SHANNON TRUST

England & Wales · Charity number 1117249

Details

Other names	THE SHANNON TRUST
Status	Registered
Legal form	Charitable company
Company number	05906258
Registered	2006-12-14
Register	View on the Charity Commission register

Contact

Address	International House 101 King's Cross Road London WC1X 9LP
Phone	0203 764 5250
Email	communications@shannontrust.org.uk
Website	www.shannontrust.org.uk

Activities

Objects: THE CHARITY'S OBJECTS ("THE OBJECTS") ARE SPECIFICALLY RESTRICTED TO THE PROMOTION OF:1. THE ADVANCEMENT OF EDUCATION;2. THE REHABILITATION OF OFFENDERS;3. THE RELIEF OF FINANCIAL HARDSHIP SICKNESS AND DISTRESS OF INMATES OR FORMER INMATES AND THEIR FAMILIES OF PRISONS, YOUNG OFFENDERS' INSTITUTIONS, SECURE UNITS IN HIGH SECURITY PSYCHIATRIC OR OTHER HOSPITAL UNITS AND OFFENDERS OR FORMER OFFENDERS SUBJECT TO NON -CUSTODIAL COMMUNITY ORDERS IN THE UNITED KINGDOM; AND4. TO PROMOTE LITERACY SCHEMES AND SIMILAR EDUCATIONAL INITIATIVES.NOTHING IN THESE ARTICLES AUTHORISES AN APPLICATION OF THE PROPERTY OF THE CHARITY FOR PURPOSES WHICH ARE NOR CHARITABLE IN ACCORDANCE WITH S.7 CHARITIES AND TRUSTEE INVESTMENT (SCOTLAND) ACT 2005 CHARITIES ACT (NORTHERN IRELAND) 2008

Activities: Delivering a peer-led Reading Plan where prisoners who can read teach prisoners who cannot in prisons across England, Wales & Northern Ireland.

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Classification

- **How:** Provides Services
- **What:** Education/training
- **Who:** Other Defined Groups

Geography

- **Area of benefit:** IN THE UNITED KINGDOM.
- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-12-31	£3,574,045	£3,710,760	£725,611	93
2024-12-31	£3,580,596	£3,525,639	£862,326	88
2023-12-31	£2,468,002	£2,248,852	£807,369	48
2022-12-31	£1,110,478	£1,118,728	£588,219	19
2021-12-31	£789,717	£755,709	£596,469	11
2020-12-31	£813,452	£657,609	£562,461	10

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Trustees

Name	Role	Appointed
Andrew Michael Reid		2019-09-02
Brenda Rose Bates		2019-05-31
Ceri Godwin		2021-07-28
David Thomas Siesage		2025-12-10
Diana Christina Magnay		2025-12-10
Joanna Nadine Marston		2022-09-14
John Bensted		2016-02-25
Loraine Victoria Foster De Nunez		2025-12-10
Lucy Manuela de Groot		2026-04-15
Pankaj Sethi		2021-12-15
Rebecca Isha Page		2025-12-10
Thomas Robert Saunders		2023-05-03
William Idris Griffin Payne		2017-09-01

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SHANNON TRUST

England & Wales - Charity number 1117249

Accounts

Company registered number
5906258

SHANNON TRUST

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2025

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SHANNON TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
For the year ended 31 December 2025

Company reg. no.	5906258
Charity reg. no. (England)	1117249
Charity reg. no. (Scotland)	SC043470
Registered office	International House 101 King's Cross Road London, WC1X 9LP
Trustees	The trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Michael Wemms, Chair	(resigned 13 March 2026)
Lucy de Groot, Chair	(appointed 15th April 2026)
Andrew Reid, Treasurer	
John Bensted	
William Payne, Senior Independent Trustee	
Brenda Bates	
Ceri Godwin	
Pankaj Sethi	
Joanna Marston	
Thomas Saunders	
Loraine Foster de Nunez	(appointed 10 December 2025)
Diana Magnay	(appointed 10 December 2025)
Rebecca Page	(appointed 10 December 2025)
David Siesage	(appointed 10 December 2025)
Cristalina Fernandes-Bates	(resigned 07 May 2025)
Steven Wellard	(resigned 10 September 2025)

Key management personnel	Ian Merrill, CEO	(until 28 February 2025)
	Jane Rigbye, CEO	(from 23 June 2025)
	Christopher Morgan, Director of Business Support & Company Secretary	
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kent, ME19 4JQ	Aldermore Bank PLC 1st Floor, Block B Western House Lynch Wood Peterborough, PE2 6F2
Independent Auditor	Richard Billinghurst FCA Senior Statutory Auditor Knox Cropper LLP Chartered Accountants and Statutory Auditors 65 Leadenhall Street, London, EC3A 2AD	
Accountants	NfP Accountants Ltd 3rd Floor, 86-90 Paul Street, London, EC2A 4NE	

BOARD OF TRUSTEES' REPORT
For the year ended 31 December 2025

The Trustees (who are the Directors of the charitable company for the purposes of the Companies Act), present their combined Directors' report and Trustees' annual report, together with the financial statements of Shannon Trust for the year ended 31 December 2025. These are prepared in accordance with current statutory requirements, the requirements of the charity's governing document, and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

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

Objectives and activities

The Charity's Objects are the promotion of:

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

We pursue our charitable objects by maintaining a sharp focus on our purpose, our vision and our mission:

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

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

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

Strategic aims

Our three year strategy, launched in 2022, was extended into a fourth year during 2025 through a new strategic business plan. Following the departure of our previous CEO and the appointment of a new CEO in June, the year focused on continuity, reflection and future planning. Throughout the period, we remained committed to delivering our existing strategy, with a core aim of increasing the number of learners supported by Shannon Trust.

The full strategy can be found on our website at www.shannontrust.org.uk. In summary the strategy has three clear strands:

1. Increasing the number of people completing our prison based reading programme
2. Expanding the availability of our programmes in the community
3. Testing and scaling new approaches to address wider basic skills needs

Significant progress was achieved across all three strands during the year, building on the foundations established since 2022. The sections that follow provide further detail on this progress.

BOARD OF TRUSTEES' REPORT
For the year ended 31 December 2025

Public Benefit

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

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

Achievements & performance

The investments made in organisational business support systems and processes, and the growth of the operational workforce, continued to bear fruit and enabled Shannon Trust to drive up the numbers of learners joining its reading and numeracy programmes. Working in around 100 prisons across England, Wales and Northern Ireland, as well as a growing number of community venues, in 2025 the numbers of learners engaged in our programmes, and the number of learning sessions, were the highest we have ever achieved.

Operational delivery in prisons

In 2025, Shannon Trust continued to strengthen its prison-based learning offer, delivering literacy and numeracy support across the estate. A total of 11,380 learners engaged with one or both programmes during the year.

Further investment in quality and consistency led to the introduction of new prison-based roles - including Reading Support Specialists and Reading Strategy Coordinators - now operating in eight prisons.

The organisation was awarded 57 literacy and numeracy delivery contracts this year, including new and re tendered agreements. Work funded through the Literacy Innovation Fund continued across seven prisons, supporting improved evaluation and evidencing the impact of interventions.

A notable milestone was the first prison library contract at HMP Ashfield, a prison run by Serco under contract to HMPPS, where Shannon Trust staff delivered workshops, events and digital learning activities. Ashfield also became the first site to pilot our online reading programme, Turning Pages Digital, receiving positive feedback from learners and mentors and providing insights that will shape future digital expansion.

Across the estate, the focus on progression remained strong: 5,029 Turning Pages manuals and 2,833 Count Me In manuals were completed, supported by 1,980 newly trained mentors and over 142,000 learning sessions delivered. There were improvements for learners across all measures. A more detailed 2025 Impact Report can be found at www.shannontrust.org.uk.

Operational delivery in the community

Shannon Trust expanded its community presence through the increased use of Turning Pages Digital, with over 250 active community learners supported during the year. Work began to develop Count Me In Digital, with launch planned for 2026, providing accessible numeracy learning for people in prison and the community alike.

To strengthen continuity of support after release, the charity worked closely with prisons to identify mentors wishing to continue in the community, achieving 37 mentor referrals and developing pathways for learners newly released from custody. This included referrals to partner organisations such as Read Easy groups and Creating Future Opportunities (CFO) hubs.

Recognising the importance of high-quality digital delivery, Shannon Trust introduced a structured quality assurance process for its digital tools, hosting monthly focus groups to guide user experience improvements and shape future rollouts. A working group was also established to develop a remote coaching platform, enabling partner agencies to refer individuals for one-to-one literacy and numeracy support. A pilot is scheduled for early 2026.

Employees and volunteers

The organisation's workforce stabilised at around 95 staff and 130 volunteers, with improvements in key workforce indicators: employee turnover reduced by 10% and sickness absence by 1.5% over the year. A comprehensive Learning Needs Analysis achieved an 88% completion rate, shaping future training investment and strengthening leadership capability.

Wellbeing support was enhanced through a fully embedded Care Team, offering mental health first aid, resilience support and targeted training for prison based staff. EDIB (Equality, Diversity, Inclusion and Belonging) remained a significant organisational priority, with recruitment processes reviewed to enhance fairness and accessibility, especially for candidates with lived experience of the criminal justice system.

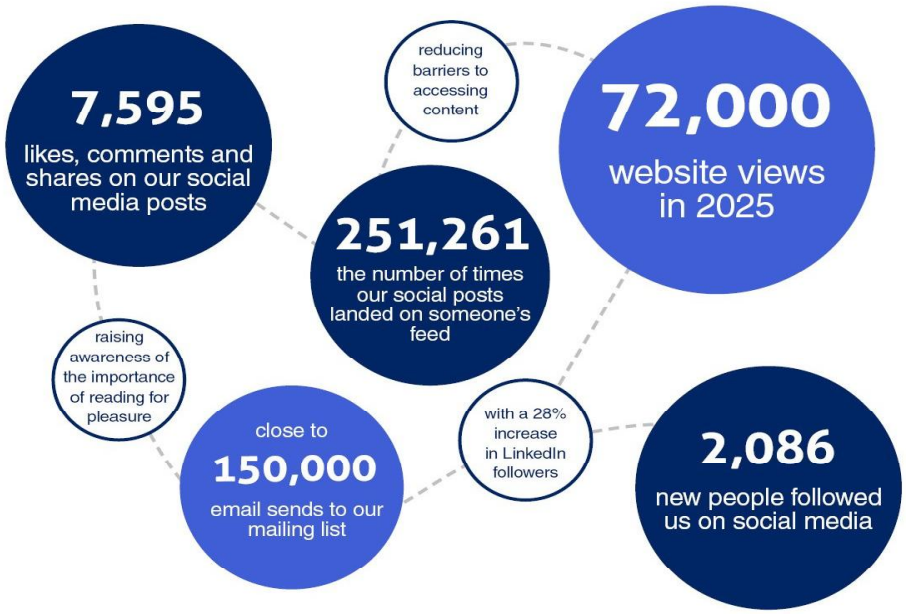
Volunteers continued to make a significant organisational contribution, delivering 2,601 volunteer hours, supporting 473 mentors, and helping train 641 new mentors across the year. Volunteer recruitment continued to broaden and diversify, with 58 new volunteers joining between January and October.

Engagement was strengthened through over 20 peer support and training events, supplemented by themed sessions on safeguarding, EDIB and peer support. Survey results showed very strong volunteer satisfaction, with 92% feeling valued, 95% feeling supported, and 100% feeling safe in their roles.

Communications and marketing

During 2025, we continued to strengthen how we communicate the impact of our work, ensuring the voices of learners and mentors remain central to our storytelling. We expanded our media engagement through partnerships, including with the Prison Radio Association, and regional television coverage with ITV, helping raise awareness of Shannon Trust both within prisons and with external audiences.

Creative initiatives, including a poetry collection written by mentors and learners, provided powerful opportunities for people to share their experiences. Alongside this, we continued to develop our social media presence, experimenting with different types of content, including video, and seeing our combined following grow to over 6,500 across LinkedIn, Facebook and Instagram. Through these activities, we continued to highlight the importance of literacy and numeracy support within the criminal justice system and the transformative impact learning can have on people's lives.



Business support

Shannon Trust strengthened the systems underpinning its operations, including enhancements to Microsoft 365, Salesforce and the staff intranet. The organisation successfully renewed its Cyber Essentials certification, providing continued assurance regarding data protection and digital resilience.

The charity deepened its approach to evidence and monitoring, embedding a new progress level system to capture detailed learner outcomes. This provided clearer insights into skills development and improved alignment with functional skills frameworks. A new framework for capturing non accredited outcomes - including everyday skills such as letter writing, budgeting, or accessing further learning - broadened the organisation's understanding of its impact.

The volunteer management platform Assemble played a major role in strengthening communication, onboarding and engagement, with 79% of volunteers finding it easy to use and 96% valuing its communication features. It is now an essential component of the volunteer experience and operational infrastructure.

Annual business planning

Throughout 2025, Shannon Trust built the foundations for its next organisational strategy, launching in 2026. With a new CEO appointed mid year, the period focused on continuity, strengthening delivery, reviewing organisational capability, and deepening analytical insight into impact.

The organisation responded proactively to a changing political and policy environment, preparing for potential shifts in sentencing, education contracts and justice-sector funding. Shannon Trust continued to champion the importance of literacy and numeracy in rehabilitation, contributing to sector conversations and ensuring that learners' voices are represented in policy debates.

A renewed emphasis on quality assurance, rigour, and organisational development shaped business planning discussions, ensuring the charity remains resilient, evidence led and well placed to scale impact in the coming years.

Chief Executive Officer

Our former Chief Executive Officer (CEO), Ian Merrill, stood down from his role with Shannon Trust in February 2025, after more than four years in post. Shannon Trust was transformed under Ian's leadership, reaching many more learners and mentors than ever before, and helping to change thousands of lives for the better. We were delighted that Ian's contribution was recognised with the award of an OBE in The King's New Year Honours List 2026, recognising his work across the criminal justice and charity sectors.

Jane Rigbye joined us as our new CEO in June 2025. Jane brings with her a huge amount of relevant experience and we are excited to welcome her to Shannon Trust. We are grateful to Ian, Jane and our wider leadership team for ensuring a smooth and effective transition.

Financial review

Financial Position

The Charity reported net expenditure for the year of £136,715 (2024 - net income of £54,957), details of which are shown in the Statement of Financial Activities on page 14. Total income for the year amounted to £3,574,045, a decrease of £6,551 on the previous year; and total expenditure amounted to £3,710,760, an increase of £185,121 on the previous year. Of this increased expenditure, £58,369 related to the impact of the changes to Employers' National Insurance rates and thresholds, which took effect in April 2025.

Income sources

A key element of our strategy has been to seek contract funding for our work, both in prisons and the community. Following some significant growth in contract income in 2023 and 2024, we were able to consolidate this success in 2025, with the result that contract income, primarily from HMPPS, again accounted for 63% of our income in 2025 (2024: 63%). Grants from Trusts and Foundations remain a vital source of funding, and in 2025 29% of our income came from this source (2024: 32%). Donations from individuals accounted for a further 5% of income. Other income, including earned income, bank interest and corporate donations amounted to 3% of all income.

The charity is extremely grateful for the continued support of a range of grant giving trusts and foundations, generous individuals and companies, including the National Lottery Community Fund, the Julia Rausing Trust, the Considered Ask Foundation, the Hadley Trust, the Tuixen Foundation, the Michael Bishop Foundation, the Dulverton Trust, the Betty Messenger Foundation, the Goldsmiths Company, the Adrian Swire Charitable Trust, the AKO Foundation, The Colyer-Fergusson Charitable Trust, the Garfield Weston Foundation, Second Growth CIC, the Texel Foundation, and the Fishmongers' Company Charity.

Reserves Policy

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

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

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

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

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

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

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

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

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

The trustees have calculated an appropriate level of reserves for the charity as follows:

Reserve	Value	Method of calculation
Free reserves		
- Income variation	245,000	3 months' budgeted future income, excluding contract income and restricted donations
- Working capital	398,000	2 months' budgeted future contract income
	643,000	
Designated reserves		
- Development fund	39,000	As assessed by the trustees, having regard to the charity's 3 year strategy and annual business plan
- Contingency reserve	50,000	As assessed by the trustees, having regard to the principal risks facing the charity and the mitigations in place to manage them
	89,000	
Unrestricted reserves target	**732,000**	

BOARD OF TRUSTEES' REPORT
For the year ended 31 December 2025

At 31 December 2025, the charity held free reserves of £587,449 and designated reserves of £50,144, both of which are slightly below target. Following the unexpected increase in Employers' National Insurance costs, the trustees took the decision to fund the first year costs of this increase from its contingency reserve and its free reserves, to give the charity time to negotiate revised contract prices in relation to those staff funded by contract income, and to identify alternative sources of income for those staff funded by charitable donations. A business plan and associated budget is in place for 2026, which anticipates that the level of free reserves as at 31st December 2026 will be in line with target.

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

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

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

Risk Management

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

Going Concern

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

Structure, governance and management

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

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

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

BOARD OF TRUSTEES' REPORT
For the year ended 31 December 2025

Recruitment, appointment and induction of new Trustees

The Directors of the company (the charity) are also charity Trustees for the purpose of charity law and under the company's Memorandum and Articles are known as Trustees. Under provision of the Articles: 1. the number of Trustees shall not be less than four nor more than fifteen. 2. Trustees are appointed for terms of three years, and in the normal course of events may serve for three consecutive terms before being required to retire.

Under the articles, adopted on 3rd May 2023, any person who is appointed as a Trustee will automatically, by virtue of that appointment, become a Member. No person other than a Trustee may be admitted as a Member. Currently the charity has 13 members.

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

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

Our Chair, Michael Wemms, retired as a trustee in March 2026 after five years' service. We are grateful to Michael for his calm, considered and effective leadership during this period of significant change for Shannon Trust. Lucy de Groot joined Shannon Trust as our new Chair in April 2026. Lucy brings substantial experience across the public and charity sectors, and we welcome her to the board.

Four new trustees also joined our board in December 2025 as part of our ongoing efforts to strengthen and diversity our board.

Governance and management

The Trustees are responsible for the strategic direction and policy making of the charity. In 2025 the Board of Trustees met on eight occasions and the Finance & Risk Committee met quarterly between board meetings. The Remuneration Committee met twice. The day to day running of the charity is delegated to an employed management team which is headed by the Chief Executive Officer, supported by a team of staff and volunteers.

Related parties and relationships with other organisations

Shannon Trust has a Memorandum of Understanding (MoU) with His Majesty's Prisons and Probation Service (HMPPS) enshrining the commitment to support the Shannon Trust Reading Plan in all public prisons through access, dedicated Prison Officer time and Senior Management Team support in each establishment. This arrangement is also in place across private prisons. This MoU is reviewed regularly. In certain prisons, this MoU has been supplemented by contracts for the delivery of our programmes, awarded directly to us by HMPPS.

Statement of responsibilities of the trustees

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

BOARD OF TRUSTEES' REPORT
For the year ended 31 December 2025

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

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

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2025 was 13 (2024 - 11). The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Independent Auditor

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

Approval of the report

This report was approved by the Board of Trustees on 20 May 2026 and signed on their behalf by:

Lucy de Groo
Chair

INDEPENDENT AUDITOR'S REPORT
For the year ended 31 December 2025

Opinion

We have audited the financial statements of Shannon Trust (the 'charitable company') for the year ended 31 December 2025 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2025 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis of opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

INDEPENDENT AUDITOR'S REPORT
For the year ended 31 December 2025

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 11, 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

We have been appointed as auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

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

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

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

Use of the audit report

This report is made solely to the charitable company's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body for our audit work, for this report or for the opinions we have formed.



Richard Billinghurst FCA (Senior Statutory Auditor)
for and on behalf of Knox Cropper LLP
Chartered Accountants and Statutory Auditors
65 Leadenhall Street
London, EC3A 2AD

Date: 26/05/2026

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating Income and Expenditure Account & Statement of Total Realised Gains and Losses)
For the year ended 31 December 2025

	Note	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Total Funds 2025 £	*Unrestricted Funds 2024 £*	*Restricted Funds 2024 £*	*Total Funds 2024 £*
INCOME FROM							
Donations and legacies	2	**725,538**	**526,738**	**1,252,276**	*622,637*	*623,578*	*1,246,215*
Charitable activities							
Reading and numeracy programme	3	**2,304,847**	**-**	**2,304,847**	*2,313,479*	*-*	*2,313,479*
Investment income: bank interest		**14,409**	**-**	**14,409**	*20,794*	*-*	*20,794*
Other income		**2,513**	**-**	**2,513**	*108*	*-*	*108*
TOTAL INCOME		**3,047,307**	**526,738**	**3,574,045**	*2,957,018*	*623,578*	*3,580,596*
EXPENDITURE ON:							
Raising funds	4	**114,265**	**-**	**114,265**	*139,600*	*-*	*139,600*
Charitable activities							
Criminal Justice System (CJS) Operations	4	**2,736,509**	**547,599**	**3,284,108**	*2,589,444*	*456,754*	*3,046,198*
Community Operations		**160,422**	**3,000**	**163,422**	*41,473*	*83,722*	*125,195*
Resources		**98,486**	**20,530**	**119,016**	*149,081*	*40,504*	*189,585*
Commercial activities		**29,949**	**-**	**29,949**	*25,061*	*-*	*25,061*
		3,025,366	**571,129**	**3,596,495**	*2,805,059*	*580,980*	*3,386,039*
TOTAL EXPENDITURE		**3,139,631**	**571,129**	**3,710,760**	*2,944,659*	*580,980*	*3,525,639*
NET INCOME/(EXPENDITURE) FOR THE YEAR		**(92,324)**	**(44,391)**	**(136,715)**	*12,359*	*42,598*	*54,957*
RECONCILIATION OF FUNDS							
TOTAL FUNDS AT 1 JANUARY 2025		*729,917*	*132,409*	*862,326*	*717,558*	*89,811*	*807,369*
TOTAL FUNDS AT 31 DECEMBER 2025		**£ 637,593**	**£ 88,018**	**£ 725,611**	*£ 729,917*	*£ 132,409*	*£ 862,326*

All income and expenditure has arisen from continuing activities

The annexed notes form part of these financial statements

SHANNON TRUST
(company limited by guarantee number 5906258)

BALANCE SHEET
As at 31 December 2025

	Notes		2025		*2024*
		£	£	£	£
CURRENT ASSETS					
Debtors	12	**242,103**		*244,934*	
Cash at bank and in hand		**602,387**		*751,092*	
		844,490		*996,026*	
CREDITORS: amounts falling due within one year	13	**(118,879)**		*(133,700)*	
NET CURRENT ASSETS			**725,611**		*862,326*
NET ASSETS			**£ 725,611**		*£ 862,326*
FUNDS					
Restricted funds	14		**88,018**		*132,409*
Unrestricted funds:					
Designated funds	14	**50,144**		*89,144*	
General fund	14	**587,449**		*640,773*	
			637,593		*729,917*
			£ 725,611		*£ 862,326*

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

They were approved, and authorised for issue, by the Board of Trustees on 20 May 2026 and signed on their behalf by:-

ANDREW REID, Trustee

The annexed notes form part of these financial statements

STATEMENT OF CASHFLOWS
For the year ended 31 December 2025

	2025		*2024*	
	£	**£**	£	£
Cash flows from operating activities		**(136,715)**		*54,957*
Net cash provided by / (used in) operating activities				
(Increase)/decrease in debtors	**2,831**		*31,722*	
Increase/(decrease) in creditors	**(14,821)**		*70,083*	
		(11,990)		*101,805*
Change in cash and cash equivalents in the year		**(148,705)**		*156,762*
Cash and cash equivalents at the beginning of the year		**751,092**		*594,330*
Cash and cash equivalents at the year end		**£ 602,387**		*£ 751,092*

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025

1. ACCOUNTING POLICIES

Basis of preparation of financial statements
The accounts have been prepared under the historical cost accounting rules, and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005, Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), and the Companies Act 2006.

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

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

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

Going concern
The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Key judgements that the charitable company has made which have a significant effect on the accounts include estimating income and expenditure for the next 12 months, in particular the likelihood of various contracts and grants being awarded.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Cash at bank and in hand
Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

Creditors and provisions
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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

Pensions
The charity operates a defined contributions pension scheme, which is a Group Stakeholder Pension Scheme. During the year, the charity contributed up to 5% of gross pay for all staff. The contributions made during the year are treated as an expense and were £88,980 (2024 - £82,664).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025

2. DONATIONS AND LEGACIES

	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Total Funds 2025 £	*Unrestricted Funds 2024 £*	*Restricted Funds 2024 £*	*Total Funds 2024 £*
Trusts and foundations	**526,551**	**526,738**	**1,053,289**	*508,050*	*623,578*	*1,131,628*
Individual donors	**93,358**	**-**	**93,358**	*82,979*	-	*82,979*
Major donors	**71,516**	**-**	**71,516**	*30,070*	-	*30,070*
Corporate donations	**16,113**	**-**	**16,113**	*1,538*	-	*1,538*
Legacies	**18,000**	**-**	**18,000**	-	-	-
	£ 725,538	**£ 526,738**	**£ 1,252,276**	*£ 622,637*	*£ 623,578*	*£ 1,246,215*

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Total Funds 2025 £	*Total Funds 2024 £*
Contracts	**2,233,989**	**-**	**2,233,989**	*2,258,445*
Sale of reading and numeracy materials	**70,858**	**-**	**70,858**	*55,034*
	£ 2,304,847	**£ Nil**	**£ 2,304,847**	*£ 2,313,479*

4. ANALYSIS OF EXPENDITURE

	Staff costs	Direct costs	Governance costs	Support costs	Total 2025	*Total 2024*
	£	£	£	£	£	*£*
CJS Operations	**2,309,560**	**165,383**	**16,757**	**792,408**	**3,284,108**	*3,046,198*
Community operations	**81,356**	**53,563**	**590**	**27,913**	**163,422**	*125,195*
Resources	**-**	**119,016**	**-**	**-**	**119,016**	*189,585*
Commercial activities	**-**	**29,949**	**-**	**-**	**29,949**	*25,061*
	2,390,916	**367,911**	**17,347**	**820,321**	**3,596,495**	*3,386,039*
Fundraising costs	**80,015**	**6,216**	**581**	**27,453**	**114,265**	*139,600*
Governance costs	**-**	**17,928**	**(17,928)**	**-**	**-**	*-*
Support costs	**713,128**	**134,646**	**-**	**(847,774)**	**-**	*-*
	£ 3,184,059	**£ 526,701**	**£ Nil**	**£ Nil**	**£ 3,710,760**	*£ 3,525,639*
2024						
CJS Operations	*2,175,701*	*174,749*	*10,521*	*685,227*	*3,046,198*	
Community Operations	*46,530*	*63,786*	*225*	*14,654*	*125,195*	
Resources	*-*	*189,585*	*-*	*-*	*189,585*	
Commercial activities	*-*	*25,061*	*-*	*-*	*25,061*	
	2,222,231	*453,181*	*10,746*	*699,881*	*3,386,039*	
Fundraising costs	*101,631*	*5,470*	*491*	*32,008*	*139,600*	
Governance costs	*-*	*11,237*	*(11,237)*	*-*	*-*	
Support costs	*580,514*	*151,375*	*-*	*(731,889)*	*-*	
	£ 2,904,376	*£ 621,263*	*£ Nil*	*£ Nil*	*£ 3,525,639*	

Of the total expenditure, £3,139,631 was unrestricted (2024 - £2,944,659) and £571,129 was restricted (2024 - £580,980).

5. NET INCOME / EXPENDITURE FOR THE YEAR

This is stated after charging / crediting:

	2025	*2024*
	£	*£*
Audit fees	**6,780**	*6,420*

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025

6. STAFF COSTS AND NUMBERS

	Unrestricted Funds 2025	Restricted Funds 2025	Total Funds 2025	*Unrestricted Funds 2024*	*Restricted Funds 2024*	*Total Funds 2024*
	£	£	£	£	£	£
Salary costs						
Wages and salaries	**2,390,724**	**306,565**	**2,697,289**	*2,183,146*	*307,660*	*2,490,806*
Social security costs	**306,250**	**-**	**306,250**	*234,912*	-	*234,912*
Pension costs	**88,980**	**-**	**88,980**	*82,664*	-	*82,664*
	2,785,954	**306,565**	**3,092,519**	*2,500,722*	*307,660*	*2,808,382*
Other staffing costs						
Recruitment	**36,363**	**-**	**36,363**	*6,218*	*10,656*	*16,874*
Staff training and development	**10,125**	**7,296**	**17,421**	*21,511*	*6,848*	*28,359*
Death in service	**4,164**	**743**	**4,907**	*4,854*	-	*4,854*
Staff wellbeing	**8,256**	**-**	**8,256**	-	-	-
Consultancy	**24,593**	**-**	**24,593**	*45,907*	-	*45,907*
	£ 2,869,455	**£ 314,604**	**£ 3,184,059**	*£ 2,579,212*	*£ 325,164*	*£ 2,904,376*

The average number of employees (head count based on number of staff employed) during the year was 93 (2024 - 88).

The total employee benefits, including pension contributions, of the key management personnel were £178,734 (2024 - £179,750). KMPs include the CEO and the Director of Business Support.

During the year, two employees earned between £60,000 - £70,000, one employee earned between £70,000 - £80,000 (2024 - one employee earned between £60,000 - £70,000 and one employee earned between £90,000 - £100,000).

7. TRUSTEES' REMUNERATION AND EXPENSES

The charity trustees were not paid and did not receive any other benefits from association with the charity in the year (2024 - £nil). No charity trustee received payment for professional or other services supplied to the charity (2024 - £nil).

Trustees' expenses, representing the payment or reimbursement of travel and subsistence costs, totalled £5,351 (2024 - £993), incurred by 4 trustees (2024 - 3 trustee) relating to attendance at meetings of the trustees.

8. OTHER RELATED PARTY TRANSACTIONS

In December 2025, a donation of £10,000 intended for the Big Give match funded campaign was received by Shannon Trust from an external donor. As the Big Give does not permit the charity to process such donations directly, the funds were temporarily transferred to the CEO to be paid through the Big Give portal on the charity's behalf. The CEO acted solely as an agent for Shannon Trust. No personal benefit was received, and the full amount was paid directly to the charity. The transaction was conducted under a written declaration confirming that the funds were held on trust for the charity at all times.

Other than trustees' expenses and the Big Give donation detailed above, there are no reportable related party transactions to disclose for 2025 (2024 - none).

9. TAXATION

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

10. PENSION SCHEME

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

11. SUPPORT AND GOVERNANCE COSTS

	2025	*2024*
	£	*£*
Support costs		
Premises costs, including meeting room hire	**10,527**	*4,321*
Website and online costs	**9,403**	*5,300*
Insurance	**2,752**	*3,390*
Other comms and marketing	**18,736**	*45,141*
IT systems, computers and office equipment	**51,801**	*48,658*
Telephones	**7,199**	*6,792*
Events and conferences	**189**	*217*
Staff travel and subsistence	**24,855**	*25,529*
Other office costs	**9,185**	*12,027*
	134,646	*151,375*
Governance costs		
Board meetings	**7,028**	*2,881*
Audit	**6,780**	*6,420*
Audit preparation	**1,200**	*1,200*
Other governance costs	**2,920**	*736*
	17,928	*11,237*
Support staff costs	**713,128**	*580,514*
	£ 865,702	*£ 743,126*

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025

12. DEBTORS

	2025	2024
Due within one year	**£**	£
Trade debtors	**192,960**	*191,241*
Accrued income	**49,143**	*53,693*
	£ 242,103	£ *244,934*

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Deferred grant income	**-**	*30,000*
Social security and other taxes	**65,227**	-
Other creditors	**20,681**	-
VAT creditors	**4,847**	*6,027*
Accruals	**28,124**	*97,673*
	£ 118,879	£ *133,700*
Deferred income		
Balance at 1 January 2025	**30,000**	*30,000*
Amount released to incoming resources	**(30,000)**	*(30,000)*
Amount deferred in the year	**-**	*30,000*
Balance at 31 December 2025	**£ Nil**	£ *30,000*

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025

14. STATEMENT OF FUNDS

	Brought Forward	Incoming Resources	Resources Expended	Transfers	Carried Forward
	£	£	£	£	£
DESIGNATED FUNDS					
Contingency Fund	**50,000**	**-**	**-**	**(39,000)**	**11,000**
Development Fund	**39,144**	**-**	**-**	**-**	**39,144**
	£ 89,144	**£ Nil**	**£ Nil**	**£ (39,000)**	**£ 50,144**
RESTRICTED FUNDS					
CJS Operations	**111,879**	**483,738**	**(547,599)**	**-**	**48,018**
Community Operations	**-**	**3,000**	**(3,000)**	**-**	**-**
Resources	**20,530**	**-**	**(20,530)**	**-**	**-**
Quality Assurance	**-**	**40,000**	**-**	**-**	**40,000**
	£ 132,409	**£ 526,738**	**£ (571,129)**	**£ Nil**	**£ 88,018**
SUMMARY OF FUNDS					
Designated Funds	**89,144**	**-**	**-**	**(39,000)**	**50,144**
General Funds	**640,773**	**3,047,307**	**(3,139,631)**	**39,000**	**587,449**
	729,917	**3,047,307**	**(3,139,631)**	**-**	**637,593**
Restricted Funds	**132,409**	**526,738**	**(571,129)**	**-**	**88,018**
	£ 862,326	**£ 3,574,045**	**£ (3,710,760)**	**£ Nil**	**£ 725,611**

Restricted funds

Criminal Justice System operations – income restricted for elements of the delivery of Shannon Trust's reading and numeracy programmes across prisons in England, Wales and Northern Ireland. Restrictions relate to public/private prisons, specified delivery locations, and types of prisons such as work within the Young Persons Estate and Young Offender Institutes.

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

Resources - income restricted for the development, production and distribution of our learning resources, including books, manuals, digital resources and other learning materials.

Quality Assurance - income restricted for the development and implementation of a Quality Assurance Framework, including staff costs and external certification costs.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025

STATEMENT OF FUNDS - 2024

	Brought Forward £	*Incoming Resources* £	*Resources Expended* £	*Transfers* £	*Carried Forward* £
DESIGNATED FUNDS					
Contingency Fund	*50,000*	*-*	*-*	*-*	*50,000*
Development Fund	*75,000*	*-*	*-*	*(35,856)*	*39,144*
	£ 125,000	*£ Nil*	*£ Nil*	*£ (35,856)*	*£ 89,144*

	Brought Forward £	*Incoming Resources* £	*Resources Expended* £	*Transfers* £	*Carried Forward* £
RESTRICTED FUNDS					
CJS Operations	*5,056*	*563,578*	*(456,755)*	*-*	*111,879*
Community Operations	*83,721*	*-*	*(83,721)*	*-*	*-*
Resources	*1,034*	*60,000*	*(40,504)*	*-*	*20,530*
	£ 89,811	*£ 623,578*	*£ (580,980)*	*£ Nil*	*£ 132,409*

SUMMARY OF FUNDS					
Designated Funds	*125,000*	*-*	*-*	*(35,856)*	*89,144*
General Funds	*592,558*	*2,957,018*	*(2,944,659)*	*35,856*	*640,773*
Restricted Funds	*89,811*	*623,578*	*(580,980)*	*-*	*132,409*
	£ 807,369	*£ 3,580,596*	*£ (3,525,639)*	*£ Nil*	*£ 862,326*

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

2025

	Unrestricted Funds			
	Designated Funds	**General Funds**	**Restricted Funds**	**Total Funds**
	£	**£**	**£**	**£**
Net current assets	**50,144**	**587,449**	**88,018**	**725,611**
	£ 50,144	**£ 587,449**	**£ 88,018**	**£ 725,611**

2024

	Unrestricted Funds			
	Designated Funds	*General Funds*	*Restricted Funds*	*Total Funds*
	£	*£*	*£*	*£*
Net current assets	*89,144*	*640,773*	*132,409*	*862,326*
	£ 89,144	*£ 640,773*	*£ 132,409*	*£ 862,326*

16. ANALYSIS OF THE NET MOVEMENT IN FUNDS

	Unrestricted Funds 2025	**Restricted Funds 2025**	**Total Funds 2025**	*Total Funds 2024*
	£	**£**	**£**	*£*
Net movement in funds	**(92,324)**	**(44,391)**	**(136,715)**	*54,957*
	£ (92,324)	**£ (44,391)**	**£ (136,715)**	*£ 54,957*

17. OPERATING LEASE COMMITMENTS

The charity had no lease commitments at the year end (2024 - the same).

18. OTHER COMPANY INFORMATION

Shannon Trust is a charitable company limited by guarantee, registered in England with registration number 5906258. Its registered office address is International House, 101 Kings Cross Road, London, WC1X 9LP. The accounts are presented in GBP rounded to £1.

SHANNON TRUST

England & Wales - Charity number 1117249

Accounts

Company registered number
5906258

SHANNON TRUST

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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

REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2024

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
For the year ended 31 December 2024

Company reg. no.	5906258
Charity reg. no. (England)	1117249
Charity reg. no. (Scotland)	SC043470
Registered office	International House 101 King's Cross Road London, WC1X 9LP
Trustees	The trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: Michael Wemms, Chair Andrew Reid, Treasurer John Bensted William Payne, Senior Independent Trustee Brenda Bates Cristalina Fernandes-Bates Ceri Godwin Caroline King (resigned 27 July 2024) Pankaj Sethi Joanna Marston Thomas Saunders Steven Wellard (appointed on 11 December 2024)
Key management personnel	Ian Merrill, CEO (until 28 February 2025) Christopher Morgan, Director of Business Support & Company Secretary
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kent, ME19 4JQ Aldermore Bank PLC 1st Floor, Block B Western House Lynch Wood Peterborough, PE2 6F2
Independent Auditor	Richard Billinghurst FCA Senior Statutory Auditor Knox Cropper LLP Chartered Accountants and Statutory Auditors 65 Leadenhall Street, London, EC3A 2AD
Accountants	NfP Accountants Ltd 3rd Floor, 86-90 Paul Street, London, EC2A 4NE

BOARD OF TRUSTEES' REPORT
For the year ended 31 December 2024

The Trustees (who are the Directors of the charitable company for the purposes of the Companies Act), present their combined Directors' report and Trustees' annual report, together with the financial statements of Shannon Trust for the year ended 31 December 2024. These are prepared in accordance with current statutory requirements, the requirements of the charity's governing document, and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

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

Objectives and activities

The Charity's Objects are the promotion of:

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

Our strategic brand statements are as follows:

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

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

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

Strategic aims

2024 was the final year of our three-year strategy aiming to drive growth in the number of learners engaged by Shannon Trust. The full strategy can be found on our website at www.shannontrust.org.uk. In summary the strategy has three clear strands:

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

Building on 2022 and 2023, further significant progress was made across all strands, and this forms the basis of further commentary below.

BOARD OF TRUSTEES' REPORT
For the year ended 31 December 2024

Public Benefit

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

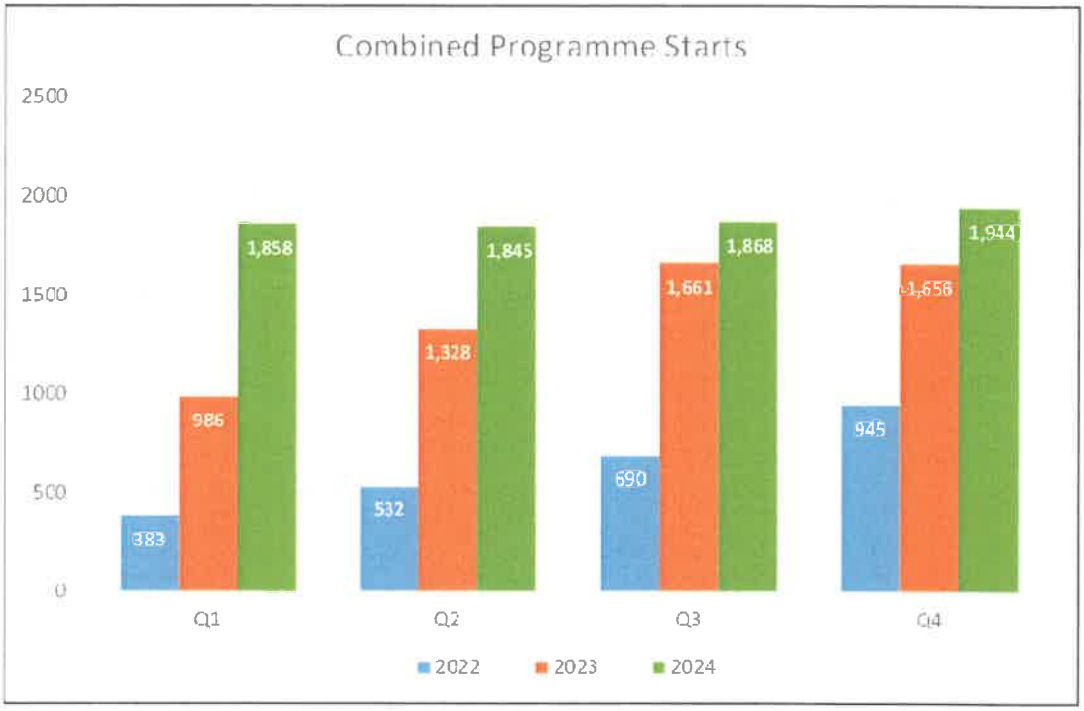
When planning the charity's activities, the trustees considered the Charity Commission Guidance on public benefit. The trustees also considered how the charity had succeeded in delivering its aims, including any public benefit, when reviewing the achievements for the year which are set out below.

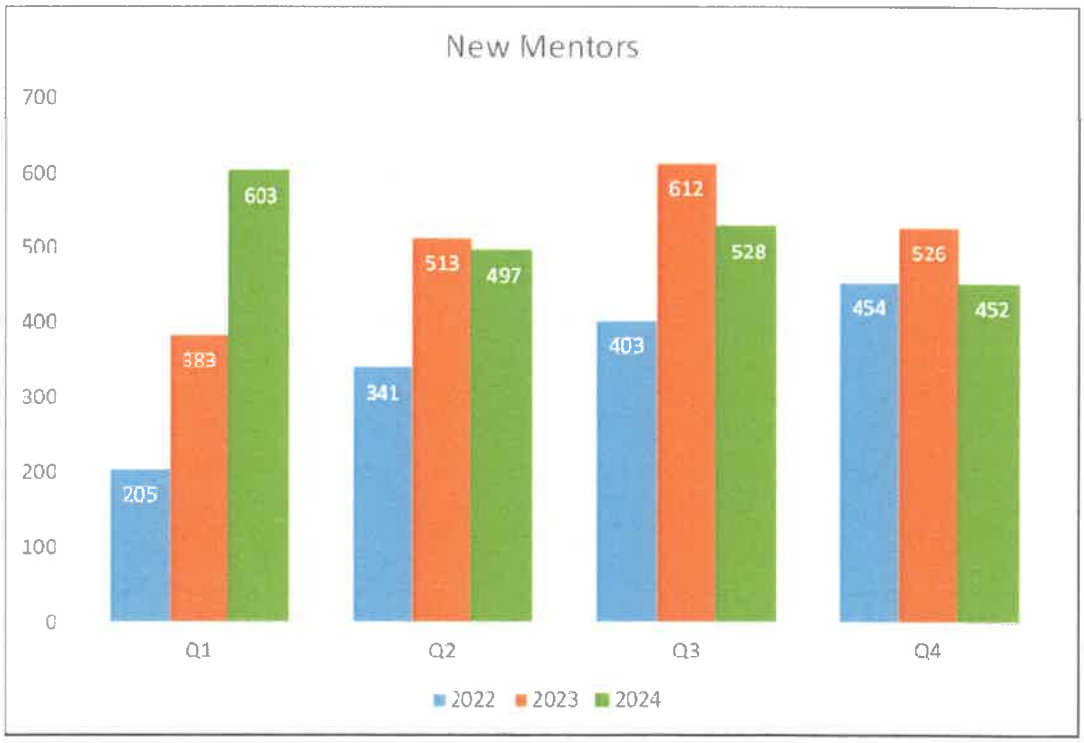
Achievements & performance

The investments made in organisational business support systems and processes, and the growth of the operational workforce, continued to bear fruit and enabled Shannon Trust to drive up the numbers of learners joining its reading and numeracy programmes. Working in around 100 prisons across England, Wales and Northern Ireland, as well as a growing number of community venues, 2024 saw the organisation post record numbers of learners engaging in its programmes.

Operational delivery in prisons

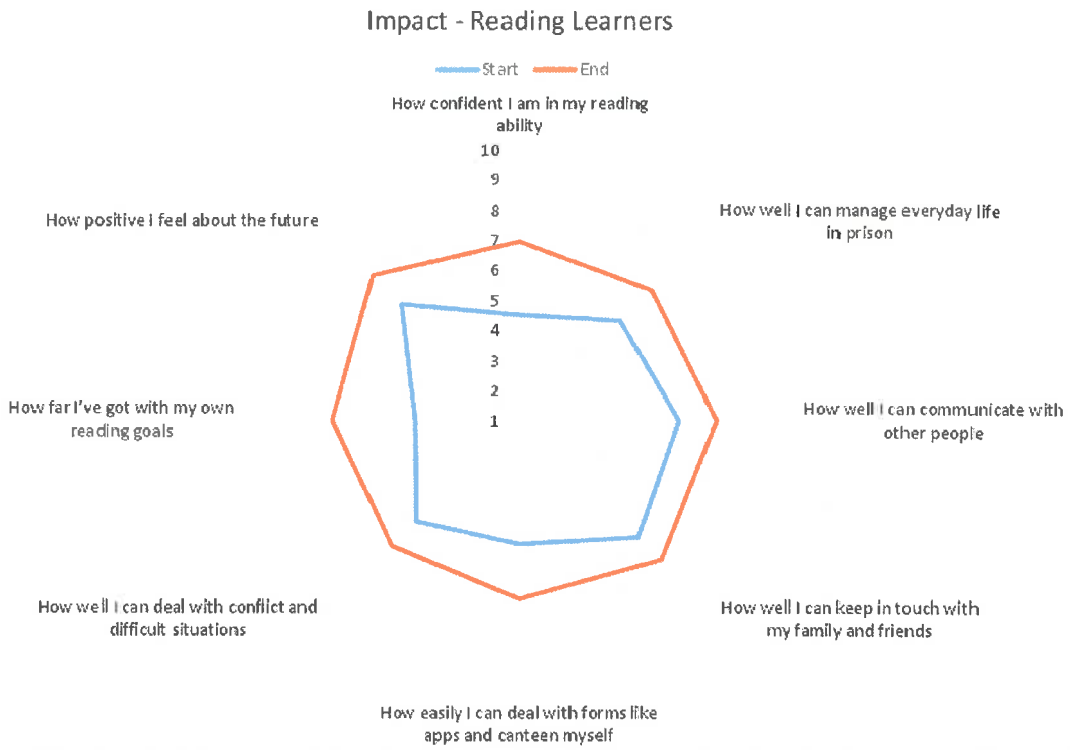
Our activity in prisons continued to include our literacy programme Turning Pages, and our numeracy programme, Count Me In. During 2024 more than 7,500 learners joined one or both of our programmes, we trained 2,080 new mentors, and actively engaged with a total caseload of more than 11,000 learners, representing a significant increase on the numbers seen in 2023 (2023: 5,631 new learners, 2,034 new mentors and total caseload of 7,325). As in previous years, the increases in the numbers of mentors recruited and trained, and the number of learners engaging with our programmes have two main drivers: 1) our organisational effectiveness has continued to grow, building on previous gains across business support, communications & marketing and income generation; and 2) we maintained our operational capacity by working under contract to the Ministry of Justice in around 70 prisons, embedding Programme Facilitators in these sites.


Combined Programme Starts
2500
2000
1500
1000
500
0
383
986
1,858
532
1,328
1,845
690
1,661
1,868
945
1,656
1,944
Q1
Q2
Q3
Q4
2022
2023
2024


New Mentors
700
600
500
400
300
200
100
0
205
383
603
341
513
497
403
612
528
454
526
452
Q1
Q2
Q3
Q4
2022
2023
2024

BOARD OF TRUSTEES' REPORT
For the year ended 31 December 2024

Once again, building on the work started in previous years, we refined our monitoring and evaluation systems, allowing us to better capture the impact of our Turning Pages and Count Me In programmes on learners' wellbeing. There were improvements for learners across all measures. A more detailed 2024 Impact Report can be found at www.shannontrust.org.uk, but a summary of the progress made by our reading learners can be seen below:



Operational delivery in the community

Our work outside of prisons, in community settings, continued to develop:

- We worked with several hundred learners in the community, across multiple partner agencies
- We took our first steps to test and develop Count Me In outside of our traditional prison settings
- Our Turning Pages digital tool was enhanced to include functionality allowing coaches to remotely support learners
- The suite of digital training resources for coaches was entirely revamped
- We secured grant funding to build Count Me In Digital, which we plan to launch in 2025

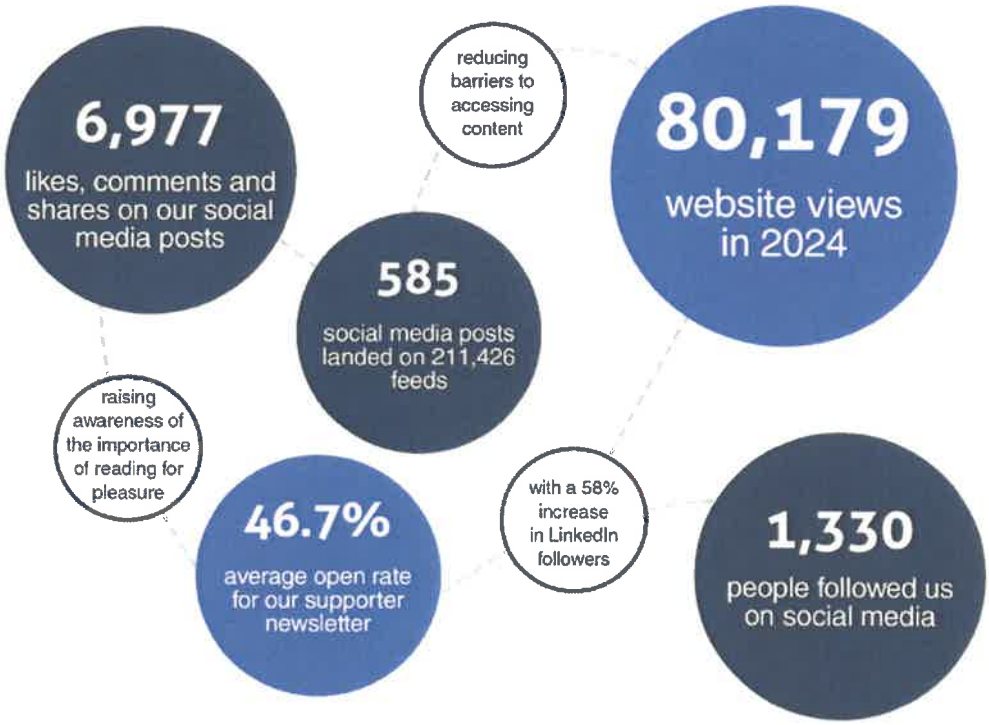
BOARD OF TRUSTEES' REPORT
For the year ended 31 December 2024

Employees and volunteers

The Shannon Trust employed workforce grew significantly during 2024, reaching almost 100 , funded by an increase in contracted income and grants from trusts and foundations. We were delighted to secure a grant of almost £500,000 from the National Lottery Community Fund to support further improvements in the way we recruit, train and support our volunteers, including the launch of an integrated volunteer management system.

Communications and marketing

Throughout 2024, we took a test and learn approach and experimented with different types of content, developing a better understanding of our audience. Through continual reporting and evaluation, we made the decision to stop using Twitter/X and focus more time on producing tailored content on our other platforms (LinkedIn, Facebook and Instagram). LinkedIn has been our most successful platform for a number of years, hitting 2,000 followers in April. In an environment where there are many voices competing to be heard, social media continues to be an important communications tool for Shannon Trust.



Business support

Our Business Support directorate consolidated its previous growth during 2024. The directorate now includes staff and volunteers covering Human Resources, Learning & Development, financial management, resources management, Information Technology, data, administration and volunteer management. We strengthened our cybersecurity processes during the year, supported by our CyberEssentials accreditation, and significantly upgraded our utilisation of digital business tools.

Annual business planning

As in each year of the 2022-2024 organisational strategy, Shannon Trust worked to an ambitious annual business plan, informed by the Four Disciplines of Execution (4DX) model. The 4DX model defines the organisation's wildly important goals, lag measures and lead behaviours, all captured in scoreboards owned by staff teams, all supported by a culture of shared accountability. Progress against the business plan was again good across most areas.

Chief Executive Officer

Towards the end of 2024, our Chief Executive Officer (CEO), Ian Merrill, took the decision to stand down from his role with Shannon Trust in February 2025, after more than four years in post. Shannon Trust has been transformed under Ian's leadership, reaching many more learners and mentors than ever before, and helping to change thousands of lives for the better. We are grateful to Ian for his leadership, his commitment, and the outstanding contribution he has made to our success over the past four years.

A new CEO has been appointed and will take up her role in June 2025. Our new CEO brings with her a huge amount of relevant experience and we are excited to welcome her to Shannon Trust.

Financial review

Financial Position

The Charity reported net income for the year of £54,957 (2023 - net income of £219,150), details of which are shown in the Statement of Financial Activities on page 16. Total income for the year amounted to £3,580,596, an increase of £1,112,594 on the previous year; and total expenditure amounted to £3,525,639, an increase of £1,276,787 on the previous year.

Income sources

A key element of our 2022-24 strategy was to seek contract funding for our work, both in prisons and the community. We had some encouraging success in 2022 and 2023, and were able to further build on this in 2024, with the result that contract income, primarily from HMPPS, accounted for 63.1% of our income in 2024 (2023: 58.4%). This success in gaining additional contract income, together with the associated costs involved in delivering these contracts, is the primary reason for the substantial increase in both income and expenditure compared to 2023. Grants from Trusts and Foundations remain a vital source of funding, and in 2024 31.6% of our income came from this source (2023: 33.8%). Donations from individuals accounted for a further 3.2% of income. Other income, including earned income, bank interest and corporate donations amounted to 2.1% of all income.

The charity is extremely grateful for the continued support of a range of grant giving trusts and foundations, generous individuals and companies, including the National Lottery Community Fund, Julia & Hans Rausing Trust, the Considered Ask Foundation, the Garfield Weston Foundation, the Hadley Trust, the AKO Foundation, the Tuixen Trust, the Goldsmiths Company, the Adrian Swire Charitable Trust, the DWF Foundation, the Banham Charitable Foundation, the Jones (1986) Charitable Trust, and the Millennium Stadium Charitable Trust.

Reserves Policy

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

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

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

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

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

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

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

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

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

The trustees have calculated an appropriate level of reserves for the charity as follows:

Reserve	Value	Method of calculation
Free reserves		
- Income variation	£238,000	3 months' budgeted future income, excluding contract income and restricted donations
- Working capital	£415,000	2 months' budgeted future contract income
	£653,000	
Designated reserves		
- Development fund	£39,000	As assessed by the trustees, having regard to the charity's 3 year strategy and annual business plan
- Contingency reserve	£50,000	As assessed by the trustees, having regard to the principal risks facing the charity and the mitigations in place to manage them.
	£89,000	
Unrestricted reserves target	**£742,000**	

At 31 December 2024, Shannon Trust had free reserves of £640,773 and designated reserves of £89,144, broadly in line with the charity's target. A business plan and associated budget is in place for 2025, which anticipates that an appropriate level of free reserves will be maintained throughout 2025.

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

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

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

Risk Management

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

Going Concern

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

BOARD OF TRUSTEES' REPORT
For the year ended 31 December 2024

Structure, governance and management

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

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

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

Recruitment, appointment and induction of new Trustees

The Directors of the company (the charity) are also charity Trustees for the purpose of charity law and under the company's Memorandum and Articles are known as Trustees. Under provision of the Articles: 1. the number of Trustees shall not be less than four nor more than fifteen. 2. Trustees are appointed for terms of three years, and in the normal course of events may serve for three consecutive terms before being required to retire.

Under the articles, adopted on 3rd May 2023, any person who is appointed as a Trustee will automatically, by virtue of that appointment, become a Member. No person other than a Trustee may be admitted as a Member. Currently the charity has 11 members.

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

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

Governance and management

The Trustees are responsible for the strategic direction and policy making of the charity. In 2024 the Board of Trustees met on eight occasions and the Finance & Risk Committee met quarterly between board meetings. The Remuneration Committee met twice. The day to day running of the charity is delegated to an employed management team which is headed by the Chief Executive Officer, supported by a team of volunteers.

Related parties and relationships with other organisations

Shannon Trust has a Memorandum of Understanding (MoU) with His Majesty's Prisons and Probation Service (HMPPS) enshrining the commitment to support the Shannon Trust Reading Plan in all public prisons through access, dedicated Prison Officer time and Senior Management Team support in each establishment. This arrangement is also in place across private prisons. This MoU is reviewed regularly. In certain prisons, this MoU has been supplemented by contracts for the delivery of our programmes, awarded directly to us by HMPPS.

BOARD OF TRUSTEES' REPORT
For the year ended 31 December 2024

Statement of responsibilities of the trustees

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

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

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2024 was 11 (2023 - 10). The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

BOARD OF TRUSTEES' REPORT
For the year ended 31 December 2024

Independent Auditor

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

Approval of the report

This report was approved by the Board of Trustees on 07 May 2025 and signed on their behalf by:

Michael Wemms
Chair

INDEPENDENT AUDITOR'S REPORT
For the year ended 31 December 2024

Opinion

We have audited the financial statements of Shannon Trust (the 'charitable company') for the year ended 31 December 2024 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis of opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 11, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT
For the year ended 31 December 2024

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

Use of the audit report

This report is made solely to the charitable company's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body for our audit work, for this report or for the opinions we have formed.



Richard Billinghurst FCA (Senior Statutory Auditor)
for and on behalf of Knox Cropper LLP
Chartered Accountants and Statutory Auditors
65 Leadenhall Street
London, EC3A 2AD

Date: 22/05/2025

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating Income and Expenditure Account & Statement of Total Realised Gains and Losses)
For the year ended 31 December 2024

	Note	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	*Unrestricted Funds 2023 £*	*Restricted Funds 2023 £*	*Total Funds 2023 £*
INCOME FROM							
Donations and legacies	2	**622,637**	**623,578**	**1,246,215**	*561,298*	*376,344*	*937,642*
Charitable activities							
Reading and numeracy programme	3	**2,313,479**	**-**	**2,313,479**	*1,516,578*	*-*	*1,516,578*
Investment income: bank interest		**20,794**	**-**	**20,794**	*13,711*	*-*	*13,711*
Other income		**108**	**-**	**108**	*71*	*-*	*71*
TOTAL INCOME		**2,957,018**	**623,578**	**3,580,596**	*2,091,658*	*376,344*	*2,468,002*
EXPENDITURE ON:							
Raising funds	4	**139,600**	**-**	**139,600**	*105,864*	*-*	*105,864*
Charitable activities							
Criminal Justice System (CJS) Operations	4	**2,589,444**	**456,754**	**3,046,198**	*1,334,090*	*238,204*	*1,572,294*
Community Operations		**41,473**	**83,722**	**125,195**	*192,234*	*163,814*	*356,048*
Resources		**149,081**	**40,504**	**189,585**	*152,989*	*28,966*	*181,955*
Turning pages sustainability income project (TPSI)		**25,061**	**-**	**25,061**	*32,691*	*-*	*32,691*
		2,805,059	**580,980**	**3,386,039**	*1,712,004*	*430,984*	*2,142,988*
TOTAL EXPENDITURE		**2,944,659**	**580,980**	**3,525,639**	*1,817,868*	*430,984*	*2,248,852*
NET INCOME/(EXPENDITURE) FOR THE YEAR		**12,359**	**42,598**	**54,957**	*273,790*	*(54,640)*	*219,150*
RECONCILIATION OF FUNDS							
TOTAL FUNDS AT 1 JANUARY 2024		*717,558*	*89,811*	*807,369*	*443,768*	*144,451*	*588,219*
TOTAL FUNDS AT 31 DECEMBER 2024		**£ 729,917**	**£ 132,409**	**£ 862,326**	*£ 717,558*	*£ 89,811*	*£ 807,369*

All income and expenditure has arisen from continuing activities

The annexed notes form part of these financial statements

SHANNON TRUST
(company limited by guarantee number 5906258)

BALANCE SHEET
As at 31 December 2024

	Notes		2024		2023
		£	£	£	£
CURRENT ASSETS					
Debtors	12	**244,934**		*276,656*	
Cash at bank and in hand		**751,092**		*594,330*	
		996,026		*870,986*	
CREDITORS: amounts falling due within one year	13	**(133,700)**		*(63,617)*	
NET CURRENT ASSETS			**862,326**		*807,369*
NET ASSETS			**£ 862,326**		*£ 807,369*
FUNDS					
Restricted funds	14		**132,409**		*89,811*
Unrestricted funds:					
Designated funds	14	**89,144**		*125,000*	
General fund	14	**640,773**		*592,558*	
			729,917		*717,558*
			£ 862,326		*£ 807,369*

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

They were approved, and authorised for issue, by the Board of Trustees on 07 May 2025 and signed on their behalf by:-

MICHAEL WEMMS, Chair

The annexed notes form part of these financial statements

STATEMENT OF CASHFLOWS
For the year ended 31 December 2024

	2024		2023	
	£	£	£	£
Cash flows from operating activities		**54,957**		*219,150*
Net cash provided by / (used in) operating activities				
(Increase)/decrease in debtors	**31,722**		*(208,678)*	
Increase/(decrease) in creditors	**70,083**		*35,954*	
		101,805		*(172,724)*
Change in cash and cash equivalents in the year		**156,762**		*46,426*
Cash and cash equivalents at the beginning of the year		**594,330**		*547,904*
Cash and cash equivalents at the year end		**£ 751,092**		*£ 594,330*

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

1. ACCOUNTING POLICIES

Basis of preparation of financial statements
The accounts have been prepared under the historical cost accounting rules, and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005, Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), and the Companies Act 2006.

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

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

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

Going concern
The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Key judgements that the charitable company has made which have a significant effect on the accounts include estimating income and expenditure for the next 12 months, in particular the likelihood of various contracts and grants being awarded.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Cash at bank and in hand
Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

Creditors and provisions
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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

Pensions
The charity operates a defined contributions pension scheme, which is a Group Stakeholder Pension Scheme. During the year, the charity contributed up to 5% of gross pay for all staff. The contributions made during the year are treated as an expense and were £82,664 (2023 - £49,043).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

2. DONATIONS AND LEGACIES

	Unrestricted Funds 2024	Restricted Funds 2024	Total Funds 2024	*Unrestricted Funds 2023*	*Restricted Funds 2023*	*Total Funds 2023*
	£	£	£	£	£	£
Trusts and foundations	508,050	623,578	1,131,628	*457,793*	*376,344*	*834,137*
Individual donors	82,979	-	82,979	*76,371*	-	*76,371*
Major donors	30,070	-	30,070	*26,875*	-	*26,875*
Corporate donations	1,538	-	1,538	*259*	-	*259*
	£ 622,637	£ 623,578	£ 1,246,215	£ *561,298*	£ *376,344*	£ *937,642*

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2024	Restricted Funds 2024	Total Funds 2024	*Total Funds 2023*
	£	£	£	£
Contracts and SLAs	2,258,445	-	2,258,445	*1,440,282*
Sale of reading manuals	55,034	-	55,034	*76,296*
	£ 2,313,479	£ Nil	£ 2,313,479	£ *1,516,578*

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

4. ANALYSIS OF EXPENDITURE

	Staff costs £	Direct costs £	Governance costs £	Support costs £	Total 2024 £	*Total 2023 £*
CJS Operations	**2,175,701**	**174,749**	**10,521**	**685,227**	**3,046,198**	*1,572,294*
Community operations	**46,530**	**63,786**	**225**	**14,654**	**125,195**	*356,048*
Resources	**-**	**189,585**	**-**	**-**	**189,585**	*181,955*
Turning pages sustainability	**-**	**25,061**	**-**	**-**	**25,061**	*32,691*
	2,222,231	**453,181**	**10,746**	**699,881**	**3,386,039**	*2,142,988*
Fundraising costs	**101,631**	**5,470**	**491**	**32,008**	**139,600**	*105,864*
Governance costs	**-**	**11,237**	**(11,237)**	**-**	**-**	*-*
Support costs	**580,514**	**151,375**	**-**	**(731,889)**	**-**	*-*
	£ 2,904,376	**£ 621,263**	**£ Nil**	**£ Nil**	**£ 3,525,639**	*£ 2,248,852*

2023

CJS Operations	*1,129,078*	*125,081*	*7,851*	*310,284*	*1,572,294*
Community Operations	*184,869*	*119,089*	*1,286*	*50,804*	*356,048*
Resources	*-*	*181,955*	*-*	*-*	*181,955*
Turning pages sustainability	*-*	*32,691*	*-*	*-*	*32,691*
	1,313,947	*458,816*	*9,137*	*361,088*	*2,142,988*
Fundraising costs	*79,263*	*4,268*	*551*	*21,782*	*105,864*
Governance costs	*-*	*9,688*	*(9,688)*	*-*	*-*
Support costs	*306,024*	*76,846*	*-*	*(382,870)*	*-*
	£ 1,699,234	*£ 549,618*	*£ Nil*	*£ Nil*	*£ 2,248,852*

Of the total expenditure, £2,944,659 was unrestricted (2023 - £1,817,868) and £580,980 was restricted (2023 - £430,984).

5. NET INCOME / EXPENDITURE FOR THE YEAR

This is stated after charging / crediting:

	2024 £	*2023 £*
Audit fees	**6,420**	*6,240*

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

6. STAFF COSTS AND NUMBERS

	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	*Unrestricted Funds 2023 £*	*Restricted Funds 2023 £*	*Total Funds 2023 £*
Salary costs						
Wages and salaries	**2,183,146**	**307,660**	**2,490,806**	*1,201,774*	*246,895*	*1,448,669*
Social security costs	**234,912**	**-**	**234,912**	*134,647*	*-*	*134,647*
Pension costs	**82,664**	**-**	**82,664**	*49,043*	*-*	*49,043*
	2,500,722	**307,660**	**2,808,382**	*1,385,464*	*246,895*	*1,632,359*
Other staffing costs						
Recruitment	**6,218**	**10,656**	**16,874**	*13,105*	*-*	*13,105*
Staff training and development	**21,511**	**6,848**	**28,359**	*20,819*	*2,240*	*23,059*
Death in service	**4,854**	**-**	**4,854**	*2,868*	*-*	*2,868*
Consultancy	**45,907**	**-**	**45,907**	*27,843*	*-*	*27,843*
	£ 2,579,212	**£ 325,164**	**£ 2,904,376**	*£ 1,450,099*	*£ 249,135*	*£ 1,699,234*

The average number of employees (head count based on number of staff employed) during the year was 88 (2023 - 48).

The total employee benefits, including pension contributions, of the key management personnel were £179,750 (2023 - £169,082). KMPs include the CEO and the Director of Business Support.

During the year, one employee earned between £60,000 - £70,000 and one employee earned between £90,000 - £100,000 (2023 - one employee earned £80,000 - £90,000).

7. TRUSTEES' REMUNERATION AND EXPENSES

The charity trustees were not paid and did not receive any other benefits from association with the charity in the year (2023 - £nil). No charity trustee received payment for professional or other services supplied to the charity (2023 - £nil).

Trustees' expenses, representing the payment or reimbursement of travel and subsistence costs, totalled £993 (2023 - £812), incurred by 3 trustees (2023 - 3 trustee) relating to attendance at meetings of the trustees.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

8. OTHER RELATED PARTY TRANSACTIONS

Other than trustees' expenses above, there are no reportable related party transactions to disclose for 2024 (2023 - none).

9. TAXATION

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

10. PENSION SCHEME

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

11. SUPPORT AND GOVERNANCE COSTS

	2024	*2023*
	£	*£*
Support costs		
Premises costs, including meeting room hire	**4,321**	*9,685*
Website and online costs	**5,300**	*6,361*
Insurance	**3,390**	*2,635*
Other comms and marketing	**45,141**	*14,735*
IT systems, computers and office equipment	**48,658**	*15,628*
Telephones	**6,792**	*3,295*
Legal and professional fees	**-**	*5,815*
Volunteer expenses	**37**	*-*
Events and conferences	**217**	*173*
Staff travel and subsistence	**25,529**	*16,751*
Other office costs	**11,990**	*1,768*
	151,375	*76,846*
Governance costs		
Board meetings	**2,881**	*1,575*
Audit	**6,420**	*6,240*
Audit preparation	**1,200**	*1,200*
Other governance costs	**736**	*673*
	11,237	*9,688*
Support staff costs	**580,514**	*306,024*
	£ 743,126	*£ 392,558*

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

12. DEBTORS

Due within one year	2024 £	2023 £
Trade debtors	191,241	145,102
Accrued income	53,693	131,011
Other debtors	-	543
	£ 244,934	£ 276,656

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Deferred grant income	30,000	30,000
Other creditors	-	13,388
VAT creditors	6,027	2,952
Accruals	97,673	17,277
	£ 133,700	£ 63,617
Deferred income		
Balance at 1 January 2024	30,000	-
Amount released to incoming resources	(30,000)	-
Amount deferred in the year	30,000	30,000
Balance at 31 December 2024	£ 30,000	£ 30,000

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

14. STATEMENT OF FUNDS

	Brought Forward	Incoming Resources	Resources Expended	Transfers	Carried Forward
	£	£	£	£	£
DESIGNATED FUNDS					
Contingency Fund	50,000	-	-	-	50,000
Development Fund	75,000	-	-	(35,856)	39,144
	£ 125,000	£ Nil	£ Nil	£ (35,856)	£ 89,144
RESTRICTED FUNDS					
CJS Operations	5,056	563,578	(456,755)	-	111,879
Community Operations	83,721	-	(83,721)	-	-
Resources	1,034	60,000	(40,504)	-	20,530
	£ 89,811	£ 623,578	£ (580,980)	£ Nil	£ 132,409
SUMMARY OF FUNDS					
Designated Funds	125,000	-	-	(35,856)	89,144
General Funds	592,558	2,957,018	(2,944,659)	35,856	640,773
	717,558	2,957,018	(2,944,659)	-	729,917
Restricted Funds	89,811	623,578	(580,980)	-	132,409
	£ 807,369	£ 3,580,596	£ (3,525,639)	£ Nil	£ 862,326

Restricted funds

Criminal Justice System operations – income restricted for elements of the delivery of Shannon Trust's reading and numeracy programmes across prisons in England, Wales and Northern Ireland. Restrictions relate to public/private prisons, specified delivery locations, and types of prisons such as work within the Young Persons Estate and Young Offender Institutes.

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

Resources - income restricted for the development, production and distribution of our learning resources, including books, manuals, digital resources and other learning materials.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

STATEMENT OF FUNDS - 2023

	Brought Forward	*Incoming Resources*	*Resources Expended*	*Transfers*	*Carried Forward*
	£	£	£	£	£
DESIGNATED FUNDS					
Contingency Fund	*50,000*	-	-	-	*50,000*
Development Fund	*75,000*	-	-	-	*75,000*
	£ *125,000*	£ *Nil*	£ *Nil*	£ *Nil*	£ *125,000*

	Brought Forward	*Incoming Resources*	*Resources Expended*	*Transfers*	*Carried Forward*
	£	£	£	£	£
RESTRICTED FUNDS					
CJS Operations	*27,927*	*215,333*	*(238,204)*	-	*5,056*
Community Operations	*116,524*	*131,011*	*(163,814)*	-	*83,721*
Resources	-	*30,000*	*(28,966)*	-	*1,034*
	£ *144,451*	£ *376,344*	£ *(430,984)*	£ *Nil*	£ *89,811*

SUMMARY OF FUNDS					
Designated Funds	*125,000*	-	-	-	*125,000*
General Funds	*318,768*	*2,091,658*	*(1,817,868)*	-	*592,558*
Restricted Funds	*144,451*	*376,344*	*(430,984)*	-	*89,811*
	£ *588,219*	£ *2,468,002*	£ *(2,248,852)*	£ *Nil*	£ *807,369*

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

2024

	Unrestricted Funds			
	Designated Funds	General Funds	Restricted Funds	Total Funds
	£	£	£	£
Net current assets	89,144	640,773	132,409	862,326
	£ 89,144	£ 640,773	£ 132,409	£ 862,326

2023

	Unrestricted Funds			
	Designated Funds	*General Funds*	*Restricted Funds*	*Total Funds*
	£	*£*	*£*	*£*
Net current assets	*125,000*	*592,558*	*89,811*	*807,369*
	£ 125,000	*£ 592,558*	*£ 89,811*	*£ 807,369*

16. ANALYSIS OF THE NET MOVEMENT IN FUNDS

	Unrestricted Funds 2024	Restricted Funds 2024	Total Funds 2024	*Total Funds 2023*
	£	£	£	*£*
Net movement in funds	12,359	42,598	54,957	*219,150*
	£ 12,359	£ 42,598	£ 54,957	*£ 219,150*

17. OPERATING LEASE COMMITMENTS

The charity had no lease commitments at the year end (2023 - the same).

18. OTHER COMPANY INFORMATION

Shannon Trust is a charitable company limited by guarantee, registered in England with registration number 5906258. Its registered office address is International House, 101 Kings Cross Road, London, WC1X 9LP. The accounts are presented in GBP rounded to £1.

SHANNON TRUST

England & Wales - Charity number 1117249

Accounts

Company registered number
5906258

SHANNON TRUST

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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

REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2023

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
For the year ended 31 December 2023

Company reg. no.	5906258
Charity reg. no. (England)	1117249
Charity reg. no. (Scotland)	SC043470
Registered office	International House 101 King's Cross Road London, WC1X 9LP
Trustees	The trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: Michael Wemms, Chair Andrew Reid, Treasurer John Bensted William Payne, Senior Independent Trustee Brenda Bates Cristalina Fernandes-Bates Ceri Godwin Caroline King Pankaj Sethi Joanna Marston Thomas Saunders (appointed 03 May 2023)
Key management personnel	Ian Merrill, CEO Christopher Morgan, Director of Business Support & Company Secretary
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kent, ME19 4JQ Aldermore Bank PLC 1st Floor, Block B Western House Lynch Wood Peterborough, PE2 6F2
Independent Auditor	Richard Billinghurst FCA Senior Statutory Auditor Knox Cropper LLP Chartered Accountants and Statutory Auditors 65 Leadenhall Street, London, EC3A 2AD
Accountants	NfP Accountants Ltd 3rd Floor, 86-90 Paul Street, London, EC2A 4NE

BOARD OF TRUSTEES' REPORT
For the year ended 31 December 2023

The Trustees (who are the Directors of the charitable company for the purposes of the Companies Act), present their combined Directors' report and Trustees' annual report, together with the financial statements of Shannon Trust for the year ended 31 December 2023. These are prepared in accordance with current statutory requirements, the requirements of the charity's governing document, and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

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

Objectives and activities

The Charity's Objects are the promotion of:

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

Our strategic brand statements are as follows:

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

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

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

Strategic aims

2023 marked the second year of our three year strategy which signalled a step change in ambition for Shannon Trust, built on a renewed commitment to reach many more learners. The full strategy can be found on our website at www.shannontrust.org.uk. In summary the strategy has three clear strands:

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

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

BOARD OF TRUSTEES' REPORT
For the year ended 31 December 2023

Public Benefit

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

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

Achievements & performance

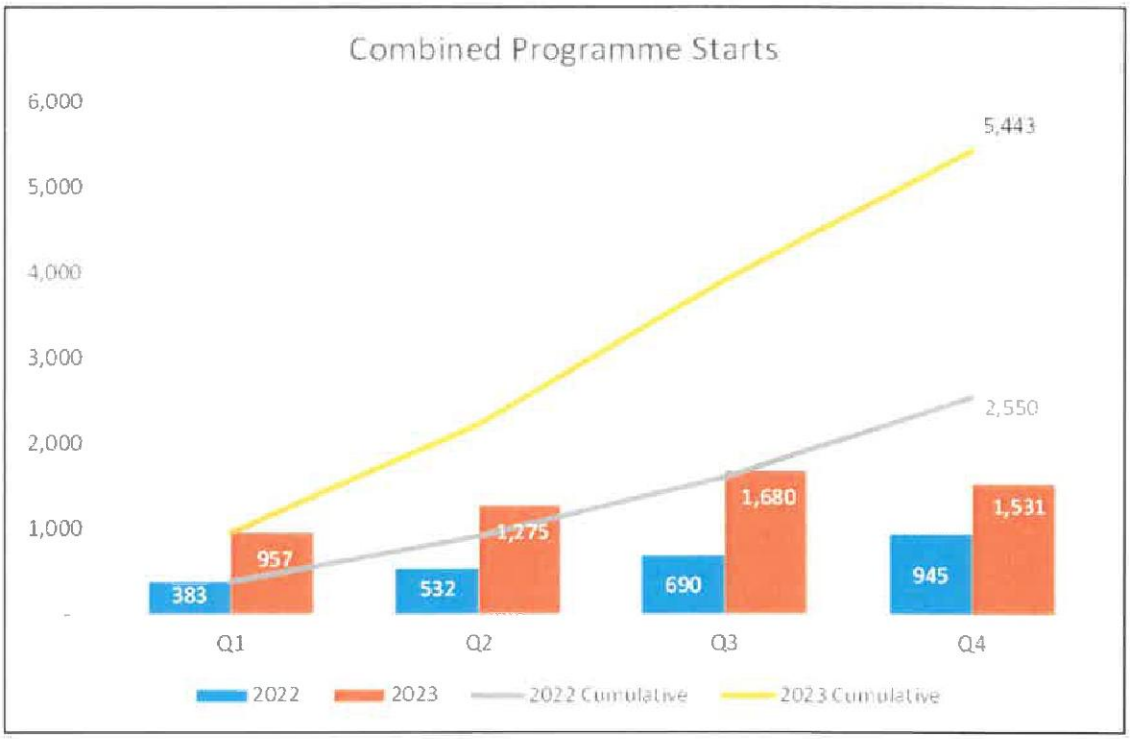
The investments made in organisational business support systems and processes, and the growth of the operational workforce, enabled Shannon Trust to increase significantly the numbers of learners joining its reading and numeracy programmes. Our strategic aims are designed to enable the organisation to do much more to address the very high levels of illiteracy, and now innumeracy, amongst those caught up in the criminal justice system. We made further progress against those aims during 2023.

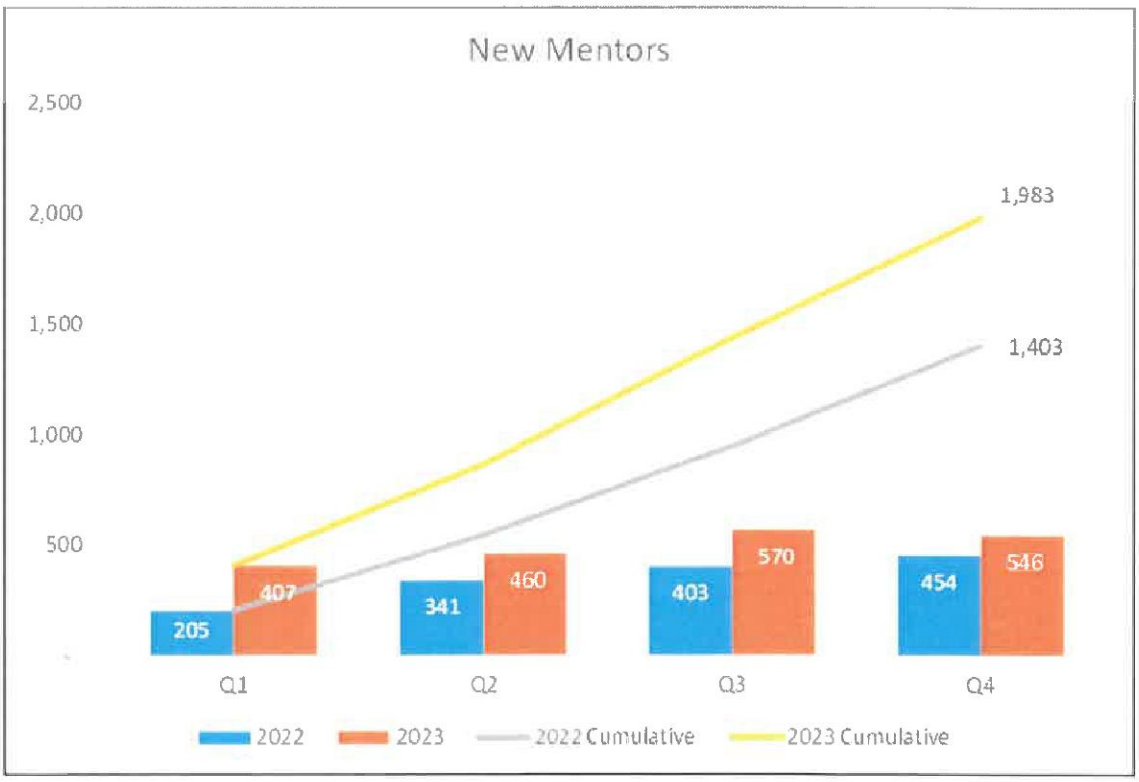
Operational delivery in prisons

Our activity in prisons now spans two programmes: our well-established reading programme, Turning Pages, and our newly launched numeracy programme, Count Me In. Having launched our numeracy programme in 2022, we saw this grow substantially in 2023, with 52 prisons having an active programme by the end of the year.

During 2023 more than 5,400 learners joined one or both of our programmes, we trained almost 2,000 new mentors, and actively engaged with a total caseload of 7,325 learners, representing a significant increase on the numbers seen in 2022. The encouraging increases in the numbers of mentors recruited and trained, and the number of learners engaging with our programmes have two main drivers: 1) our organisational effectiveness has continued to grow, building on previous gains across business support, communications & marketing and income generation; and 2) our operational capacity continued to grow through securing and retaining further contracted work, with many more prison programme facilitators in particular joining the

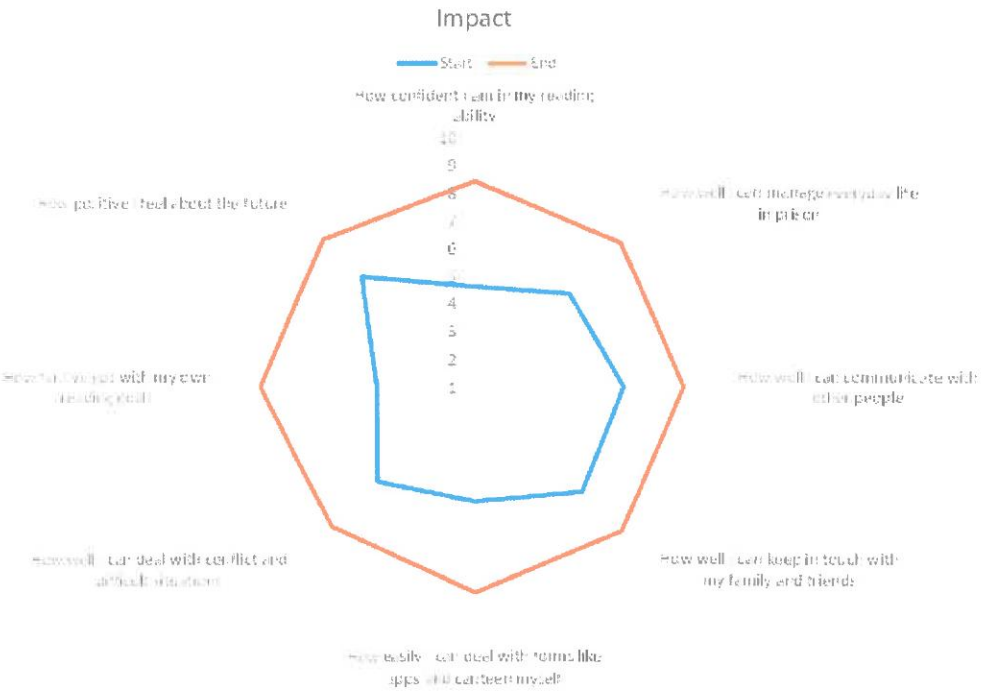
BOARD OF TRUSTEES' REPORT
For the year ended 31 December 2023





BOARD OF TRUSTEES' REPORT
For the year ended 31 December 2023

We continued to refine our approach to our monitoring and evaluation, and in so doing report on the impact on our learners' wellbeing as a result of learning to read with Turning Pages, and of becoming numerate with our newly launched numeracy programme, Count Me In. There were improvements for learners across all measures, with the increase in learner confidence particularly noteworthy. A more detailed 2023 Impact Report can be found at www.shannontrust.org.uk, but a summary of the progress made by our reading learners can be seen below:



Operational delivery in the community

Our work outside of prisons, in community settings, developed in a number of aspects:

- we gathered learnings from the multiple community partners that we worked alongside in 2023, gaining valuable insights into how our tools, training and support need to adapt to be successful outside of a custodial environment
- partnership work continued with the Probation Service, in particular across the Kent, Surry and Sussex region, generating a growing understanding of the challenges facing probation services, and how those impact the likelihood of probation practitioners referring into our programmes
- we finalised the development of our Turning Pages Digital tool, and saw our first learners complete their literacy journey with us, using Turning Pages Digital
- we continued to broker new community partnerships, train new coaches and attract new learners

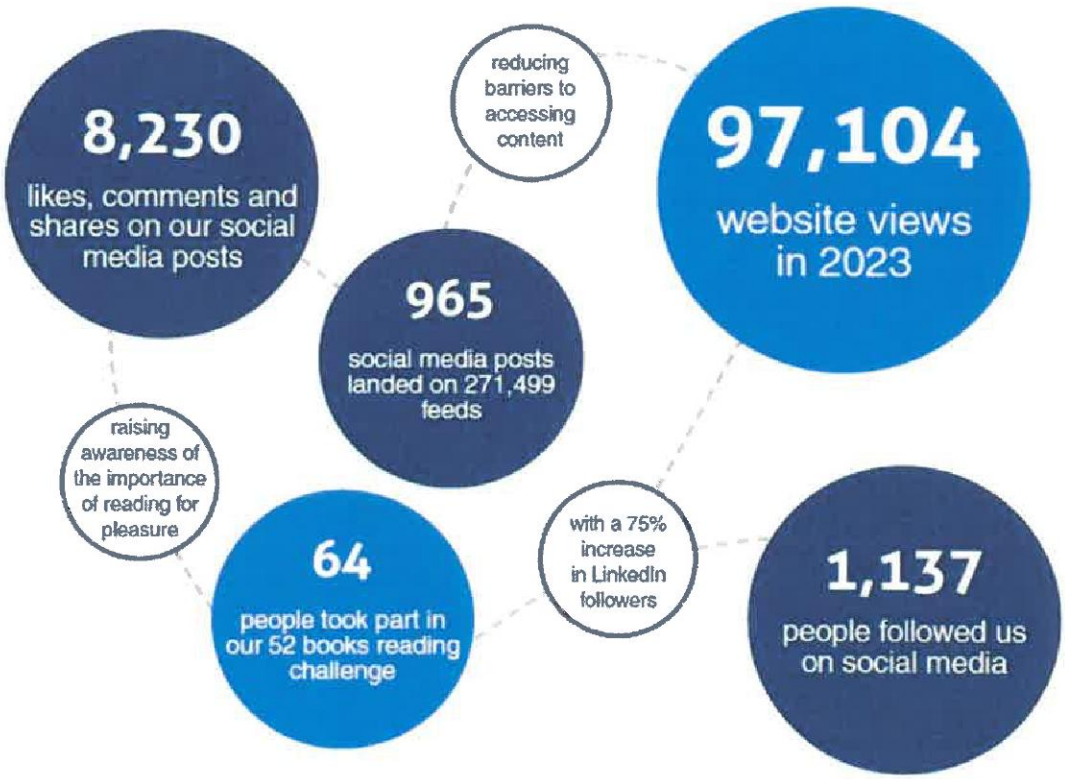
BOARD OF TRUSTEES' REPORT
For the year ended 31 December 2023

Employees and volunteers

The Shannon Trust employed workforce grew significantly during 2023, funded by an increase in contracted income and grants from trusts and foundations. We also welcomed 40 new volunteers to the team, with some volunteer roles adapting to the growth in the number of staff now involved in programme delivery.

Communications and marketing

We continued to grow our following and engagement across all communications channels, and continue to engage with prison and community partner staff to drive engagement from those who would benefit from our programmes. Given the growth in our contracted programme delivery in prisons, we strengthened our senior relationships in HMPPS. Our communications year in summary:



Business support

Our Business Support directorate grew in 2023, following a business improvement process and subsequent re-structure. During the year we strengthened our Human Resources function to ensure we had the capacity to support our increased workforce, and since the year end have added additional roles in data, technology management, print and production and learning & development. This additional capacity and enhanced skills will allow us to further support our growing workforce, as well as continue to provide a better experience for our learners and mentors, suppliers, partners and other stakeholders.

Annual business planning

As in the first year of our current organisational strategy, Shannon Trust worked to an ambitious annual business plan, informed by the Four Disciplines approach to execution. We identified the organisation's wildly important goals, lag measures and lead behaviours captured in scoreboards owned by staff teams, all supported by a culture of shared accountability. Progress against the business plan was good across most areas.

Financial review

Financial Position

The Charity reported net income for the year of £219,150 (2022 - net expenditure of £8,250), details of which are shown in the Statement of Financial Activities on page 16. Total income for the year amounted to £2,468,002, an increase of £1,357,524 on the previous year; and total expenditure amounted to £2,248,852, an increase of £1,130,124 on the previous year.

Income sources

As outlined in our three-year strategy, we have been actively seeking contract funding for our work, both in prisons and the community. We had some encouraging early success in 2022 and were able to build on this in 2023, with the result that contract income, primarily from HMPPS, accounted for 58.4% of our income in 2023. This success in gaining contract income, together with the associated costs involved in delivering these contracts, is the primary reason for the substantial increase in both income and expenditure compared to 2022. Grants from Trusts and Foundations remain a vital source of funding, and in 2023 33.8% of our income came from this source. Donations from individuals accounted for a further 4.2% of income. Other income, including earned income, bank interest and corporate donations amounted to 3.6% of all income.

The charity is extremely grateful for the continued support of a range of grant giving trusts and foundations, generous individuals and companies, including the Julia & Hans Rausing Trust, the Porticus Foundation, the Garfield Weston Foundation, the AKO Foundation, CVC Advisors, the Tuixen Trust, the Considered Ask Foundation, the Goldsmiths Company, the Unwin Charitable Trust and the Lightbulb Trust.

BOARD OF TRUSTEES' REPORT
For the year ended 31 December 2023

Reserves Policy

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

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

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

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

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

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

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

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

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

The trustees have calculated an appropriate level of reserves for the charity as follows:

Reserve	Value	Method of calculation
Free reserves		
- Income variation	£283,000	3 months' budgeted future income, excluding contract income and restricted donations
- Working capital	£321,000	2 months' budgeted future contract income
	£604,000	
Designated reserves		
- Development fund	£75,000	As assessed by the trustees, having regard to the charity's 3 year strategy and annual business plan
- Contingency reserve	£50,000	As assessed by the trustees, having regard to the principal risks facing the charity and the mitigations in place to manage them.
	£125,000	
Unrestricted reserves target	**£729,000**	

At 31 December 2023, Shannon Trust had free reserves of £592,558 and designated reserves of £125,000, broadly in line with the charity's target. A business plan and associated budget is in place for 2024, which anticipates that an appropriate level of free reserves will be maintained throughout 2024.

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

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

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

Risk Management

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

Going Concern

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

BOARD OF TRUSTEES' REPORT
For the year ended 31 December 2023

Structure, governance and management

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

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

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

Recruitment, appointment and induction of new Trustees

The Directors of the company (the charity) are also charity Trustees for the purpose of charity law and under the company's Memorandum and Articles are known as Trustees. Under provision of the Articles: 1. the number of Trustees shall not be less than four nor more than fifteen. 2. Trustees are appointed for terms of three years, and in the normal course of events may serve for three consecutive terms before being required

Under the articles, adopted on 3rd May 2023, any person who is appointed as a Trustee will automatically, by virtue of that appointment, become a Member. No person other than a Trustee may be admitted as a Member. Currently the charity has 11 members.

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

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

Governance and management

The Trustees are responsible for the strategic direction and policy making of the charity. In 2023 the Board of Trustees met on eight occasions and the Finance & Risk Committee met quarterly between board meetings. The Remuneration Committee met twice. The day to day running of the charity is delegated to an employed management team which is headed by the Chief Executive Officer, supported by a team of volunteers.

Related parties and relationships with other organisations

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

BOARD OF TRUSTEES' REPORT
For the year ended 31 December 2023

Statement of responsibilities of the trustees

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

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

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2023 was 11 (2022 - 10). The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

BOARD OF TRUSTEES' REPORT
For the year ended 31 December 2023

Independent Auditor

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

Approval of the report

This report was approved by the Board of Trustees on 01 May 2024 and signed on their behalf by:



Michael Wemms
Chair

INDEPENDENT AUDITOR'S REPORT
For the year ended 31 December 2023

Opinion

We have audited the financial statements of Shannon Trust (the 'charitable company') for the year ended 31 December 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis of opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 11, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT
For the year ended 31 December 2023

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

Use of the audit report

This report is made solely to the charitable company's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body for our audit work, for this report or for the opinions we have formed.

Richard Billinghurst FCA (Senior Statutory Auditor)
for and on behalf of Knox Cropper LLP
Chartered Accountants and Statutory Auditors
65 Leadenhall Street
London, EC3A 2AD

Date: 09 May 2024

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating Income and Expenditure Account & Statement of Total Realised Gains and Losses)
For the year ended 31 December 2023

	Note	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	*Unrestricted Funds 2022 £*	*Restricted Funds 2022 £*	*Total Funds 2022 £*
INCOME FROM							
Donations and legacies	2	**561,298**	**376,344**	**937,642**	*524,637*	*330,066*	*854,703*
Charitable activities							
Reading and numeracy programme	3	**1,516,578**	**-**	**1,516,578**	*251,398*	*-*	*251,398*
Investment income: bank interest		**13,711**	**-**	**13,711**	*4,240*	*-*	*4,240*
Other income		**71**	**-**	**71**	*137*	*-*	*137*
TOTAL INCOME		**2,091,658**	**376,344**	**2,468,002**	*780,412*	*330,066*	*1,110,478*
EXPENDITURE ON:							
Raising funds	4	**105,864**	**-**	**105,864**	*104,520*	*-*	*104,520*
Charitable activities							
Criminal Justice System (CJS) Operations	4	**1,334,090**	**238,204**	**1,572,294**	*697,480*	*142,540*	*840,020*
Community Operations		**192,234**	**163,814**	**356,048**	*69,766*	*1,299*	*71,065*
Resources		**152,989**	**28,966**	**181,955**	*25,279*	*43,133*	*68,412*
Turning pages sustainability income project (TPSI)		**32,691**	**-**	**32,691**	*34,711*	*-*	*34,711*
		1,712,004	**430,984**	**2,142,988**	*827,236*	*186,972*	*1,014,208*
TOTAL EXPENDITURE		**1,817,868**	**430,984**	**2,248,852**	*931,756*	*186,972*	*1,118,728*
NET INCOME/(EXPENDITURE) FOR THE YEAR		**273,790**	**(54,640)**	**219,150**	*(151,344)*	*143,094*	*(8,250)*
RECONCILIATION OF FUNDS							
TOTAL FUNDS AT 1 JANUARY 2023		*443,768*	*144,451*	*588,219*	*595,112*	*1,357*	*596,469*
TOTAL FUNDS AT 31 DECEMBER 2023		**£ 717,558**	**£ 89,811**	**£ 807,369**	*£ 443,768*	*£ 144,451*	*£ 588,219*

All income and expenditure has arisen from continuing activities

The annexed notes form part of these financial statements

SHANNON TRUST
(company limited by guarantee number 5906258)

BALANCE SHEET
As at 31 December 2023

	Notes	£	2023 £	£	2022 £
CURRENT ASSETS					
Debtors	12	**276,656**		*67,978*	
Cash at bank and in hand		**594,330**		*547,904*	
		870,986		*615,882*	
CREDITORS: amounts falling due within one year	13	**(63,617)**		*(27,663)*	
NET CURRENT ASSETS			**807,369**		*588,219*
NET ASSETS			**£ 807,369**		*£ 588,219*
FUNDS					
Restricted funds	14		**89,811**		*144,451*
Unrestricted funds:					
Designated funds	14	**125,000**		*125,000*	
General fund	14	**592,558**		*318,768*	
			717,558		*443,768*
			£ 807,369		*£ 588,219*

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

They were approved, and authorised for issue, by the Board of Trustees on 01 May 2024 and signed on their behalf by:-

MICHAEL WEMMS, Chair

The annexed notes form part of these financial statements

STATEMENT OF CASHFLOWS
For the year ended 31 December 2023

	2023		2022	
	£	£	£	£
Cash flows from operating activities		**219,150**		*(8,250)*
Net cash provided by / (used in) operating activities				
(Increase)/decrease in debtors	**(208,678)**		*(55,389)*	
Increase/(decrease) in creditors	**35,954**		*(44,818)*	
		(172,724)		*(100,207)*
Change in cash and cash equivalents in the year		**46,426**		*(108,457)*
Cash and cash equivalents at the beginning of the year		**547,904**		*656,361*
Cash and cash equivalents at the year end		**£ 594,330**		*£ 547,904*

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

1. ACCOUNTING POLICIES

Basis of preparation of financial statements
The accounts have been prepared under the historical cost accounting rules, and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005, Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), and the Companies Act 2006.

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

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

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

Going concern
The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Key judgements that the charitable company has made which have a significant effect on the accounts include estimating income and expenditure for the next 12 months, in particular the likelihood of various contracts and grants being awarded.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Cash at bank and in hand
Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

Creditors and provisions
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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

Pensions
The charity operates a defined contributions pension scheme, which is a Group Stakeholder Pension Scheme. During the year, the charity contributed up to 5% of gross pay for all staff. The contributions made during the year are treated as an expense and were £49,043 (2022 - £22,112).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

2. DONATIONS AND LEGACIES

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	*Unrestricted Funds 2022 £*	*Restricted Funds 2022 £*	*Total Funds 2022 £*
Trusts and foundations	**457,793**	**376,344**	**834,137**	*365,000*	*330,066*	*695,066*
Individual donors	**76,371**	**-**	**76,371**	*66,282*	*-*	*66,282*
Major donors	**26,875**	**-**	**26,875**	*30,250*	*-*	*30,250*
Corporate donations	**259**	**-**	**259**	*22,855*	*-*	*22,855*
Legacies	**-**	**-**	**-**	*40,250*	*-*	*40,250*
	£ 561,298	**£ 376,344**	**£ 937,642**	*£ 524,637*	*£ 330,066*	*£ 854,703*

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	*Total Funds 2022 £*
Contracts and SLAs	**1,440,282**	**-**	**1,440,282**	*176,770*
Sale of reading manuals	**76,296**	**-**	**76,296**	*74,628*
	£ 1,516,578	**£ Nil**	**£ 1,516,578**	*£ 251,398*

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

4. ANALYSIS OF EXPENDITURE

	Staff costs £	Direct costs £	Governance costs £	Support costs £	Total 2023 £	*Total 2022 £*
CJS Operations	**1,129,078**	**125,081**	**7,851**	**310,284**	**1,572,294**	*840,020*
Community operations	**184,869**	**119,089**	**1,286**	**50,804**	**356,048**	*71,065*
Resources	**-**	**181,955**	**-**	**-**	**181,955**	*68,412*
Turning pages sustainability	**-**	**32,691**	**-**	**-**	**32,691**	*34,711*
	1,313,947	**458,816**	**9,137**	**361,088**	**2,142,988**	*1,014,208*
Fundraising costs	**79,263**	**4,268**	**551**	**21,782**	**105,864**	*104,520*
Governance costs	**-**	**9,688**	**(9,688)**	**-**	**-**	*-*
Support costs	**306,024**	**76,846**	**-**	**(382,870)**	**-**	*-*
	£ 1,699,234	**£ 549,618**	**£ Nil**	**£ Nil**	**£ 2,248,852**	*£ 1,118,728*

2022

CJS Operations	*471,189*	*106,284*	*7,789*	*254,758*	*840,020*
Community Operations	*42,921*	*4,229*	*709*	*23,206*	*71,065*
Resources	*-*	*68,412*	*-*	*-*	*68,412*
Turning pages sustainability	*-*	*34,711*	*-*	*-*	*34,711*
	514,110	*213,636*	*8,498*	*277,964*	*1,014,208*
Fundraising costs	*64,272*	*4,436*	*1,062*	*34,750*	*104,520*
Governance costs	*-*	*9,560*	*(9,560)*	*-*	*-*
Support costs	*261,708*	*51,006*	*-*	*(312,714)*	*-*
	£ 840,090	*£ 278,638*	*£ Nil*	*£ Nil*	*£ 1,118,728*

Of the total expenditure, £1,817,868 was unrestricted (2022 - £931,756) and £430,984 was restricted (2022 - £186,972).

5. NET INCOME / EXPENDITURE FOR THE YEAR

This is stated after charging / crediting:

	2023 £	*2022 £*
Audit fees	**6,240**	*5,670*

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

6. STAFF COSTS AND NUMBERS

	Unrestricted Funds 2023	Restricted Funds 2023	Total Funds 2023	*Unrestricted Funds 2022*	*Restricted Funds 2022*	*Total Funds 2022*
	£	£	£	*£*	*£*	*£*
Salary costs						
Wages and salaries	**1,201,774**	**246,895**	**1,448,669**	*555,374*	*118,466*	*673,840*
Social security costs	**134,647**	**-**	**134,647**	*68,481*	*-*	*68,481*
Pension costs	**49,043**	**-**	**49,043**	*22,112*	*-*	*22,112*
	1,385,464	**246,895**	**1,632,359**	*645,967*	*118,466*	*764,433*
Other staffing costs						
Recruitment	**13,105**	**-**	**13,105**	*14,152*	*-*	*14,152*
Staff training and development	**20,819**	**2,240**	**23,059**	*20,210*	*-*	*20,210*
Death in service	**2,868**	**-**	**2,868**	*507*	*-*	*507*
Consultancy	**27,843**	**-**	**27,843**	*40,788*	*-*	*40,788*
	£ 1,450,099	**£ 249,135**	**£ 1,699,234**	*£ 721,624*	*£ 118,466*	*£ 840,090*

The average number of employees (head count based on number of staff employed) during the year was 48 (2022 - 19).

The total employee benefits, including pension contributions, of the key management personnel were £169,082 (2022 - £148,027). KMPs include the CEO and the Director of Business Support.

During the year, one employee earned between £80,000 - £90,000 (2022 - one employee earned between £70,000 - £80,000).

7. TRUSTEES' REMUNERATION AND EXPENSES

The charity trustees were not paid and did not receive any other benefits from association with the charity in the year (2022 - £nil). No charity trustee received payment for professional or other services supplied to the charity (2022 - £nil).

Trustees' expenses, representing the payment or reimbursement of travel and subsistence costs, totalled £812 (2022 - £770), incurred by 5 trustees (2022 - 3 trustee) relating to attendance at meetings of the trustees.

8. OTHER RELATED PARTY TRANSACTIONS

Other than trustees' expenses above, there are no reportable related party transactions to disclose for 2023 (2022 - none).

9. TAXATION

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

10. PENSION SCHEME

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

11. SUPPORT AND GOVERNANCE COSTS

	2023	2022
	£	£
Support costs		
Premises costs, including meeting room hire	**9,685**	*3,884*
Website and online costs	**6,361**	*7,581*
Insurance	**2,635**	*2,023*
Other comms and marketing	**14,735**	*5,022*
IT systems, computers and office equipment	**15,628**	*10,827*
Telephones	**3,295**	*4,497*
Repairs and maintenance	**-**	*141*
Legal and professional fees	**5,815**	*-*
Events and conferences	**173**	*1,739*
Staff travel and subsistence	**16,751**	*12,844*
Other office costs	**1,768**	*2,448*
	76,846	*51,006*
Governance costs		
Board meetings	**1,575**	*2,244*
Audit	**6,240**	*5,670*
Audit preparation	**1,200**	*1,200*
Other governance costs	**673**	*446*
	9,688	*9,560*
Support staff costs	**306,024**	*261,708*
	£ 392,558	*£ 322,274*

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

12. DEBTORS

Due within one year	**2023** **£**	*2022* *£*
Trade debtors	**145,102**	*67,978*
Accrued income	**131,011**	-
Other debtors	**543**	-
	£ 276,656	*£ 67,978*

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 **£**	*2022* *£*
Deferred grant income	**30,000**	-
Other creditors	**13,388**	-
VAT creditors	**2,952**	*6,511*
Accruals	**17,277**	*21,152*
	£ 63,617	*£ 27,663*
Deferred income		
Balance at 1 January 2023	-	-
Amount released to incoming resources	-	-
Amount deferred in the year	**30,000**	-
Balance at 31 December 2023	**£ 30,000**	*£ Nil*

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

14. STATEMENT OF FUNDS

	Brought Forward	Incoming Resources	Resources Expended	Transfers and investment gains/(losses)	Carried Forward
	£	£	£	£	£
DESIGNATED FUNDS					
Contingency Fund	50,000	-	-	-	50,000
Development Fund	75,000	-	-	-	75,000
	£ 125,000	£ Nil	£ Nil	£ Nil	£ 125,000
RESTRICTED FUNDS					
CJS Operations	27,927	215,333	(238,204)	-	5,056
Community Operations	116,524	131,011	(163,814)	-	83,721
Resources	-	30,000	(28,966)	-	1,034
	£ 144,451	£ 376,344	£ (430,984)	£ Nil	£ 89,811
SUMMARY OF FUNDS					
Designated Funds	125,000	-	-	-	125,000
General Funds	318,768	2,091,658	(1,817,868)	-	592,558
	443,768	2,091,658	(1,817,868)	-	717,558
Restricted Funds	144,451	376,344	(430,984)	-	89,811
	£ 588,219	£ 2,468,002	£ (2,248,852)	£ Nil	£ 807,369

Restricted funds

Criminal Justice System operations – income restricted for elements of the delivery of Shannon Trust's reading and numeracy programmes across prisons in England, Wales and Northern Ireland. Restrictions relate to public/private prisons, specified delivery locations, and types of prisons such as work within the Young Persons Estate and Young Offender Institutes.

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

Resources - income restricted for the development, production and distribution of our learning resources, including books, manuals and other learning materials.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

STATEMENT OF FUNDS - 2022

	Brought Forward	*Incoming Resources*	*Resources Expended*	*Transfers and investment gains/(losses)*	*Carried Forward*
	£	*£*	*£*	*£*	*£*
DESIGNATED FUNDS					
Contingency Fund	*50,000*	*-*	*-*	*-*	*50,000*
Development Fund	*75,000*	*-*	*-*	*-*	*75,000*
	£ 125,000	*£ Nil*	*£ Nil*	*£ Nil*	*£ 125,000*

	Brought Forward	*Incoming Resources*	*Resources Expended*	*Transfers and investment gains/(losses)*	*Carried Forward*
	£	*£*	*£*	*£*	*£*
RESTRICTED FUNDS					
CJS Operations	*-*	*286,933*	*(142,540)*	*-*	*144,393*
Community Operations	*1,357*	*-*	*(1,299)*	*-*	*58*
Resources	*-*	*43,133*	*(43,133)*	*-*	*-*
	£ 1,357	*£ 330,066*	*£ (186,972)*	*£ Nil*	*£ 144,451*

SUMMARY OF FUNDS					
Designated Funds	*125,000*	*-*	*-*	*-*	*125,000*
General Funds	*470,112*	*780,412*	*(931,756)*	*-*	*318,768*
Restricted Funds	*1,357*	*330,066*	*(186,972)*	*-*	*144,451*
	£ 596,469	*£ 1,110,478*	*£ (1,118,728)*	*£ Nil*	*£ 588,219*

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds			
	Designated Funds	**General Funds**	**Restricted Funds**	**Total Funds**
	£	**£**	**£**	**£**
Net current assets	**125,000**	**592,558**	**89,811**	**807,369**
	£ 125,000	**£ 592,558**	**£ 89,811**	**£ 807,369**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

16. ANALYSIS OF THE NET MOVEMENT IN FUNDS

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	*Total Funds 2022 £*
Net movement in funds	**273,790**	**(54,640)**	**219,150**	*(8,250)*
	£ 273,790	**£ (54,640)**	**£ 219,150**	*£ (8,250)*

17. OPERATING LEASE COMMITMENTS

The charity had no lease commitments at the year end (2022 - the same).

18. OTHER COMPANY INFORMATION

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

SHANNON TRUST

England & Wales - Charity number 1117249

Accounts

Company registered number
5906258

SHANNON TRUST

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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

REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2022

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
For the year ended 31 December 2022

Company reg. no.	5906258
Charity reg. no. (England)	1117249
Charity reg. no. (Scotland)	SC043470
Registered office	International House 24 Holborn Viaduct London, EC1A 2BN
Trustees	The trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Michael Wemms, Chair	
Andrew Reid, Treasurer	
Barry Porter	Resigned 05 May 2022
John Bensted	
William Payne, Senior Independent Trustee	
Brenda Bates	
Ellen Coady	Resigned 01 July 2022
Cristalina Fernandes-Bates	
Ceri Godwin	
Caroline King	
Pankaj Sethi	
Joanna Marston	Appointed 14 September 2022

Key management personnel	Ian Merrill, CEO Christopher Morgan, Director of Business Support & Company Secretary
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kent, ME19 4JQ Aldermore Bank PLC 1st Floor, Block B Western House Lynch Wood Peterborough, PE2 6F2
Independent Auditor	Richard Billinghurst FCA Senior Statutory Auditor Knox Cropper LLP Chartered Accountants and Statutory Auditors 65 Leadenhall Street, London, EC3A 2AD
Accountants	NfP Accountants Ltd 3rd Floor, 86-90 Paul Street, London, EC2A 4NE

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

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

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

Objectives and activities

The Charity's Objects are the promotion of:

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

Our strategic brand statements are as follows:

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

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

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

Strategic aims

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

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

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

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

Public Benefit

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

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

Achievements & performance

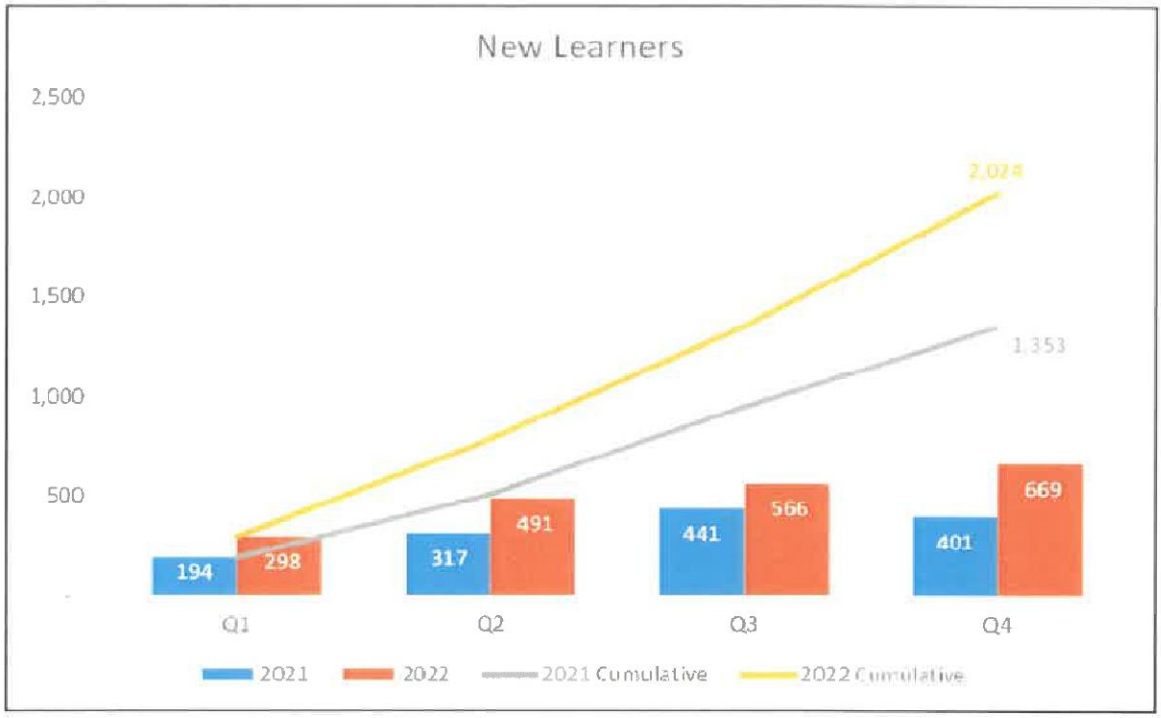
The achievements and performance detailed below portray an organisation growing in capability and confidence, partly as a result of intentional work to upgrade all aspects of business and operational delivery, but also indicative of a thriving organisational culture where staff and volunteers are engaged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

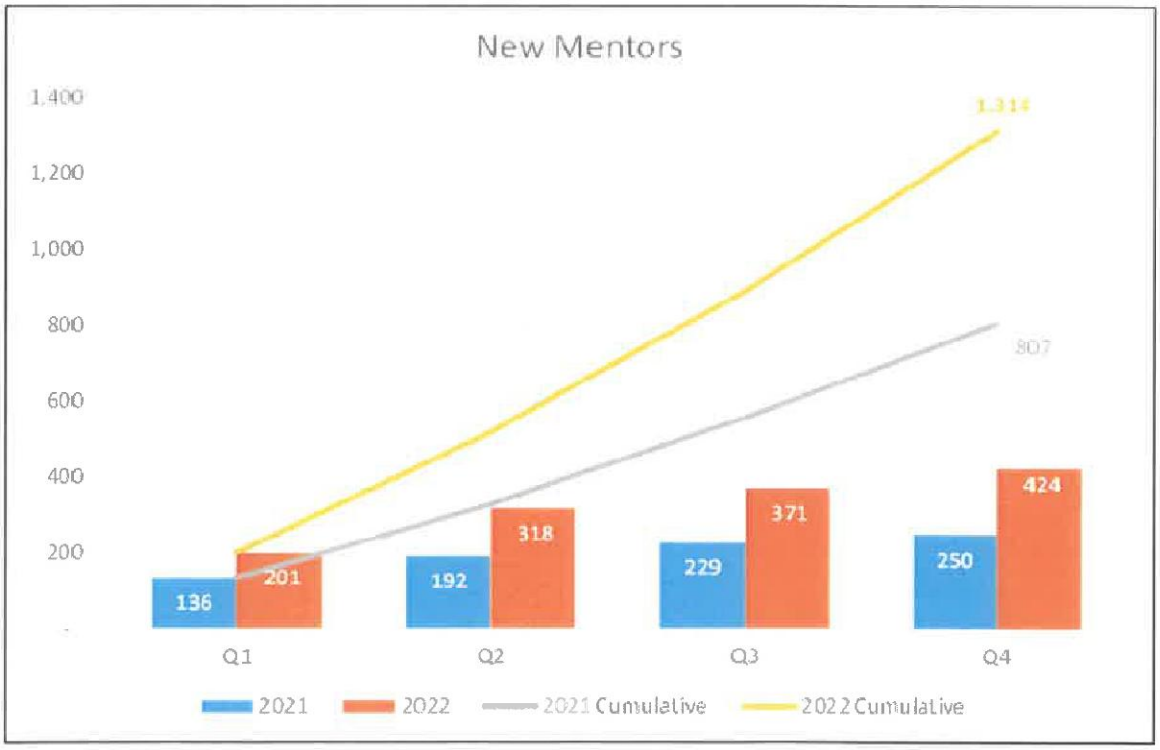
Operational delivery in prisons

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

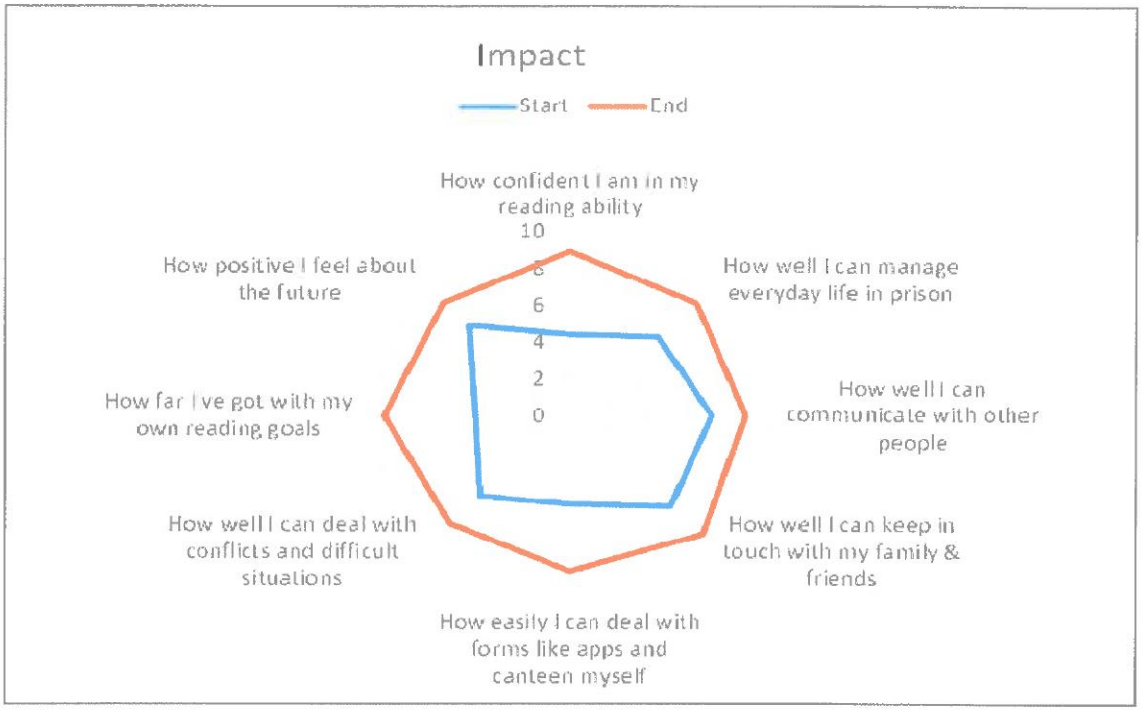
During 2022 we worked with more than 2,000 new learners, 1,300 new mentors, and actively engaged with a total caseload of 2,776 learners, representing a significant increase on the performance seen in 2021. The encouraging increases in the numbers of mentors recruited and trained, and the number of learners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

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





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



Operational delivery in the community

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

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

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

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

Employees and volunteers

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

Communications and marketing

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

Business support

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

Annual business planning

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

Financial review

Financial Position

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

Income sources

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

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

Reserves Policy

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Risk Management

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

Going Concern

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

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

Structure, governance and management

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

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

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

Recruitment, appointment and induction of new Trustees

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

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

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

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

Governance and management

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

Related parties and relationships with other organisations

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

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

Statement of responsibilities of the trustees

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

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

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

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

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

Independent Auditor

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

Approval of the report

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

Michael Wemms
Chair

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

Opinion

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

In our opinion:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis of opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Use of the audit report

This report is made solely to the charitable company's member in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body for our audit work, for this report or for the opinions we have formed.

Richard Billinghurst FCA (Senior Statutory Auditor)
for and on behalf of Knox Cropper LLP
Chartered Accountants and Statutory Auditors
65 Leadenhall Street
London, EC3A 2AD

Date: ~~03~~ 16 May 2023

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating Income and Expenditure Account & Statement of Total Realised Gains and Losses)
For the year ended 31 December 2022

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

All income and expenditure has arisen from continuing activities

The annexed notes form part of these financial statements

SHANNON TRUST
(company limited by guarantee number 5906258)

BALANCE SHEET
As at 31 December 2022

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

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

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

M. Wemms MICHAEL WEMMS, Chair

The annexed notes form part of these financial statements

STATEMENT OF CASHFLOWS
For the year ended 31 December 2022

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

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

1. ACCOUNTING POLICIES

Basis of preparation of financial statements
The accounts have been prepared under the historical cost accounting rules, and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

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

Going concern
The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Key judgements that the charitable company has made which have a significant effect on the accounts include estimating income and expenditure for the next 12 months, in particular the likelihood of various contracts and grants being awarded.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Cash at bank and in hand
Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

Creditors and provisions
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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

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

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

2. DONATIONS AND LEGACIES

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

3. INCOME FROM CHARITABLE ACTIVITIES

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

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

4. ANALYSIS OF EXPENDITURE

	Staff costs £	Direct costs £	Governance costs £	Support costs £	Total 2022 £	*Total 2021 £*
Prison delivery	**471,189**	**174,696**	**7,789**	**254,758**	**908,432**	*609,770*
Community delivery	**42,921**	**4,229**	**709**	**23,206**	**71,065**	*63,786*
Turning pages sustainability	**-**	**34,711**	**-**	**-**	**34,711**	*9,089*
	514,110	**213,636**	**8,498**	**277,964**	**1,014,208**	*682,645*
Fundraising costs	**64,272**	**4,436**	**1,062**	**34,750**	**104,520**	*73,064*
Governance costs	**-**	**9,560**	**(9,560)**	**-**	**-**	*-*
Support costs	**261,708**	**51,006**	**-**	**(312,714)**	**-**	*-*
	£ 840,090	**£ 278,638**	**£ Nil**	**£ Nil**	**£ 1,118,728**	*£ 755,709*
2021						
Prison delivery	*271,596*	*88,702*	*9,483*	*239,989*	*609,770*	
Community delivery	*33,247*	*-*	*1,161*	*29,378*	*63,786*	
Turning pages sustainability	*-*	*9,089*	*-*	*-*	*9,089*	
	304,843	*97,791*	*10,644*	*269,367*	*682,645*	
Fundraising costs	*35,897*	*4,194*	*1,253*	*31,720*	*73,064*	
Governance costs	*-*	*11,897*	*(11,897)*	*-*	*-*	
Support costs	*247,009*	*54,078*	*-*	*(301,087)*	*-*	
	£ 587,749	*£ 167,960*	*£ Nil*	*£ Nil*	*£ 755,709*	

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

5. NET INCOME / EXPENDITURE FOR THE YEAR

This is stated after charging / crediting:

	2022 £	*2021 £*
Audit fees	**5,670**	*6,390*

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

6. STAFF COSTS AND NUMBERS

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

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

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

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

7. TRUSTEES' REMUNERATION AND EXPENSES

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

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

8. OTHER RELATED PARTY TRANSACTIONS

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

9. TAXATION

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

10. PENSION SCHEME

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

11. SUPPORT AND GOVERNANCE COSTS

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

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

12. TANGIBLE FIXED ASSETS

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

13. DEBTORS

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

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

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

15. STATEMENT OF FUNDS

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

Restricted funds

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

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

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

STATEMENT OF FUNDS - 2021

	Brought Forward £	*Incoming Resources* £	*Resources Expended* £	*Transfers and investment gains/(losses)* £	*Carried Forward* £
DESIGNATED FUNDS					
Contingency Fund	*50,000*	-	-	-	*50,000*
Development Fund	*75,000*	-	-	-	*75,000*
	£ *125,000*	£ *Nil*	£ *Nil*	£ *Nil*	£ *125,000*

	Brought Forward £	*Incoming Resources* £	*Resources Expended* £	*Transfers and investment gains/(losses)* £	*Carried Forward* £
RESTRICTED FUNDS					
Prison delivery	*43,731*	*201,667*	*(245,398)*	-	-
Community delivery	-	*130,000*	*(128,643)*	-	*1,357*
	£ *43,731*	£ *331,667*	£ *(374,041)*	£ *Nil*	£ *1,357*

SUMMARY OF FUNDS					
Designated Funds	*125,000*	-	-	-	*125,000*
General Funds	*518,730*	*458,050*	*(381,668)*	-	*595,112*
Restricted Funds	*43,731*	*331,667*	*(374,041)*	-	*1,357*
	£ *687,461*	£ *789,717*	£ *(755,709)*	£ *Nil*	£ *721,469*

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds			
	Designated Funds £	**General Funds** £	**Restricted Funds** £	**Total Funds** £
Net current assets	**125,000**	**318,768**	**144,451**	**588,219**
	£ 125,000	**£ 318,768**	**£ 144,451**	**£ 588,219**

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

17. ANALYSIS OF THE NET MOVEMENT IN FUNDS

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

18. OPERATING LEASE COMMITMENTS

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

19. OTHER COMPANY INFORMATION

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

SHANNON TRUST

England & Wales - Charity number 1117249

Accounts

Company registered number
5906258

SHANNON TRUST

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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

REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2021

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
For the year ended 31 December 2021

Company reg. no.	5906258
Charity reg. no. (England)	1117249
Charity reg. no. (Scotland)	SC043470
Registered office	International House Holborn Viaduct London, EC1A 2BN
Trustees	The trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Michael Wemms, Chair	Appointed 01 April 2021
Andrew Reid, Treasurer	
Barry Porter	
John Bensted	
William Payne	
Brenda Bates	
Ellen Coady	Appointed 28 July 2021
Cristalina Fernandes-Bates	Appointed 28 July 2021
Ceri Godwin	Appointed 28 July 2021
Caroline King	Appointed 28 July 2021
Pankaj Sethi	Appointed 15 December 2021
Sue O'Hara	Resigned 31 March 2021
Robert Newman	Resigned 31 March 2021
James Killen	Resigned 9 June 2021
Michael May	Resigned 28 July 2021

Key management personnel	Ian Merrill, CEO Christopher Morgan, Company Secretary
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kent, ME19 4JQ Virgin Money plc 30-31 Haymarket London, SW1Y 4EX Aldermore Bank PLC 1st Floor, Block B Western House Lynch Wood Peterborough, PE2 6F2 Nationwide Building Society Kings Park Road Moulton Park Northampton, NN3 6NWY
Independent Auditor	Richard Billinghurst FCA Senior Statutory Auditor Knox Cropper LLP Chartered Accountants and Statutory Auditors 65 Leadenhall Street, London, EC3A 2AD
Accountants	NfP Accountants Ltd 3rd Floor, 86-90 Paul Street, London, EC2A 4NE

BOARD OF TRUSTEES' REPORT
For the year ended 31 December 2021

The Trustees (who are the Directors of the charitable company for the purposes of the Companies Act), present their combined Directors' report and Trustees' annual report (as required by company and charity law), together with the financial statements of Shannon Trust for year ended 31 December 2021. The Trustees confirm that the annual report and financial statements of the charity comply with current statutory requirements, the requirements of the charity's governing document, and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

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

Objectives and activities

Purposes and aims

The Charity's Objects are the promotion of:

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

During 2021, following a thorough stakeholder consultation and organisational review, our strategic brand statements were re-built as follows:

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

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

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

Strategic aims

2021 was the final year of a three-year strategy running from 2019-2021. However, the COVID19 pandemic laid waste to that strategy, and given the widespread prison 'lockdowns' in place, restricted much custodial activity. Existing community development plans were also delayed, as social distancing and other restrictions continued to be observed. Consequently, the following section will review progress during the year, related in part to delivery against the 2019-2021 strategy, alongside new work streams introduced to drive organisational transition at pace.

Public Benefit

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

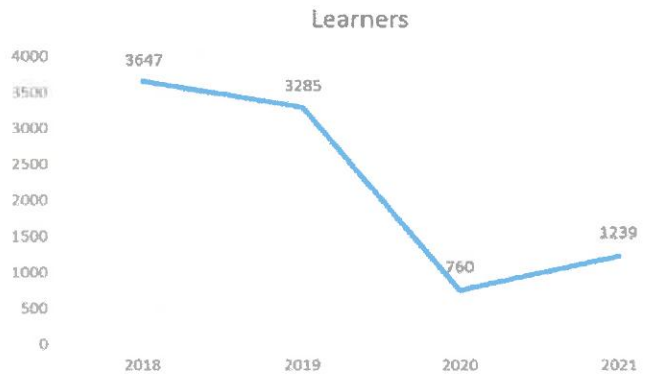
When planning the charity's activities, the trustees considered the Charity Commission Guidance on public benefit. The trustees also considered how the charity had succeeded in delivering its aims, including any public benefit, when reviewing the achievements for the year which are set out below.

Achievements & performance

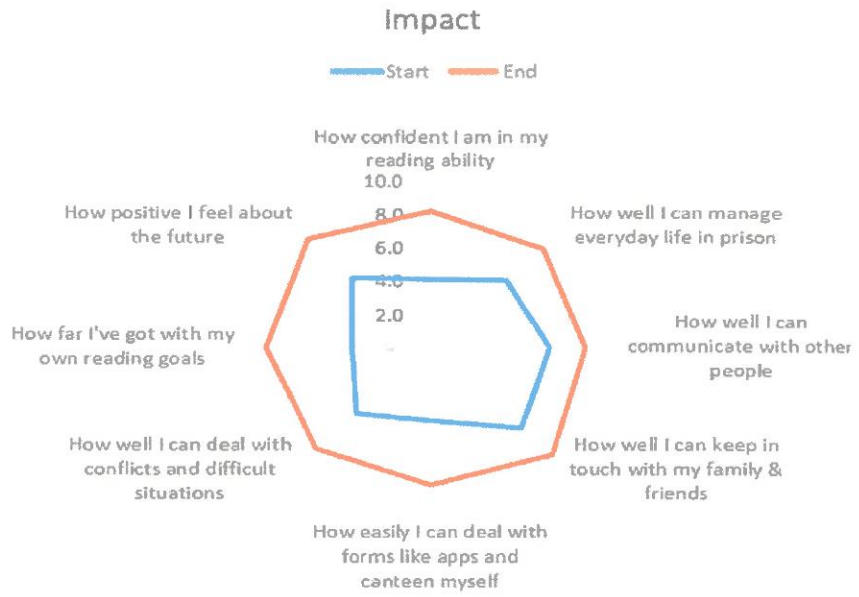
In the light of insights deriving from the COVID19 pandemic, and changes to organisational leadership, Shannon Trust used 2021 as an opportunity to pivot significantly. The achievements & performance detailed below portray an organisation in deliberate and planned transition. There are early indicators of successful transition and these bode well for the future of the organisation.

Operational delivery in prisons

During 2021 we worked with 1239 new learners and trained 637 new mentors, which in the context of very challenging circumstances across the prison estate is a major achievement.



There has been a drive to improve our monitoring and evaluation processes, and we can now report on the impact of learning to read with Turning Pages. We saw improvements across the board, but most significantly learners doubling their confidence with reading ability and reaching their own reading goals. The average improvements can be seen below:



Operational delivery in the community

Since launching this exploratory work in March 2021 we now have a preferred delivery model, which is to work in partnership with other community-based organisations; equipping their teams of staff, volunteers and peer mentors with the resources and training to effectively deliver the Turning Pages programme. This model embeds the programme into existing community-based services and enables us to broaden our reach by utilising the existing skills, networks and support services operating within the community setting. There are five steps to this:

1. Communicating the benefits to the partner organisation
2. Understanding and planning how it will work in their operating environment
3. Preparations – training of reading coaches and sharing of learning resources
4. Supporting ongoing delivery at 'arms-length'
5. Gathering data and measuring impact

The first year of delivery has proven a market interest in the scheme, and the focus for 2022 will be to build on this with a strong focus on learner engagement, followed by building additional partnerships. The main challenges to date have been the delays associated with COVID-19, with partner agencies running skeleton services during the pandemic. We have therefore prioritised partnerships with agencies that have maintained service delivery throughout this period.

Employees and volunteers

The Shannon Trust workforce adapted well to changes in our operating environment and the drive to transform our approach in future. Our staff team took on new responsibilities, responding well to the challenge of focusing on organisational performance and development. Our team of volunteers grew, with new roles being established; Shannon Trust continued to see volunteers as integral to its delivery model.

Communications & marketing

At the beginning of 2021, a strategic review of communications and marketing was undertaken highlighting weaknesses and areas to address. During the past 12 months we have seen consistent improvement in the number of people engaging with our communication channels, as a result of changes made since the strategic review. Significant projects have been completed successfully including building a new communications strategy, a brand re-fresh, a new website and a revamped social media presence. These actions are now helping to build our public profile and supporter base, with positive impact upon income generation and organisational reputation.

Business support

Business support was also the subject of strategic review in early 2021 and the organisation has since revamped much of its business support during the year. We are now able to provide our workforce, suppliers, partners and other stakeholders a much better experience of business support, across finance, IT & data, Human Resources, Learning & Development and resource management. We are now planning ahead more effectively, managing risk more astutely and routinely taking sound business support decisions, with a focus on operational effectiveness and efficiency.

Board development

The Shannon Trust board was refreshed with 5 new members, a new chair was recruited and the board has reviewed its meeting cadence, meeting content vis-à-vis the business cycle, the committee structure has been reviewed and a Remuneration Committee and Senior Independent Trustee put in place. An appropriate division of labour with the executive team is in place, and from an executive perspective, governance decisions are timely and clear.

Launch of numeracy programme

Many of Shannon Trust's learners also present with other basic skills needs, most notably numeracy. On 15th December 2021, Shannon Trust entered into an agreement with One to One Maths, a charity engaged in the provision of a peer-led basic maths programme in a number of prisons, under which the activities of One to One Maths were transferred to Shannon Trust. No consideration was paid in connection with this transfer and no employees, assets or liabilities transferred to Shannon Trust.

In 2022, Shannon Trust intends to expand the maths programme into a larger number of prisons, making use of its existing network of volunteers and mentors.

BOARD OF TRUSTEES' REPORT
For the year ended 31 December 2021

Organisational strategy & annual business planning

2021 was the last year of our existing organisational strategy, so a concerted programme of planning for the future took place, involving a range of stakeholders. By the end of 2021, we had conceived, tested, iterated and planned the launch of a new three-year strategy, supported by an ambitious business plan for 2022.

Our three-year strategy for 2022-2024 can be viewed on our website at shannontrust.org.uk.

Financial review

Financial Position

The Charity achieved net income for the year of £34,008 (2020 - net income of £155,843), details of which are shown in the Statement of Financial Activities on page 13. Total income for the year amounted to £789,717, a reduction of £23,735 on the previous year, and total expenditure amounted to £755,709, an increase of -£98,100 on the previous year.

Income sources

As in previous years, the charity's primary source of funding was grants from Trusts and Foundations, which accounted for 81.1% of total income. Donations from individuals accounted for a further 11.9% of income. Other income, including earned income and a small amount of income from our first contracts with community partners amounted to 7.0% of all income.

The charity is extremely grateful for the continued support of a range of grant giving trusts and foundations, generous individuals and pro-bono assistance from companies, including The Porticus Trust, the National Lottery Community Fund, the Julia & Hans Rausing Trust, the Bell Foundation, the Henry Smith Charity, the Adrian Swire Charitable Trust, the Lightbulb Trust, and the Tuixen Trust.

Reserves Policy

The reserves policy requires Shannon Trust to maintain funds (sometimes referred to as 'free reserves') sufficient to cover both the costs of the continued operation of the charity for at least three months; and the costs of an orderly curtailment of the charity's activities in the following three months, if that proves necessary.

The policy also enables the Board to designate other sums as a contingency for two purposes: to help meet the costs arising from unforeseen risks; and, to enable the charity to meet the expense of taking opportunities which have yet to arise.

The charity's reserves do not include any monies which properly form part of its 'restricted funds', which may only be spent on purposes specified in the terms on which they were received.

The level of existing reserves is reviewed every six months; and the policy is reviewed annually. Given the changing environment in which the charity operates, the Trustees are currently reviewing the charity's reserves policy with a view to providing more clarity regarding the level of reserves and the purpose for which they are held.

BOARD OF TRUSTEES' REPORT
For the year ended 31 December 2021

At 31 December 2021, Shannon Trust had total funds of £596,469. General (unrestricted) reserves amounted to £470,112, which is approximately 5.6 months' anticipated future expenditure. In addition, the Trustees have also set aside a designated fund of £125,000, which includes a £50,000 contingency fund that is designated to help meet the costs of unforeseen risks; and a £75,000 development fund that is to enable the charity to respond to new opportunities.

Risk Management

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

Going Concern

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

Structure, governance and management

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

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

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 to the accounts.

Recruitment, appointment and induction of new Trustees

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

Under the articles the members of the company comprise the subscribers to the memorandum and such other persons or organisations as are admitted to membership in accordance with the rules made by the Trustees. Rules were made by the Trustees on the 12th March 2013 and provide that the Trustees may admit to membership any person over the age of eighteen who is not a paid worker of the charity or any of its subsidiary companies. Currently the charity has 11 members.

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

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

Governance & management

The Trustees are responsible for the strategic direction and policy making of the charity. In 2021 the Board of Trustees met on eight occasions and the Finance & Risk Committee met quarterly between board meetings. In 2021, the charity established a Remuneration Committee which met once. The day to day running of the charity is delegated to an employed management team which is headed by the Chief Executive Officer, supported by a team of volunteers.

Related parties and relationships with other organisations

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

Statement of responsibilities of the trustees

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

BOARD OF TRUSTEES' REPORT
For the year ended 31 December 2021

In so far as the trustees are aware:

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

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2021 was 8 (2020 - 11). The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Independent Auditor

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

Approval of the report

This report was approved by the Board of Trustees on 04 May 2022 and signed on their behalf by:

Michael Wemms
Chair

INDEPENDENT AUDITOR'S REPORT
For the year ended 31 December 2021

Opinion

We have audited the financial statements of Shannon Trust (the 'charitable company') for the year ended 31 December 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis of opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

INDEPENDENT AUDITOR'S REPORT
For the year ended 31 December 2021

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT
For the year ended 31 December 2021

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Use of the audit report

This report is made solely to the charitable company's member in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body for our audit work, for this report or for the opinions we have formed.



Richard Billinghurst FCA (Senior Statutory Auditor)
for and on behalf of Knox Cropper LLP
Chartered Accountants and Statutory Auditors
65 Leadenhall Street
London, EC3A 2AD

Date: 04 May 2022

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating Income and Expenditure Account & Statement of Total Realised Gains and Losses)
For the year ended 31 December 2021

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	*Unrestricted Funds 2020 £*	*Restricted Funds 2020 £*	*Total Funds 2020 £*
INCOME FROM							
Donations and legacies	2	**403,019**	**331,667**	**734,686**	*467,098*	*300,780*	*767,878*
Charitable activities							
Reading programme	3	**54,380**	**-**	**54,380**	*26,693*	*-*	*26,693*
Investment income: bank interest		**555**	**-**	**555**	*1,696*	*-*	*1,696*
Other income	4	**96**	**-**	**96**	*17,185*	*-*	*17,185*
TOTAL INCOME		458,050	331,667	789,717	*512,672*	*300,780*	*813,452*
EXPENDITURE ON:							
Raising funds	5	**69,622**	**3,442**	**73,064**	*49,741*	*831*	*50,572*
Charitable activities							
Reading programme	5	**302,957**	**370,599**	**673,556**	*296,951*	*291,665*	*588,616*
Turning pages sustainability income project (TPSI)		**9,089**	**-**	**9,089**	*18,421*	*-*	*18,421*
		312,046	**370,599**	**682,645**	*315,372*	*291,665*	*607,037*
TOTAL EXPENDITURE		381,668	374,041	755,709	*365,113*	*292,496*	*657,609*
NET INCOME/(EXPENDITURE) FOR THE YEAR		**76,382**	**(42,374)**	**34,008**	*147,559*	*8,284*	*155,843*
RECONCILIATION OF FUNDS							
TOTAL FUNDS AT 1 JANUARY 2021		*518,730*	*43,731*	*562,461*	*371,171*	*35,447*	*406,618*
TOTAL FUNDS AT 31 DECEMBER 2021		£ 595,112	£ 1,357	£ 596,469	£ *518,730*	£ *43,731*	£ *562,461*

All income and expenditure has arisen from continuing activities

The annexed notes form part of these financial statements

SHANNON TRUST
(company limited by guarantee number 5906258)

BALANCE SHEET
As at 31 December 2021

	Notes	£	2021 £	£	*2020* £
FIXED ASSETS					
Tangible assets	13		**1**		*1*
CURRENT ASSETS					
Debtors	14	**12,588**		*30,034*	
Cash at bank and in hand		**656,361**		*721,296*	
		668,949		*751,330*	
CREDITORS: amounts falling due within one year	15	**(72,481)**		*(188,870)*	
NET CURRENT ASSETS			**596,468**		*562,460*
NET ASSETS			**£ 596,469**		*£ 562,461*
FUNDS					
Restricted funds	16		**1,357**		*43,731*
Unrestricted funds:					
Designated funds	16	**125,000**		*125,000*	
General fund	16	**470,112**		*393,730*	
			595,112		*518,730*
			£ 596,469		*£ 562,461*

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

They were approved, and authorised for issue, by the Board of Trustees on 04 May 2022 and signed on their behalf by:-

MICHAEL WEMMS, Chair

The annexed notes form part of these financial statements

STATEMENT OF CASHFLOWS
For the year ended 31 December 2021

	2021		2020	
	£	£	£	£
Cash flows from operating activities		**34,008**		*155,843*
Net cash provided by / (used in) operating activities				
(Increase)/decrease in debtors	**17,446**		*(1,629)*	
Increase/(decrease) in creditors	**(116,389)**		*129,748*	
		(98,943)		*128,119*
Change in cash and cash equivalents in the year		**(64,935)**		*283,962*
Cash and cash equivalents at the beginning of the year		**721,296**		*437,334*
Cash and cash equivalents at the year end		**656,361**		*721,296*

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

1. ACCOUNTING POLICIES

Basis of preparation of financial statements
The accounts have been prepared under the historical cost accounting rules, and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

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

Going concern
The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Key judgements that the charitable company has made which have a significant effect on the accounts include estimating income and expenditure for the next 12 months, in particular the economic impact of the Covid 19 pandemic.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Tangible fixed assets and depreciation
Tangible fixed assets (excluding investments) are stated at cost less depreciation. The cost of minor additions or those costing less than £1000 are not capitalised. Other fixed assets with an expected life of more than one year are included at cost and depreciated over three years.

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

Cash at bank and in hand
Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

Creditors and provisions
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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

Pensions
The charity operates a defined contributions pension scheme, which is a Group Stakeholder Pension Scheme. During the year, the charity contributed up to 3% of gross pay for all staff. The contributions made during the year are treated as an expense and were £13,168 (2020 - £10,727).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

2. DONATIONS AND LEGACIES

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	*Total Funds 2020 £*	*Total Funds 2020 £*	*Total Funds 2020 £*
Trusts and foundations	**308,901**	**331,667**	**640,568**	*272,000*	*300,780*	*572,780*
Individual donors	**52,418**	**-**	**52,418**	*31,177*	*-*	*31,177*
Major donors	**41,700**	**-**	**41,700**	*65,737*	*-*	*65,737*
Legacies	**-**	**-**	**-**	*98,184*	*-*	*98,184*
	£ 403,019	**£ 331,667**	**£ 734,686**	*£ 467,098*	*£ 300,780*	*£ 767,878*

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	*Total Funds 2020 £*
Contracts and SLAs	**13,001**	**-**	**13,001**	*-*
Sale of reading manuals	**41,379**	**-**	**41,379**	*26,693*
	£ 54,380	**£ Nil**	**£ 54,380**	*£ 26,693*

4. OTHER INCOME

Other income in 2020 included government grant funding £17,106 from the Coronavirus Job Retention Scheme.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

5. ANALYSIS OF EXPENDITURE

	Staff costs £	Direct costs £	Governance costs £	Support costs £	Total 2021 £	*Total 2020 £*
Reading programme	**304,843**	**88,702**	**10,644**	**269,367**	**673,556**	*588,616*
Turning pages special income project (TPSI)	**-**	**9,089**	**-**	**-**	**9,089**	*18,421*
	304,843	**97,791**	**10,644**	**269,367**	**682,645**	*607,037*
Fundraising costs	**35,897**	**4,194**	**1,253**	**31,720**	**73,064**	*50,572*
Governance costs	**-**	**11,897**	**(11,897)**	**-**	**-**	-
Support costs	**247,009**	**54,078**	**-**	**(301,087)**	**-**	-
	£ 587,749	**£ 167,960**	**£ Nil**	**£ Nil**	**£ 755,709**	*£ 657,609*

2020

Reading programme	*303,002*	*69,787*	*15,314*	*200,513*	*588,616*
Turning pages special income project (TPSI)	*6,541*	*7,220*	*331*	*4,329*	*18,421*
	309,543	*77,007*	*15,645*	*204,842*	*607,037*
Fundraising costs	*28,937*	*1,023*	*1,463*	*19,149*	*50,572*
Governance costs	*7,067*	*10,041*	*(17,108)*	-	-
Support costs	*179,148*	*44,843*	*-*	*(223,991)*	-
	£ 524,695	*£ 132,914*	*£ Nil*	*£ Nil*	*£ 657,609*

Of the total expenditure, £381,668 was unrestricted (2020 - £365,113) and £374,041 was restricted (2020 - £292,496).

6. NET INCOME / EXPENDITURE FOR THE YEAR

This is stated after charging / crediting:

	2021 £	*2020 £*
Independent auditor's / examiner's remuneration:		
Independent examiner's fees	**6,390**	*3,720*

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

7. STAFF COSTS AND NUMBERS

	Unrestricted Funds 2021	Restricted Funds 2021	Total Funds 2021	*Unrestricted Funds 2020*	*Restricted Funds 2020*	*Total Funds 2020*
	£	£	£	£	£	£
Salary costs						
Wages and salaries	**232,555**	**200,259**	**432,814**	*253,590*	*103,975*	*357,565*
Social security costs	**42,878**	**-**	**42,878**	*21,932*	*11,414*	*33,346*
Pension costs	**13,168**	**-**	**13,168**	*7,606*	*3,121*	*10,727*
Redundancy costs	**9,415**	**-**	**9,415**	*20,000*	*-*	*20,000*
	298,016	**200,259**	**498,275**	*303,128*	*118,510*	*421,638*
Other staffing costs						
Recruitment	**12,384**	**2,283**	**14,667**	*19,370*	*12,950*	*32,320*
Staff training and development	**2,753**	**5,548**	**8,301**	*821*	*719*	*1,540*
Temporary staff	**-**	**-**	**-**	*-*	*20,237*	*20,237*
Consultancy	**65,044**	**1,462**	**66,506**	*500*	*48,460*	*48,960*
	£ 378,197	**£ 209,552**	**£ 587,749**	*£ 323,819*	*£ 200,876*	*£ 524,695*

The average number of employees (head count based on number of staff employed) during the year was 11.4 (2020 - 10).

The total employee benefits, including pension contributions, of the key management personnel were £111,037 (2020 - £78,509). In 2020, this includes £31,380 for an Interim Chief Operating Officer consultant.

During the year, one employee earned between £70,000 - £80,000 (2020 - one employee earned between £60,000 - £70,000).

8. TRUSTEES' REMUNERATION AND EXPENSES

The charity trustees were not paid and did not receive any other benefits from association with the charity in the year (2020 - £nil). No charity trustee received payment for professional or other services supplied to the charity (2020 - £nil).

Trustees' expenses, representing the payment or reimbursement of travel and subsistence costs, totalled £47 (2020 - £1,016), incurred by 1 trustee (2020 - 4 trustees) relating to attendance at meetings of the trustees.

9. RELATED PARTY TRANSACTIONS

Other than trustees' expenses above, there are no reportable related party transactions to disclose for 2021 (2020 - none).

10. TAXATION

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

11. PENSION SCHEME

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

12. SUPPORT AND GOVERNANCE COSTS

	2021	*2020*
	£	*£*
Support costs		
Premises costs	**8,460**	*19,495*
Website and online costs	**10,930**	-
PRA & other adverts	**5,670**	-
Other comms and marketing	**2,255**	-
IT systems, computers and office equipment	**10,769**	*8,127*
Telephones	**4,613**	*4,803*
Repairs and maintenance	**1,609**	*459*
Legal and professional fees	**2,400**	*157*
Other running costs	**-**	*4,964*
Events and conferences	**755**	*50*
Staff travel and subsistence	**5,037**	*1,377*
Other office costs	**1,580**	*5,412*
	54,078	*44,844*
Governance costs		
Board meetings	**762**	*474*
Audit	**6,390**	*3,720*
Audit preparation	**1,200**	*1,200*
Strategic review	**-**	*500*
Other governance costs	**3,545**	*4,146*
	11,897	*10,040*
Support staff costs	**247,009**	*179,148*
Governance staff costs	**-**	*7,067*
	£ 312,984	*£ 241,099*

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

13. TANGIBLE FIXED ASSETS

	Office equipment £
Cost	
At 1 January 2021 and 31 December 2021	4,533
Depreciation	
At 1 January 2021 and 31 December 2021	4,532
Net book value	
At 31 December 2020	£ 1
At 31 December 2021	£ 1

14. DEBTORS

Due within one year	2021 £	2020 £
Trade debtors	7,933	1,403
Accrued income	2,415	23,480
VAT repayment due	440	388
Prepayments	1,800	4,763
	£ 12,588	£ 30,034

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Deferred grant income	60,000	142,500
Social security and other taxes	-	10,793
Accruals	12,481	35,577
	£ 72,481	£ 188,870

Deferred income		
Balance at 1 January 2021	142,500	-
Amount released to incoming resources	(142,500)	-
Amount deferred in the year	60,000	142,500
Balance at 31 December 2021	£ 60,000	£ 142,500

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

16. STATEMENT OF FUNDS

	Brought Forward	Incoming Resources	Resources Expended	Transfers and investment gains/(losses)	Carried Forward
	£	£	£	£	£
DESIGNATED FUNDS					
Contingency Fund	50,000	-	-	-	50,000
Development Fund	75,000	-	-	-	75,000
	£ 125,000	£ Nil	£ Nil	£ Nil	£ 125,000
RESTRICTED FUNDS					
National reading network	43,731	201,667	(245,398)	-	-
Community pilot	-	130,000	(128,643)	-	1,357
	£ 43,731	£ 331,667	£ (374,041)	£ Nil	£ 1,357
SUMMARY OF FUNDS					
Designated Funds	125,000	-	-	-	125,000
General Funds	393,730	458,050	(381,668)	-	470,112
	518,730	458,050	(381,668)	-	595,112
Restricted Funds	43,731	331,667	(374,041)	-	1,357
	£ 562,461	£ 789,717	£ (755,709)	£ Nil	£ 596,469

Restricted funds

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

STATEMENT OF FUNDS - 2020

	Brought Forward £	*Incoming Resources* £	*Resources Expended* £	*Transfers and investment gains/(losses)* £	*Carried Forward* £
DESIGNATED FUNDS					
Contingency Fund	-	-	-	*50,000*	*50,000*
Development Fund	-	-	-	*75,000*	*75,000*
	£ *Nil*	£ *Nil*	£ *Nil*	£ *125,000*	£ *125,000*

	Brought Forward £	*Incoming Resources* £	*Resources Expended* £	*Transfers and investment gains/(losses)* £	*Carried Forward* £
RESTRICTED FUNDS					
National reading network	*35,447*	*300,780*	*(292,496)*	-	*43,731*
	£ *35,447*	£ *300,780*	£ *(292,496)*	£ *Nil*	£ *43,731*

SUMMARY OF FUNDS					
Designated Funds	-	-	-	*125,000*	*125,000*
General Funds	*371,171*	*512,672*	*(365,113)*	-	*518,730*
Restricted Funds	*35,447*	*300,780*	*(292,496)*	-	*43,731*
	£ *406,618*	£ *813,452*	£ *(657,609)*	£ *125,000*	£ *687,461*

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds			
	Designated Funds £	**General Funds** £	**Restricted Funds** £	**Total Funds** £
Tangible fixed assets	-	1	-	1
Net current assets	**125,000**	**470,111**	**1,357**	**596,468**
	£ 125,000	**£ 470,112**	**£ 1,357**	**£ 596,469**

18. ANALYSIS OF THE NET MOVEMENT IN FUNDS

	Unrestricted Funds 2021 £	**Restricted Funds 2021** £	**Total Funds 2021** £	*Total Funds 2020* £
Net movement in funds	**76,382**	**(42,374)**	**34,008**	*155,843*
	£ 76,382	**£ (42,374)**	**£ 34,008**	£ *155,843*

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

19. OPERATING LEASE COMMITMENTS

The charity had no lease commitments at the year end (2020 - there was a commitment of £6,048 in relation to the final 4 months of the office premises lease which was cancelled during that year).

20. OTHER COMPANY INFORMATION

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

21. ONE TO ONE MATHS

As explained more fully in the Trustees' Annual Report, on 15th December 2021, Shannon Trust entered into an agreement with One to One Maths, a charity engaged in the provision of a peer-led basic maths programme in a number of prisons, under which the activities of One to One Maths were transferred to Shannon Trust. No consideration was paid in connection with this transfer and no employees, assets or liabilities transferred to Shannon Trust. Therefore no monetary value has been included in these accounts in relation to the transfer of undertakings.

SHANNON TRUST

England & Wales - Charity number 1117249

Accounts

Company registered number
5906258

SHANNON TRUST

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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

REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2020

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SHANNON TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
For the year ended 31 December 2020

Company reg. no.	5906258
Charity reg. no. (England)	1117249
Charity reg. no. (Scotland)	SC043470
Registered office	International House Holborn Viaduct London, EC1A 2BN
Trustees	The trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

S M O'Hara, Chair	Resigned 31 March 2021
A Reid, Treasurer	
R Newman	Resigned 31 March 2021
B Porter	
J Bensted	
W Payne	
J Killen	
M May	
B Bates	
H Bowden	Resigned 20 February 2020
E Milburn	Resigned 20 January 2020
C Argar	Resigned 01 June 2020
M Wemms, Chair	Appointed 01 April 2021

Key management personnel	Ian Merrill, CEO, Company Secretary
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kent, ME19 4JQ
	Virgin Money plc 30-31 Haymarket London, SW1Y 4EX
	Aldermore Bank PLC 1st Floor, Block B Western House Lynch Wood Peterborough, PE2 6F2
	Nationwide Building Society Kings Park Road Moulton Park Northampton, NN3 6NWY
Independent Auditor	Richard Billinghurst FCA Senior Statutory Auditor Knox Cropper LLP Chartered Accountants and Statutory Auditors 65 Leadenhall Street London, EC3A 2AD
Accountants	NfP Accountants Ltd No. 38, 52 Peckham Grove London, SE15 6FR

BOARD OF TRUSTEES' REPORT
For the year ended 31 December 2020

The Trustees (who are the Directors of the charitable company for the purposes of the Companies Act), present their combined Directors' report and Trustees' annual report (as required by company and charity law), together with the financial statements of Shannon Trust for year ended 31 December 2020. The Trustees confirm that the annual report and financial statements of the charity comply with current statutory requirements, the requirements of the charity's governing document, and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

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

Objectives and activities

Purposes and aims

The Charity's Objects are the promotion of:

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

Our Vision:

Every prisoner a reader.

Our Mission:

To transform lives by inspiring prisoners who can read to teach prisoners with poor reading skills, thus providing learners with opportunities to develop life skills that better equip them for the challenges of living as contributing members of society. Shannon Trust will achieve its mission through the following actions:

- Giving the opportunity for any prisoner struggling with reading to learn to read with a Shannon Trust peer mentor;
- Training peer mentors to engage, teach and encourage people in prison struggling with reading;
- Supporting continuity of provision for Mentors and Learners upon transfer between prisons;
- Providing resources that optimise delivery and raise awareness of Shannon Trust, including use of our bespoke approach to learning to read, ‘Turning Pages’;
- Signposting community opportunities for prisoners to continue their learning and mentoring post release.

BOARD OF TRUSTEES' REPORT
For the year ended 31 December 2020

Shannon Trust is committed to:

- Engaging with and listening to our volunteers, prisoners, prison staff and ex-offenders to create an inclusive community that informs the work they do;
- Ensuring staff, volunteers, prison staff and Mentors are trained and equipped to support Learners;
- Creating a positive environment for staff and recognising their talents and contributions;
- Seeking evidence that validates the work we do and informs future plans to improve the experience of our Mentors and Learners; and
- Incorporating diversity and equality of opportunity in all we do.

Our strategic priorities

We set four strategic priorities for the period 2019 – 2021. These overarching themes guided our direction and informed our annual business planning. The strategic priorities identified were;

- Strive for equitable access for all so anyone struggling with reading can access Shannon Trust from any prison;
- Increase the number of people learning to read in prison;
- Further engage our Learners and Mentors past and present by building opportunities for them to be involved with the development and running of Shannon Trust; and
- Explore opportunities outside of the prison gate. Developing and piloting opportunities for adults to learn to read in partnership with organisations in a local area.

Then the COVID19 pandemic hit the UK, for large parts of 2020 completely halting all work in and around UK prisons due to widespread 'lockdowns', social restrictions and risk management measures. 2020 became a year where the organisation – faced with unprecedented challenges to how it delivered its work – was forced to re-group, re-focus and thinking clearly about the future.

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

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

The charity's main activities and who it aims to help are described below. All its charitable activities focus on making the vision of every prisoner a reader a reality and are undertaken to further Shannon Trust's charitable purposes for the public benefit.

Shannon Trust service delivery in prisons

The delivery of the Shannon Trust programme in prisons was severely affected by COVID19. Before the pandemic hit the UK, recruitment of new learners and mentors was taking place at recognisable levels. As the pandemic took hold, prison regimes altered dramatically with prisoners often in their cells for up to 23 hours a day, high staff sickness levels, staff re-deployed, or unable to access wings routinely.

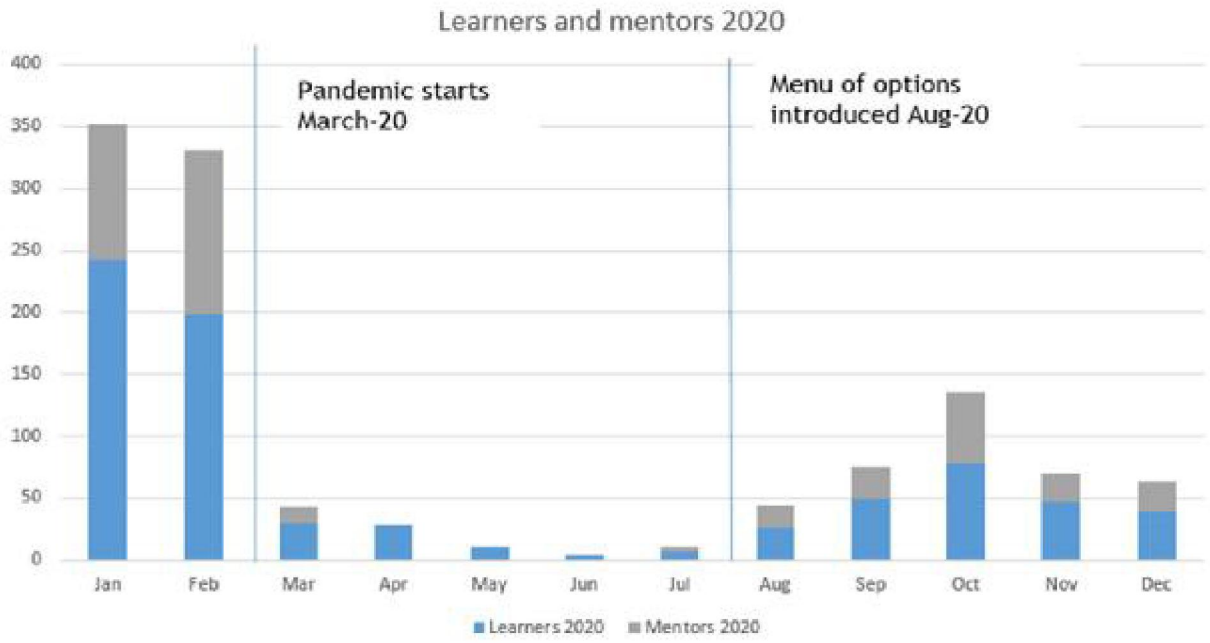
As soon as the pandemic took hold in mid-March, we asked prisons how we could be of use – the overwhelming response was a need for in-cell activity packs to keep people occupied whilst stuck in their cells for long periods of time. We responded immediately, developing five packs every month to all prisons from April onwards. Many other agencies provided similar packs, but pitched at a higher level than our beneficiaries could engage with. Acknowledging that 50% of the prison population had low reading ability, our packs were tailored to the different stages of the Turning Pages scheme, recognisable to Shannon Trust learners and accessible to those with low literacy levels. The response to this initiative was positive:

"The packs are excellent and I have shared them with my colleagues in the Safer Custody and Psychology functions. The support which you offer is incredible." – Prison Head of Learning & Skills

"Thank you so much for these packs - they are ideal and exactly what we need to ensure we are reaching the men with lower literacy levels" Prison Activities Manager.

During this time, we also worked in partnership with PACT, contributing to their 'letters home' initiative, giving advice to prisoners with low literacy on how to write letters to loved ones whilst family visits were placed on hold.

Once the longer term nature and implications of the pandemic became better understood, the organisation recognised a need to pivot to enable more structured learning activity to take place in some form. This lead to the development of our Menu of Options, incorporating various adaptations to our delivery, allowing new mentors to receive training via self-study options, and enabling some learning to take place, with numbers starting to rise into the autumn. As the year ended, the number of COVID19 'outbreak sites' was rising with prison activity reduced once again.



The Menu of Options comprised a number of developments:

- The creation of two self-study training options for mentors, given that in-person mentor training was largely impossible. A CD (featuring the voices of real learners and mentors) and self-study booklets were distributed across the estate. With mentors no longer able to move around the prison to visit learners, we encouraged prisons to 'train a mentor on every wing' to support the peers around them;
- The development of several activity packs allowing learners to study in-cell;
- Trialling digital learning with the Turning Pages content and mentor training being added to laptops given to prisoners as part of a digital pilot led by Coracle Inside;
- Production of a new learner video allowing in-cell study as an option in a number of prisons;
- The ability for prison, education or library staff to hold one-to-one sessions with learners, face to face or over the phone;
- An emphasis on our 'by prisoners, for prisoners' approach with the encouragement for learning to happen anywhere (in cells, on the wings) and for mentors to identify potential learners, rather than relying on formal referrals or staff involvement.

As 2020 ended, pandemic conditions worsened once again with prisons returning to 'stage 4' (full lockdown); our unique arrangement with Her Majesty's Prison and Probation Service (HMPPS) had changed significantly. Whilst the shared objective of ensuring that any prisoner struggling to read can learn to do so with the Shannon Trust remained in place, it became clear that developing a more blended learning model, where the Menu of Options is extended and embedded across the prison estate, must be an organisational priority for 2021. This applies equally to prisons which are contracted out to private providers.

The importance of innovation in inspiring people in prison to learn to read cannot be underestimated and in that sense, the development of the Menu of Options give rise to significant optimism that Shannon Trust's work remains an important part of improving prison life and contributing to reducing re-offending. An example from HMP Bristol is illustrative; Previously, running the reading programme has been challenging at this prison, but the use of the mentor training CD and self-study guides provided purposeful activity for many, at a time of limited options, and gave real clarity for those involved. It came to light that 30 men on one wing had chosen the same meal for two weeks. The mentors then felt equipped to approach those men and ask "why do you always eat the same things?", eventually leading to many learners engaging with mentors and working through Turning Pages.

In terms of lessons learned, whilst our numbers of new learners and mentors were greatly reduced during the pandemic for reasons explained, this has underlined that our programme does not always require us to enter a prison, it doesn't always require individuals to come together, or move across the prison into classrooms, that sessions can happen anywhere (including the cell or the wing) and that Shannon Trust activity is relatively easy to set up, at little or no cost to the prison.

Learner and mentors

Listening to our beneficiaries – our learners and mentors – remained an important principle in our work. Given the nature of our work though, this was far from straightforward during a pandemic-driven nationwide prison lockdown. However, the following is of note:

- we started writing monthly newsletters to mentors during the pandemic, as we weren't able to get into prisons. In these newsletters we encouraged mentors to write back to us, which a number did, sharing their experience of helping others during this time;
- our mentor and learner focus groups in 2019 shaped the mentor audio CD training and this feedback encouraged us to focus more on how to overcome personal barriers to learning, how to build an effective learner/mentor relationship, and how to identify and approach potential learners. We used real mentor and learner voices in the audio training;
- the mentor and learner focus groups in 2019 also influenced our covid response in 2020 - they told us they wanted more self-study opportunities to supplement their learning. When the pandemic hit we used this as an opportunity to create these. These will now remain a key part of our learner resources post-pandemic; and
- we worked with National Prison Radio to broadcast the voices of learners and mentors to people in prison, sharing their experiences of Shannon Trust and encouraging other to get involved.

BOARD OF TRUSTEES' REPORT
For the year ended 31 December 2020

Volunteers

The role of volunteers in the Shannon Trust model has always been central and whilst 2020 imposed significant restrictions on how our volunteers were able to operate, we maintained high levels of engagement through monthly training sessions on topics including dyslexia and ESOL, along with quarterly volunteer team meetings and opportunities to collaborate and provide feedback on various areas of development work. Volunteers have continued to maintain contact with prison leads over email / telephone where possible. plans to develop their input got underway following a review of volunteer roles and responsibilities. Consequently, role descriptions have been adapted, volunteer learning & development updated with a new learning management system commissioned, with guidance on 'key messages' in prison meetings being rolled out.

Workforce re-structure

Following an organisational review, a workforce re-structure took place in the last months of 2020, seeing roles and responsibilities being re-organised and investment made in communications, fundraising, business support and operations, with an expanded Regional Manager cohort leading on development across volunteers, programmes, resources, monitoring & evaluation and digital. The re-structure also saw the creation of a new role to drive the community pilot forward, with actual delivery scheduled to commence as pandemic conditions allow in 2021.

Shift to remote working

All Shannon Trust employees made the shift during 2020 to working primarily from home. Consequently, the charity no longer has a need for an office in London and will cease to maintain by early 2021. The organisation provided suitable equipment to enable remote working and virtual meetings, and ensured that all staff paid attention to their wellbeing during this transition, through appropriate support and a flexible working policy.

Communications & marketing review

Recognising the vital importance of effective audience engagement for a relatively lean organisation, Shannon Trust commissioned a review of its marketing, communications and related fundraising activity in order to identify opportunities for improvement, forward planning and prioritisation for 2021. The review included an audit across communications activity, along with interviews with key stakeholders. The review resulted in a roadmap for change which has been embedded in the annual business plan.

BOARD OF TRUSTEES' REPORT
For the year ended 31 December 2020

Development of a community pilot

Progress was made in 2020 on the strategic intent of the organisation to develop its offer in community settings. The rationale for this is that whilst a significant cohort of potential learners reside in custody, there are opportunities to engage with them before they enter prison, as well as on release. We know that our learners do not stay indefinitely in prison; the average sentence length is around 18 months, with half of people re-offending within a year of release. This 'revolving door' suggests that offering services in the community that complement those found within the prison setting will enable Shannon Trust to better reach its learners 'where they are', taking the organisation's expertise around mentoring and literacy and applying it in a broader setting. The lockdowns instigated to provide protection from COVID19 demonstrated the impact on our programme when challenges beyond our control hit the prison environment, affecting our ability to deliver the programme, narrowing our reach and creating barriers to learning. Broadening our delivery to other environments in addition to the prison estate gives us increased opportunities to work with people at different life stages, and fulfil our vision of 'every prisoner a reader'.

Approach to income generation

Like many charities dependent on charitable donations and awards, Shannon Trust was concerned about the impact of the COVID19 pandemic upon its ability to raise funds and continue its operations. However, the organisation was successful in securing a number of grants during the year and it finished 2020 in a relatively sound position financially – at least in the short term with an in-year surplus being generated, enabling reserves to be built to acceptable levels. The longer term impact of the pandemic upon the strategy of trusts and foundations who fund our work is yet to become clear and this increases the risk to Shannon Trust income beyond 2021. As such, income diversification remains a priority in the current context, as of course, does the keen control of all costs.

Supporters and partners

Shannon Trust is extremely grateful for the continued support of a range of grant giving trusts and foundations, generous individuals and pro-bono assistance from companies, including: 1772 Charity, AB Charitable Trust, Adrian Swire Charitable Trust, Beatrice Laing Trust, Bell Foundation, Charles Hayward Foundation, City & Metropolitan Charitable Trust, Drapers Charity, Garfield Weston Foundation, Gisela Graham Foundation, Oakdale Trust, Peter Stebbings Memorial Charity, Porticus UK, Society of Sacred Hearts Charity, St James Place Charitable Foundation, Susanna Peake Charitable Trust, The Baronets' Trust, The Bromley Trust, The Findlay Trust, The Henry Smith Charity, The Julia & Hans Rausing Trust, The National Lottery Community Fund, The Tuixen Foundation, The Unwin Charitable Trust and the Worshipful company of Art Scholars Charitable Fund.

Looking forward into 2021

The pandemic-driven need to pivot and offer a more flexible menu of options for learners and mentors offered a heavy hint as to the future direction and strategic options open to the Shannon Trust. Consequently, a major feature of our work during 2021 will be a 'discover and design' process with the aim of launching a new organisational strategy by January 2022. With the emphasis upon finding more effective ways to reach significantly increased numbers of people in and outside of prison with literacy needs, it is likely that the organisation will seek to prioritise investment in the following key areas:

- Development of significant e-learning capabilities;
- Adaptation of Turning Pages to encompass digital delivery channels;
- Automation of operational processes where possible;
- Development of monitoring and evaluation with an increasing focus on broader outcomes;
- Taking learning from the community pilot and subsequent roll-out opportunities;
- Workforce (staff and volunteer) learning and development; and
- Board effectiveness and leadership of diversity across Shannon Trust activity.

Financial review

Financial Position

The Charity achieved net income for the year of £155,843 (2019 - net expenditure of £117,222), details of which are shown in the Statement of Financial Activities on page 18. Total income for the year amounted to £813,452, an increase of £200,334 on the previous year, and total expenditure amounted to £657,609, a reduction of £72,731 on the previous year.

Income sources

Donations from individuals reached 24%; income from Trusts and Foundations was 70.4%; and earned income and interest, including sales of Turning Pages amounted to 3.4% of all income. In 2020, a sizeable legacy accounted for 12.1% of all income; and other income, which also includes Government Coronavirus Job Retention Scheme grant funding of £17,106, accounted for 2.1%).

Reserves Policy

The reserves policy requires Shannon Trust to maintain funds (sometimes referred to as 'free reserves') sufficient to cover both the costs of the continued operation of the charity for at least three months; and the costs of an orderly curtailment of the charity's activities in the following three months, if that proves necessary.

The policy also enables the Board to designate other sums as a contingency for two purposes: to help meet the costs arising from unforeseen risks; and, to enable the charity to meet the expense of taking opportunities which have yet to arise.

The charity's reserves do not include any monies which properly form part of its 'restricted funds', which may only be spent on purposes specified in the terms on which they were received.

The level of existing reserves is reviewed every six months; and the policy is reviewed annually.

At 31 December 2020, Shannon Trust had total funds of £562,461. General (unrestricted) reserves amounted to £518,730, which is approximately 6 months' expenditure at 2021 levels. The Trustees have also set aside a designated fund of £125,000, which includes a £50,000 contingency fund that is designated to help meet the costs of unforeseen risks; and a £75,000 development fund that is to enable the charity to respond to new opportunities.

Risk Management

A detailed risk assessment is made of factors that might impact on the assumptions made. As of the end of 2020, the financial forecasts for 2021 as to the financial year ahead was compliant with these policies.

Going Concern

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

Structure, governance and management

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

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

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 9 to the accounts.

BOARD OF TRUSTEES' REPORT
For the year ended 31 December 2020

Recruitment and appointment of new Trustees

The Directors of the company (the charity) are also charity Trustees for the purpose of charity law and under the company's Memorandum and Articles are known as Trustees. Under provision of the Articles: 1. the number of Trustees shall not be less than four but (unless determined by ordinary resolution) is not subject to any maximum. 2. at every annual general meeting one-third of the Trustees who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to one third shall retire from office; but, if there is only one trustee who is subject to retirement by rotation, they shall retire. Admission of Members Under the articles the members of the company comprise the subscribers to the memorandum and such other persons or organisations as are admitted to membership in accordance with the rules made by the Trustees. Rules were made by the Trustees on the 12th March 2013 and provide that the Trustees may admit to membership any person over the age of eighteen who is not a paid worker of the charity or any of its subsidiary companies. Currently the charity has 9 members. Trustees are recruited through the charity's website, social media and other online platforms including Charity Job, Reach, Do it.org and sector networks such as Clinks.

Induction and training of new Trustees

New trustees receive an induction briefing, given by the Chair and supported by the Chief Executive. New trustees are given an induction pack about the work of the charity. Arrangements are also made to visit a prison to see the Reading Plan in operation.

Governance & management

The Trustees meet eight times a year and are responsible for the strategic direction and policy making of the charity. In 2020 the Board of Trustees met on eight occasions. In 2020, the Finance & Risk Committee met quarterly between board meetings and additional meetings were held as part of an organisational review and planning process. Day to day responsibility for the provision of services to the charity is the responsibility of the Chief Executive Officer Ian Merrill, assisted by paid staff and volunteers. The charity was successful in raising funds; we are indebted to our many benefactors.

Risk management

The Trustees review risk on a quarterly basis. Prior to each Board Meeting, the Finance & Risk Committee scrutinises the Risk Register and make recommendations to the Board for actions to be taken and the status given to each risk. The annual budget and business planning processes are reviewed regularly by the Board.

Related parties and relationships with other organisations

Shannon Trust has a Memorandum of Understanding with Her Majesty's Prisons and Probation Service enshrining the commitment to support the Shannon Trust Reading Plan in all public prisons through access, dedicated Prison Officer time and Senior Management Team support in each establishment, printing of materials to an agreed amount through the National Reading Network. This arrangement is also in place across private prisons. Shannon Trust is not in receipt of any statutory funding to deliver the National Reading Network.

BOARD OF TRUSTEES' REPORT
For the year ended 31 December 2020

Statement of responsibilities of the trustees

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

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

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2020 was 8 (2019 - 11). The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

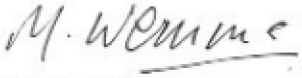
BOARD OF TRUSTEES' REPORT
For the year ended 31 December 2020

Independent Auditor

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

Approval of the report

This report was approved by the Board of Trustees on 21 June 2021 and signed on their behalf by:



Michael Wemms
Chair

OUTGOING CHAIR'S REPORT
For the year ended 31 December 2020

I have had the privilege of serving as the Chair of the Shannon Trust in an extraordinary year. The pandemic has affected every aspect of the Trust's work, and the response of the staff and volunteer team to the challenges presented has been outstanding. Their ability to adapt swiftly has enabled us to continue to engage learners and mentors safely and is a testament to their commitment in very challenging times.

They have worked hard to develop new, innovative delivery methodologies to enable some of our work to continue and those developments will be equally useful post pandemic in helping people to learn to read. The ability to read opens up opportunities for people to engage positively with family, employers and in society as a whole.

We will continue to seek additional sources of funding to enable our work to continue and in support of our strategic and operational plans going forward.

We appointed a new CEO Ian Merrill in October 2020 and his leadership will help us take the work of the Trust forward. With a strong team we plan to combine our core activity in prisons with ambitious plans for future development of the model to enable more people to make positive changes in their lives to the benefit of all.

The fantastic support of our funders both individuals and organisations has enabled us to continue our work and on behalf of the Shannon Trust I would like to thank you all most sincerely on behalf of the Trustees for your support.

Sue O'Hara
Outgoing Chair of Trustees

INDEPENDENT AUDITOR'S REPORT
For the year ended 31 December 2020

Opinion

We have audited the financial statements of Shannon Trust (the 'charitable company') for the year ended 31 December 2020 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis of opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

INDEPENDENT AUDITOR'S REPORT
For the year ended 31 December 2020

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT
For the year ended 31 December 2020

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Use of the audit report

This report is made solely to the charitable company's member in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body for our audit work, for this report or for the opinions we have formed.



Richard Billinghurst FCA (Senior Statutory Auditor)
for and on behalf of Knox Cropper LLP
Chartered Accountants and Statutory Auditors
65 Leadenhall Street
London, EC3A 2AD

Date: 21 June 2021

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating Income and Expenditure Account & Statement of Total Realised Gains and Losses)
For the year ended 31 December 2020

	Note	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	*Unrestricted Funds 2019 £*	*Restricted Funds 2019 £*	*Total Funds 2019 £*
INCOME FROM							
Donations and legacies	2	**467,098**	**300,780**	**767,878**	*342,535*	*245,000*	*587,535*
Charitable activities							
Reading programme	4	**26,693**	**-**	**26,693**	*24,457*	-	*24,457*
Investment income: bank interest	3	**1,696**	**-**	**1,696**	*1,126*	-	*1,126*
Other income		**17,185**	**-**	**17,185**	-	-	-
TOTAL INCOME		**512,672**	**300,780**	**813,452**	*368,118*	*245,000*	*613,118*
EXPENDITURE ON:							
Raising funds	6	**49,741**	**831**	**50,572**	*48,991*	**-**	*48,991*
Charitable activities							
Reading programme	6	**296,951**	**291,665**	**588,616**	*452,995*	*209,553*	*662,548*
Turning pages sustainability income project (TPSI)		**18,421**	**-**	**18,421**	*18,801*	-	*18,801*
		315,372	**291,665**	**607,037**	*471,796*	*209,553*	*681,349*
TOTAL EXPENDITURE		**365,113**	**292,496**	**657,609**	*520,787*	*209,553*	*730,340*
NET INCOME/(EXPENDITURE) FOR THE YEAR		**147,559**	**8,284**	**155,843**	*(152,669)*	*35,447*	*(117,222)*
RECONCILIATION OF FUNDS							
TOTAL FUNDS AT 1 JANUARY 2020		*371,171*	*35,447*	*406,618*	*523,840*	-	*523,840*
TOTAL FUNDS AT 31 DECEMBER 2020		**£ 518,730**	**£ 43,731**	**£ 562,461**	*£ 371,171*	*£ 35,447*	*£ 406,618*

All income and expenditure has arisen from continuing activities

The annexed notes form part of these financial statements

SHANNON TRUST
(company limited by guarantee number 5906258)

BALANCE SHEET
As at 31 December 2020

	Notes	£	2020 £	£	*2019* £
FIXED ASSETS					
Tangible assets	20		**1**		*1*
CURRENT ASSETS					
Debtors	21	**30,034**		*29,456*	
Cash at bank and in hand		**721,296**		*437,334*	
		751,330		*466,790*	
CREDITORS: amounts falling due within one year	22	**(188,870)**		*(60,173)*	
NET CURRENT ASSETS			**562,460**		*406,617*
NET ASSETS			**£ 562,461**		*£ 406,618*
FUNDS					
Restricted funds	23		**43,731**		*35,447*
Unrestricted funds:					
Designated funds	23	**125,000**		-	
General fund	23	**393,730**		*371,171*	
			518,730		*371,171*
			£ 562,461		*£ 406,618*

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

They were approved, and authorised for issue, by the Board of Trustees on 21 June 2021 and signed on their behalf by:-

M. Wemms. MICHAEL WEMMS, Chair

The annexed notes form part of these financial statements

STATEMENT OF CASHFLOWS
For the year ended 31 December 2020

	2020		*2019*	
	£	**£**	*£*	*£*
Cash flows from operating activities		**155,843**		*(117,222)*
Net cash provided by / (used in) operating activities				
(Increase)/decrease in stocks	**-**		*-*	
(Increase)/decrease in debtors	**(1,629)**		*(25,937)*	
Increase/(decrease) in creditors	**129,748**		*32,053*	
		128,119		*6,116*
Change in cash and cash equivalents in the year		**283,962**		*(111,106)*
Cash and cash equivalents at the beginning of the year		**437,334**		*548,440*
Cash and cash equivalents at the year end		**721,296**		*437,334*

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

1. ACCOUNTING POLICIES

Basis of preparation of financial statements
The accounts have been prepared under the historical cost accounting rules, and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

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

Going concern
The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Key judgements that the charitable company has made which have a significant effect on the accounts include estimating income and expenditure for the next 12 months, in particular the economic impact of the Covid 19 pandemic.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Tangible fixed assets and depreciation
Tangible fixed assets (excluding investments) are stated at cost less depreciation. The cost of minor additions or those costing less than £1000 are not capitalised. Other fixed assets with an expected life of more than one year are included at cost and depreciated over three years.

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

Cash at bank and in hand
Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

Creditors and provisions
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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

Pensions
The charity operates a defined contributions pension scheme, which is a Group Stakeholder Pension Scheme. During the year, the charity contributed up to 3% of gross pay for all staff after they have completed their probationary period. From January 2017, the charity auto-enrolled its staff into a qualifying scheme, contributing up to 3% of gross pay for all staff. The contributions made during the year are treated as an expense and were £10,727 (2019 - £12,047).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

2. DONATIONS AND LEGACIES

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	*Total Funds 2019 £*
AB Charitable Trust	**20,000**	**-**	**20,000**	*20,000*
Adrian Swire Charitable Trust	**30,000**	**-**	**30,000**	*20,000*
AoK Trust	**-**	**-**	**-**	*10,000*
Baronets Trust	**-**	**20,000**	**20,000**	*-*
Beatrice Lang Foundation	**20,000**	**-**	**20,000**	*20,000*
Bell Foundation	**-**	**20,000**	**20,000**	*60,000*
Bernard Sunley Charitable Foundation	**-**	**-**	**-**	*20,000*
Big Lottery				
- Reaching Communities	**-**	**125,000**	**125,000**	*125,000*
- Covid-19 emergency response	**-**	**95,780**	**95,780**	*-*
Brian Woolf Charitable Trust	**-**	**-**	**-**	*15,000*
Bromley Trust	**10,000**	**-**	**10,000**	*15,000*
Charles Hayward Foundation	**25,000**	**-**	**25,000**	*-*
City & Metropolitan Welfare Charity	**-**	**2,000**	**2,000**	*-*
Drapers' Charitable Fund	**20,000**	**-**	**20,000**	*40,000*
Garfield Weston Foundation	**25,000**	**-**	**25,000**	*25,000*
Goldsmith Company	**-**	**-**	**-**	*20,000*
Haberdashers' Company	**-**	**-**	**-**	*15,000*
Henry Smith Charity	**-**	**15,000**	**15,000**	*30,000*
J & C Findlay Charitable Foundation	**5,000**	**-**	**5,000**	*5,000*
Julia & Hans Rausing Trust	**62,500**	**-**	**62,500**	*-*
Peter Stebbings Memorial Trust	**-**	**3,000**	**3,000**	*-*
Philip & Marjorie Robinson Trust	**-**	**-**	**-**	*5,000*
Porticus Foundation	**-**	**20,000**	**20,000**	*-*
Susanna Peake Charitable Trust	**4,000**	**-**	**4,000**	*-*
St James' Place Charitable Foundation	**500**	**-**	**500**	*-*
The Baronets Trust	**-**	**-**	**-**	*10,000*
The Dulverton Trust	**-**	**-**	**-**	*30,000*
The Joseph Ettedgu Charitable Trust	**-**	**-**	**-**	*5,000*
Unwin Charitable Trust	**10,000**	**-**	**10,000**	*-*
Tuixen Trust	**30,000**	**-**	**30,000**	*30,000*
Unwin Charitable Trust	**10,000**	**-**	**10,000**	*-*
William Cadbury Charitable Trust	**-**	**-**	**-**	*20,000*
Legacies	**98,184**	**-**	**98,184**	*3,143*
Other donors, indluding major donors	**96,914**	**-**	**96,914**	*44,392*
	£ 467,098	**£ 300,780**	**£ 767,878**	*£ 587,535*

3. INCOME FROM INVESTMENTS

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	*Total Funds 2019 £*
Interest receivable from:				
Bank interest: CAF	**87**	**-**	**87**	*278*
Bank interest: Aldermore	**640**	**-**	**640**	*848*
Bank interest: Nationwide	**969**	**-**	**969**	*-*
	£ 1,696	**£ Nil**	**£ 1,696**	*£ 1,126*

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	*Total Funds 2019 £*
Sale of reading manuals	26,693	-	26,693	*24,457*
	£ 26,693	£ Nil	£ 26,693	*£ 24,457*

5. OTHER INCOME

Other income of £17,185 includes government grant funding £17,106 from the Coronavirus Job Retention Scheme.

6. ANALYSIS OF EXPENDITURE

	Staff costs £	Direct costs £	Governance costs £	Support costs £	Total 2020 £	*Total 2019 £*
Reading programme	303,002	69,787	15,314	200,513	588,616	*662,548*
Turning pages special income project (TPSI)	6,541	7,220	331	4,329	18,421	*18,801*
	309,543	77,007	15,645	204,842	607,037	*681,349*
Fundraising costs	28,937	1,023	1,463	19,149	50,572	*48,991*
Governance costs	7,067	10,041	(17,108)	-	-	-
Support costs	179,148	44,843	-	(223,991)	-	-
	£ 524,695	£ 132,914	£ Nil	£ Nil	£ 657,609	*£ 730,340*
2019						
Reading programme	*303,285*	*168,450*	*16,135*	*174,678*	*662,548*	
Turning pages special income project (TPSI)	*6,541*	*8,145*	*348*	*3,767*	*18,801*	
	309,826	*176,595*	*16,483*	*178,445*	*681,349*	
Fundraising costs	*28,937*	*1,849*	*1,539*	*16,666*	*48,991*	
Governance costs	*7,067*	*10,955*	*(18,022)*	-	-	
Support costs	*142,569*	*52,542*	-	*(195,111)*	-	
	£ 488,399	*£ 241,941*	*£ Nil*	*£ Nil*	*£ 730,340*	

Of the total expenditure, £365,113 was unrestricted (2019 - £520,787) and £292,496 was restricted (2019 - £209,553).

7. NET INCOME / EXPENDITURE FOR THE YEAR

This is stated after charging / crediting:

	2020	2019
	£	£
Independent auditor's / examiner's remuneration:		
Independent examiner's fees	**3,720**	*3,660*

8. STAFF COSTS AND NUMBERS

	Unrestricted Funds 2020	Restricted Funds 2020	Total Funds 2020	Unrestricted Funds 2019	Restricted Funds 2019	Total Funds 2019
	£	£	£	£	£	£
Salary costs						
Wages and salaries	**253,590**	**103,975**	**357,565**	*255,897*	*145,680*	*401,577*
Social security costs	**21,932**	**11,414**	**33,346**	*24,656*	*14,673*	*39,329*
Pension costs	**7,606**	**3,121**	**10,727**	*7,677*	*4,370*	*12,047*
Redundancy costs	**20,000**	**-**	**20,000**	-	-	-
	303,128	**118,510**	**421,638**	*288,230*	*164,723*	*452,953*
Other staffing costs						
Recruitment	**19,370**	**12,950**	**32,320**	*1,288*	-	*1,288*
Staff training and development	**821**	**719**	**1,540**	*16,988*	*1,063*	*18,051*
Temporary staff	**-**	**20,237**	**20,237**	*85*	-	*85*
Consultancy	**500**	**48,460**	**48,960**	*13,176*	*2,846*	*16,022*
	£ 323,819	**£ 200,876**	**£ 524,695**	*£ 319,767*	*£ 168,632*	*£ 488,399*

The average number of employees (head count based on number of staff employed) during the year was 10 (2019 - 10).

The total employee benefits, including pension contributions, of the key management personnel were £78,509 (2019 - £70,670). In 2020, this includes £31,380 for an Interim Chief Operating Officer consultant.

During the year, one employee earned between £60,000 - £70,000 (2019 - the same). No other employee earned more than £60,000, including benefits (2019 - the same).

As discussed more fully in the Trustees' Annual Report, the Trustees initiated the process of reviewing and revamping the charity's operations during 2020. As part of this review, a new organisation structure has been agreed, which has resulted in 2 positions becoming redundant. The resulting redundancy cost has been accrued in these accounts at £20,000, which was paid post yearend.

9. TRUSTEES' REMUNERATION AND EXPENSES

The charity trustees were not paid and did not receive any other benefits from association with the charity in the year (2019 - £nil). No charity trustee received payment for professional or other services supplied to the charity (2019 - £nil).

Trustees' expenses, representing the payment or reimbursement of travel and subsistence costs, totalled £1,016 (2019 - £3,130), incurred by 4 (2019 - 8) trustees relating to attendance at meetings of the trustees.

10. RELATED PARTY TRANSACTIONS

Other than trustees' expenses above, there are no reportable related party transactions to disclose for 2020 (2019 - none).

11. TAXATION

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

12. PENSION SCHEME

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

13. OPERATIONAL COSTS

	Unrestricted Funds 2020	**Restricted Funds 2020**	**Total Funds 2020**	*Unrestricted Funds 2019*	*Restricted Funds 2019*	*Total Funds 2019*
	£	**£**	**£**	*£*	*£*	*£*
Operations team travel and subsistence	**1,188**	**5,356**	**6,544**	*30,131*	*4,310*	*34,441*
Volunteer recruitment and support	**978**	**2,340**	**3,318**	*9,574*	*2,946*	*12,520*
Volunteer expenses and establishment costs	**625**	**3,977**	**4,602**	*18,796*	*4,322*	*23,118*
Conference attendance	**50**	**-**	**50**	*666*	*659*	*1,325*
Volunteer conference	**224**	**361**	**585**	*16,684*	*4,957*	*21,641*
Other operational costs	**6**	**-**	**6**	-	-	-
	£ 3,071	**£ 12,034**	**£ 15,105**	*£ 75,851*	*£ 17,194*	*£ 93,045*

14. DEVELOPMENT AND TRAINING COSTS

	Unrestricted Funds 2020	**Restricted Funds 2020**	**Total Funds 2020**	*Unrestricted Funds 2019*	*Restricted Funds 2019*	*Total Funds 2019*
	£	**£**	**£**	*£*	*£*	*£*
Training	**-**	**1,074**	**1,074**	*4,692*	*1,668*	*6,360*
Resources for training and support	**360**	**65**	**425**	*536*	*106*	*642*
Resources for readers and manuals	**4,490**	**19,760**	**24,250**	*16,718*	*942*	*17,660*
Promotional materials and resources	**-**	**6,765**	**6,765**	*6,950*	*5,253*	*12,203*
Distribution and postage	**1,194**	**4,187**	**5,381**	*10,177*	*1,701*	*11,878*
	£ 6,044	**£ 31,851**	**£ 37,895**	*£ 39,073*	*£ 9,670*	*£ 48,743*

15. COMMUNICATIONS AND ENGAGEMENT

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	*Unrestricted Funds 2019 £*	*Restricted Funds 2019 £*	*Total Funds 2019 £*
Website and online costs	**-**	**596**	**596**	*284*	*-*	*284*
PRA and other adverts	**-**	**15,634**	**15,634**	*14,876*	*-*	*14,876*
Monitoring and evaluation	**312**	**-**	**312**	*7,103*	*3,170*	*10,273*
Other marketing costs	**210**	**35**	**245**	*1,229*	*-*	*1,229*
	£ 522	**£ 16,265**	**£ 16,787**	*£ 23,492*	*£ 3,170*	*£ 26,662*

16. NEW INITIATIVES AND OTHER TRADING ACTIVITIES

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	*Unrestricted Funds 2019 £*	*Restricted Funds 2019 £*	*Total Funds 2019 £*
Turning pages sustainable income project						
	45	**-**	**45**	*105*	*-*	*105*
Readers and Manual Print						
Product marking and comms	**-**	**-**	**-**	*59*	*-*	*59*
Shopify monthly charge	**271**	**-**	**271**	*274*	*-*	*274*
Order fulfilment	**6,904**	**-**	**6,904**	*7,695*	*-*	*7,695*
Travel costs	**-**	**-**	**-**	*12*	*-*	*12*
	£ 7,220	**£ Nil**	**£ 7,220**	*£ 8,145*	*£ Nil*	*£ 8,145*

17. PREMISES COSTS

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	*Unrestricted Funds 2019 £*	*Restricted Funds 2019 £*	*Total Funds 2019 £*
Insurance	**-**	**1,610**	**1,610**	*1,559*	*-*	*1,559*
Legal and professional Services	**13**	**144**	**157**	*360*	*1,000*	*1,360*
Rates	**1,459**	**-**	**1,459**	*280*	*789*	*1,069*
Rent	**7,561**	**7,560**	**15,121**	*18,067*	*2,219*	*20,286*
Removal costs	**1,198**	**190**	**1,388**	*383*	*216*	*599*
Other premises costs	**88**	**-**	**88**	*327*	*-*	*327*
	£ 10,319	**£ 9,504**	**£ 19,823**	*£ 20,976*	*£ 4,224*	*£ 25,200*

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

18. OTHER ADMINISTRATIVE COSTS

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	*Unrestricted Funds 2019 £*	*Restricted Funds 2019 £*	*Total Funds 2019 £*
Repairs and Maintenance	**98**	**361**	**459**	*10*	*-*	*10*
Subscriptions	**568**	**195**	**763**	*785*	*254*	*1,039*
Computer / Stationery	**536**	**555**	**1,091**	*1,873*	*301*	*2,174*
General office costs	**399**	**884**	**1,283**	*1,144*	*238*	*1,382*
Office Equipment	**-**	**13,247**	**13,247**	*11,213*	*3,175*	*14,388*
Telephone	**4,586**	**2,905**	**7,491**	*5,396*	*82*	*5,478*
Sundry expenses	**208**	**478**	**686**	*1,836*	*1,035*	*2,871*
	£ 6,395	**£ 18,625**	**£ 25,020**	*£ 22,257*	*£ 5,085*	*£ 27,342*

19. GOVERNANCE COSTS

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	*Unrestricted Funds 2019 £*	*Restricted Funds 2019 £*	*Total Funds 2019 £*
Independent examiner's fee	**3,197**	**523**	**3,720**	*3,660*	*-*	*3,660*
Audit preparation	**1,200**	**-**	**1,200**	*1,200*	*-*	*1,200*
Bank charges	**130**	**-**	**130**	*112*	*-*	*112*
Board meetings	**-**	**474**	**474**	*2,049*	*804*	*2,853*
Trustees' expenses	**251**	**766**	**1,017**	*2,356*	*774*	*3,130*
Strategic review	**500**	**-**	**500**	-	-	-
Other governance costs	**2,000**	**1,000**	**3,000**	-	-	-
	£ 7,278	**£ 2,763**	**£ 10,041**	*£ 9,377*	*£ 1,578*	*£ 10,955*

20. TANGIBLE FIXED ASSETS

	Office equipment £
Cost	
At 1 January 2020 and 31 December 2020	**4,533**
Depreciation	
At 1 January 2020 and 31 December 2020	**4,532**
Net book value	
At 31 December 2019	*£ 1*
At 31 December 2020	**£ 1**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

21. DEBTORS

	2020	2019
Due within one year	**£**	*£*
Trade debtors	**1,403**	*915*
Accrued income	**23,480**	*20,000*
VAT repayment due	**388**	*229*
Prepayments	**4,763**	*4,763*
Other debtors	**-**	*3,549*
	£ 30,034	*£ 29,456*

22. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	*£*
Deferred grant income	**142,500**	*50,000*
Social security and other taxes	**10,793**	-
Accruals	**35,577**	*10,173*
	£ 188,870	*£ 60,173*
Deferred income		
Balance at 1 January 2020	**50,000**	-
Amount released to incoming resources	**(50,000)**	-
Amount deferred in the year	**142,500**	*50,000*
Balance at 31 December 2020	**£ 142,500**	*£ 50,000*

23. STATEMENT OF FUNDS

	Brought Forward	Incoming Resources	Resources Expended	Transfers and investment gains/(losses)	Carried Forward
	£	**£**	**£**	**£**	**£**
DESIGNATED FUNDS					
Contingency Fund	**-**	**-**	**-**	**50,000**	**50,000**
Development Fund	**-**	**-**	**-**	**75,000**	**75,000**
	£ Nil	**£ Nil**	**£ Nil**	**£ 125,000**	**£ 125,000**
RESTRICTED FUNDS					
National reading network	**35,447**	**300,780**	**(292,496)**	**-**	**43,731**
	£ 35,447	**£ 300,780**	**£ (292,496)**	**£ Nil**	**£ 43,731**
SUMMARY OF FUNDS					
Designated Funds	**-**	**-**	**-**	**125,000**	**125,000**
General Funds	**371,171**	**512,672**	**(365,113)**	**(125,000)**	**393,730**
	371,171	**512,672**	**(365,113)**	**-**	**518,730**
Restricted Funds	**35,447**	**300,780**	**(292,496)**	**-**	**43,731**
	£ 406,618	**£ 813,452**	**£ (657,609)**	**£ Nil**	**£ 562,461**

Restricted funds

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

STATEMENT OF FUNDS - 2019

	Brought Forward £	*Incoming Resources* £	*Resources Expended* £	*Transfers and investment gains/(losses)* £	*Carried Forward* £
RESTRICTED FUNDS					
National reading network	*-*	*245,000*	*(209,553)*	*-*	*35,447*
	£ Nil	*£ 245,000*	*£ (209,553)*	*£ Nil*	*£ 35,447*
SUMMARY OF FUNDS					
General Funds	*523,840*	*368,118*	*(520,787)*	*-*	*371,171*
Restricted Funds	*-*	*245,000*	*(209,553)*	*-*	*35,447*
	£ 523,840	*£ 613,118*	*£ (730,340)*	*£ Nil*	*£ 406,618*

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds			
	Designated Funds £	**General Funds** £	**Restricted Funds** £	**Total Funds** £
Tangible fixed assets	**-**	**1**	**-**	**1**
Net current assets	**125,000**	**393,729**	**43,731**	**562,460**
	£ 125,000	**£ 393,730**	**£ 43,731**	**£ 562,461**

25. ANALYSIS OF THE NET MOVEMENT IN FUNDS

	Unrestricted Funds 2020 £	**Restricted Funds 2020** £	**Total Funds 2020** £	*Total Funds 2019* £
Net movement in funds	**147,559**	**8,284**	**155,843**	*(117,222)*
	£ 147,559	**£ 8,284**	**£ 155,843**	*£ (117,222)*

26. OPERATING LEASE COMMITMENTS

In previous years, the charity had a non-cancellable operating lease for its office premises, at a committed cost £9,072 which was 6 months' rent. The lease has now been ended and will cease in April 2021. The committed cost for the 4 months left at the yearend was £6,048.

27. OTHER COMPANY INFORMATION

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