

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

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2015**



**SHANNON TRUST**

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

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**REPORT AND FINANCIAL STATEMENTS**

For the year ended 31 December 2015

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## SHANNON TRUST

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

For the year ended 31 December 2015

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<b>Board of Trustees</b>	P Knapton (Chairman) E Allison (Resigned 12.05.15) J Rowlandson A Creighton (Resigned 12.05.15) B Duncan E Astle R Trent T Davies (Resigned 30.11.15) R Newman S M O'Hara
<b>Key management personnel</b>	Angela Cairns CEO (from 13.07.15) David Ahern (CEO until 31.08.15)
<b>Company reg. no.</b>	5906258
<b>Charity reg. no.</b>	1117249
<b>Registered office</b>	The Foundary 17 - 19 Oval Way London SE11 5RR
<b>Auditors</b>	Clemence Hoar Cummings LLP Riverside House 1 - 5 Como Street Romford, Essex RM7 7DN
<b>Bankers</b>	CAF Bank Ltd 25 Kings Hill Avenue Kent ME19 4JQ  Virgin Money plc 30-31 Haymarket London SW1Y 4EX  Scottish Widows Plc PO Box 12757 Edinburgh EH3 8YJ
<b>Accountants</b>	NfP Accountants Ltd 27 Netherford Road London SW4 6AF

## **SHANNON TRUST**

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### **BOARD OF TRUSTEES' REPORT**

**For the year ended 31 December 2015**

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The Trustees present their annual report and financial statements of the charity for the year ended 31 December 2015. The reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the charity's governing document, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

#### **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. The Memorandum of Association lays down the objects and powers of the Association, governed under its Articles of Association. In the event of the company being wound-up, its members are required to contribute an amount not exceeding £1.00.

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 and appointment of new Trustees*

The Directors of the company are also charity Trustees of the charity for the purposes 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 7 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*

Trustees receive an induction briefing, given by the Chairman. 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.

## **SHANNON TRUST**

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### **BOARD OF TRUSTEES' REPORT**

**For the year ended 31 December 2015**

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#### *Organisational structure*

The Trustees are responsible for the strategic direction and policy making of the charity. In 2015, the Trustees met on four occasions. Day to day responsibility for the provision of services to the charity is the responsibility of the Chief Executive Officer, assisted by paid staff and volunteers. In 2015, David Ahern was CEO of the Trust until 31st August. Angela Cairns joined the charity as incoming CEO on 13th July affording a short handover period. The charity was successful in raising funds, we are indebted to our many benefactors. Not only have we received considerable financial support but also professional advice and pro bono support.

#### **Objectives and activities**

##### **Purposes and aims**

The Charity's Objects are specifically restricted to 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 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, 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 objectives:

- Provision of the Shannon Trust Reading Plan ensuring every non-reading prisoner receives the opportunity to learn to read through the Shannon Trust Reading Plan;
- Training peer mentors to engage, teach and encourage non-reading prisoners;
- Supporting continuity of provision for mentors and learners upon transfer between prisons;
- Providing resources that optimise delivery and raise awareness of the Shannon Trust Reading Plan;
- Signposting community opportunities for prisoners to continue their learning and mentoring post release.

## SHANNON TRUST

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### BOARD OF TRUSTEES' REPORT

For the year ended 31 December 2015

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Shannon Trust is committed to:

- Promoting reading in prisons;
- 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, Reading Plan Leads 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 delivery;
- Incorporating diversity and equality of opportunity in all we do.

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

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

The charity's main activities and who it tries 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 Reading Plan*

2015 has been a transitional year for Shannon Trust. A year which saw the culmination of work to develop a new reading resource for teaching adults to read in the launch of Turning Pages. It saw 4005 prisoners start their learning journey with the Reading Plan supported by 1,977 prisoner Mentors. It was also the year in which Shannon Trust said goodbye to long-standing CEO David Ahern and welcomed Angela Cairns as his successor.

## SHANNON TRUST

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### BOARD OF TRUSTEES' REPORT

For the year ended 31 December 2015

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#### *The National Reading Network*

The National Reading Network is a unique relationship with the National Offender Management Service, embedding the Reading Plan into public prisons across England, Wales and Northern Ireland. The aim of the National Reading Network is to ensure that any prisoner struggling to read can learn with a peer Mentor using the Shannon Trust Reading Plan. Learners taking part in the Reading Plan spend 20 minutes, 5 days a week with their Mentor. The Reading Plan is designed to be delivered where the Learner is i.e. in workshops, education, the library, the gym, health care or in their cell. A Memorandum of Understanding outlines the support for the partnership including 6 hours week of allocated prison officer time in each establishment and a senior management team member who champions the Reading Plan in their prison. At a national level, the National Reading Network is supported by regular meetings with the National Offender Management Service's Business Development Group. However, this does not detract from the organisational ethos that the Reading Plan be – by prisoners for prisoners. Whilst the National Reading Network agreement is with public prisons, we have a significant presence in contracted out establishments, and Directors of private prisons have been supportive of the Reading Plan.

Volunteers are important to the delivery of the Reading Plan. In 2015, a field force of 131 volunteers supported Reading Plans in prisons across England, Wales in Northern Ireland. They engaged in activities to assist development of the Reading Plan including training Mentors, offering advice, guidance and support to prison appointed Reading Plan Leads and Senior Managers, meeting monthly with Mentors and Reading Plan Leads to jointly review progress, make plans to extend the reach of the Reading Plan in each prison. Volunteers also arrange award ceremonies, liaise with senior prison staff and governors and deliver presentations to prison staff. Volunteers in the role of Local Prison Representatives are clustered into local areas and supported by a volunteer Area Coordinator and Area Secretary. Area Coordinators are supported by 3 Regional Managers and a national Operations Manager who are part of the national staff team. Area meetings take place 4 times a year for all volunteers and Area Coordinators meet up quarterly.

68 new volunteers were trained in 2015. 94% felt their Induction training met their needs very well or extremely well.

#### *Turning Pages*

The final development phase of the Turning Pages reading programme was completed in the first half of 2015. This included the finalising and consistency checking of the learning across all five manuals, implementing proof reading amendments along with collecting, collating and implementing the final set of feedback from the Learners and Mentors involved with the testing phase. A set of 30 reading books were also completed during the first two months reflecting a range of styles (both in content and artwork) and topics suitable for adult learners as they progress through the manuals. The print files sent for print in February 2015 in order to be ready for distribution to the prisons in April and for Turning Pages to be launched across the estate in June. Turning Pages as a completed project was delivered on time and under budget. Savings resulted from Shannon Trust staff taking on the project management/development of Turning Pages and much of the copy editing role.

## SHANNON TRUST

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### BOARD OF TRUSTEES' REPORT

For the year ended 31 December 2015

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The preparation for the rollout of Turning Pages in June 2015 included writing and testing the new training materials, updating all the associated Shannon Trust resource materials, planning and executing the distribution of resources to individual prisons and planning and delivering regional training events. 6 regional training events were run with 140 prison staff and Shannon Trust Volunteers trained in Turning Pages and these were followed up with training in individual prisons with 1,240 re-training packs provided for existing Mentors and a further 618 packs for new Mentors. Throughout the development of Turning Pages and particularly in the early part of 2015, Shannon Trust also communicated with Mentors on the progress and plans for launch so that there was clarity and a consistent message for all.

Turning Pages was developed with the expertise of a range of professionals and the input of Mentors and Learners. The result is a resource which has received positive feedback from Reading Plan participants, Shannon Trust volunteers and their prison counterparts. An evaluation of Turning Pages by Birmingham City University was commissioned by Shannon Trust and began in October 2015. The main areas of study will be:

- Does Turning Pages improving reading ability? (teaching methodology – Turning Pages as a resource for a peer delivered reading plan for adults);
- Impact of delivery – quality of provision in prisons and its impact on Learners;
- Wider benefits for Learners and Mentors of being involved with the Reading Plan.

The evaluation is being conducted jointly by the faculties for criminology and education at Birmingham City University. An interim report will be produced in April 2016, with a final report due in November 2016. Findings from the research will feed into work streams for 2017-18 and an event to share good practice and officially launch Turning Pages is planned for January 2017. The introduction of Turning Pages provides the charity with opportunities to improve delivery of the Reading Plan. Turning Pages is wholly owned by the Trust, allowing us to make changes to the manual and readers as we deem necessary. It is our aim to ensure Turning Pages is fit for purpose, offering the best possible learning experience to our Learners.

#### *Change of CEO*

After 8 years as CEO at Shannon Trust David Ahern decided to step down. The Trustees are very appreciative of David's work at the helm of the charity. Angela Cairns joined the charity as CEO in July 2015.

#### *Supporters and partners*

Shannon Trust is extremely grateful for the continued support of a range of grant giving trusts and foundations, individuals and pro-bono assistance from companies including: Big Lottery, Henry Smith Charity, Schroders Foundation, Charles Hayward Foundation, the Bell Foundation, the Rothchild Foundation, Porticus UK, the Haberdashers' Company, the Rank Foundation, the Peter and Marjorie Robinson Charitable Trust, William A Cadbury Charitable Trust, the Wheldon Charitable Trust, Steele Charitable Trust, Bernard Sunley Charitable Foundation, CHK Charities, Dawes Trust, Drapers Company, Garfield Weston Foundation, Rayne Foundation, Tuixen Foundation, J&C Findlay Charitable Foundation, BearingPoint, and the Aimar Foundation.



## SHANNON TRUST

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### BOARD OF TRUSTEES' REPORT

For the year ended 31 December 2015

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#### *Risk management*

The Trustees review risk on a quarterly basis. Prior to each Board Meeting the Strategy Committee scrutinise the Risk Register and make recommendations to the Board for actions to be taken and the status given to each risk. The annual budget, milestones and business planning processes are reviewed regularly by the Board.

#### *Related parties*

Shannon Trust has a Memorandum of Understanding with the National Offender Management 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. Shannon Trust is not in receipt of any statutory funding to deliver the National Reading Network.

#### *Reserves policy and going concern*

The Trustees keep the level of Reserves under review and consider a projection of the known pattern of income and the proposed level of outgoings for at least twelve months ahead. An Unrestricted Reserves policy based on six months forward running costs has been used as a prime indicator. Further, a detailed risk assessment is made of factors that might impact on the assumptions made. As of the end of 2015, the financial forecasts for 2016 as to the financial year ahead was in compliance with these policies.

### FINANCIAL REVIEW

#### *Financial Position*

The Charity incurred net expenditure for the year of £71,684 details of which are shown in the Statement of Financial Activities on page 14.

Total income for the year amounted to £580,516, an increase of £48,447 on the previous year, and total expenditure amounted to £652,200, an increase of £33,813 on the previous year. The charity incurred total net expenditure of £71,684, which includes £102,440 that represents expenditure in the current year against brought forward restricted funds. Taking this into account, the charity achieved net income on unrestricted funds of £30,756.

#### *Reserves Policy*

The Trustees keep the level of Reserves under review and consider a projection of the known pattern of income and the proposed level of outgoings for at least twelve months ahead. An Unrestricted Reserves policy based on six months forward running costs has been used as a prime indicator.

At the year end, the charity held restricted funds of £3,060. General reserves amounted to £322,533, which is approximately 6 months' expenditure for the following year, which the Trustees consider to be reasonable.

Further, a detailed risk assessment is made of factors that might impact on the assumptions made. As of the end of 2015, the financial forecasts for 2016 as to the financial year ahead was in compliance with these policies.

## **SHANNON TRUST**

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### **BOARD OF TRUSTEES' REPORT**

**For the year ended 31 December 2015**

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#### *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

#### **PLANS FOR FUTURE PERIODS**

Over the next three years Shannon Trust aims to increase the number of Learners engaged in Reading Plan each year from 4,005 to 5,576 prisoners in 2018. We are confident this can be achieved through partnership working with the Prison Service to deliver the National Reading Network. Our growth targets for the next three years are:

Over the 3 year period we will cluster work in 5 thematic strands:

- Increasing number and spread of new learners across the prison estate via the National Reading Network by 30%;
- Establishing Turning Pages as recognised resource for teaching adults to read;
- Exploring and developing opportunities to diversify income generation to increase financial sustainability;
- Extending awareness of Shannon Trust Reading Plans in prisons and with the general public;
- Developing organisational capacity to ensure future fitness for purpose.

## **SHANNON TRUST**

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### **BOARD OF TRUSTEES' REPORT**

**For the year ended 31 December 2015**

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#### **Trustees' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS**

The charity Trustees are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the applicable Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the group will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Charity's governing document. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

#### **AUDITORS**

Clemence Hoar Cummings LLP were re-appointed as the charity's auditors during the year and have expressed their willingness to continue in that capacity.

## **SHANNON TRUST**

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### **BOARD OF TRUSTEES'S REPORT**

**For the year ended 31 December 2015**

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#### **DISCLOSURE OF INFORMATION TO THE AUDITORS**

In so far as the Trustees are aware:

- There is no relevant audit information of which the charity's auditors are unaware;
- 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 31st December 2015 was 7 (2014: 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.

#### **APPROVAL OF THE REPORT**

This report was approved by the Board of Trustees on 17 May 2016 and signed on their behalf by:

  
**P Knapton**  
Chair

## SHANNON TRUST

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### CHAIR'S REPORT

For the year ended 31 December 2015

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During this reporting year the Trust has continued to develop as an charity. The final stages of the development of our own reading scheme 'Turning Pages' its launch, rollout and delivery of the national training programme have been significant aspects of work which were delivered to a high standard. Our staff, volunteers and Mentors have at the same time managed to maintain business as usual and through the delivery of Reading Plans in both public and contracted out prisons has helped in the region of 4000 prisoners to learn to read. This level of achievement should be considered against a backdrop of difficult and prolonged change within the Prison Service, making the progress made all the more impressive.

The Board of Trustees have worked in collaboration with the Staff Team in developing our strategic objectives, these have been embedded within the three year business planning cycle and performance objectives allocated to individual staff members and these being monitored through the appraisal process. Angela Cairns our new CEO has been quick to understand the work of the Trust, not only maintaining momentum but identifying and delivering key changes at pace through her excellent leadership.

Our funders have continued to support us and in doing so have made a real and positive difference to the lives of prisoners, both mentors and learners, and their families. This support will undoubtedly improve their life chances and in doing so reduced the risk of re-offending. On behalf of all at Shannon Trust I would like to thank you for your continued support.

With much of the development work completed in 2014 & 2015 our focus in the coming year, 2016, will be one of consolidation and improved performance particularly with regard to the number of learners we engage with. Our mentors, volunteers, staff and trustees are all totally committed to the work of the trust and I would like to thank them for all they do.

  
**Pete Knapp**  
Chairman

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SHANNON TRUST**  
**For the year ended 31 December 2015**

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We have audited the financial statements of Shannon Trust for the period ended 31 December 2015, which comprise the Statement of financial activities, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

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

**RESPECTIVE RESPONSIBILITIES OF BOARD OF TRUSTEES AND AUDITOR**

As explained more fully in the Board of Trustees' responsibilities statement, the Board of 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board of Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2015 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Trustees' Annual report for the financial period for which the financial statements are prepared is consistent with the financial statements.

## SHANNON TRUST

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### INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SHANNON TRUST For the year ended 31 December 2015

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#### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate 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 Board of Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Board of Trustees' report.



**David Belbin BSc FCA DChA.**  
**Senior Statutory Auditor**  
Clemence Hoar Cummings LLP  
Riverside House 1 - 5  
Como Street  
Romford, Essex  
RM7 7DN

17/5/16

**SHANNON TRUST**

**STATEMENT OF FINANCIAL ACTIVITIES**

(Incorporating Income and Expenditure Account & Statement of Total Realised Gains and Losses)  
For the year ended 31 December 2015

	Note	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Unrestricted Funds 2014 £	Restricted Funds 2014 £	Total Funds 2014 £
<b>INCOME FROM</b>							
Donations and legacies	2	266,108	307,001	573,109	343,652	185,000	528,652
Charitable activities							
Reading programme	4	5,594	-	5,594	-	-	-
Investment income	3	1,813	-	1,813	3,417	-	3,417
<b>TOTAL INCOME</b>		<b>273,515</b>	<b>307,001</b>	<b>580,516</b>	<b>347,069</b>	<b>185,000</b>	<b>532,069</b>
<b>EXPENDITURE ON:</b>							
Raising funds	5	19,936	-	19,936	-	-	-
Charitable activities							
Reading programme	5	222,823	409,441	632,264	368,643	249,744	618,387
		<b>222,823</b>	<b>409,441</b>	<b>632,264</b>	<b>368,643</b>	<b>249,744</b>	<b>618,387</b>
Other resources expended		-	-	-	-	-	-
<b>TOTAL EXPENDITURE</b>		<b>242,759</b>	<b>409,441</b>	<b>652,200</b>	<b>368,643</b>	<b>249,744</b>	<b>618,387</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>30,756</b>	<b>(102,440)</b>	<b>(71,684)</b>	<b>(21,574)</b>	<b>(64,744)</b>	<b>(86,318)</b>
<b>RECONCILIATION OF FUNDS</b>							
TOTAL FUNDS AT 1 JANUARY 2015		291,777	105,500	397,277	313,351	170,244	483,595
<b>TOTAL FUNDS AT 31 DECEMBER 2015</b>		<b>£ 322,533</b>	<b>£ 3,060</b>	<b>£ 325,593</b>	<b>£ 291,777</b>	<b>£ 105,500</b>	<b>£ 397,277</b>

The annexed notes form part of these financial statements



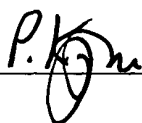
**SHANNON TRUST**  
(company limited by guarantee number 5906258)

**BALANCE SHEET**  
As at 31 December 2015

	Notes	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Tangible assets	18		1		1
<b>CURRENT ASSETS</b>					
Stocks		-		25,950	
Debtors		500		1,750	
Cash at bank and in hand		361,831		444,338	
		<u>362,331</u>		<u>472,038</u>	
<b>CREDITORS: amounts falling due within one year</b>	19	(36,739)		(74,762)	
<b>NET CURRENT ASSETS</b>			<u>325,592</u>		<u>397,276</u>
<b>NET ASSETS</b>			<u>£ 325,593</u>		<u>£ 397,277</u>
<b>FUNDS</b>					
Restricted funds	20		3,060		105,500
Unrestricted funds:					
General fund	20		322,533		291,777
			<u>£ 325,593</u>		<u>£ 397,277</u>

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

They were approved, and authorised for issue, by the Board of Trustees on 17 May 2016 and signed on their behalf by:-



P KNAPTON, Chair

The annexed notes form part of these financial statements

**SHANNON TRUST****STATEMENT OF CASHFLOWS**

For the year ended 31 December 2015

	<u>2015</u>		<u>2014</u>	
	£	£	£	£
Cash flows from operating activities		(71,684)		(86,318)
Net cash provided by / (used in) operating activities				
(Increase)/decrease in stocks	25,950		4,200	
(Increase)/decrease in debtors	1,250		3,941	
Increase/(decrease) in creditors	<u>(38,023)</u>		<u>50,410</u>	
		(10,823)		58,551
Cash flows from investing activities		-		-
Cash flows from financing activities		-		-
Change in cash and cash equivalents in the year		<u>(82,507)</u>		<u>(27,767)</u>
Cash and cash equivalents at the beginning of the year		444,338		472,105
Cash and cash equivalents at the year end		<u><u>361,831</u></u>		<u><u>444,338</u></u>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2015

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**1. ACCOUNTING POLICIES**

***Basis of preparation of financial statements***

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (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.

***Reconciliation with previously Generally Accepted Accounting Practice (GAAP)***

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 January 2014.

***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.

***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 2015**

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***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.

## SHANNON TRUST

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2015

#### **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. The charity contributes up to 5% of gross pay for all staff after they have completed their probationary period. Pension costs are recognised in the SOFA at the percentage of gross pay. The fund manager's charges are factored into the unit value of the pension fund at 1% per annum, and are not recognised in the accounts.

## 2. DONATIONS AND LEGACIES

	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Total Funds 2014 £
Grants and donations	266,108	307,001	573,109	528,652
	<u>£ 266,108</u>	<u>£ 307,001</u>	<u>£ 573,109</u>	<u>£ 528,652</u>

## 3. INVESTMENT INCOME

	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Total Funds 2014 £
Interest receivable from:				
Cash at bank	1,813	-	1,813	3,417
	<u>£ 1,813</u>	<u>£ Nil</u>	<u>£ 1,813</u>	<u>£ 3,417</u>

# SHANNON TRUST

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2015

### 4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Total Funds 2014 £
Toe by toe manuals	5,594	-	5,594	-
	<u>£ 5,594</u>	<u>£ Nil</u>	<u>£ 5,594</u>	<u>£ Nil</u>

### 5. ANALYSIS OF EXPENDITURE

	Staff costs £	Direct costs £	Governance costs £	Support costs £	Total 2015 £	Total 2014 £
Literacy programme						
- National Reading Network	286,797	138,382	17,797	47,410	490,386	527,806
- Turning Pages	18,254	119,473	1,133	3,018	141,878	90,581
	<u>305,051</u>	<u>257,855</u>	<u>18,930</u>	<u>50,428</u>	<u>632,264</u>	<u>618,387</u>
Fundraising costs	16,243	-	1,008	2,685	19,936	-
Governance costs	9,337	10,601	(19,938)	-	-	-
Support costs	20,715	32,398	-	(53,113)	-	-
	<u>£ 351,346</u>	<u>£ 300,854</u>	<u>£ Nil</u>	<u>£ Nil</u>	<u>£ 652,200</u>	<u>£ 618,387</u>

Of the total expenditure, £242,759 was unrestricted (2014 - £368,643) and £409,441 was restricted (£249,744).

### 6. NET INCOMING / OUTGOING RESOURCES FOR THE YEAR

This is stated after charging / crediting:

	2015	2014
Auditors' remuneration:		
Audit fee	4,576	4,500
	<u>£ 4,576</u>	<u>£ 4,500</u>

# SHANNON TRUST

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2015

### 7. STAFF COSTS AND NUMBERS

	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Total Funds 2014 £
<b>Salary costs</b>				
Wages and salaries	67,945	231,920	299,865	276,773
Social security costs	14,588	13,894	28,482	28,487
Pension costs	3,077	3,716	6,793	7,768
	<u>85,610</u>	<u>249,530</u>	<u>335,140</u>	<u>313,028</u>
<b>Other staffing costs</b>				
Recruitment	488	712	1,200	1,376
Staff training and development	1,833	-	1,833	-
Consultancy	13,172	-	13,172	8,250
	<u>£ 101,103</u>	<u>£ 250,242</u>	<u>£ 351,345</u>	<u>£ 322,654</u>

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

	Number	Number
Direct cost: literacy programme	<u>7.8</u>	<u>9.0</u>
	<u>7.8</u>	<u>9.0</u>

The total employee benefits including pension contributions of the key management personnel were £69,736 (2014 - £56,081).

No employee earned more than £60,000, including benefits, during the year (2014 - the same.)

### 8. TRUSTEES' REMUNERATION AND EXPENSES

The charity trustees were not paid and did not receive any other benefits from employment with the charity in the year (2014 - £nil). No charity trustee received payment for professional or other services supplied to the charity (2014 - £nil).

Trustees' expenses, representing the payment or reimbursement of travel and subsistence costs, totalled £3,717 (2014 - £2,097), incurred by 6 (2014 - 5) trustees relating to attendance at meetings of the trustees.

### 9. RELATED PARTY TRANSACTIONS

There are no reportable related party transactions to disclose for 2015 (2014 - none).

**SHANNON TRUST****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2015

**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. OPERATIONAL COSTS**

	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Total Funds 2014 £
Conference attendance	386	-	386	-
Operations team travel and subsistence	4,270	10,949	15,219	17,217
Volunteer recruitment and support	2,228	8,107	10,335	14,680
Volunteer expenses and establishment costs	615	30,712	31,327	32,484
	<u>£ 7,499</u>	<u>£ 49,768</u>	<u>£ 57,267</u>	<u>£ 64,381</u>

**13. DEVELOPMENT AND TRAINING COSTS**

	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Total Funds 2014 £
Training	1,578	3,136	4,714	4,814
Resources for training and support	-	234	234	15
Resources for readers and manuals	4,564	21,521	26,085	-
Promotional materials and resources	21,133	9,902	31,035	40,088
Development team meetings	-	810	810	7
Distribution and postage	11,987	6,250	18,237	9,416
	<u>£ 39,262</u>	<u>£ 41,853</u>	<u>£ 81,115</u>	<u>£ 54,340</u>



# SHANNON TRUST

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2015

### 14. TURNING PAGES

	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Total Funds 2014 £
Manual development	57,473	1,432	58,905	133,042
Authoring and editorial	-	41,303	41,303	-
Evaluation	-	5,755	5,755	-
Launch	-	6,580	6,580	-
Prison Radio Association	-	6,534	6,534	-
Other	-	396	396	-
	<u>£ 57,473</u>	<u>£ 62,000</u>	<u>£ 119,473</u>	<u>£ 133,042</u>

### 15. PREMISES COSTS

	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Total Funds 2014 £
Electricity	262	-	262	285
Insurance	1,467	30	1,497	1,084
Legal Services	1,200	-	1,200	-
Rates	706	40	746	610
Rent	9,582	5,308	14,890	16,800
Removal costs	-	-	-	2,300
	<u>£ 13,217</u>	<u>£ 5,378</u>	<u>£ 18,595</u>	<u>£ 21,079</u>

### 16. ADMINISTRATIVE COSTS

	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Total Funds 2014 £
Printing and Design	3,210	-	3,210	77
Repairs and Maintenance	288	-	288	348
Subscriptions	536	-	536	474
Computer / Stationery	2,609	-	2,609	6,557
General office costs	1,270	-	1,270	3,501
Office Equipment	2,655	200	2,855	761
Telephone	3,035	-	3,035	2,593
	<u>£ 13,603</u>	<u>£ 200</u>	<u>£ 13,803</u>	<u>£ 14,311</u>

# SHANNON TRUST

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

### 17. GOVERNANCE COSTS

	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Total Funds 2014 £
Annual Return	13	-	13	13
Auditors	4,576	-	4,576	4,500
Audit preparation	1,227	-	1,227	1,200
Bank charges	65	-	65	6
Board meetings	1,003	-	1,003	811
Trustees Expenses	3,717	-	3,717	2,050
	<u>£ 10,601</u>	<u>£ Nil</u>	<u>£ 10,601</u>	<u>£ 8,580</u>

### 18. TANGIBLE FIXED ASSETS

	Office equipment £
<b>Cost</b>	
At 1 January 2015 and 31 December 2015	<u>4,533</u>
<b>Depreciation</b>	
At 1 January 2015	<u>4,532</u>
At 31 December 2015	<u>4,532</u>
<b>Net book value</b>	
At 31 December 2014	<u>£ 1</u>
At 31 December 2015	<u>£ 1</u>

### 19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade creditors	2,910	11,465
Deferred grant income	15,000	-
Social security and other taxes	8,186	8,036
Other creditors	3	50,761
Accruals	10,640	4,500
	<u>£ 36,739</u>	<u>£ 74,762</u>
<b>Deferred income</b>		
Amount deferred in the year	15,000	-
Balance at 31 December 2015	<u>£ 15,000</u>	<u>£ Nil</u>

At the year end, £15,000 had been received from a donor, with specific instruction for the funds to be spent during 2016. The amount has been deferred to be recognised in income in that year in line with paragraph 5.21 of the SORP.

# SHANNON TRUST

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2015

### 20. STATEMENT OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers and investment gains/(losses) £	Carried Forward £
<b>RESTRICTED FUNDS</b>					
National reading network	45,500	305,001	(347,441)	-	3,060
Turning Pages	60,000	2,000	(62,000)	-	-
	<u>£ 105,500</u>	<u>£ 307,001</u>	<u>£ (409,441)</u>	<u>£ Nil</u>	<u>£ 3,060</u>
<b>SUMMARY OF FUNDS</b>					
General Funds	291,777	273,515	(242,759)	-	322,533
Restricted Funds	105,500	307,001	(409,441)	-	3,060
	<u>£ 397,277</u>	<u>£ 580,516</u>	<u>£ (652,200)</u>	<u>£ Nil</u>	<u>£ 325,593</u>

### 21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds Designated Funds £	General Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	-	1	-	1
Net current assets	-	322,532	3,060	325,592
	<u>£ Nil</u>	<u>£ 322,533</u>	<u>£ 3,060</u>	<u>£ 325,593</u>

### 22. ANALYSIS OF THE NET MOVEMENT IN FUNDS

	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Total Funds 2014 £
Net movement in funds	(71,684)	-	(71,684)	(86,318)
	<u>£ (71,684)</u>	<u>£ Nil</u>	<u>£ (71,684)</u>	<u>£ (86,318)</u>