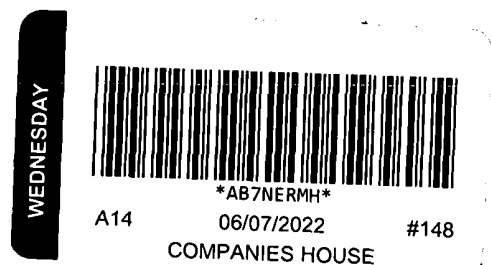


Charity Registration No.

1049095

Company Registration No.03095356 (England and Wales)

**FINE CELL WORK
(LIMITED BY GUARANTEE)
TRUSTEES' REPORT AND ACCOUNTS
FOR THE
YEAR ENDED 31 DECEMBER 2021**



LEGAL AND ADMINISTRATIVE INFORMATION

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

**FINE CELL WORK
(LIMITED BY GUARANTEE)**

CONTENTS

	Page
TRUSTEES' REPORT	4
REPORT OF THE INDEPENDENT AUDITORS	21
STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)	24
BALANCE SHEET	25
CASH FLOW STATEMENT	26
NOTES TO THE ACCOUNTS	27

**FINE CELL WORK
(LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Trustees present their report and accounts for the 12-month period ended 31 December 2021. The accounts have been prepared in accordance with Fine Cell Work's Memorandum and Articles of Association and with the accounting policies set out in note 2 to the accounts and comply with the charity's governing document, applicable law and the requirements of the Charities SORP (FRS 102).

Governance, Structure and Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 25 August 1995 and registered as a charity on 9 September 1995. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members guarantee to contribute an amount not exceeding £10.

Recruitment and Appointment of Trustees

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

None of the Trustees has any beneficial interest in the company and there are no related parties to the charity.

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

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

Sophie Kingsley (Chair)
Marion Bedford (appointed 16 March 2021)
Julian Diment
Tabitha Elwes
Edward Henry (Vice Chair until 15 June 2021)
Kit Kemp MBE
Miranda Kendall (Vice Chair from 15 June 2021)
Fiona Lees Millais (resigned 16 March 2021)
Cath Kidston MBE
Andrew Murray (Treasurer)
Cathy Robinson
Emma Soames
Nicola Wright

Structure, staffing and volunteers

In 2021 Fine Cell Work's 24 years' experience working in prison, strong management structure and innovative, flexible, practical approach, alongside an active, multi-talented Board, enabled the charity to continue to successfully navigate the impact the restrictions arising from the Covid-19 pandemic on both prisons and the wider community and to further grow the charity's reserves to support rebuilding our programmes in prison when the remaining restrictions preventing visits were lifted.

**FINE CELL WORK
(LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Prisons remained in lockdown for much of the year which meant visits by external providers, which included those by Fine Cell Work staff and volunteer teachers, were not allowed. During the year out of the 15 prisons we now run cell groups in, nine prisons opened for a period of time ranging from one to five months which allowed our volunteers to return to their classes to teach. Tight restrictions on numbers in each class limited the teaching time available to each stitcher and offered little opportunity to recruit new stitchers. By December, all but three of those prisons had closed to external providers. In the prisons that remained on a security footing that didn't allow visitors and in prisons who allowed visits and then reimposed restrictions, we continued to work either directly with our prison stitchers or, where possible, through prison staff to ensure the distribution and collection of kits so that the stitchers had as much work as they needed and could continue being paid by the charity for work that was returned.

Fine Cell Work was run by the Executive Director supported by the senior management team comprising of the Founding Director, Finance Director, and the Head of Programme Delivery. The senior management team was supported by a permanent, full-time staff of nine and two part-time staff members working between three and four days a week giving the charity the full-time equivalent of 13.5 employees.

The duties of Fine Cell Work's staff were divided between: skills and paid work provision for prisoners; supporting key volunteers who were able to return to prison or who continued to help production and work remotely to support in-cell work; regular communications with our stitchers and supporters; the development and provision of skilled and varied work to be stitched; marketing and sales; fundraising, including two fundraising appeals, business planning and financial management. To support our programme for ex-prisoners, Open the Gates, staff duties included provision of work experience, employment training, mentoring, employment opportunities as well as workshops on well-being and self-care, boundaries and interview preparation.

Lockdown in the community in the first three and a half months of the year restricted opportunities to build our work in prison as well as fundraising and sales events. Six members of the events, sales and production teams were therefore on part-time furlough for four months. This allowed the charity to manage its expenditure as tightly as possible but meant a loss of 12 working days a week.

Closing the office for the first lockdown in 2020 from mid-March to mid-June created logistical problems with misdirected post impacting on our ability to send and receive work to our hand-stitchers in prison. Responding to the restrictions in the community, in the first 16 weeks of 2021, we closed the Clothworkers Studio and reverted to supporting the ex-prisoners (who we refer to as apprentices) remotely. However, the office remained open to facilitate our work in prison with skeleton staff manning the office to accommodate social distancing and travel limitations. This involved a rota of staff working in the office and working from home.

During the year, 98 volunteers supported the work of the charity: of those, 35 volunteers were able to return to prison and teach at least one stitching class (cell group) in the second half of the year.

With volunteers having limited access to prison groups and the majority unable to return to prison at all, to get statistics for our in-prison engagement during the year, we prepared a monitoring and evaluation form which we sent to all stitchers we engaged with in 2019/2020 and offered a small fee for the return of the completed form. In total, 263 monitoring and evaluation forms were returned. Of those who completed the forms, 175 were stitchers who returned at least one kit. The remaining 88 didn't return work. There were 69 new stitchers in 2021, a number we ascertained by either a prison contact or volunteer giving us an updated list of who is in the group, or by someone returning work with a name we had not seen before.

By way of comparison, we estimate we engaged with 364 stitchers in 2020 (533 in 2019) with 250 returning work during that year.

With the workshop in HMP Littlehey closed for all but six weeks of the year, we continued to pay prisoners in the workshop, our workshop stitchers, the monthly enhanced pay as normal. In total over the course of 2021, 12 workshop workers were paid by us, compared to 42 in 2020. Five of these were also doing cellwork in their cells. Therefore, the total number of prisoners we engaged with in 2021 was 270.

**FINE CELL WORK
(LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

In the Clothworkers' Studio, we provided employment training for 26 apprentices compared to 24 the previous year and 31 in 2019. Of the 26 apprentices, eight were new recruits, 30% were women and 27% identified with a BAME background.

The small ratio of staff to prisoners and apprentices was supported by Fine Cell Work volunteers. In this exceptional year, with lockdown in prisons and no events or pop-up shop opportunities for most of the year, key volunteers really stepped up to support the work of the charity.

In 2021, 35 volunteers went into prisons to train inmates in embroidery, canvas work, quilting and other sewing skills. Social distancing requirements in the office and workshop restricted the number of volunteers we were able to engage with. Only six people were able to volunteer in The Clothworkers Studio to support training of the apprentices. Another 10 volunteered as mentors to our apprentices. In course of the year, five highly skilled stitching volunteers assisted with commission development. The services of 19 creative designers and support staff volunteered their skills to lead in the development of new designs and products. A further seven volunteers assisted with production and kit making and 17 volunteers served on either the sole event committee or the sole two-week pop-up shop. With 12 trustees generously volunteering their time, this brings the total number of volunteers supporting the charity in the year to 98 down from 155 in 2020 and 253 in 2019.

Remuneration policy for senior management

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

Principle Risks and Uncertainties

Using a comprehensive Risk Register, the Trustees regularly assess the major risks to which the charity is exposed, and systems established to manage and mitigate those risks. Key areas that undergo risk assessment are currently Covid-19, threats to revenue, working in the community, working in prisons, staff-related risks and IT infrastructure risks.

Covid-19 continues to be a risk to all strands of the charity's activities. Principally it restricts access to prisons and our beneficiaries within them. In the future it still has the potential to restrict fundraising events, working collaboratively or having a physical retail presence. In the past two years we have been able to demonstrate that this can be mitigated by adapting our programme delivery to meet the needs of the particular circumstances and by reviewing our policies and procedures to adapt to any restrictions and optimising the use of technology to maintain contact with beneficiaries, donors, staff and volunteers.

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

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

The risk of working in prisons is twofold. The risk to volunteers working in prisons is mitigated by ongoing training by Fine Cell Work staff and by working with prisons to ensure a safe environment for our volunteers. The prison system itself is also a challenge with changing policies and frameworks. This is mitigated by working with the Trustees, professionals in the field and other prison charities to ensure an understanding of the overall prison environment.

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

**FINE CELL WORK
(LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

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

Mission, Objectives and Activities

Fine Cell Work is a charity and social enterprise with a unique mission – we train and pay prisoners to do exquisite needlework to create beautiful products for sale to support their rehabilitation. Our vision is to build independent crime-free lives. To support this, we are building Fine Cell Work as a sustainable social business and charity with the prisoners and ex-prisoners as stakeholders in the enterprise. Since the pandemic we have become even more embedded in the prison system, with prison staff and prisoners valuing the provision of practical, paid, creative work that can be done by prisoners in their cells.

In furtherance of its mission, the charity teaches prisoners and apprentices transferable skills through needlework and textile production to deliver employment and social re-integration on release. We enable prisoners to work within a successful social enterprise by training them to do highly skilled, commercial needlework and textiles production. The products are bespoke, designed in collaboration with well-respected designers, beautiful and of such high quality that they are sold to customers, interior designers, museums and heritage organisations.

The work is self-motivating; stitchers work independently in their cells for 24 hours a week on average, with many voluntarily working for as long as 40 hours. The stitchers earn approximately a third of the proceeds from the sale of their products and are encouraged to save for release.

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

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

To ensure the activity remains purposeful, the charity continues to build expertise and awareness of the demand and opportunities in the marketplace for our products and to build relationships with successful designers and artists to support the provision of wide ranging, highly desirable designs and products. It is important that Fine Cell Work products appeal to our growing customer base, so the dedicated, skilled work of our stitchers remains meaningful. To engage as many prisoners as possible in the production process, all Fine Cell Work production, with the exception of design, charting, screen printing and laser cutting, is carried out in UK prisons or The Clothworkers' Studio in Battersea.

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

Building Resilience with Future Planning

Planning our 25-year anniversary with events and partnerships

The year began with over three months of lockdown restrictions with staff working predominantly from home and volunteers still unable to go into prison to teach prisoners. With the ongoing restrictions impacting our ability to plan in the short term, it was an appropriate time to start planning for 2022.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

In 2022, Fine Cell Work will celebrate its 25-year anniversary. In April 2022, we plan to launch a book, *The Threads of Time*, with the writers' group '26' on 25 stitcher stories told through the creation of 25 Fine Cell Work products or commissions. A Crowdfunder to fund publishing the book was set up in May 2021 and exceeded its fundraising target by more than 100%, raising over £26,000.

The book will be a wonderful opportunity to acknowledge successes of the past, but our celebrations of this milestone next year also need to focus on the future. With restrictions in the community and in prisons predicted to last for much of the year, it was decided that 2022 would be the year of 'regrowth' reflecting the charity's focus for 2022 of regrowing our in-prison programmes and will centre around gardens. After nearly two years of restrictions, we feel that the freedom and space of the outdoors, with the beauty of gardens in particular, matched with the benefits of both to mental health, are appropriate ways to celebrate.

Inspired by the work of the charity, a garden designer approached us at the beginning of 2020 to design a garden for us for the Chelsea Flower Show. Plans that had been put on hold were now revived to form the focal point of our 25-year celebrations. With the theme of the year decided, a garden representing the rehabilitation of prisoners and the benefits of stitching on mental health was, we felt, an inspired way to promote the work of the charity.

It was important that the cost of the creation of the garden did not come out of charitable funds. We are most grateful to secure sponsorship from highly esteemed design houses, William Yeoward and Nina Campbell to cover the costs. To support the initiative, Fine Cell Work trustee, Cath Kidston agreed to design a range of fabrics for us inspired by the garden. The application for *The Stitchers Garden* was submitted to the Royal Horticultural Society in mid-May and in June we were advised that despite a very competitive process, our garden had been selected to be a sanctuary garden at Chelsea Flower Show in May 2022.

As the year progressed, with our production capacity down and with our volunteers unable to return to prison for at least the first half of the year to train our existing stitchers or to identify and teach new stitchers, it became increasingly apparent that stock levels for the last few months of 2021 and for 2022 would be impacted. The beautiful floral designs created by Cath Kidston with her new enterprise, Joy of Print, with Fine Cell Work stitchers embellishing the designs with a complex range of stitches, provided new and exciting work for stitchers. Design houses Nina Campbell and William Yeoward offered to create their own range of products inspired by the new designs and agreed that they would sell these products with a percentage going to the charity. Sales and events plans for 2022 began to be made around this garden theme adding focus and energy to the future.

Business Planning

The last five-year business planning ended in 2020. However, with the continued uncertainties around working in prison, the restrictions in the wider community impacting on our ability to deliver our post-release training programme, *Open the Gates* and the difficulties hosting in-person sales and fundraising events, it was decided to make 2021 a year of consolidation and business planning; with the next five-year plan running from 2022 – 2026. The wisdom of this decision was reinforced with restrictions in all but three prisons we work in still in place at the end of the year and the lack of confidence we felt in hosting, and our supporters in attending, larger events that extended almost to year end.

In a strategy day with trustees and senior management in early 2020, the consensus was to increase the number of beneficiaries of our in-prison programmes by 50% over five years whilst retaining the current level of provision of post-release employment preparation support. More resource was planned for evaluating our programmes and it was agreed the charity would take a more outward-facing role in sharing lessons learnt in building social enterprise in prison more widely.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

The business plan was written following this strategy and in consultation with the Fine Cell Work staff team, with the following overarching goals:

- increase Fine Cell Work's impact on prisoners' lives by expanding our presence and engagement in prisons in partnership with HMPPS;
- increase our standing as a national brand demonstrating the potential of prisons;
- to become productive places of hope and rehabilitation;
- build the social enterprise so income from trading raises from £250,000 in 2021 to £500,000 in 2026.

Before we can expand our work, we will need to rebuild after the pandemic. While we were one of the few prison charities whose programmes were able to continue in 2020-21 – albeit in modified form - the number of beneficiaries we engaged with in prison fell by 60%. To provide a solid foundation for growth, in the first two years of the plan we will re-invigorate stitching classes across our network to return capacity to pre-pandemic levels, re-open our prison textile workshop, and will re-launch our accredited training programmes to incentivise learning and participation further.

As we regrow our programmes, we will review our work with minority groups and make appropriate changes to our programmes to remove any barriers to engagement.

Over the five years from 2022, we will:

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

Financial Planning

To ensure that we were in a strong financial position to rebuild our work in prison, we planned an appeal to our supporters and customers in the final quarter of the year. It was hoped that we would recruit a major donor fundraiser to oversee the appeal. However, our recruitment process was unsuccessful and made us realise that a development manager role was more appropriate than a role just to support major donors. As we were unable to recruit a development manager in time, we went ahead with the appeal without the additional staff support.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Appeal, Keep the Sewing Going, a phrase sent to us by one of our stitchers during the pandemic, raised £127,000 to support rebuilding our work in prison. The response was heartening and provided welcome additional financial security to the charity. The Emergency Appeal, as we referred to it, provided the opportunity to re-engage with Trusts that haven't supported us for a long time as we no longer fit their criteria; the urgency of our ask meant they were able to make a one-off donation. Other trusts who give small donations annually, gave larger amounts. Gratifyingly, including the Appeal in our newsletter to our customers, who historically support the charity by buying rather than donating, raised over £23,000.

In 2021, the charity was honoured with the prestigious Highly Commended Robin Corbett Award for our work reintegrating prisoners into the community. The recognition of the value of our work by a highly respected panel of judges in the criminal justice system gave a welcome boost to all involved with the charity.

Achievements and Performance

Overview

Flexibility in service delivery, robust contingency planning, prioritisation of getting work to and communicating with our stitchers, targeted production, a focus on fundraising and prudent cost management alongside our good, longstanding relationships with prison staff gave us the security to continue working in prisons through the continued lockdown in prisons. We remained one of the few organisations able to deliver its services to prisoners while prisons remained in lockdown.

Restrictions in the community added to the challenges faced by both our current apprentices and a few apprentices who had graduated from our OTG programme in the past. Recruitment onto the OTG programme was impacted by fewer prisoners being released from prison and fewer job opportunities available for our apprentices to move onto. Our programmes team, working alongside mentors supporting half of our apprentices, worked collaboratively to support the additional need.

Working in prison

Over the year, either remotely or with volunteers teaching in person, we engaged with stitchers in 30 prisons. This included working in 22 cell groups in 15 prisons (some prisons we work in have more than one cell group). All prisons were closed to visitors for the first six months of the year. One of the prisons we work in, an open prison, allowed limited access in June with one volunteer able to see one stitcher at a time during the two-hour session. Teaching was restrained by the need to comply with social distancing.

By November, we had volunteers back in eight of the 15 prisons we now have cell groups in, with six more prisons scheduled to open to visitors in the next couple of months. Volunteers visits to the groups were subject to a variety of restrictions. Social distancing meant that stitchers were only able to attend singly or in very small numbers making it very difficult to recruit new stitchers. The two hours allocated to the classes meant that stitchers were only with our volunteer teachers for short periods of time. This suited some of them who, after over 16 months of lockdown restrictions, were reluctant to socialise.

The rise of the more contagious variant of Covid in December caused almost all prisons to close their doors to visitors. By year end, we were only allowed to visit three of the prisons where we have groups.

Whilst the number of productive stitchers was 60% down on pre-pandemic levels, productivity was only down 40% due to the high skill level of many of the stitchers we were working with and the increased number of kits many of our stitchers were completing. Without volunteers teaching in prison and returning kits to us, the only way we could judge production output was by kits returned. This was complicated by how logistically difficult it could be for stitchers to return work regularly through prison staff.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

The restrictions in prison meant we couldn't send kits in volume and had to rely on requests from individual stitchers or a prison contact. This sometimes meant unavoidable delays getting work to our stitchers.

In the first 16 weeks of the year, supporting all stitchers, creating kits and making up completed kits into products could only be done by staff. For the rest of the year, kits were made up by staff and volunteers with most of the making up of completed kits into products done in the hub. In the first half of the year the office received 600 letters from prisoners with queries on production and materials.

After sending so many kits into prison at the start of the pandemic coupled with sending kits at the request of either stitchers or prison staff, in value terms, we had 44% more kits in prison at the start of 2021 than we had at the start of 2020. During 2021, kits were returned in greater numbers than were sent out (1,858 sent compared to 1,948 returned). We are waiting until the volunteers return when there is wider access to the prison estate to see if any of the excess kits can be found although we anticipate that a significant number of the excess kits sent in 2020 will be lost in the prison system.

With prisons closed to our volunteer teachers for much or all of the year, keeping in regular contact with our stitchers to make them feel motivated, valued and appreciated remained a priority. Communications from the staff team to individual stitchers continued to be sent monthly and included two bumper 40-page newsletters with articles connecting them to the wider FCW community. Our prison volunteers were encouraged to write cards to the stitchers in their groups and almost all did. Gratifyingly, our customers wrote more letters of appreciation to our stitchers than ever before which offered a very welcome boost. At the end of 2021, as was done at the end of 2020, we gave prisoner awards with a generous financial bonus, to all stitchers who had returned two or more kits in the year.

Prisoner pay for the year totalled £61,282 a slight drop on the £63,057 paid to prisoners in 2020.

We continued to build relationships with prison staff with regular communications which included sending a small gift to 29 staff in 19 prisons who facilitated the distribution and collection of kits. At a time when it was difficult to show purposeful activity for prisoners, we were able to send regular reports to Governors and senior management on the impressive in-cell productivity of our stitchers in their prison.

A new initiative was the introduction of Fine Cell Work's Prison Awards as a gesture of thanks for the goodwill and support we have received from the prison in the year of lockdown. In April 2021, awards were granted in three categories – *The Fine Cell Work Gold Award for Best Practice in Volunteer Support*, *The Gold Award for Staff Engagement and Support* and *Outstanding Contribution to Fine Cell Work*.

The challenges faced this year included the lack of reliable, timely supply of threads and linens. The impact of Brexit was felt from the beginning of the year when it took four months for our regular order of threads to arrive from France. During the course of the year, it became increasingly difficult to source sufficient linen from Europe, and prices rose sharply. We adapted our ordering processes by allowing longer lead times and by ordering in larger quantities, particularly for linens which also lessened the impact of the significant price increases and our carbon footprint.

During the year, we continued to pay bonuses for highly skilled work in addition to prisoner pay on all of our kits. However, as the year progressed we noticed that some stitchers were taking advantage of this and returning more work stitched using larger stitches to fill the linen. Although we continued to pay the bonus in the year, we will review this as the prison estate opens more widely to make sure that we are encouraging beautiful, well stitched work and that our bonus system is fair and a reward for excellent work.

At the end of January 2021, we sent out our annual stitcher survey. The survey was sent to approximately 280 stitchers, although we estimated that the number of active stitchers is probably somewhat lower. The lack of face-to-face contact with Fine Cell Work volunteers means that it is harder than usual to calculate the number of stitchers accurately. Eighty-five individual stitchers completed the survey. This was a very high completion rate when the circumstances of prison lockdown are considered and compares favourably with the previous edition of the survey in summer 2019 which was sent to more than 300 stitchers and returned by 96 stitchers.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

This is the same survey we send out each year with the supervision of Russell Webster, an independent consultant and evaluator within the criminal justice sector. His report highlights the impact of working with FCW on stitchers during lockdown.

His report concluded: *The completion rate for this year's annual feedback surveys was surprisingly high, compared with the previous edition, despite the fact that stitchers received the survey after they had been subject to lockdown for a period of ten months. The surveys which were returned were completed to a high standard with almost all respondents answering every question and most providing detailed comments to a wide range of questions.*

The analysis of the survey returns makes it clear that stitchers derive enormous satisfaction from working with Fine Cell Work and that stitching helps them cope with imprisonment as well as allowing many to save money and plan for their release.

A very large majority of stitchers are very appreciative of the work of the organisation and of the volunteers who run groups in particular, with many respondents talking about how much they missed seeing their regular group facilitators. Criticisms are typically of relatively minor issues relating to the administration of the work, rather than any substantive problems.

A number of new issues emerged from this year's survey. The dominant new theme was, unsurprisingly, the impact of prison lockdown, imposed to lessen the spread of coronavirus. For those individuals to whom FCW was able to provide a reliable supply of materials, stitching became one of their key survival strategies. Restricted to a life spent almost entirely "behind the cell door", stitching gave people something positive, creative and fulfilling to do in the long hours without human contact. The completion of kits and exchange of information with FCW staff, even though not in person, provided invaluable contact with the outside world. People spoke of the importance of being remembered by the outside world. Of course, for those who were not receiving materials (always due to difficulties at their prison establishment, not failures on the part of FCW), the loss of stitching as a way of coping with the experience of incarceration at the time they needed it most was painful.

Perhaps related to the experience of lockdown, a new theme which emerged from this year's survey was the feeling of being connected to and visible to the outside world that stitching, and in particular the sale of the products people stitched, provided.

In a parallel fashion, a greater number of stitchers, not just those who have been with FCW for some years, shared more comments about their feelings of an important sense of community with other stitchers and a sense of ownership and pride in being part of the Fine Cell family. Lockdown and the additional efforts that Fine Cell staff and volunteers have put in to try to ensure that stitchers received kits and the organisation's decision to send in a "bonus" to help people with the funds needed to keep in touch with family during lockdown seem to have further strengthened this existing feeling of belonging.

In order to review our work with minority groups and make appropriate changes to our programmes to remove any barriers to engagement, we need to collect better data on our workforce in prison. Working with Russell Webster, at the beginning of June 2021 we sent out a 'stitcher monitoring & evaluation form' to all current stitchers. The intention of this form was to gather demographic data of our current stitcher group: Age, Gender, Preferred Pronouns, Disability Status, Ethnic Group, National Identity and Religion. We sent this survey to 266 stitchers (all stitchers 'on the books' in June 2021) and to all new stitchers thereafter. We gave a small monetary reward for completing the form increased return and received 85 completed monitoring and evaluation forms within the first two weeks of sending them out. According to our statistics spreadsheet, by the end of 2021 we had completed monitoring and evaluation forms from 245 stitchers (including new stitchers who were sent the form when they joined in 2021, when prison volunteers started to return).

Alongside the monitoring and evaluation form, we worked with Russell Webster to develop a 'Fine Cell Work Mental Wellbeing Survey'. Many stitchers have told us that stitching improved their mental wellbeing. We wanted to test this feedback in a research study. Stitchers are asked to rate seven statements about their feelings and thoughts. These statements come from the short Warwick Edinburgh Mental Wellbeing Scale (WEMWBS) which has been used all over the world for the last 15 years to measure people's mental wellbeing. We have since asked all new stitchers to

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

complete this survey when they join the group, they will then be sent a follow up survey nine months after completing the first mental wellbeing survey. All new stitchers will be paid £2 for completing both the monitoring & evaluation form and the mental wellbeing survey.

Supporting Volunteers

The small ratio of staff to prisoners is usually underpinned by the extensive and essential activities of the Fine Cell Work Volunteer Team teaching in prisons, teaching in the Clothworkers Studio, mentoring apprentices, supporting production and commissions, helping with administration and design, hosting sales' events, supporting fundraising events and manning pop-up shops and sales' events across the country. With many volunteers unable to go into prison, neither events nor pop-up shops possible and social distancing severely restricting the number of volunteers able to support the office and Clothworkers Studio, it was important to ensure all our volunteers retained a sense of connection with the charity, particularly those who weren't able to work with us this year.

Regular updates were sent to all volunteers on how we were continuing to adapt our programmes, what we were achieving, news from our stitchers and our future plans. The popular monthly stitch club continued on zoom for the first six months of the year, culminating in an afternoon tea for our volunteers. An invitation to join the zoom was sent with a couple of teabags, a Fine Cell Work branded jammy dodger biscuit and a recipe for a chocolate orange drizzle cake, the subject of many stitch club conversations over the last year, to all our volunteers. This very successful event, hosted by the programmes team was attended by over 30 volunteers. It provided a valuable forum for volunteers to discuss any reservation they might have in returning to prison.

In anticipation of prisons reopening, we rolled out refresher training for all volunteers teaching in prison. The use of zoom meant it was logistically easy to train all volunteers returning to teach in prison no matter where they lived. A new prison, HMP Huntercombe had contacted us early in lockdown to open a cell group in the prison. We were finally able to offer on-site training at Fine Cell Work for new volunteers preparing for the group in the prison.

Efforts to recruit new volunteers to replace volunteers who had retired over the last few months were hindered by the ongoing situation in prison and the resulting uncertainty about when they would be able to begin. Recently recruited volunteers are in regular contact with the office to build their connection with the charity.

In-prison workshops

Fine Cell Work has two prison workshops, one in HMP Gartree, the other in HMP Littlehey. The workshops were set up to make the kits stitched in prison cells into the final product, to create the kits themselves, to complete specific handstitched products which lend themselves to a group activity and to create machine stitched cushions, tableware and giftware.

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

In HMP Littlehey, the workshop was closed for all but six weeks in 2021 and closed for all but a month of 2020. Whilst this has had a significant impact on kit and stock production, the fact we have managed to maintain a reasonable level of stock since is noteworthy and demonstrates the agility and adaptability of the Fine Cell Work staff team. Despite the workshop closure, we continued to pay our workshop stitchers monthly as usual.

The workshop at HMP Gartree has been closed from March 2020. The prison staff member running the workshop has since left the prison and many attempts to contact the prison to discuss reopening the workshop have been unsuccessful.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

We addressed the lack of production from our prison workshops in the first few months of the year by getting the workshop supervisor in the Clothworkers Studio in Battersea making up stock both in the workshop and at home. When the workshop in Battersea, the Clothworkers Studio reopened in April, this was taken over by the apprentices in the workshop. As the demand from our customers exceed our ability to make up stock, a self-employed textile trained ex-apprentice was paid on a per piece basis to make the products. With another member of staff working on the embroidery machine as time allowed, to restock some of our machine products and prioritise making of the products in greatest demand, we had sufficient stock to meet the increasing demands of online shoppers.

Rehabilitation Pathway and post-release support: Open the Gates

Five years ago, the Open the Gates programme was established to support prisoners post-release at the Clothworkers Studio in Battersea. Over 75% of these ex-prisoners (who we refer to as apprentices) have received sentences of four years or more, with many having complex offending histories and support needs.

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

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

Service user involvement meetings give apprentices a forum to develop and shape the service we provide and build their commitment to the organisation. Regular team meetings with the apprentices who help with both warehousing and dispatch were implemented to increase the quality of the work and make them feel part of the team.

Restrictions in the community meant the Studio was closed for the first 16 weeks of the year and the 14 apprentices we were currently supporting were supported remotely. Lessons learnt from the lockdown in 2020, including extensive feedback from the apprentices in summer 2020, meant we were able to support apprentices more impactfully with a comprehensive package of regular contact, self-care support, purposeful activity, including some Fine Cell Work production where appropriate, and remote learning for an accredited course. The task of supporting apprentices was shared more widely amongst the team to create more capacity and avoid staff burnout.

The Studio re-opened on 19 April. To accommodate social distancing and allow us to work with as many apprentices as possible in each session, volunteers didn't return to the workshop until late summer to support the training of apprentices and production. With the sales, events and fundraising team now on the same site as the Clothworkers Studio, since October 2020, the benefit of the whole organisation on one site enabled us to engage with more apprentices and to offer broader employment training opportunities.

Our reliance on the Studio for the making up of the canvases and linens stitched in prison had a positive impact on the OTG programme. Apprentices rose to the challenge, relishing the fact that the charity was dependent on their skills to have products to sell. This enhanced their commitment and made them feel an even greater sense of connection with the wider charity. Two apprentices took over the responsibility of dispatch over the busy pre-Christmas season. Apprentices and staff alike thrived on what was achieved; working together building stock and reorganising both the stock room and dispatch area to make it more efficient and effective. This led to a more interactive working and training environment and better outcomes for everyone.

The challenges of the last 16 months for some apprentices who had graduated into employment meant we had to provide them with additional support. This proved invaluable in helping them readjust to their changing circumstances and continue to progress. Adapting to support our apprentices remotely in lockdown has given us the learning to introduce remote support for our stitchers released out of London. This not only makes our post-release programmes less London-centric, it also enables us to support stitchers we have worked with in prison who are released outside London.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

New skills training classes were introduced when the Clothworkers Studio reopened to broaden apprentices' resilience, skills and aptitude of acquiring new skills for employment confidence and preparation for work with 11 training sessions delivered in the year. The sessions covered subjects as diverse as CV writing and disclosure of offending history, respecting and setting boundaries, basic upholstery, mounting and framing, interview technique and developing social skills.

A fortnightly craft club on Friday afternoons was also started for both apprentices and graduate apprentices with Fine Cell Work staff to provide a creative space to develop and encourage social interaction.

In the year we worked with 26 apprentices; 36% entered the workforce or further tertiary training. No apprentice reoffended although one apprentice was recalled to prison for breaching his licence conditions. Ten apprentices received mentoring from an employment mentor whilst seven completed an Open College Network accredited training course with a further five apprentices beginning a unit of study.

Sales and Commissions

In 2021, earned income across all channels was 39% down from the exceptional income in 2020 of £460,937 which included the one-off income of £226,100 that year from the sale of stitched contemporary artworks.

Earned income is broken down into income from the sale of the prison-made products and income from prisons paying a nominal fee per place in each cell group. Income from sales was £252,224, an increase of nearly 4% on the year before notwithstanding the stock shortages after nearly two years of not being able to build our workforce. Despite Fine Cell Work delivering its services remotely to stitchers throughout the year, the prisons where we usually deliver stitching classes agreed to pay their fee in acknowledgement of the value they placed on what we achieved with our stitchers. Gratifyingly, we received more income from prisons than ever before receiving a total of £21,300.

Sales

With our trading income at £252,224, online sales were at an all-time record of £177,050, up nearly 10% on the impressive growth achieved in online sales in 2020. Online sales were 80% higher than in 2019. Income from sales at events, at £11,907, was more than 200% up on 2020 as we were able to host our annual Christmas sale this year, but down 80% on income from sales in 2019. With one pop-up shop for only two weeks, sales from this source were down by 65% on 2020 when we had had a successful pop-up for several weeks leading up to the first lockdown.

The most significant drop in income was from commissions. Although only down 18% from 2020, income was down nearly 60% from commissions in 2019. The drop in income from this source explains much of the drop in trading income experienced by the charity in the last two years.

These results were despite a lack of supply of stock due to Covid restrictions in prison. At the beginning of 2021, stock was at an all-time low with 31% fewer products made up and ready to be sold than we had at the beginning of 2020. Conversely, due to the limitations on our making up stock in 2020, we had 79% more completed kits stitched in prison but unmade up into final products.

Decreasing stock levels impacted on trading as the year progressed particularly with the high demand in the run-up to Christmas. For many lines, demand outstripped supply and we saw sales pick up as soon as lines were back in stock. An in-depth analysis of stock levels and sales performance highlighted opportunities to increase sales levels by improving stock levels of top selling lines. To maximise sales opportunities, we ensured that the kits sent into prison were for products in highest demand and we targeted those products in the limited but impressive 'production making up' capacity in the Studio. In addition, finding new workarounds to get sufficient, varied stock to promote and to sell, meant we explored in-house designs by both apprentices and staff and made up small production runs of the selected new designs. These included eight new handstitched card ranges and four designs of hand-stitched table napkin sets. The new products were so well received, with many selling out within a few days, that all these designs have been added to our core collection. To further support web sales, we planned our marketing and social media campaigns around stock we had in sufficient quantity.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

We continued to create energy and focus into our marketing, particularly with our most effective marketing tool, the fortnightly newsletter. Using professional lifestyle photography and targeted ranges for marketing opportunities during the year meant the newsletter better showcased our beautiful products. Our initiative of producing limited runs of new designs not only provided a wider range of work for our stitchers but also provided variety and interest for our existing followers. For our website, we updated our main imagery on the homepage fortnightly in line with the email newsletters going out.

The high levels of sales achieved in 2020 from the newsletter were maintained with sales in 2021 up 75% on sales from newsletters in 2019. Even though the online store sessions decreased by 18% from 2020 and we had fewer visitors, in 2021 the online conversion rate increased by 50% and orders by 11%. We also continued showcasing customer reviews on the homepage to build on our reputation. The number of reviews doubled to 600 with the majority of reviews awarding our products and service with 5 stars.

To support processing of increased levels of orders, the dispatch area was transformed, improving the overall workflow and involvement of apprentices, benefitting the quality of the output as well offering an opportunity for apprentices to work in a professional despatch area.

In 2021, there were a total of five new cushion design launches and three further designs were added to existing ranges. A Fine Cell Work design of the fig with two cushion designs and a range of table linens, raised £9,500 in sales and was our most successful range launch. Our most successful design partnership, with The William Morris Society of two cushion designs, giftware and Christmas cards raised £7,700. An exclusive Studio Ashby limited edition cushion range in three colourways was launched successfully and we are working on a larger collaboration with this esteemed design studio for launch in 2022. New ranges launched in 2021 raised a total of £24,466, 10% of our income from trading.

Pentreath & Hall generously gave us a pop-up shop beside their shop in Bloomsbury for two weeks in the lead up to Christmas. Despite reservations of customers arising from another Covid outbreak, we took £5,064 in sales which compared favourably with the £1,200 taken in the pop-up we had in the same place in October 2020.

As the lockdown in prison and the community lasted for far longer than we had hoped this year, we have had to develop new ways of working to prepare for the potential of lack of availability of stock and opportunities for product launches next year. To maximise our sales revenue next year and to continue supporting as many our beneficiaries as we can, we developed new partnerships with highly regarded design houses Nina Campbell, William Yeoward and Joy of Print to use both new designs and merchandising to bridge the gap in income from sales we anticipate will result from not having enough products for 2022.

Commissions

Commissions are worked on in collaboration between the stitcher and the volunteer planning the execution of the project, identifying any new skills required. Without the fortnightly interaction and teaching with the volunteers in cell group classes, some stitchers, even the most experienced, lost the confidence to take on more complex commissions. As a result, some commissions were completed incorrectly or to a poor standard, which meant we had to start again. This meant creating a new kit for the commission piece and then sending the kit to a different stitcher to be completed. This contributed to the back log and pressure in general, particularly as some pieces are the work of hundreds of hours of stitching.

One of our workarounds was our lone stitchers. When experienced stitchers move to a new prison where there isn't a Fine Cell Work group, the production team engages with each stitcher on a one-to-one basis through our lone stitcher programme. This year we engaged with 25 lone stitchers who proved a reliable source of commission stitchers thanks to the communication links we have set up with them when they became lone stitchers.

Despite this by the end of the year, due to the lack of experienced needlepoint stitchers, the backlog of commissions continued to grow. In accepting new commissions, we had to be very selective about needlepoint projects we took

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

on ensuring that our commissioning customers were able to accept lead-in times of up to three years. To allow us to deal with this backlog, we didn't actively promote commissions this year.

There were highlights for commissions during the year. We completed and delivered a large Church set which involved many techniques. With a large proportion of hand embroidery, including goldwork, undertaken in prison, the machine embroidery and machine stitching were undertaken by apprentices in the Clothworkers Studio where the commissioned pieces were assembled. The set for St Mary's Church, Welwyn, comprised of a High Altar Frontal, Super Frontal, Nave Frontal, Lectern Fall and Chasuble and Stole with white-work embroidered altar cloths. The collaborative stitching technique on the panels of the altar frontal, was "free machine embroider". The original design was created by our in house team and the technical aspects of machine stitching the commission together was managed by the staff in the Clothworkers studio with help from the apprentices.

In addition we have continued to work with the artist Carolina Mazzolari and in the last few months we have delivered eleven pieces of complex embroidery to her which will form the basis of her artworks.

Having worked on the commission for three years, we were finally able to deliver the set of kneelers for the private chapel at Knole which looks stunning in situ. The colour and design followed the existing colour scheme in the chapel and the stitched motifs integrated the carved decoration of the wooden panelling within the chapel.

Fundraising and Selling through Events

Fundraising events are our most effective way of promoting knowledge and understanding about our work, and raising money. Although a large fundraising event was planned for Middle Temple, first in March, then moved to November, it was decided to host the event in November 2022 due to the restrictions in the community and, when they were lifted, the reluctance of people to attend large gatherings. This meant we had no large fundraising events in the year. The resultant loss of income was well compensated by the success of the Appeal.

Sales events are also very effective at showcasing our work, encouraging sales and growing our customer base. It is also an invaluable opportunity to meet our customers and get feedback. In early December we hosted our annual Christmas sales event at St Peters Church in Notting Hill, a sufficiently large venue to accommodate social distancing. Fine Cell Work staff and volunteers provided the catering and the church kindly gave us the venue so there was no financial risk to the charity if the attendance had been poor or if the event had to be cancelled at the last minute. In the event we had a good turnout of guests and sales of £9,100. Sales were lower than sales at our annual Christmas sales events hosted pre-covid due to lower attendance and lack of stock. However, this was compensated somewhat by donations of £2,214 as a result of the event.

With face-to-face sales opportunities extremely limited during the year, we joined three table-top sales and raised just over £3,000 in total.

Communications

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

Our newsletter subscribers increased by nearly 10% to 12,000 subscribers. We continued to send out newsletters fortnightly, which increased to bi-weekly send outs at the busiest time of the year from November to mid-December.

With prisons still closed and volunteers not able to visit, at the beginning of the year we decided to start on a positive note with our first enewsletter focused on Fine Cell Work highlights of the year before, (Reasons to be Cheerful). Due to the ongoing demand for creative hobbies, we continued building on the success of the previous year of the sale of kits and sent out an enewsletter promoting all our kits (Craft your own cushion).

Having successfully increased our social media following over the past four years, our focus shifted to diversifying our content to driving growth and increase participation. Launching small production runs of new products including mimosa cards, wheelbarrow cards, hand-stitched table napkins and hand-stitched Christmas cards added interest

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

and engagement over the year. We also focused on project-based content which showcased the range of projects that our stitchers and apprentices take part in. In February/March, whilst still in lockdown and finding content generation challenging, we used it as an opportunity to look back at the Human Touch exhibition - one year on. As well as sharing images of the artworks on social channels, we also produced a blog which gave an exclusive insight into where some of the artworks had ended up, with feedback from the buyers. We showcased other collaborative projects completed by our stitchers and apprentices, including the Coat of Hopes cape which made its way to the COP26 summit and the altar front for St Mary's Church, Welwyn. We also asked our apprentices to produce bespoke pieces specifically to allow us to engage with our supporters over topical events, including the Euro 2020 final in support of England which attracted wide, positive engagement.

The crowdfunding campaign in Spring to support the publishing costs of our 25th anniversary book, *The Threads of Time* and 'the Keep the Sewing Going' Appeal in the autumn, were our first prolonged integrated digital campaigns spanned across newsletters and social media with carefully planned messaging. For the first time we actually saw a direct relationship between engagement on social media and actual monetary contributions to the campaign which was a great success with targets being surpassed prior to the campaigns ending.

Media continues to be an effective way to broaden our networks and raise awareness of what positive outcomes can be achieved in prison. Adjoa Andoh, a well-known, respected actress, referred to Fine Cell Work in an interview on Radio 4 in January which resulted in the sale of 20 kits and four large cushions. Fine Cell Work's Founding Director Dr Katy Emck was interviewed in two podcasts, *Hope and Patience* with Amelia Rope and Holly Tucker's podcast *Conversations of Inspiration* both of which helped us build awareness of the charity to new audiences and drove traffic to the website.

The importance of publications was very apparent when we received sales in response to an article in The Guardian of Christmas Gift Guide: 200 Feelgood Gift Ideas 2021. This attracted a lot of visitors to the website, and The Guardian was our top referrer source for 2021.

Principal Funding Source

In 2021 Fine Cell Work received £428,977 from grants from Trusts and Foundations. Major, multi-year grants were received from the Porticus Trust, the Rayne Foundation, the Bromley Trust, the Colyer-Fergusson Charitable Trust, the Garfield Weston Foundation, the Goldsmiths Livery Company, the John Lewis Foundation, the de Laszlo Foundation, the Philip King Trust, the Adrian Swire Trust and the Weinstock Trust. The Broderers Livery Company supported us for the thirteenth year running and the Aldo Trust, the Scouloudi Trust, the Tanner Trust, the Valentine Trust, the Ancaster Trust, the Michael Varah Memorial Fund, the Gilander Trust, the Hiscox Foundation, Lord Barnbys Trust, the Statham Family Trust, the Dalby Trust, the Cedars Trust and the James Roll Trust also renewed grant awards. New funders included the Madison Foundation, the Hodge Trust and the Leigh Trust.

Financial Review

In 2021, Fine Cell Work's total incoming resources were £1,116,433, down 1% on the previous year. Donations and grant income were up 25% on 2020. Income from the sale of prisoners' work was up 4% on 2020.

Reserves Policy

The Trustees have established a policy whereby the unrestricted funds not committed in tangible assets held by the charity should be maintained at a level of four to six months of budgeted expenditure, currently equal to £545,000 for six months in general funds. At this level, the Trustees feel they would be able to continue the current activities of the charity in the event of a significant drop in funding or other changed circumstances. It remains a core aim to build and maintain Fine Cell Work's unrestricted reserves at this level.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

In the autumn of 2021, an appeal "Keep the Sewing Going" was launched to raise money to fund the return to prison when they opened up and rebuild stitcher numbers. The Trustees have resolved that the £127,317 raised will be a separate Designated Reserve. This reserve will be used for this purpose or any other as decided by the Trustees.

In addition, the Trustees' resolved that a separate designated reserve be set up equal to the value of the charity's fixed asset value. This is in accordance with current best practice.

Total reserves at the yearend were £844,526 (2020 £678,105) of which £58,035 were restricted (2020 £11,810), £185,559 were designated (2020 £nil) and £600,932 unrestricted (2020 £666,295). Free reserves at year end were £600,932 (2020 £636,062).

Corporate Social Responsibility

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

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

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

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

Ensuring that we are financially sustainable

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

Developing a positive relationship with suppliers including prompt payment.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Statement of Trustees' Responsibilities

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

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

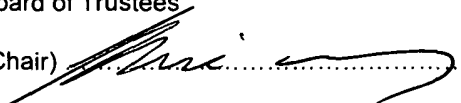
Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

On behalf of the Board of Trustees

Sophie Kingsley (Chair)



Date.....13th JUNE 2022.....

**FINE CELL WORK
(LIMITED BY GUARANTEE)**

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

We have audited the financial statements of Fine Cell Work (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure for the year
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

**FINE CELL WORK
(LIMITED BY GUARANTEE)**

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of the trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

**FINE CELL WORK
(LIMITED BY GUARANTEE)**

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

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

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

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

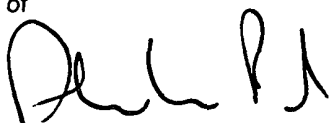
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

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

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

for and on behalf of



James Cowper Kreston,

Statutory Auditor

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

Dated: 20 June 2022

**FINE CELL WORK
(LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE
ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	Unrestricted Funds	Restricted Funds	Designated Funds	Total 2021	Total 2020
		£	£	£	£	£
<u>Income from:</u>						
Donations and grants	3	277,090	431,461	127,317	835,868	668,400
Charitable activities	4	280,524			280,524	460,937
Investment income		41			41	862
Total income		557,655	431,461	127,317	1,116,433	1,130,199
<u>Expenditure on:</u>						
Cost of Raising Funds	5	172,528			172,528	229,136
Charitable activities						
Prisoner Training & Support	5	392,248	385,236	-	777,484	831,119
Total expenditure	5	564,776	385,236	-	950,012	1,060,255
Net income/(expenditure)		(7,121)	46,225	127,317	166,421	69,944
Transfer between funds		(58,242)		58,242	-	-
Fund balances at 1 January 2021		666,295	11,810	-	678,105	608,161
Fund balances at 31 December 2021		600,932	58,035	185,559	844,526	678,105

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

The notes on pages 27 to 42 form part of these accounts.

**FINE CELL WORK
(LIMITED BY GUARANTEE)**

**BALANCE SHEET
AS AT 31 DECEMBER 2021**

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	9	58,242		30,233	
		<u>58,242</u>		<u>30,233</u>	
Current assets					
Stocks		125,763		122,578	
Debtors	10	86,451		96,482	
Cash at bank and in hand		814,040		758,919	
		<u>1,026,254</u>		<u>977,979</u>	
Creditors: amounts falling due within one year	11	(239,970)		(255,107)	
Net current assets		786,284		722,872	
Creditors: falling due after more than one year	12	-		(75,000)	
		<u>-</u>		<u>(75,000)</u>	
Net Assets		<u>844,526</u>		<u>678,105</u>	
Income funds					
Restricted funds	15	58,035		11,810	
Designated funds	17	185,559		-	
Unrestricted funds	16	600,932		666,295	
		<u>844,526</u>		<u>678,105</u>	

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to Accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the *small companies regime*.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Andrew Murray (Treasurer)
Trustee

Company Registration No. 03095356

The notes on pages 27 to 42 form part of these accounts.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

		2021	2020
	Notes	£	£
Cash flows from operating activities:			
Net income/expenditure for the year		166,421	69,944
Depreciation of tangible fixed assets	9	13,745	14,542
Increase/(decrease) in creditors	12	(90,137)	(70,031)
(Increase)/decrease in debtors	11	10,031	147,302
(Increase)/decrease in stocks		(3,184)	(6,643)
Investment income		(41)	(862)
Net cash provided by/(used in) operating activities		96,835	154,252
Cashflows from investing activities			
Interest income		41	862
Purchase of tangible fixed assets	9	(41,755)	(29,094)
Cash provided by/(used in) investing activities		(41,714)	(28,232)
Increase/(decrease) in cash		55,121	126,020
Cash and cash equivalents at the beginning of the year		758,919	632,899
Cash and cash equivalents at the end of the year		814,040	758,919

	1 January 2021 £	Cashflow £	31 December 2021 £
Cash at bank and in hand	758,919	55,121	814,040

The notes on pages 27 to 42 form part of these accounts.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Statutory information

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

2 Accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

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

2.2 Income

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

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

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

2.3 Expenditure

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

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

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

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

**NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

2.4 Tangible fixed assets and depreciation

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

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

2.5 Leasing and hire purchase commitments

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

2.6 Debtors

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

2.7 Cash at bank and in hand

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

2.8 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

2.9 Stock and work in progress

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

2.10 Pensions

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

2.11 Fund accounting

The charity has various funds for which it is responsible:

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

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

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

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

2.12 Taxation

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

**NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

2.13 Financial Instruments

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

2.14 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Critical areas of judgement:

Tangible fixed assets

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

FINE CELL WORK
(LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

3 Income from donations and grants

	Unrestricted funds £	Restricted Funds £	Designated Funds £	Total 2021 £	Total 2020 £
Donations and grants	<u>277,090</u>	<u>431,461</u>	<u>127,317</u>	<u>835,868</u>	<u>668,400</u>
Donations and grants					
Unrestricted funds:					
BC Partners				10,000	-
CHK Charities				50,000	5,000
Anonymous				5,000	-
Anonymous				5,000	-
Anonymous				15,000	15,000
Leathersellers Livery Company				-	875
Dalby Trust				-	5,000
Third House Trust				-	20,000
Devonshire Trust				10,000	-
Violet and Milo Cripps Trust				-	17,203
Armitage Trust				20,000	-
Battcock Charitable Trust				5,000	-
Sharegift				5,000	-
De Lazlo Foundation				-	10,000
Alison Mary Lyon Will Trust				10,000	-
Qais Zakara				5,000	-
Permira Foundation				-	3,000
Seymour Strang Trust				-	1,000
Sommer Family Trust				10,000	-
Al Fayed Foundation				10,000	-
Mercers Livery Company				2,000	-
Emerton-Christie Charity				-	3,000
The Delves Charitable Trust				5,000	-
Other grants and donations (<£5,000)				110,090	176,857
				<u>277,090</u>	<u>256,935</u>

**FINE CELL WORK
(LIMITED BY GUARANTEE)**

**NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

3 Income from donations and grants (continued)

	Total 2021 £	Total 2020 £
Restricted funds:		
Anonymous	-	5,000
Adrian Swire Trust	15,000	-
Bank of America Foundation	35,740	-
Barbour Trust	2,000	-
Blatchworth Trust	5,000	-
Bromley Trust	10,000	10,000
Colyer-Fergusson Charitable Trust	12,500	-
Robin Corbett Award	3,000	-
Dalby Trust	5,000	-
De Lazlo Foundation	10,000	-
Lottery Fund	-	109,866
Evan Cornish Foundation	-	3,500
City Bridge Trust	-	4,875
Drapers Livery Company	-	15,000
Great Western Railway	20,000	-
Goldsmiths' Company Charity	30,000	30,000
Hadrian Trust	1,000	-
1772 Trust	-	2,000
Alice Cooper Dean	-	3,000
Peter Stebbings Trust	-	7,500
Hiscox Foundation	5,000	-
Hodge Foundation	4,000	-
Westminster Foundation	-	19,999
Philip King Trust	10,000	10,000
John Lewis Foundation	16,000	-
Leigh Foundation	5,000	-
Lord Barnaby's Foundation	6,000	-
Government Job Retention Scheme	18,362	12,447
Needleworkers Livery Company	-	2,000
Porticus Trust	30,000	-
Rathbone Trust	-	3,000
Newby Trust	-	3,000
Michael Varah Memorial Foundation	8,529	1,170
Garfield Weston Foundation	100,000	100,000
Rayne Foundation	20,000	20,000
Statham Family Trust	2,500	-
Awards for All	9,530	-
	384,161	362,357
Carried Forward		

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

3 Income from donations and grants (continued)

	Total	Total
	2021	2020
	£	£
Brought forward	384,161	362,357
Aldo Trust	5,000	5,000
Lloyds TSB	-	32,858
Dischma Charitable Trust	5,000	-
Valentine Trust	5,000	-
The Monday Charitable Trust	10,000	-
Merchant Taylors' Foundation	5,000	-
Madison Foundation	1,000	-
Worshipful Company of Broderers	3,000	5,000
Anonymous	5,000	-
Tanner Trust	7,000	5,000
Other donations & grants (<£5,000)	1,300	1,450
	431,461	411,465

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

4 Income from charitable activities

	2021	2020
	£	£
Sale of prisoners' work	252,224	243,237
Auction proceeds of prisoners' work	7,000	226,100
Income from cell work	21,300	(8,400)
	<u>280,524</u>	<u>460,937</u>

5 Expenditure

	Staff costs	Depreciation	Other Costs	Total 2021	Total 2020
	£	£	£	£	£
Expenditure on:					
Costs of generating donations and grants	162,984	-	9,544	172,528	229,136
Charitable activities					
Prisoner Training & Support	342,387	13,745	300,599	656,731	713,383
Activities undertaken directly					
Support costs	-	-	120,753	120,753	117,736
	<u>505,371</u>	<u>13,745</u>	<u>430,896</u>	<u>950,012</u>	<u>1,060,255</u>

Analysis of support costs (including governance costs)

	2021	2020
	£	£
Rent	96,800	96,188
Governance costs	16,960	14,428
Insurance	6,993	7,120
	<u>120,753</u>	<u>117,736</u>

Included within support costs is £7,235 (2020: £6,499) in relation to audit fees for the current auditors.

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

6 Statement of financial activities - Comparative funds – year ended 31 December 2020

	Unrestricted funds	Restricted funds	Total 2020
	£	£	£
<u>Income from:</u>			
Donations and grants	256,935	411,465	668,400
Charitable activities	460,937	-	460,937
Investment income	862	-	862
Total income	718,734	411,465	1,130,199
<u>Expenditure on:</u>			
Costs of generating donations and grants	229,136	-	229,136
Charitable activities			
Prisoner Training & Support	422,177	408,942	831,119
Total expenditure	651,313	408,942	1,060,255
Net income/(expenditure)	67,421	2,523	(38,333)
 Fund balances at 1 January 2020	 598,874	 9,287	 608,161
Fund balances at 31 December 2020	666,295	11,810	678,105

7 Trustees and related party transactions

None of the trustees received any remuneration or reimbursed expenses during the year (2020: £nil).

**FINE CELL WORK
(LIMITED BY GUARANTEE)**

**NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

8 Employees

Number of employees

	2021	2020
	Number	Number
The average monthly number of employees during the year was	15	16

Employment costs

	2021	2020
	£	£
Wages and salaries	450,330	483,587
Social security costs	39,955	42,309
Other pension costs	12,100	13,122
	502,385	539,018

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

	2021	2020
	Number	Number
£60,001-£70,000	1	0

The key management personnel of the charity comprises the founding director, executive director and finance director. The total employee benefits of key management personnel of the charity were £143,166 (2020: £144,097).

FINE CELL WORK
(LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

9 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 January 2021	9,679	85,832	95,511
Additions	-	41,755	41,755
At 31 December 2021	9,679	127,587	137,266
Depreciation			
At 1 January 2021	8,971	56,307	65,278
Charge for the year	599	13,146	13,745
At 31 December 2021	8,971	69,453	79,023
Net book value			
At 31 December 2021	109	58,134	58,242
At 31 December 2020	708	29,525	30,233

10 Debtors

	2021	2020
	£	£
Trade debtors	13,822	14,141
Other debtors	12,500	18,070
Prepayments and accrued income	60,129	64,271
	86,451	96,482

11 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	21,550	4,596
Taxes and social security costs	19,382	20,530
Other creditors	408	3,164
Accruals and deferred income	198,630	226,817
	239,970	255,107

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

12 Creditors: amounts falling due after more than one year	2021	2020
	£	£
Deferred grant income	-	75,000

13 Deferred Income

Included within deferred income are amounts relating to events which are taking place in 2022 and grants with timing conditions outside the control of the charity.

	2021	2020
	£	£
Brought forward as at 1 st January 2021	272,081	275,000
Received in year	99,083	97,081
Released in year	(197,081)	(100,000)
Carried forward at 31 st December 2021	174,083	272,081

14 Pension and other post-retirement benefit commitments

Defined contribution

There were £1,754 contributions (2020: £1,815) due.

	2021	2020
	£	£
Contributions payable by the charity for the year	12,100	13,122

**FINE CELL WORK
(LIMITED BY GUARANTEE)**

**NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

15 Restricted funds

	Balance at 1 January 2021	Incoming resources	Resources expended	Balance at 31 December 2021
	£	£	£	£
Developing post release employment and training support for prisoners	-	114,770	99,770	15,000
Open the Gates apprentice stipends		8,529	5,994	2,535
Prisoner training and awards	5,810	7,500	13,310	-
Staff furlough support	-	18,362	18,362	-
Volunteers expenses	-	5,000	5,000	-
Rebuilding Cell Work post pandemic	-	84,800	72,300	12,500
Cell work core costs	6,000	70,000	56,000	20,000
Support for prisoners in Kent	-	12,500	6,500	6,000
Stitcher training kits	-	5,000	5,000	-
Social enterprise support	-	102,000	100,000	2,000
Prisoner newsletter	-	3,000	3,000	-
	<u>11,810</u>	<u>431,461</u>	<u>385,236</u>	<u>58,035</u>

**FINE CELL WORK
(LIMITED BY GUARANTEE)**

**NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

15 Restricted funds (continued)

	Balance at 1 January 2020	Incoming resources	Movement in funds		Balance at 31 December 2020
	£	£	Resources expended	Transfers between funds	£
Developing post release employment and training support for prisoners	-	180,474	180,474	-	-
Open the Gates apprentice stipends	3,037	1,170	4,207	-	-
Prisoner Training and awards	4,750	10,000	8,940	-	5,810
Staff furlough support	-	12,447	12,447	-	-
Volunteers' expenses	-	9,000	9,000	-	-
Cell work core costs	1,500	48,500	44,000	-	6,000
Rent and core costs	-	34,999	34,999	-	-
Social enterprise support	-	100,000	100,000	-	-
Prisoner newsletter	-	3,000	3,000	-	-
Staff resilience training	-	4,875	4,875	-	-
Postage support	-	7,000	7,000	-	-
	<u>9,287</u>	<u>411,465</u>	<u>408,942</u>	<u>-</u>	<u>11,810</u>

**NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

15 Restricted funds (continued)

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

The National Lottery Awards for All, The Bank of America Foundation, The Rayne Foundation, The John Lewis Foundation, the Robin Corbett Award, The Dischma and Monday Charitable Trusts and The Philip King and The Tanner Trust funded the development and delivery of post-release support for ex-prisoners. The Michael Varah Trust provided bursaries for the post release apprentices.

Staff furlough

The Government Job Retention Scheme funded furlough staff salaries.

Rebuilding in prison stitcher numbers post Covid.

GWR, The Porticus, Barbour, Batchworth, Dalby, Hadrian, James Roll, Jack Lane and Leigh Trusts and The Hiscox, Hodge, Lord Barnaby's and Madison Foundations all supported the initiative to rebuild stitcher numbers in prison after the Covid pandemic drastically reduced numbers.

Social enterprise support

The Garfield Weston Foundation funded the development of the social enterprise.

Support for prisoners and ex-prisoners in Kent

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

Volunteers expenses

An anonymous donor funded volunteer expenses.

In Cell support

The Adrian Swire and Bromley Trusts, The de Lazlo Foundation, Merchant Taylors' Foundation and The Goldsmiths Company Charity all supported the costs of cell work for prisoners.

Prisoner awards

The Valentine and Statham Family Trusts contributed towards awards for prisoners.

Prisoner newsletter

The Worshipful Company of Broderers funded Fine Cell Work's prisoner newsletter.

Other projects

Various other funders have given specific donations which have been applied to the charitable purposes as requested.

**FINE CELL WORK
(LIMITED BY GUARANTEE)**

**NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

16 Unrestricted funds

	Balance at 1 January 2021	Incoming resources	Movement in funds		Balance at 31 December 2021
	£	£	Resources expended	Transfer between funds	£
Unrestricted funds	<u>666,295</u>	<u>557,655</u>	<u>564,776</u>	<u>-</u>	<u>659,174</u>

	Balance at 1 January 2020	Incoming resources	Movement in funds		Balance at 31 December 2020
	£	£	Resources expended	Transfer between funds	£
Unrestricted funds	<u>598,874</u>	<u>718,734</u>	<u>651,313</u>	<u>-</u>	<u>666,295</u>

17 Designated funds

	Balance at 1 January 2021	Incoming resources	Movement in funds		Balance at 31 December 2021
	£	£	Resources expended	Transfer between funds	£
Fixed Asset Fund	-	-	-	58,242	58,242
Rebuilding Cell Work	-	127,317	-	-	127,317
	<u>-</u>	<u>127,317</u>	<u>-</u>	<u>58,242</u>	<u>185,559</u>

**FINE CELL WORK
(LIMITED BY GUARANTEE)**

**NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

18 Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Designated Funds	Total 2021
	£	£	£	£
Fund balances at 31 December 2021 are represented by:				
Tangible fixed assets	58,242	-		58,242
Current assets	862,902	36,035	127,317	1,026,254
Creditors: amounts falling due within one year	(261,970)	-		(261,970)
	<u>659,174</u>	<u>36,035</u>	<u>127,317</u>	<u>822,526</u>

	Unrestricted funds	Restricted funds	Total 2020
	£	£	£
Fund balances at 31 December 2020 are represented by:			
Tangible fixed assets	30,233	-	30,233
Current assets	891,169	86,810	977,979
Creditors: amounts falling due within one year	(255,107)	-	(255,107)
Creditors: amounts falling due after more than one year	-	(75,000)	(75,000)
	<u>666,295</u>	<u>11,810</u>	<u>678,105</u>

19 Commitments under operating leases

At 31 December 2021 the company had total commitments under non-cancellable operating leases payable as follows:

	Land and buildings	
	2021	2020
	£	£
Within one year	95,000	95,000
Between two and five years	71,250	166,250
	<u>166,250</u>	<u>261,250</u>

20 Related Parties

There were no related party transactions in 2021 (2020: £Nil).

21 Control

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