanding of the overall prison environment.

Staff risks relate to the retention of key members of staff and staff safety. To mitigate these risks staff policies, salary reviews, building staff resilience, encouraging and supporting staff training and strict policies governing working with ex-prisoners in the charity's premises, are in place. When the office reopened in June, strictly enforced social distancing, cleaning and operating regulations were established to create a work environment that was Covid secure.

IT infrastructure risk assessment covers key databases, such as our supporter database and information on the server and includes back-up protocols to recover and restore lost data should any loss occur.

Fine Cell Work's Employer's Liability, Public Liability, stock, office contents and business interruption insurance policies further minimise the financial risks to the charity. The charity has appropriate health and safety and safeguarding policies in place.

Mission, Objectives and Activities

Fine Cell Work's mission is to train prisoners in creative, commercial craftwork so they re-enter society with the self-belief and independence to lead fulfilling, crime-free lives.

We are building Fine Cell Work as a sustainable social business and charity with the prisoners as stakeholders in the enterprise. Since the pandemic we have become even more embedded in the prison system, through our support of prisoners towards work and accredited training in prison and our support of prisoners into employment on release.

In furtherance of its mission, the charity teaches prisoners and apprentices transferable skills through needlework and textile production to deliver employment and social re-integration on release. We enable prisoners to work within a successful social enterprise by training them to do highly skilled, commercial needlework and textiles production. The products are bespoke, designed in collaboration with well-respected designers, beautiful and of such high quality that they are sold to interior designers, private customers, museums and heritage organisations.

The work is self-motivating; stitchers work independently in their cells for 24 hours a week on average, with many voluntarily working for as long as 40 hours. The stitchers earn approximately a third of the proceeds from the sale of their products and are encouraged to save for release.

In addition, we run textile workshops in two prisons making up the work stitched in-cells into products – predominantly cushions, giftware and tableware - and an employment training workshop in the Clothworkers Studio in Battersea.

Our work addresses the key issues affecting offending behaviour by developing and reinforcing work skills and building strong relationships and mental resilience. We aim to enable our stitchers and workshop workers to complete their sentences with new skills, money earned and saved, and the self-belief to stop offending. For the apprentices engaged in our post-release programme, Open the Gates, the aim is to support them into a socially connected, stable, independent, crime-free lifestyle, through employment training, mentoring and work experience.

To ensure the activity remains purposeful, the charity continues to build expertise an awareness of the demand and opportunities in the marketplace for our products. It is important that Fine Cell Work products appeal to our growing customer base so the dedicated, skilled work of our stitchers remains meaningful. To engage as many prisoners as possible in the production process, all Fine Cell Work production, with the exception of design, charting, screen printing and laser cutting, is carried out in UK prisons or The Clothworkers' Studio in Battersea.

The Trustees regularly review the Charity's public benefit as set out by the Charity Commission.

Resilience in a challenging year

Quarter 1 – positive, purposeful start to the year

In the first quarter of 2020, the focus was to underpin the security and financial sustainability of the charity. This was to be done:

- first by building reserves through an exceptional profile-raising and fundraising event that had been three years in the planning; an art exhibition and sale at Sotheby's.
- secondly, by diversifying and growing our funding streams. The current business plan was in place until the end of 2020 so a timetable for developing the next five-year plan was set. From a fundraising perspective, this would allow new applications to trusts and foundations for multi-year grants to support both existing and expanded programmes. In addition, increased resources were budgeted for Q2 to broadening our funding networks. Our ongoing plans to diversify our product range would allow more income to the charity through increased sales of our products.

The year began well. A successful Board Away Day in January allowed full discussion and agreement for the strategy of the charity over the next five years. The consensus was to increase the number of beneficiaries of our in-prison programmes by 50% over five years whilst retaining the current level of provision of post-release support providing the individually tailored programme to some of the most marginalised people in the community. More resource was

planned for evaluating our programmes and it was agreed the charity would take a more outward-facing role in sharing lessons learnt in building social enterprise in prison more widely.

In February, the exhibition and sale at Sotheby's enabled the charity to double its existing reserves. Encouragingly, our most successful pop-up shop ever meant that our sales by the end of February were ahead of the record sales achieved in the first two months of 2019.

Demand from prisoners and from new recruits for cell work was at an all-time high. Recruitment for Open the Gates was increasing steadily with good outcomes for our apprentices graduating from the programme.

Quarter 2 to Quarter 4 – adaptations that made our operations and organisation more resilient in lockdown

Programme Delivery

Following the lockdown imposed in response to the Covid-19 pandemic, Fine Cell Work volunteers were unable to go into prison to teach and encourage our stitchers and to distribute and collect kits. The Clothworkers Studio and Fine Cell Work offices had to close. Whilst the commercial needs of the social enterprise remained a consideration, making sure we continued to provide purposeful, paid work to our stitchers, now locked in their cell for 23 hours a day, was our highest priority. The flexibility and versatility of Fine Cell Work enabled the charity both to continue working with our stitchers in prison for the rest of the year and to support our apprentices remotely during the first lockdown. All prison workshops closed and remained closed in 2020. However, as the first lockdown eased, the Clothworkers Studio opened to continue our support of our prisoners post-release. This workshop took over some of the production previously done in our prison workshops.

Business Planning

In September, an Away Day with the staff team allowed us to agree the outcomes of the business plan developed from the Trustees' Away Day earlier in the year. However, the final writing the plan was delayed until Q1 of 2021 to allow a better understanding of challenges and opportunities to deliver, potentially restructure and build on our programmes post Covid-19. The five-year plan will now run from 2022 with 2021 designated as a year to begin rebuilding our services in prison to 2019 levels before doubling the number of beneficiaries supported by the charity by the end of the next business plan in 2026.

Fundraising

Efforts to cut expenditure helped balance the drop in budgeted income that resulted from fundraising and sales events planned for the year that couldn't take place. We were unable to make new, multi-year applications for funding in 2020 for two reasons connected to the pandemic. First, it was very difficult to do long-term planning, and the writing of the business plan was delayed by this. Secondly, trusts and foundations focused on short-term, emergency funding. Nevertheless, we forged relationships with two completely new foundations, the Porticus Trust and the Bank of America Foundation.

Facilitating online sales

As events and pop-up shops were no longer possible, the only route to market for the charity was online sales. The development of the website and building our presence on social media over the last two years put us in a strong position to facilitate this. Further work was done on the site in the year to improve the customer experience which helped web sales grow by 64%.

The move

Working across two sites over the past three years exposed technical and logistical issues. When the charity was offered the other half of its Battersea site, we decided to take up the opportunity. At the end of Q3 the charity relinquished the offices in Victoria and the sales and fundraising teams moved to the new offices attached to the Clothworkers Studio. The benefits to the staff team based on one site in the final quarter of the year coupled with new, substantial, much-needed storage were notable. Even more important were the significant advantages to the

Open the Gates programme. The move allowed us to engage with more apprentices and to offer broader employment training opportunities to them.

Staff

The monthly in-person team meetings were replaced by weekly Zoom meetings. Increased whole team and individual staff training opportunities were provided to build on the teamwork and resilience training delivered the previous year. Training by external providers broadened skills, perceptions and communication across the teams which made the staff team more cohesive and supportive. Of notable success was the addition of one-on-one coaching sessions for frontline staff to identify triggers, improve self-awareness and develop coping strategies. This training allowed staff to better support the beneficiaries in our care.

As the charity navigated the necessary changes on how our programmes could be delivered, the staff team remained versatile, flexible and committed. As delivery models changed, events cancelled and sales only possible online, all staff shared the new and various tasks that arose in consequence. Without the production support of our in-prison workshops, to facilitate our ongoing in-cell programme, Fine Cell Work staff had to create the component parts of the kits (cording, beading, scanning, cutting and counting wools) and make up the kits needed by our stitchers. In the year over 2,000 kits were made up for almost 3,500 products to be handstitched.

Having products available to sell was only possible because apprentices, staff and volunteers in the Clothworkers Studios machine stitched items handstitched in-cell into finished products. The capacity to do this was restricted as access to Fine Cell Work's offices and Clothworkers Studio was limited and had to be strictly timetabled to accommodate social distancing.

Volunteers

The small ratio of staff to prisoners is usually underpinned by the extensive and essential activities of the Fine Cell Work Volunteer Team teaching in prisons, teaching in the Clothworkers Studio, mentoring apprentices, supporting production and commissions, helping with administration and design, hosting sales' events, supporting fundraising events and manning pop-up shops and sales' events across the country. With volunteers unable to go into prison, neither events nor pop-up shops possible and social distancing severely restricting the number of volunteers able to support the office and the Clothworkers Studio, it was important to ensure volunteers retained a sense of connection with the charity even if they weren't able to volunteer with us.

This was done through regular monthly updates on how we were adapting our programmes, what we were able to achieve, news from our stitchers and our future plans. We set up and hosted a fortnightly virtual stitch club via Zoom, a highly successful innovation that was attended by up to 50 volunteers throughout the year. Over the summer, when restrictions in the community were loosened, the stitch club became monthly. This initiative allowed volunteers to keep in touch with each other, with Fine Cell Work staff and share their lockdown stitching projects. A new initiative in the last three months of the year for all volunteers involved different Fine Cell Work staff teams running a series of webinars: the first on communications and virtual events, the second on production and new design and the third on strategic planning. These were well attended by a broad spectrum of volunteers.

Volunteers who supported production and commissions were offered the opportunity to undertake production tasks working from home and 16 volunteers stepped up to help with this. When the workshop reopened in June, a total of 11 volunteers returned to the Clothworkers Studio over six months, essentially supporting apprentices in the making up of products stitched in-cell.

Mentoring apprentices became virtual with mentors meeting their mentees either on Zoom if the mentee was able to access a computer or over the phone. This proved very successful for both our apprentices and mentors and will inform how we develop the mentoring programme in the future. Such was the demand for mentors from apprentices, during the year we recruited new mentors who were subsequently trained before each was matched to an apprentice.

Over the course of the year, 11 volunteers who had taught in prison decided to step back. For the charity to rebuild cell groups and begin the process of expansion, we began recruiting volunteers via regional embroidery guilds and volunteer centres in locations where there was need and requirement. The opportunity was also shared in posts on

our social media platforms. We have kept in contact with the volunteers recruited and will begin delivering the extensive training required when there is more certainty around when restrictions in prisons will be lifted.

Achievements and Performance

Overview

Operationally, successful planning, fundraising and prudent cost management coupled with our good, longstanding relationships with prison staff gave us the security to continue working in prisons through the lockdown in prisons even as the lockdown remained in place into at least Spring 2021.

Responding to Covid-19 produced the impetus to change and will inform how we deliver all our programmes as we move forward post-Covid. We are the only charity that has been able to sustain its rehabilitation service in prison during the pandemic. However, the impact of the pandemic on programme delivery, achievements and performance was significant.

Working in prison

At the beginning of the year, in-cell productivity was at an all-time high with 34% more kits sent into prison in January than in January of the year before. Better organised preparation and distribution of kits ensured that the products being stitched were those in greatest demand by our customers. Of the kits sent in, forty-five were for sampling potential new products to support the progressive increase over the last couple of years of new designs and new products. This initiative not only makes stitching more meaningful and the work more varied, it results in more products being sold and many more letters being written to stitchers from customers. Ongoing feedback from stitchers demonstrates that both the sale the products stitched in-cell and letters to them from customers increase their sense of purpose and their sense of connection with and relevance to, the world outside prison.

Since prisons locked down in mid-March, all organisational energies become focused on supporting our beneficiaries through the lockdown. Prisoners were being locked in their cells for 23 hours a day as the prison system worked to contain the virus. Our biggest adaptation was finding new methods for getting our stitchers' products in and out of prison. In the knowledge that our prison volunteers are unable to visit prison for the foreseeable future, we focussed on ensuring our stitchers had access to a supply of needlework kits. On the eve of lockdown, we pre-ordered large quantities of wools, threads and linen and then assembled and packaged 660 kits that we sent to 20 prisons around the country. We then wrote to our 406 stitchers individually explaining how we would support them during the coronavirus crisis.

With the isolation of 23-hour lockdown, it became increasingly important to deepen our stitchers' motivation, engagement and sense of being valued during this time. We awarded a £50 bonus payment to all those who had stitched with us for a year or more in recognition of their part in the success of the art auction hosted at Sotheby's. A £30 bonus was paid to our workshop workers in our two prison workshops. In addition, we continued to pay enhanced monthly pay to our workshop workers. Throughout the year, each month our stitchers and workshop workers received a personal letter from Fine Cell Work to reenforce how important their work is to the charity and how their work continues to be valued by our customers and supporters.

To further encourage engagement and inclusion, we produced two 'bumper' 40-page newsletters for our stitchers, workshop workers, apprentices and volunteers. These are the longest newsletters we have ever sent out, as it supplemented the regular contact with Fine Cell Workers volunteers and staff which our stitchers were used to.

Despite our efforts, over time it was apparent that for some stitchers, the lack of support from our volunteer teachers led to a lack of motivation and confidence to take on more demanding kits. A number of advanced commission kits were returned to the office untouched. Without the volunteers choosing the right kit to match the stitchers skills, the more ad hoc process of unsupervised kit distribution meant stitchers were given kits they were not sufficiently skilled to do. This led, on occasions, to completed kits returned to the office with mistakes that could not be rectified. Stitchers were always paid for their work even if the product returned was unsaleable.

When experienced stitchers move to a new prison where there isn't a Fine Cell Work group, the production team engages with each stitcher on a one-to-one basis through our lone stitcher programme. This year we engaged with

a record 28 lone stitchers who proved a reliable source of commission stitchers thanks to the communication links we have set up with them when they became lone stitchers.

We were not able to deliver our services consistently across all the prisons. Our delivery model adapted to the needs of each prison. In some of the prisons where we work, there was a vulnerable population who were shielding. In other prisons, our regular staff contacts were redeployed to other duties and weren't able to distribute and collect kits. In some instances, we were able to contact each stitcher who wanted to continue working but this was not always possible due to the logistical challenges of the new prison regime. In two prisons, a lead stitcher took on the task of distributing and collecting kits for fellow stitchers. In another two prisons where the stitchers didn't have the skill level to work independently, we sent in donated fabrics and threads so the stitchers could practice and work on their own projects, By the end of the year, we were working in all but two of the prisons we normally have groups in. One of these groups will now be closed permanently because the population in the prison has changed.

By the end of Q4 in 2019, there were 2,760 kits in prison. By the end of 2020, as a result of our sending a significant number of kits just ahead of lockdown, there were 5,342 kits still in prison. We anticipate that a significant number of the excess kits are now lost in the prison system. This was inevitable due to the relatively haphazard way kits could be sent into prison and distributed in the early months of lockdown. Once the prisons adjusted to the new regime, we were able to make contact with staff in most prisons which meant the distribution of kits and collection of work to be returned to the office become more reliable.

Despite this, 18% fewer kits were sent into prison in 2020 than in 2019. As productivity dropped, 32% fewer kits were returned to the office than the year before. Completed commission kits were down a more significant 56%. We estimate that by the end of the year, productivity was down by 50% on 2019.

However, during the year, we purposely paid prisoners at higher levels than before. Our focus on supporting prisoners through the year as much as possible meant that, in addition to the one-off bonuses, at yearend, we awarded a second financial reward of between £45 and £85 with accompanying certificates of achievement to the 174 stitchers who had returned two or more kits during lockdown in recognition of their contribution in the year. This resulted in prisoner pay in 2020 of £63,057, only 20% less than £79,146 paid to prisoners the previous year despite the significant drop in productivity.

Kits returned to the office during the year reflected the preference for embroidery we have encouraged over the last few years. Embroidery kits now account for 62% of kits stitched and needlepoint 38%. This compares with 56% of completed kits being embroidery kits in 2019 with 44% needlepoint. Although demand for embroidery products is higher than the demand for needlepoint products, ironically the demand for needlepoint commissions is now so high, there is a waiting list. We anticipate that it may take at least two years to clear the current commissions for needlepoint. When our cell groups reopen, we will now encourage more needlepoint stitchers to redress the balance between needlepoint and embroidery with the ambition that stitchers will be encouraged to undertake both disciplines.

We have used lockdown as an opportunity to get feedback from our beneficiaries. Not only did this provide invaluable feedback for the charity to review its service delivery, it had the added benefit in making prisoners feel heard in a time where there is very little communication. Russell Webster, the evaluator reported back: 'I got a strong sense from reading all the responses that any and all outside communication is very genuinely appreciated at the moment'.

In July-August 2020 this survey was distributed to ascertain whether prisoners have been able to continue stitching in the pandemic; the benefits and costs of being able to continue work or having to stop; and how Fine Cell Work could improve its service. Of the 120 prisoners (48%) who completed this survey only half (48%) had been able to stitch throughout lockdown. For those unable to stitch, many were in prisons where they weren't allowed to receive kits, or where it was difficult to return them. Others had become depressed and demotivated without the encouragement of regular classes.

96% of those unable to continue said they missed stitching because they missed doing something positive with their time. When asked what we could improve, prisoners' top answer (74%) was getting more work to them. Many said the therapeutic benefits of stitching helped them manage long-standing mental health conditions.

Building awareness of our work and better partnerships with both key prison staff and Governors was a priority over the year. Letters were written individually to key staff supporting our stitchers and the Fine Cell Work office, acknowledging how they have helped us and thanking them for it. We also wrote to the Governors of prisons where we are working, reporting on what was being achieved, acknowledging the support of their staff by name and outlining our plans to rebuild our work in their prison as soon as lockdown in prison ends.

A new initiative, as we gain a better understanding of what is meaningful to prison staff, is the introduction of Fine Cell Work's Prison Awards as a gesture of thanks for the goodwill and support we have received from the prison. Awards will be granted in 2021 in three categories – *The Fine Cell Work Gold Award for Best Practice in Volunteer Support*, *The Gold Award for Staff Engagement and Support* and *Outstanding Contribution to Fine Cell Work.*

In-prison workshops

Fine Cell Work has two prison workshops, one in HMP Gartree, the other in HMP Littlehey. The workshops were set up to make the kits stitched in prison cells into the final product, to create the kits themselves, to complete specific handstitched products which lend themselves to a group activity and to create machine stitched cushions, tableware and giftware.

The activities require many skills and are the complete antithesis of the repetitive tasks of many prison textiles workshops. Taking on new and varied tasks requires concentration, motivation and builds confidence to take on new skills; all important attributes to prepare for work post-release. Our work in the workshops is an essential part of the social enterprise and fosters the workers' appreciation of their relevance to the wider organisation and engagement with the world beyond prison. The nature of the work develops their ability to work as part of a team, broadening their employable skills.

Providing our workshop workers with accredited training to increase their employability is an essential part of the programme. The charity is registered with OCN (London) to deliver two level 2 accredited training courses in workshops; 'Machine Stitched and Hand-Finished Soft Furnishings'. A third training course, 'Peer Teaching', was introduced in 2019. All courses were taught in the prison workshops for the short time they were open with the successful completion of 16 these units of study awarded in January.

The workshop in HMP Littlehey was closed in January because of ongoing heating issues. When it finally opened in mid-February, work began in earnest. Fortunately, although the workshop was only open for four weeks, the workshop managed to deliver large quantities of tableware, best-selling cushions and giftware. Production in the workshop in the beginning of the year at HMP Gartree was at a reduced capacity as the prison continued to manage a continued rotation of wing closures.

We engaged with 42 prisoners in the prison workshops before the prison workshops closed in March. The workshops did not open again in the year. During the year, 10 workshop workers in HMP Littlehey were either released or moved to other prisons so when the workshop reopens in Spring/Summer 2021, there will be no more than 12 prisoners with Fine Cell Work production experience returning to the workshop.

Rehabilitation Pathway and post-release support: Open the Gates

Four years ago, the Open the Gates programme was established to support prisoners post-release at the Clothworkers Studio in Battersea. Over 75% of these ex-prisoners (who we refer to as apprentices) have received sentences of four years or more.

The Clothworkers Studio is a thriving, productive workplace with an ethos of inclusion, consultation, co-operation and welcome offering a wide range of roles and responsibilities to match individual skill sets.

Core to the delivery of the programme is providing pastoral support and mentoring alongside the accredited embroidery and textile training courses; our apprentices are supported into employment, settled living and, in some cases, supported into further employment training beyond the Clothworkers Studio.

The Studio closed for the first lockdown in the community. Two members of staff supported the apprentices remotely for the next three months by making phone calls every second day and coordinating the provision of hardship grants. As well as financial support, materials to encourage personal projects were provided along with support with coping with mental health issues and training on how to maintain wellbeing.

Once the Studio opened again in June, with the prison workshops closed, the staff in the production office with the Clothworkers workshop was the only place where kits could be assembled and where canvases and linens stitched in-cell could be made up into products. Social distancing allowed capacity of about 50% of staff and volunteers and 60% of apprentices compared to pre-lockdown levels.

By year end, two apprentices had graduated and moved into fulltime employment, a third took a full-time employment contract with Fine Cell Work, one apprentice was supported into self-employment and another into further employment training with an external provider. One apprentice was recalled and a second apprentice very sadly died. No apprentices reoffended.

Sales and Commissions

In 2020, earned income across all channels was £460,937. This increase, of nearly 50% on the £308,893 earned income in 2019, was a result of £226,100 earned from the exhibition and auction at Sotheby's.

Discounting this extraordinary income, earned income totalled £234,837. Earned income is broken down into income from sale of the prison-made products and income from prisons paying a nominal fee per place in each cell group. Because Fine Cell Work volunteers were unable to go into prison and teach in the prison financial year, as a gesture of goodwill, we did not charge prisons this fee which customarily raises about £16,000 for the charity. Earned income was therefore £243,237 raised from the sale of the work, less an income deficit of £8,400 due to writing off sums owed by prisons for prior years.

Sales

Trading income at £243,237, showed a decrease of 16% on 2019, primarily because we were unable to host sales events or pop-up shops for most of the year. Gratifyingly to mitigate much of this loss, web sales grew an impressive 64%, from £99,000 in 2019 to £162,000 in 2020.

Before non-essential retail closed in late March, we had one pop-up shop in South Molton Street provided by Grosvenor Estates. This, with a two-week pop-up in Bloomsbury in October thanks to the generosity of Pentreath & Hall, meant sales from this source were £16,000, down 60% from the previous year. The slowdown in the High Street also impacted our developing relationships with high-end retailers as sales to retailers this year were £8,000 down from £13,000 in 2018 and £20,000 in 2019.

At the start of the year, there were high stock levels to match our ambitious sales forecast for the year. In addition, to support the Sotheby's' exhibition, *Human Touch*, the website was redesigned to enable the charity to optimise the promotion of the event. This put the charity in a strong position to support online sales as the website now functioned flawlessly, impressed aesthetically and showed our products handstitched in prison to the greatest advantage. Key website improvements include a dynamic and engaging homepage for both desktop and mobile, with new capacity to highlight products, collections, blog posts and social media as well as to embed video content.

The redesign continued during the year and included the expansion of information on the story and purpose of the charity with a new FAQ page and new content on our commissioning process. Product pages were updated, with larger, more detailed photos. To support the growing trend for buying gifts online during lockdown, we introduced personalised messaging on gift cards. To build on our reputation for reliability and for producing beautifully stitched products, we developed a feature for customer reviews, collected via email and showcased on the homepage. There were over 300 positive reviews featured on the website, the majority being 5 stars to demonstrate the high quality of our designs. Finally, our transactional emails were redesigned to coordinate and tie in visually, and for the first time these are generated sales themselves.

Building our customer experience online coupled with the sales climate of 2020 resulted in our website visitors up 63% on 2019, online orders up 62%, with our highest average order value ever of £92.03 and a 33.94% returning customer rate, up 22% on 2019.

Fine Cell Work's Google Ads, thoroughly overhauled and newly tailored to gifting, needlepoint cushion kits and *Human Touch*, gave us 927,000 impressions throughout 2020 (almost triple the 319,000 in 2019) and a 6.33% click through rate (against 5.53% in 2019).

In response to lockdown, the demand for creative hobbies grew substantially. By promoting our needlepoint cushion kits online, featuring Fine Cell Work and William De Morgan designs, a record-breaking 270 kits were sold compared to 20 the previous year.

In coordination with social media updates, the fortnightly email newsletter marketing schedule to support our newly revised eCommerce plan meant our newsletter subscribers grew by approximately 2,000 to 11,000.

The importance of partnerships with well-respected interior designers and publications was very apparent when we received strong sales in response to an article on Fine Cell Work in the June issue of Elle Decoration. The ongoing promotion of our collaboration with Kit Kemp through her popular blog and social media gave a significant boost both to sales of our Kit Kemp range and new visitors to our website,

Commissions

Although new relationships with designers including Chris Lian and Salvesen Graham were developed over the year, our ability to get new commissions stitched was severely impacted by the lockdown in prison. Without the fortnightly interaction and teaching with the volunteers in cell group classes, some stitchers, even the most experienced, lost the confidence to take on more complex commissions. Commissions are often worked on in a collaboration between stitcher and volunteer planning the execution of the project and identifying any new skills required. To give context to the impact on commissions, in 2019, 133 bespoke kits were completed with 52 stitchers undertaking at least three commission kits. In 2020, 59 commissions were returned with only 9 stitchers undertaking 3 or more commission kits.

By the end of the year, there was a huge backlog, particularly with needlepoint commissions. It is anticipated it will now take over two years to complete the current needlepoint commissions.

On a more positive note, a large, complex commission of nearly four years was completed. The commission was a tablecloth, 300 metres in circumference, with 18 different embroidered animaux characters 80 cm tall inspired by J J Grandville.

Our work with contemporary artists continued with Polly Borland commissioning new needlepoints and new commissions from artists Helen Beard and Annie Morris. Our working relationship with Carolina Mazzolari continued with a constant flow of embroidery pieces.

We undertook and completed two very interesting, personalised embroidery pieces. The first was a bespoke gift to mark a 50th birthday; a stunning, large wallhanging using applique and embroidery to re-create wild swimming at Hampstead Ladies Pond. The second was the hand embroidered embellishment of a family heirloom, a Cypriot lace tablecloth, which was made into a wall hanging. The emblems embroidered onto the cloth were chosen by the whole family.

Fundraising and Selling through Events

Human Touch, our much-anticipated exhibition and sale of eight embroidered artworks at Sotheby's opened at the end of February. The fruit of our collaborations over three years with world-renowned, contemporary artists Ai Weiwei, Idris Khan, Wolfgang Tillmans, Cornelia Parker, Bob and Roberta Smith, Annie Morris, Francis Upritchard and Carolina Mazzolari enabled us to showcase the incredible quality of the work of our stitchers.

The one-week event coupled with an extensive social media and PR campaign supported by the artists, allowed us to widen our networks. Furthermore, all proceeds from the auction went directly to the charity, raising significant funds to build our reserves. The exhibition also attracted two unsolicited donations: £20,000 from the Arah Foundation and a donation of £2,500 from a private donor.

Fundraising events are our most effective way of promoting knowledge and understanding about our work and raising money. Hosting only one event in the year, with the primary purpose of securing funding to build reserves, impacted on our ability to attract donations to support our core work. A total of £163,397 was raised during the year, down from £187,386 raised the year before. However, £72,000 of this came from a legacy. Net of this legacy, income from donations was down 52%.

A welcome boost to donations in this prolonged period of uncertainty was a donation of £3,000 from the Oxford Community Foundation. This arose from the Fine Cell Work being one of the three chosen charities of the High Sheriff of Oxford for her year in the role ending in March 2020.

Face-to-face sales opportunities being extremely limited during the year meant the only sales events were market stalls at two events hosted by Fulham Palace, in October and December with collective sales just over £3,000.

Communications

Notable press coverage was secured in the first quarter of 2020 to support the *Human Touch* exhibition. To prepare for the launch of the PR campaign we collated a diverse range of assets including images and testimonials from key stakeholders such as the stitchers, artists and high-profile members of the committee. This content was not only used for PR but also for our website, social media channels and in the beautiful commemorative catalogue.

Supported by an external PR agency and the Sotheby's press team, the campaign around Human Touch featured in *The Financial Times*, *The Observer*, *The Telegraph*, *House & Garden*, *Country Life* and *The Art Newspaper* amongst others. The coverage was recorded as having reached 160,000 circulation and 478,000 estimated coverage views with a total of 2,100 social shares.

Having successfully increased our social media following over the past three years, our focus shifted to diversifying our content to drive growth and increase engagement. Over the Spring/Summer, we adapted our content strategy to acknowledge the rise of home-crafting during the initial lockdown. We introduced regular, user-generated content through our Virtual Stitch Club – a weekly session on Instagram where we shared stitch tutorials, inspiration for projects and examples of crafting. In collaboration with the production team, we produced a free downloadable template depicting the words "This Too Shall Pass" to drive traffic to the website and enable cross-promotion between the content available across our digital platforms.

In October, we wrote to all our prison stitchers inviting them to write to us about what Fine Cell Work means to them and how they have been impacted during the pandemic. We received many inspiring and poignant responses to send to our supporter base to drive donations next year as we rebuild our work in prisons.

Principal Funding Source

In 2020 Fine Cell Work received £496,693 from grants from Trusts and Foundations. New major grants were received from the Porticus Trust and the Drapers Livery Company. We received continuing funding from multi-year grants from the Bromley Trust, the Garfield Weston Foundation, the Goldsmiths Livery Company, the Lloyds Foundation, the John Lewis Foundation, the Philip King Trust, the Rathbone Trust, the Rayne Foundation, the Adrian Swire Trust and the de Laszlo Foundation. The Alice Cooper Dean Trust and the Broderers Livery Company supported us for the twelfth year running and the Aldo Trust, the Needlemakers Livery Company, the Scouloudi Trust, the Tanner Trust, the Taurus Foundation and the Michael Varah Memorial Fund also gave continued annual grant funding.

Financial Review

In 2020, Fine Cell Work's total incoming resources were £1,130,199, up 12.5% on the previous year as a result of the success of the auction. Donations and grant income were down 3.8% on 2019 and excluding auction proceeds, the income from the social enterprise was down 16% on last year.

Reserves Policy

The Trustees have established a policy whereby the unrestricted funds not committed in tangible assets held by the charity should be maintained at a level of four to six months of budgeted expenditure, currently equal to £535,000 for six months in general funds. At this level, the Trustees feel they would be able to continue the current activities of the charity in the event of a significant drop in funding or other changed circumstances. It remains a core aim to build and maintain Fine Cell Work's unrestricted reserves at this level.

Total reserves at the year end were £678,105 (2019 £598,874) of which £11,810 were restricted (2019 £9,287) and £666,295 unrestricted (2019 £598,874). Free reserves at year end were £636,062 (2019-£583,193).

Responding to Covid-19

The coronavirus (COVID-19) outbreak has caused extensive disruptions to organisations as well as economic activities globally with no exception for the UK.

We have considered the ongoing effects of the 2020/2021 outbreak of COVID-19 on the charity's operations and have concluded that whilst the impact will result in reduction to income, to mitigate against this, the Board approved a revised forecast for financial year, which includes a diversification of fundraising sources and have reviewed the charity's costs base and identified savings which have now been put in place.

The Trustees acknowledge and recognise the potential impact of the COVID-19 pandemic on the future operations of the charity, its members, beneficiaries, partners and stakeholders, and on wider society and note that the crisis has created economic, social and operational uncertainties which cannot be fully quantified or predicted in relation to a period of twelve months from the date of signing the financial statements.

Based on the current plans, assumptions and forecasts, whilst acknowledging there are inherent uncertainties and additional financial risks, the Trustees believe it is appropriate for the charity to continue to prepare the financial statements on the going concern basis.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FINE CELL WORK

Statement of Trustees' Responsibilities

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

The trustees, who are also the directors of Fine Cell Work for the purpose of company law, are responsible for preparing the 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 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

On behalf of the Board of Trustees

Sophie Kingsley (Chair) ..... Date 16/06/2021

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FINE CELL WORK

We have audited the financial statements of Fine Cell Work (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure for the year
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council'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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the governors' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 trustees' report (incorporating the directors' report).

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

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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' exemptions in preparing the trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement, 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.

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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

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 our report

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

Alexander Peal BSc (Hons) FCA DChA (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston,

8th Floor
Reading Bridge House
George Street
Reading
RG1 8LS

Dated: 15 July 2021

FINE CELL WORK
(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds	Restricted funds	Total 2020	Total 2019
Income from:		£	£	£	£
Donations and grants	3	256,935	411,465	668,400	694,845
Charitable activities	4	460,937		460,937	308,893
Investment income		862		862	1,154
Total income		718,734	411,465	1,130,199	1,004,892
Expenditure on:					
Cost of Raising Funds	5	229,136		229,136	120,993
Charitable activities					
Prisoner Training & Support	5	422,177	408,942	831,119	922,232
Total expenditure	5	651,313	408,942	1,060,255	1,043,225
Net income/(expenditure)		67,421	2,523	69,944	(38,333)
Fund balances at 1 January 2020		598,874	9,287	608,161	646,494
Fund balances at 31 December 2020		666,295	11,810	678,105	608,161

All activities of the charity are classified as continuing. There are no other recognised gains or losses other than those reported on the Statement of Financial Activities.

FINE CELL WORK
(LIMITED BY GUARANTEE)

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	9		30,233		15,681
			30,233		15,681
Current assets					
Stocks		122,578		115,935	
Debtors	10	96,482		243,784	
Cash at bank and in hand		758,919		632,899	
		977,979		992,618	
Creditors: amounts falling due within one year	11	(255,107)		(225,138)	
Net current assets			722,872		787,480
Creditors: falling due after more than one year	12		(75,000)		(175,000)
Total assets less current liabilities			678,105		608,161
Income funds					
Restricted funds	15		11,810		9,287
Unrestricted funds	16		666,295		598,874
			678,105		608,161

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to Accounting records and preparation of financial statements.
The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.
The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Andrew Murray (Treasurer)
Trustee

Company Registration No. 03095356

The notes on pages 20 to 37 form part of these accounts.

FINE CELL WORK
(LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Cash flows from operating activities:					
Net income/expenditure for the year		**69,944**		(38,333)	
Depreciation of tangible fixed assets	**9**	**14,542**		17,539	
Increase/(decrease) in creditors	**12**	**(70,031)**		274,370	
(Increase)/decrease in debtors	**11**	**147,302**		(98,032)	
(Increase)/decrease in stocks		**(6,643)**		(16,955)	
Investment income		**(862)**		(1,154)	
Net cash provided by/(used in) operating activities			**154,252**		137,435
Cashflows from investing activities					
Interest income		**862**		1,154	
Purchase of tangible fixed assets	**9**	**(29,094)**		(3,384)	
Cash provided by/(used in) investing activities			**(28,232)**		(2,230)
Increase/(decrease) in cash			**126,020**		135,205
Cash and cash equivalents at the beginning of the year			**632,899**		497,694
Cash and cash equivalents at the end of the year			**758,919**		632,899

	1 January 2020 £	Cashflow £	31 December 2020 £
Cash at bank and in hand	**632,899**	**126,020**	**758,919**

1 Statutory information

Fine Cell Work is a charitable company, limited by guarantee, registered in England and Wales. The charitable company's registered number and registered office address can be found on the Legal and Administrative Information page.

2 Accounting policies

2.1 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 (FRS102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

Fine Cell Work meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). There are no material uncertainties about Fine Cell Work's ability to continue as a going concern.

2.2 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Charitable Activities – represents income from sales of goods and is recognised when receivable, excluding Value Added Tax.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors and deferred income. Where entitlement occurs before income is received, the income is accrued.

2.3 Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Costs of raising funds comprises those costs incurred in order to raise funds from external sources.

Charitable activity expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. It also includes costs associated with meeting the constitutional and statutory requirements of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on a staff time basis.

2.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	3 years straight line basis
Fixtures, fittings and equipment	3 years straight line basis

2.5 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

2.6 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discounts.

2.7 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments. The Trustees seek to use short and medium term deposits where possible to maximise the return on monies held at the bank and to manage cash flow.

2.8 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.

2.9 Stock and work in progress

Stock is valued at the lower of cost and net realisable value.

2.10 Pensions

The charity operates a defined contributions pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

2.11 Fund accounting

The charity has various funds for which it is responsible:

Unrestricted funds – these are for use on the general charitable objectives of the charity.

Restricted funds – the funds are for use as directed by the donor. A description of the projects can be found in the notes to the accounts.

Endowment funds are subject to specific conditions by donors. The charity has an expendable endowment which means both the capital and income can be expended.

2.12 Taxation

The company is a registered charity (number: 1049095). All of the charity's income falls within the exemptions set out in part 11 of the Corporation Tax Act 2010.

2.13 Financial Instruments

The company 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 instrument method.

2.14 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Critical areas of judgement:

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the assets and projected disposal values.

3 Income from donations and grants

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	£	£	£	£
Donations and grants	**256,935**	**411,465**	**668,400**	694,845

Donations and grants
Unrestricted funds:

BC Partners			**-**	10,000
CHK Charities			**5,000**	-
Taurus Foundation			**15,000**	5,000
Leathersellers Livery Company			**875**	-
Dalby Trust			**5,000**	-
Third House Trust			**20,000**	-
Hiscox Foundation			**-**	2,000
Violet and Milo Cripps Trust			**17,203**	-
AB Trust			**-**	10.000
Adrian Swire			**-**	15,000
Bromley Trust			**-**	10,000
De lazlo Foundation			**10,000**	10,000
Hedley Foundation			**-**	7,500
Henry Oldfield Foundation			**-**	5,000
Permira Foundation			**3,000**	-
Seymour Strang Trust			**1,000**	-
Cath Kidston			**-**	10,000
The Mill Hills Charitable Trust			**-**	11,666
The Estate of P M Spater			**-**	41,352
Emerton-Christie Charity			**3,000**	-
Other grants and donations (<£5,000)			**176,857**	141,518
			256,935	279,036

3 Income from donations and grants (continued)

	Total 2020 £	Total 2019 £
Restricted funds:		
Anonymous	**5,000**	5,000
Bromley Trust	**10,000**	-
Lottery Fund	**109,866**	114,950
Evan Cornish Foundation	**3,500**	-
City Bridge Trust	**4,875**	55,875
Drapers Livery Company	**15,000**	20,000
Goldsmiths' Company Charity	**30,000**	30,000
1772 Trust	**2,000**	-
Alice Cooper Dean	**3,000**	-
Peter Stebbings Trust	**7,500**	-
Haberdashers' Livery Company	**-**	8,150
Westminster Foundation	**19,999**	34,270
Philip King Trust	**10,000**	10,000
John Lewis Foundation	**-**	16,000
Government Job Retention Scheme	**12,447**	-
Needleworkers Livery Company	**2,000**	-
Rathbone Trust	**3,000**	-
Newby Trust	**3,000**	-
Michael Varah Memorial Foundation	**1,170**	-
Garfield Weston Foundation	**100,000**	25,000
Rayne Foundation	**20,000**	20,000
Michael Varah Trust		10,123
Aldo Trust	**5,000**	5,000
Lloyds TSB	**32,858**	24,531
Worshipful Company of Broderers	**5,000**	-
Tanner Trust	**5,000**	5,000
Other donations & grants (<£5,000)	**1,250**	31,910
	411,465	415,809

4 Income from charitable activities

	2020	2019
	£	£
Sale of prisoners' work	**243,237**	289,725
Auction proceeds of prisoners' work	**226,100**	-
Income from cell work	**(8,400)**	19,168
	460,937	308,893

5 Expenditure

	Staff costs	Depreciation	Other Costs	Total 2020	Total 2019
	£	£	£	£	£
Expenditure on:					
Costs of generating donations and grants	141,146	-	87,990	**229,136**	120,993
Charitable activities					
Prisoner Training & Support	398,685	14,542	300,156	**713,383**	759,772
Activities undertaken directly					
Support costs	-	-	117,736	**117,736**	162,460
	539,831	14,542	505.882	**1,060,255**	1,043,225

Analysis of support costs (including governance costs)

	2020	2019
	£	£
Rent	**96,188**	126,858
Governance costs	**14,428**	26,918
Insurance	**7,120**	8,684
	117,736	162,460

Included within support costs is £6,499 (2019: £6,055) in relation to audit fees for the current auditors.

6 Statement of financial activities - Comparative funds – year ended 31 December 2019

	Unrestricted funds	Restricted funds	Total 2019
Income from:	£	£	£
Donations and grants	279,036	415,809	694,845
Charitable activities	308,893	-	308,893
Investment income	1,154	-	1,154
Total income	589,083	415,809	1,004,892
Expenditure on:			
Costs of generating donations and grants	120,993	-	120,993
Charitable activities			
Prisoner Training & Support	448,888	473,344	922,232
Total expenditure	569,881	473,344	1,043,225
Net income/(expenditure)	19,202	(57,535)	(38,333)
Net movement in funds	19,202	(57,535)	(38,333)
Fund balances at 1 January 2019	579,672	66,822	646,494
Fund balances at 31 December 2019	598,874	9,287	608,161

7 Trustees and related party transactions

None of the trustees received any remuneration or reimbursed expenses during the year (2019: £nil).

8 Employees

Number of employees

	2020 Number	2019 Number
The average monthly number of employees during the year was	**16**	**18**

Employment costs	**2020 £**	**2019 £**
Wages and salaries	**484,400**	**392,626**
Social security costs	**42,309**	**39,542**
Other pension costs	**13,122**	**11,277**
	539,831	**443,445**

There were no employees whose emoluments exceeded £60,000 in the year

The key management personnel of the charity comprises the founding director, executive director and finance director. The total employee benefits of key management personnel of the charity were £144,097 (2019: £132,841).

9 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 January 2020	9,679	62,870	**72,549**
Additions	-	29,094	**29,094**
Fixed Assets written off	-	(6,132)	**(6,132)**
At 31 December 2020	**9,679**	**85,832**	**95,511**
Depreciation			
At 1 January 2020	7,591	49,277	**56,868**
Charge for the year	1,380	13,163	**14,543**
Fixed Assets written off		(6,133)	**(6,133)**
At 31 December 2020	**8,971**	**56,307**	**65,278**
Net book value			
At 31 December 2020	**708**	**29,525**	**30,233**
At 31 December 2019	2,088	13,593	15,681

10 Debtors

	2020	2019
	£	£
Trade debtors	**14,141**	35,353
Other debtors	**18,070**	94,424
Prepayments and accrued income	**64,271**	114,007
	96,482	243,784

11 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	**4,596**	26,114
Taxes and social security costs	**20,530**	25,914
Other creditors	**3,164**	1,928
Accruals and deferred income	**226,817**	171,182
	255,107	225,138

12 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Deferred grant income	**75,000**	175,000

13 Deferred Income

	2019	2019
	£	£
Brought forward as at 1st January 2020	**275,000**	-
Received in year	**97,081**	300,000
Released in year	**(100,000)**	(25,000)
Carried forward at 31st December 2020	**272,081**	275,000

14 Pension and other post-retirement benefit commitments

Defined contribution

There were £1,815 contributions (2019: £1,471 repayment due).

	2020	2019
	£	£
Contributions payable by the charity for the year	**13,122**	11,277

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

		Movement in funds			
	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers between funds	Balance at 31 December 2020
	£	£	£	£	£
Developing post release employment and training support for prisoners	-	180,474	180,474	-	-
Open the Gates apprentice stipends	3,037	1,170	4,207	-	-
Prisoner training and awards	4,750	10,000	8,940	-	5,810
Staff furlough support	-	12,447	12,447	-	-
Volunteers expenses	-	9,000	9,000	-	-
Rent and core costs	-	34,999	34,999	-	-
Cell work core costs	1,500	48,500	44,000	-	6,000
Postage support	-	7,000	7,000	-	-
Staff resilience training	-	4,875	4,875	-	-
Social enterprise support	-	100,000	100,000	-	-
Prisoner newsletter	-	3,000	3,000	-	-
	9,287	411,465	408,942	-	11,810

	Balance at 1 January 2019	Movement in funds			Balance at 31 December 2019
		Incoming resources	Resources expended	Transfers between funds	
	£	£	£	£	£
Developing post release employment and training support for prisoners	40,000	216,481	256,481	-	-
Open the Gates apprentice stipends	-	13,123	10,086	-	3,037
Prisoner Training and awards	754	16,050	12,054	-	4,750
Accreditation and development	8,481	-	8,481	-	-
Volunteer Manager's salary	4,000	-	4,000	-	-
Cell group core costs	5,370	81,750	85,620	-	1,500
Rent and core costs	-	34,270	34,270	-	-
Quilting Group	3,217	-	3,217	-	-
Social enterprise support	-	25,000	25,000	-	-
Prisoner newsletter	-	7,510	7,510	-	-
Staff resilience training	-	4,875	4,875	-	-
Volunteers expenses	-	16,750	16,750	-	-
Northeast volunteer expenses	5,000	-	5,000	-	-
	66,822	415,809	473,344	-	9,287

Prisoner training and awards

The Tanner Trust, The Michael Varah Memorial Fund and the Worshipful Company of Needlemakers funded prisoner training and awards.

15 **Restricted funds (continued)**

Developing post-release employment and training support for ex-prisoners

The National Lottery, the Lloyds and the Rayne Foundations and The Philip King and The Peter Stebbings Trusts funded the development and delivery of post-release support for ex-prisoners.

Staff furlough

The Government Job Retention Scheme funded furlough staff salaries.

Staff resilience training

The City Bridge Trust funded staff resilience training.

Social enterprise support

The Garfield Weston Foundation funded the development of the social enterprise.

Rent and core costs

The Westminster Foundation and The Drapers company contributed towards rental and core costs.

Volunteers expenses

The Hames Roll Charitable, Rathbone Trust an anonymous donor funded volunteer expenses.

Postage into and out of prison

The 1772 Trust and the Broderers' Company funded postage into and out of prison.

Prisoner awards

The Tanner Trust, Newby Trust and Needleworkers Livery Company contributed towards awards for prisoners.

Prisoner newsletter

The Alice Cooper Dean Trust funded Fine Cell Work's prisoner newsletter.

Other projects

Various other funders have given specific donations which have been applied to the charitable purposes as requested.

16 Unrestricted funds

	Balance at 1 January 2020	Movement in funds: Incoming resources	Movement in funds: Resources expended	Movement in funds: Transfer between funds	Balance at 31 December 2020
	£	£	£	£	£
Unrestricted funds	**598,874**	718,734	651,313	-	**666,295**

	Balance at 1 January 2019	Movement in funds: Incoming resources	Movement in funds: Resources expended	Movement in funds: Transfer between funds	Balance at 31 December 2019
	£	£	£	£	£
Unrestricted funds	**579,672**	589,083	569,881	-	**598,874**

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

17 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total 2020
	£	£	£
Fund balances at 31 December 2020 are represented by:			
Tangible fixed assets	30,233	-	**30,233**
Current assets	891,169	86,810	**977,979**
Creditors: amounts falling due within one year	(255,107)	-	**(255,107)**
Creditors: amounts falling due after more than one year		(75,000)	**(75,000)**
	666,295	11,810	**678,105**

	Unrestricted funds	Restricted funds	Total 2019
	£	£	£
Fund balances at 31 December 2019 are represented by:			
Tangible fixed assets	15,681	-	**15,681**
Current assets	808,331	184,287	**992,618**
Creditors: amounts falling due within one year	(225,138)	-	**(225,138)**
Creditors: amounts falling due after more than one year	-	(175,000)	**(175,000)**
	598,874	9,287	**608,161**

18 Commitments under operating leases

At 31 December 2020 the company had total commitments under non-cancellable operating leases payable as follows:

	Land and buildings		Other	
	2020	2019	2020	2019
	£	£	£	£
Within one year	**95,000**	118,448	-	1,370
Between two and five years	**166,250**	75,000	-	-
	261,250	193,448	-	1,370

19 Control

The charity is a company limited by guarantee and is under the control of the trustees.