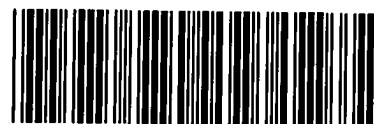


Charity Registration No. 1049095

Company Registration No.03095356 (England and Wales)

**FINE CELL WORK
(LIMITED BY GUARANTEE)
TRUSTEES' REPORT AND ACCOUNTS
FOR THE
YEAR ENDED 31 DECEMBER 2022**

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COMPANIES HOUSE

LEGAL AND ADMINISTRATIVE INFORMATION

Patrons

Tracy Chevalier
Dame Judi Dench CH
Kaffe Fassett
Esther Freud
Libby Purves OBE
Isabella Tree

Trustees

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

Executive Director

Victoria Gillies

Founding Director

Dr Katy Emck OBE

Financial Director

Mariana Spater

Charity Number

1049095

Company Number

03095356

Registered Office & Principal Address

190-192 Queenstown Road
London
SW8 3NR

Auditors

James Cowper Kreston Audit
8th Floor
Reading Bridge House
George Street
Reading
RG1 8LS

Bankers

Unity Trust Bank
4 Brindley Place
Birmingham
B1 2HB

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

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

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

Governance, Structure and Management

Governing Document

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

Recruitment and Appointment of Trustees

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

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

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

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

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

Structure, staffing and volunteers

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

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

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

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

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

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

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

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

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

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

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

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

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

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

Remuneration policy for senior management

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

Principle Risks and Uncertainties

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

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

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

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

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

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

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

Mission, Objectives and Activities

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

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

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

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

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

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

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

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

Rebuilding our work post-covid

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

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

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

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

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

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

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

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

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

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Achievements and Performance

Overview

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

Working in prison

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

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

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

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

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

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

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

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

Themes that emerged from the surveys this year:

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

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

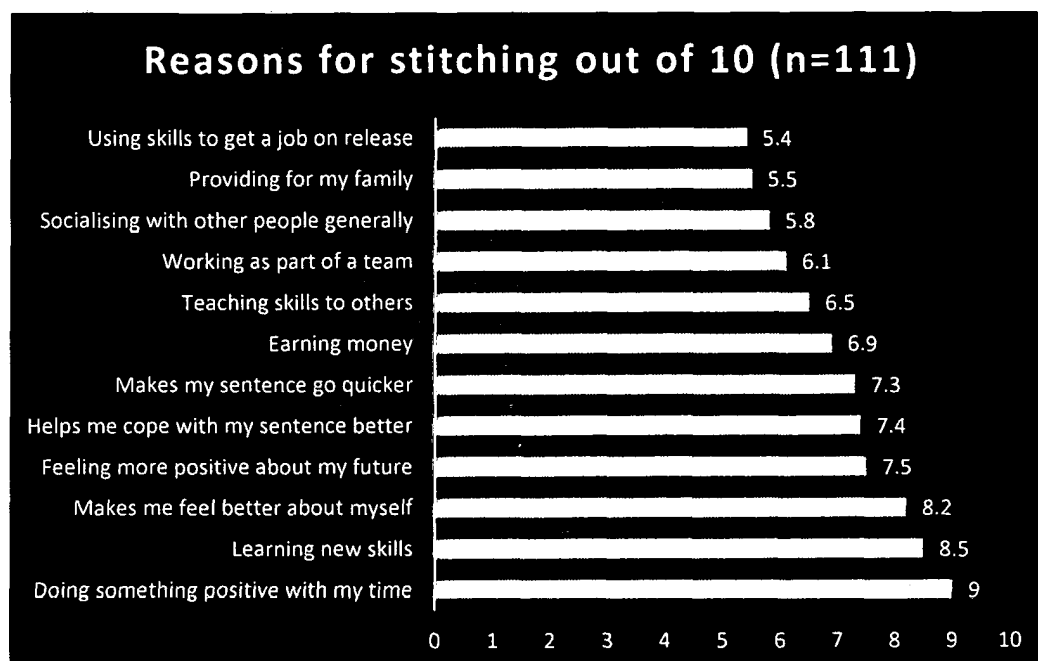
A final theme was the significant number of stitchers who talked about their feelings of an important sense of community with other stitchers and a sense of ownership and pride in being part of the Fine Cell family. They valued the fact that Fine Cell Work staff and volunteers did not judge them and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

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

The importance of stitching

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**



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

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

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

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

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Supporting Volunteers

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

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

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

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

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

In-prison workshops

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Rehabilitation Pathway and post-release support: Open the Gates

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

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

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

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

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

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

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

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

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

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

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

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

Sales and Commissions

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

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

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

Sales

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

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

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

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

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

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

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

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

To celebrate our anniversary, we designed and launched a Christmas decoration, the Great British Sewing Bear. Despite only being available in November and December, 250 units were sold raising £5,893. This made the decoration the most successful small item launch in Fine Cell Work's history and accounted for a fifth of the total Christmas decoration sales at £31,920.

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

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

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

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

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

Commissions

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

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

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

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

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

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

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

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

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

Fundraising and Selling through Events

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

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

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

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

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

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

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

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

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

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

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

Communications and Publicity

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

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

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

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

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

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

Publicity

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

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

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

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

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

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

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

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

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

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

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

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

Principal Funding Source

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

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

Financial Review

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

Reserves Policy

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

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

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

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

Corporate Social Responsibility

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

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

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

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

Ensuring that we are financially sustainable.

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

Developing a positive relationship with suppliers including prompt payment.

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

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

Statement of Trustees' Responsibilities

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

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

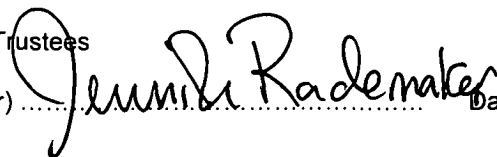
Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

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

On behalf of the Board of Trustees

Jennifer Rademaker (Chair)



Date 13th JUNE 2023

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

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of the trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

Use of our report

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



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

for and on behalf of

James Cowper Kreston Audit

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

Dated: 22 June 2023

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

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

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

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

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

**BALANCE SHEET
AS AT 31 DECEMBER 2022**

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		50,662		58,242
			<u>50,662</u>		<u>58,242</u>
Current assets					
Stocks		187,774		125,763	
Debtors	10	57,364		86,451	
Cash at bank and in hand		653,290		814,040	
		<u>898,428</u>		<u>1,026,254</u>	
Creditors: amounts falling due within one year	11	(132,043)		(239,970)	
Net current assets			<u>766,385</u>		<u>786,284</u>
Total assets less current liabilities			<u><u>817,047</u></u>		<u><u>844,526</u></u>
Income funds					
Restricted funds	14		8,692		58,035
Designated funds	16		114,322		185,559
Unrestricted funds	17		694,033		600,932
			<u>817,047</u>		<u>844,526</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 29 to 44 form part of these accounts.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

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

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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1 Statutory information

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

2 Accounting policies

2.1 Basis of preparation

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

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

2.2 Income

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

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

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

2.3 Expenditure

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

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

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

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

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

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 2022**

2.13 Financial Instruments

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

2.14 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Critical areas of judgement:

Tangible fixed assets

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

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

3 Income from donations and grants

	Unrestricted funds £	Restricted Funds £	Designated Funds £	Total 2022 £	Total 2021 £
Donations and grants	<u>422,096</u>	<u>425,464</u>	<u>-</u>	<u>847,560</u>	<u>835,868</u>
Donations and grants					
Unrestricted funds:					
BC Partners				-	10,000
CHK Charities				-	50,000
Anonymous				-	5,000
Anonymous				-	5,000
Anonymous				-	15,000
ASK Charitable Trust				17,500	-
Bromley Trust				10,000	-
Reo Stakis				5,000	-
Michael and Clara Freeman Trust				5,000	-
Devonshire Trust				-	10,000
Anthony Sofroniou				6,000	-
Armitage Trust				22,000	20,000
Battcock Charitable Trust				-	5,000
Sharegift				-	5,000
Anonymous				5,000	-
Alison Mary Lyon Will Trust				-	10,000
Qais Zakara				-	5,000
Scouloudi Foundation				7,000	-
Crucible Foundation				51,000	-
Sommer Family Trust				-	10,000
Al Fayed Foundation				-	10,000
Mercers Livery Company				-	2,000
Lady Elizabeth Cavendish Trust				125,000	-
The Delves Charitable Trust				-	5,000
Other grants, donations and (<£5,000) and Gift Aid				168,596	110,090
	<u>422,096</u>			<u>422,096</u>	<u>277,090</u>

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

3 Income from donations and grants (continued)

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

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

3 Income from donations and grants (continued)

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

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

4 Income from charitable activities

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

5 Expenditure

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

Analysis of support costs (including governance costs)

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

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

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

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

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

7 Trustees and related party transactions

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

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

8 Employees

Number of employees

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

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

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

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

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

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

9 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 January 2022	9,679	127,587	137,266
Additions	-	20,256	20,256
At 31 December 2022	9,679	147,843	157,522
Depreciation			
At 1 January 2022	9,570	69,453	79,023
Charge for the year	109	27,728	27,837
At 31 December 2022	9,679	97,181	106,860
Net book value			
At 31 December 2022	0	50,662	50,662
At 31 December 2021	109	58,134	58,242

10 Debtors

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

11 Creditors: amounts falling due within one year

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

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

12 Deferred Income

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

	2022 £	2021 £
Brought forward as at 1 st January 2022	174,083	272,081
Received in year	125,000	99,083
Released in year	<u>(247,000)</u>	<u>(197,081)</u>
Carried forward at 31 st December 2022	<u>52,083</u>	<u>174,083</u>

13 Pension and other post-retirement benefit commitments

Defined contribution

There were £2,233 contributions (2021 £1,754) due.

	2022 £	2021 £
Contributions payable by the charity for the year	<u>16,279</u>	<u>12,100</u>

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

14 Restricted funds

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

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

14 Restricted funds (continued)

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

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

14 Restricted funds (continued)

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

The Bank of America and The John Lewis Foundations, City Bridge and The Peter Stebbing Memorial Trusts and The Upholders and Needlemakers Worshipful Companies funded the development and delivery of post-release support for ex-prisoners. The Michael Varah Trust provided bursaries for the post release apprentices.

Rebuilding in prison stitcher numbers post Covid.

The Porticus, Batchworth, J&P Benson and Sir James Roll Trusts and the Evan Cornish, Hiscox John Coates, de Lazlo, Rothschild, Trusthouse and Radcliffe Foundations and The Henry Smith Charity and the Matrix Causes Fund all supported the initiative to rebuild stitcher numbers in prison after the Covid pandemic drastically reduced numbers.

Social enterprise support

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

Support for prisoners and ex-prisoners in Kent

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

Volunteers expenses

The 1772 Charity funded volunteer expenses.

In Cell support

The Adrian Swire Trust supported the costs of cell work for prisoners.

Prisoner awards

The Statham Family Trust and The Broderers Livery Company contributed towards awards for prisoners.

Support for female prisoners

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

Stitcher Training Kits

The Aldo Trust and the Headley Foundation support the provision of stitcher training kits.

Impact Evaluation

The ASK Foundation funded an impact evaluation study.

Event Sponsorship

An anonymous donor, William Yeoward Limited, Nina Campbell Limited and the Rio Stakis Foundation provided sponsorship for events.

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

15 Unrestricted funds

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

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

16 Designated funds

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

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

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

17 Analysis of net assets between funds

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

	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>

18 Commitments under operating leases

At 31 December 2022 the company had total commitments under non-cancellable operating leases payable as follows:

	Land and buildings	
	2022	2021
	£	£
Within one year	71,250	95,000
Between two and five years	-	71,250
	<u>71,250</u>	<u>166,250</u>

19 Related Parties

£1,050 purchased by Meson Restaurants Ltd who has a joint directorship with Trustee Julian Diment (2021 £nil).

20 Control

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