

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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SHANNON TRUST

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	<p>The trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:</p> <p>Michael Wemms, Chair Andrew Reid, Treasurer 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)</p>
Key management personnel	<p>Ian Merrill, CEO</p> <p>Christopher Morgan, Director of Business Support & Company Secretary</p>
Bankers	<p>CAF Bank Ltd 25 Kings Hill Avenue Kent, ME19 4JQ</p> <p>Aldermore Bank PLC 1st Floor, Block B Western House Lynch Wood Peterborough, PE2 6F2</p>
Independent Auditor	<p>Richard Billinghamurst FCA Senior Statutory Auditor Knox Cropper LLP Chartered Accountants and Statutory Auditors 65 Leadenhall Street, London, EC3A 2AD</p>
Accountants	<p>NfP Accountants Ltd 3rd Floor, 86-90 Paul Street, London, EC2A 4NE</p>

BOARD OF TRUSTEES' REPORT

For the year ended 31 December 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.

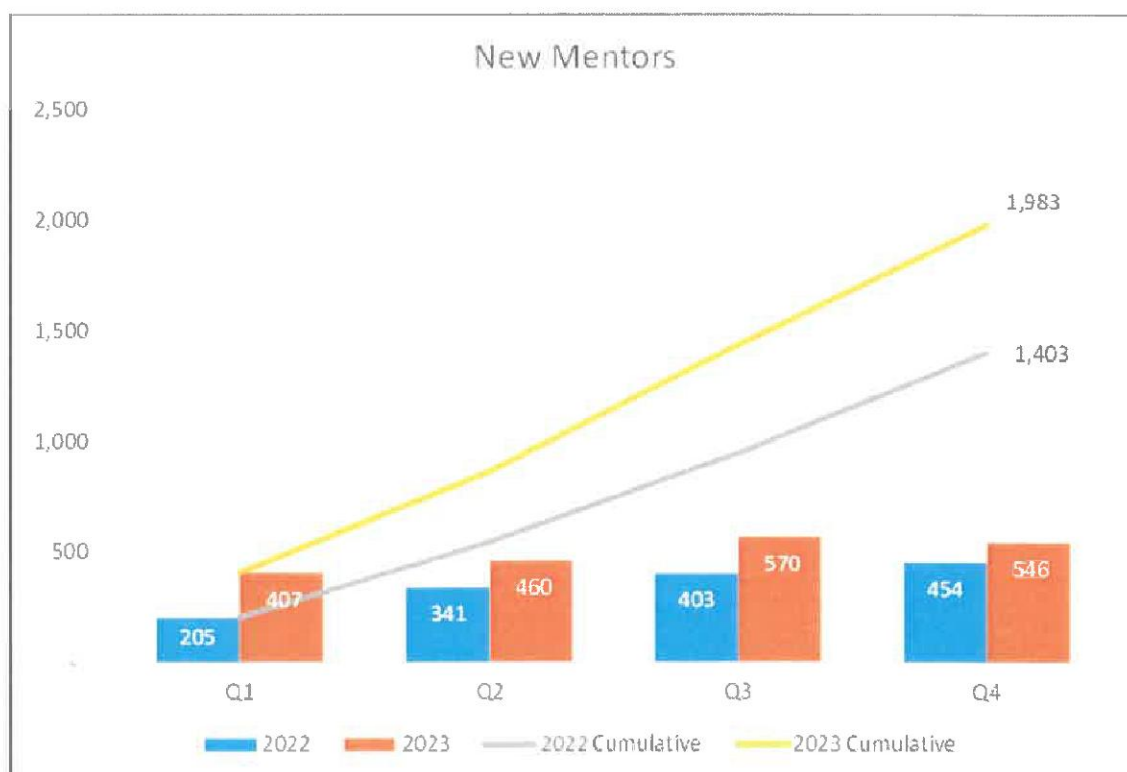
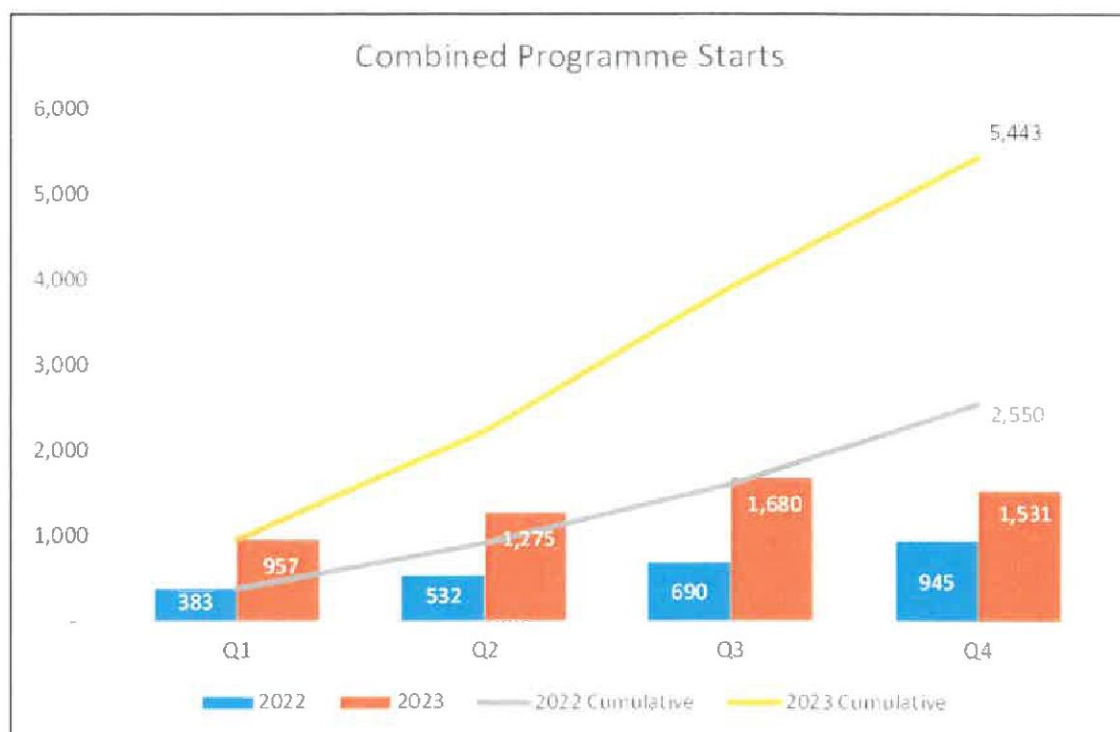
Operational delivery in prisons

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

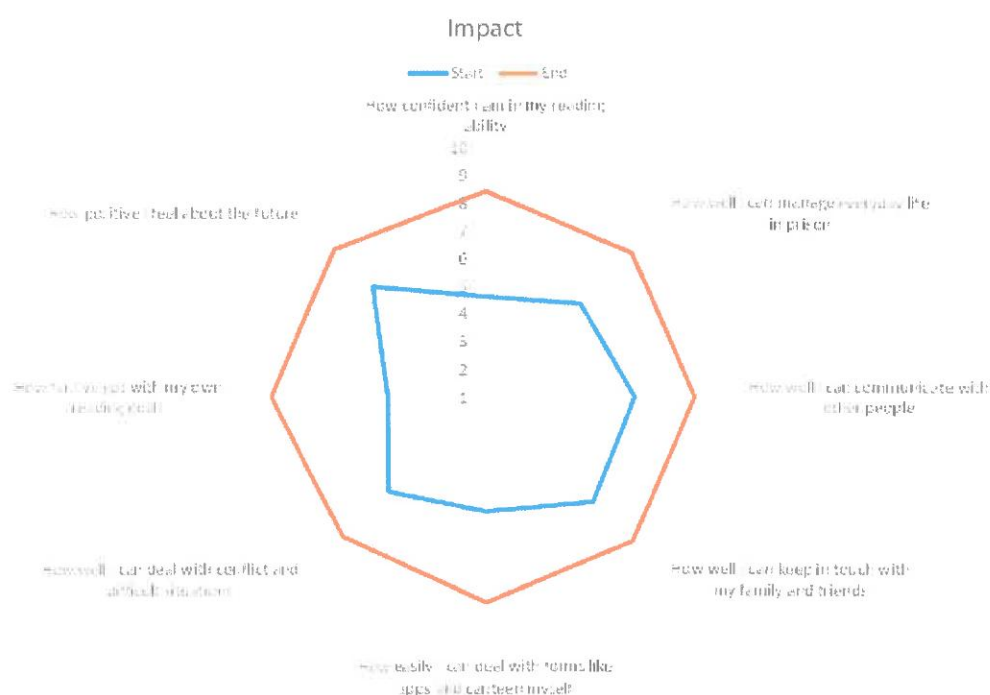
For the year ended 31 December 2023



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, Surrey 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

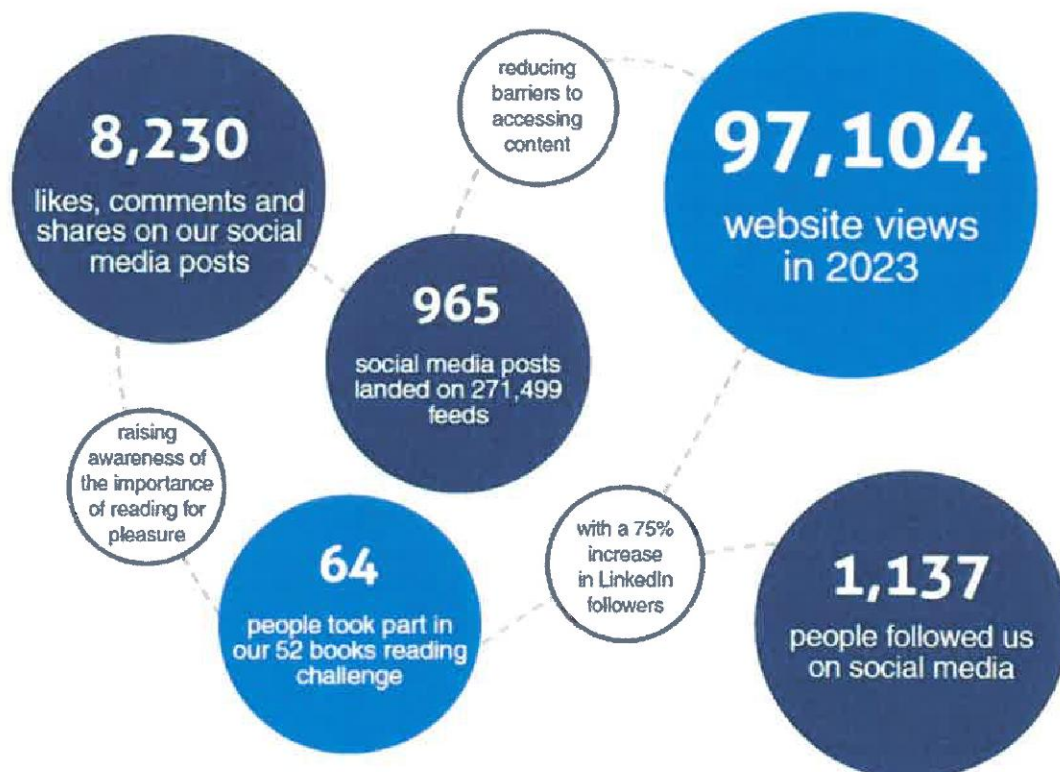
For the year ended 31 December 2023

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:



BOARD OF TRUSTEES' REPORT

For the year ended 31 December 2023

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.

SHANNON TRUST

BOARD OF TRUSTEES' REPORT

For the year ended 31 December 2023

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.

SHANNON TRUST

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

Independent Auditor

Richard Billinghamurst 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.

INDEPENDENT AUDITOR'S REPORT

For the year ended 31 December 2023

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 Billingham 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

SHANNON TRUST

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	
		<u>870,986</u>		<u>615,882</u>	
CREDITORS: amounts falling due within one year	13	(63,617)		(27,663)	
NET CURRENT ASSETS			807,369		588,219
NET ASSETS			<u>£ 807,369</u>		<u>£ 588,219</u>
FUNDS					
Restricted funds	14		89,811		144,451
Unrestricted funds:					
Designated funds	14	125,000		125,000	
General fund	14	592,558		318,768	
			<u>717,558</u>		<u>443,768</u>
			<u>£ 807,369</u>		<u>£ 588,219</u>

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

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

 MICHAEL WEMMS, Chair

The annexed notes form part of these financial statements

SHANNON TRUST

STATEMENT OF CASHFLOWS

For the year ended 31 December 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

Donations of gifts, services and facilities

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

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

Interest receivable

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

Company status

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

Fund accounting

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

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

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

Expenditure and irrecoverable VAT

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

Fundraising costs

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

Charitable activities

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

Other expenditure

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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).

SHANNON TRUST

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
	<u>£ 561,298</u>	<u>£ 376,344</u>	<u>£ 937,642</u>	<u>£ 524,637</u>	<u>£ 330,066</u>	<u>£ 854,703</u>

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
	<u>£ 1,516,578</u>	<u>£ Nil</u>	<u>£ 1,516,578</u>	<u>£ 251,398</u>

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
	<u>1,313,947</u>	<u>458,816</u>	<u>9,137</u>	<u>361,088</u>	<u>2,142,988</u>	<u>1,014,208</u>
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)	-	-
	<u>£ 1,699,234</u>	<u>£ 549,618</u>	<u>£ Nil</u>	<u>£ Nil</u>	<u>£ 2,248,852</u>	<u>£ 1,118,728</u>

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
	<u>514,110</u>	<u>213,636</u>	<u>8,498</u>	<u>277,964</u>	<u>1,014,208</u>
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)	-
	<u>£ 840,090</u>	<u>£ 278,638</u>	<u>£ Nil</u>	<u>£ Nil</u>	<u>£ 1,118,728</u>

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	<u>6,240</u>	<u>5,670</u>

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
	<u>1,385,464</u>	<u>246,895</u>	<u>1,632,359</u>	<u>645,967</u>	<u>118,466</u>	<u>764,433</u>
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
	<u>£ 1,450,099</u>	<u>£ 249,135</u>	<u>£ 1,699,234</u>	<u>£ 721,624</u>	<u>£ 118,466</u>	<u>£ 840,090</u>

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.

SHANNON TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

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

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
	<u>£ 63,617</u>	<u>£ 27,663</u>

Deferred income

Balance at 1 January 2023	-	-
Amount released to incoming resources	-	-
Amount deferred in the year	30,000	-
Balance at 31 December 2023	<u>£ 30,000</u>	<u>£ Nil</u>

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

	<i>Brought Forward</i> £	<i>Incoming Resources</i> £	<i>Resources Expended</i> £	<i>Transfers and investment gains/(losses)</i> £	<i>Carried Forward</i> £
DESIGNATED FUNDS					
<i>Contingency Fund</i>	50,000	-	-	-	50,000
<i>Development Fund</i>	75,000	-	-	-	75,000
	<u>£ 125,000</u>	<u>£ Nil</u>	<u>£ Nil</u>	<u>£ Nil</u>	<u>£ 125,000</u>
	<i>Brought Forward</i> £	<i>Incoming Resources</i> £	<i>Resources Expended</i> £	<i>Transfers and investment gains/(losses)</i> £	<i>Carried Forward</i> £
RESTRICTED FUNDS					
<i>CJS Operations</i>	-	286,933	(142,540)	-	144,393
<i>Community Operations</i>	1,357	-	(1,299)	-	58
<i>Resources</i>	-	43,133	(43,133)	-	-
	<u>£ 1,357</u>	<u>£ 330,066</u>	<u>£ (186,972)</u>	<u>£ Nil</u>	<u>£ 144,451</u>
SUMMARY OF FUNDS					
<i>Designated Funds</i>	125,000	-	-	-	125,000
<i>General Funds</i>	470,112	780,412	(931,756)	-	318,768
<i>Restricted Funds</i>	1,357	330,066	(186,972)	-	144,451
	<u>£ 596,469</u>	<u>£ 1,110,478</u>	<u>£ (1,118,728)</u>	<u>£ Nil</u>	<u>£ 588,219</u>

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds		Restricted Funds	Total Funds
	Designated Funds	General Funds		
	£	£	£	£
Net current assets	125,000	592,558	89,811	807,369
	<u>£ 125,000</u>	<u>£ 592,558</u>	<u>£ 89,811</u>	<u>£ 807,369</u>

SHANNON TRUST

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)
	<u>£ 273,790</u>	<u>£ (54,640)</u>	<u>£ 219,150</u>	<u>£ (8,250)</u>

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.