

pact

Prison Advice and Care Trust

Report & Financial Statements

For the year ended 31 March 2006

A Registered Charity and Company Limited by Guarantee

Company Registration No. 356443

Charity Registration No. 219278

Report and Financial Statements

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Officers, Professional Advisers and Company Information

President	Cardinal Cormac Murphy-O'Connor Archbishop of Westminster	
Vice President	The Most Reverend Kevin McDonald Archbishop of Southwark	
Board of Trustees	Margaret Hodgson	(Chair)
	Leo Garwe	(Vice Chair)
	Michael Whale, F.C.A.	(Hon. Treasurer)
	Silvia Casale	Re-elected July 2006*
	Michael Pring	Re-elected July 2006*
	Colin Allen	Re-elected July 2006*
	Sally Malin	
	Richard Williams	
	Christine St John Maurer	Died in May 2005
	Una Padel	Resigned June 2005
	Martin Wargent	Resigned June 2005
	Laurie Scudder	Retired July 2005
	Penny Allen	Elected July 2006
	Suhail Aziz	Elected July 2006
	Kate Quigley	Elected July 2006
Director & Company Secretary	Andrew Keen-Downs	

BOARD OF TRUSTEES

The current members of the Board of Trustees, all of whom served throughout the period under review (except as noted), are listed above.

We are delighted to welcome 3 new trustees.

Penny Allen
Suhail Aziz
Kate Quigley

*In accordance with Article 35 of the charitable company's Articles of Association, the under-noted members of the Board retired from office at the Annual General Meeting and, being eligible, offered themselves for re-election, except as noted:

Silvia Casale
Colin Allen
Michael Pring

New members of the Board of Trustees are appointed by the existing Trustees from time to time.

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Principal Bankers	The Royal Bank of Scotland 29 Old Brompton Road London SW7 3JE
Auditors	Tom Carolan & Co Chartered Accountants, Registered Auditor Gortnamona Newdown The Downs Co Westmeath Ireland
Solicitors	Cumberland Ellis Peirs Columbia House 69 Aldwych London WC2B 4RW
Registered Office	Suite C5 City Cloisters 196 Old Street London EC1V 9FR
Company Registration Number	356443
Charity Registration Number	219278

Report of the Board of Trustees

The Board of Trustees presents its report and the financial statements of the company for the year ended 31 March 2006. This report combines the Trustees annual report for the purposes of Section 45 of the Charities Act 1993 and the Directors' report for the purposes of Section 243 of the Companies Act 1985. Prison Advice & Care Trust is a non trading charitable company, incorporated in England and Wales and limited by guarantee. Its affairs are governed by its Memorandum and Articles of Association and the liability of each member is limited to £1.05.

Principal Activity

The principal activity of the Trust continues to be the provision of aid to the families of prisoners, prisoners, and ex-prisoners.

Summary of policies adopted

The Prison Advice & Care Trust (pact) is one of the leading charities working with people affected by imprisonment. We believe in the unique dignity of every human being. We believe that human dignity does not depend on what one has or has not done.

Pact works to support prisoners and their families who wish to maintain their relationships. We facilitate and support contact, as a means to reducing the harm caused by imprisonment, and in order to strengthen family ties which can make all the difference in enabling ex-offenders to resettle successfully into mainstream society and desist from offending.

We help the children and families of prisoners through providing practical support, including child-friendly centres attached to prisons, services for children, information, advice and guidance for parents and carers, and a range of other services and activities.

We work to reduce the risk of suicide and self harm amongst both male and female prisoners who are in despair or who struggle with mental illness.

We work to educate the public on the effects of imprisonment in our society and use our experience of working with thousands of families and prisoners each year to add our voice to the policy debate on criminal justice.

We encourage and promote community involvement and voluntary action within the criminal justice sector. We promote the principles and examples of good practice of restorative justice, which places the victim and the victim's community at the centre of the justice process.

Review of the Year

2005-6 has been a very positive year for pact, in which we have expanded our services, strengthened the management of our services, and invested in our capacity to raise funds and diversify our income.

It is worth noting however that these achievements have been won in a very challenging environment. The prison population continued to increase during the year, placing ever greater pressures on the human and financial resources available to prison governors on whom we rely for financial support and co-operation. At the same time, the rolled-out introduction of the new National Offender Management Services has been a faltering process, with no real clarity for charities which provide services as to the process under which services will be commissioned or procured in the future. Whilst we approve of the principle of 'end to end offender management', which promises a more coherent approach to the delivery of services within prisons and within the community, we are concerned that the beleaguered Home Office does not appear to be winning the support of the Treasury for the level of investment needed to see NOMS through in accordance with the recommendations of Lord Carter, and we await developments with much concern. At the same time, the introduction of new sentencing initiatives designed to improve confidence in the criminal justice system, including 'Custody Plus', has been at best delayed. We are also deeply concerned about the future of Her Majesty's Chief Inspector of Prisons. We believe that a robust and independent Prisons Inspectorate is vital to protect the welfare of prisoners and to ensure that successive Home Secretaries and the British public are provided with the true picture of the state of Britain's prisons. This is especially important at a time of prison overcrowding, and during a time when tabloid headlines urge the Government to take a more punitive approach. The Government's proposals to merge HMCIP into a combined inspectorate with the appointment of a Chief Executive above the Chief Inspector should be of deep concern to us all. The Inspectorate must have a clear and undiluted power to publish its findings without Ministerial or official censorship if it is to retain its value to society.

It is perhaps less widely understood that HMCIP comments not only on facilities for prisoners, but also on the facilities and services for visiting children and families of prisoners at prisons. Inspectorate reports regularly applaud prisons where pact and other similar organisations are playing a key role, and have been critical of other establishments which have subsequently been prompted to contact pact with a view to working together to address shortcomings.

There have also been very positive developments. The Home Office and NOMS now clearly and publicly acknowledge that a prisoner's relationship with his (or her) family is one of the key factors in determining whether they can successfully be re-integrated into society and desist from further offending. At pact, together with practitioners in prisons, probation services, the faith sector and other charities, we have long understood that family ties can be the single most powerful reason behind a prisoner making a fresh start on release. It is now, finally, recognised officially by HM Government. In each region, a Children and Families Pathway Board has been established to advise Regional Offender Managers on needs and the kind of menu of provision that might be commissioned under a regional commissioning framework. During the year, pact joined and contributed to the work of the Children & Families Pathway Boards for three regions, namely London, the South West, and the South East. We hope that through this work we can contribute to a more strategic approach to the development of services, however, we have yet to be informed of what budget is being allocated to these pathways and we continue to ask for greater clarity about the commissioning framework.

We are also contributing to the development of the NOMS Volunteering Strategy, and responded to consultations on community integration & restorative justice and on the role of the voluntary sector. All of this work is of course time-consuming and demanding, and none of it is funded by the Government, but we believe we have an important role to play in providing a voice for the children and families of prisoners, together with our friends at Action for Prisoners Families, Kids VIP, Prisoners Friends and Families Service, ADFAM, and other agencies who share our values and concerns.

Working at Prisons in London and the South East

New Services at Brixton Prison

The year saw the arrival of pact at HMP Brixton. The prison had benefited from the support of an independent charity which established a Visitors Centre. In the prison visits hall, Annetta Bennett of Kids VIP, had provided a supervised play service for the prisoners' children. However, for various reasons it had not been possible to sustain these services. Pact responded, and thanks to the generous support of charitable trusts (see the 'Thank You' Section below) and with the support of London Area Office of the Prison Service, pact re-established a basic Visitors Centre service, utilising the existing pair of linked portakabins near the prison gate. Funding has only permitted a single worker in the first year, however, we have recruited and trained volunteers and developed a constructive partnership with another charity, ADFAM, who also deploy a member of staff. An application to BBC Children in Need then resulted in funding for a Children's Play Co-ordinator. The prison is poorly funded due to its relatively small headcount for a London establishment, on which the funding formula is based, and therefore funds for services for children and families are extremely limited. Furthermore the centre and the visits hall are both very small. Despite these challenges, pact is delivering a good service. A child visiting their father or brother in Brixton today faces a much more positive and less upsetting and difficult experience thanks to the hard work of our workers and volunteers, and the support of HMP Brixton.

New Services at Wandsworth Prison

At the end of the year, we were also in the process of recruiting a new staff team to work at HMP Wandsworth, the country's largest prison. The addition of HMP Brixton and HMP Wandsworth to our network will mean that pact now delivers services at all the adult prisons in the capital, with the exception of Latchmere House. This growth offers the charity the opportunity to gain some economies of scale, and to develop a more consistent and coherent service for families and for prisoners across the capital.

We are proud to be working in partnership once again with Governor Ian Mulholland, with whom we developed a First Night in Custody scheme at HMP Exeter, to develop a First Night scheme at Wandsworth prison. Together with a multi-agency pact centre for children and families, the First Night Scheme will be managed by a new Services Manager, to ensure that our services are fully integrated and that we build strong working partnerships with the prison, chaplaincy team, and with other voluntary and community agencies. We believe that our work at Wandsworth will make a significant contribution to reducing the risk of suicide and self-harm amongst the men who arrive at the prison, and will also improve the outcomes for resettlement and re-offending, through supporting positive family life.

We would like to thank the Wandsworth Visitors Centre Association who will be leaving on the 1st May 2006 for their co-operation and for their tremendous achievements for children and families.

Our services at other London prisons continued to respond to the needs of prisoners' children and families, and we are pleased to report that Governors have chosen to renew or enter into new management agreements where they were coming to an end. We would like to thank all the Governors and officers with whom we work for their co-operation and support.

Women Prisoners and their Families at Holloway Prison

At HMP Holloway, a strong partnership with Governor Tony Hassall and his team enabled pact to run the centre for visiting children and families, a supervised play service in the visits hall, and to review and develop the 'First Night in Custody Service'. Thanks to pact's support, HMP Holloway has developed its First Night procedures beyond the scheme that pact originally established. We learned from research and HMCIP reports that the pact First Night scheme which had been established was very effective, however, the good work of the pact team in dealing with the prisoners in the prison's reception area was not being followed through as well as it could be. The new First Night Suite allows some vulnerable women to remain for up to 72 hours, and takes a stronger multi-agency approach. We believe that it is a model which could be successfully adopted by all women's prisons.

Mentoring for ex-prisoners

With funding from the Exodus project, a partnership involving St Giles Trust and Shelter, pact created a new mentoring service for women prisoners leaving HMP Holloway. The scheme involves recruiting and training volunteer mentors who are matched with women prisoners to provide them with support with

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resettlement. The Exodus initiative is focused on supporting the employment and training of ex-prisoners. Pact's focus is to support the women in terms of their family relationships and re-integration into mainstream society. Whilst this is a relatively small scale initiative, we have worked hard to ensure that it is an effective one which is based on best practice and experience. To help us achieve this we worked in partnership with Hooper-Walker Consulting and trainer Liz Dibb, the authors of the new CLINKS Resource Pack.

Grandparents & Kinship Carers

A third of the women arriving at Holloway prison who are mothers have children who are in the care of a grandparent. This year we worked with The Grandparents Association and Prisoners Families & Friends Service to consult grandparents on how we could do more to support them in their caring responsibilities. We have now begun to establish referral procedures to ensure that grandparents who suddenly find themselves caring for a second-time around for a child as a result of the imprisonment of a daughter can access advice and information. Our Director, Andy Keen-Downs, also joined the Steering Group of the Family Rights Group's 'Families & Carers' project, which is developing a new guide for grandparents and other relatives who care for children in difficult circumstances. In 2006-7, pact plans to build on this work to do more to respond to the needs of grandparents and kinship carers affected by imprisonment.

HMP Belmarsh

We ran the Visitors Centre and Supervised Play Service at HMP Belmarsh, and developed a stronger focus on resettlement, in line with increased emphasis on reducing re-offending being developed by Governor Claudia Sturt. We are now working with the prison to develop pre-release support for families and we are delighted to have been invited to join the prison's Resettlement Strategy Group.

HMP Pentonville

We ran the Visitors Centre and Supervised Play Service at HMP Pentonville. During the year, we worked with Father Malachy Keegan, the Principal National RC Chaplain to prisons, and with other colleagues, to explore how we could develop a resettlement programme for prisoners which harnesses the goodwill, skills and experiences of faith communities. At the end of the year, we have consulted the prison's chaplaincy team, key Governors and the Head of Resettlement, and are seeking funding for a pilot scheme which we are calling 'Basic Caring Communities.'

HMP Wormwood Scrubs

We ran the Visitors Centre and Supervised Play Service at HMP Wormwood Scrubs and celebrated the tenth anniversary with pact of the centre manager, Norma Tomlin. Discussions continued with the prison's Governors and with the Koestler Trust and Tudor Trust regarding the possibility of developing a new centre within the old Governor's House, which is occupied by the Koestler Trust. The pact team at Wormwood Scrubs continue to provide an excellent service, within quite run down and cramped conditions, and we wish to develop a centre which can provide space for working with children and families, involving other service providers, and developing a stronger resettlement support programme for families. We are hopeful that more progress can be made in 2006-7.

This year saw an exciting development take place for pact at the prison, with the agreement of the Probation Service to fund two new posts to trial a new way of working with prisoners and their families. The prison has established a resettlement wing, to take in prisoners on voluntary transfer from prisons outside London. The aim is to bring prisoners closer to home prior to their release. Pact pointed out that whilst the principle of 'community prisons' is a good one, in that it keeps prisoners closer to their networks of family and social support, there are challenges inherent in inviting prisoners to complete their sentences in a crowded Victorian local prison. We have proposed that it might however be an attractive proposition for men who wish to spend more time with their families, and who, together with their families, would welcome some support prior to release, and after release. We have been asked to trial this approach and we will be recruiting two Family Support/Resettlement workers to develop this service.

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HMP Woodhill

HMP Woodhill is our only project in what is now called the NOMS (National Offender Management Service) South Eastern Region. Woodhill is a Category A Prison (High Security), but like Belmarsh, it serves more than one function, and the majority of the prisoners are men convicted by local courts serving a variety of sentences for a variety of offences. We ran the Visitors Centre and Supervised Play Service at Woodhill prison and continued to respond to the needs of visitors.

Working at Prisons in Devon & Cornwall

Pact has been delivering services in the South West for 3 years, and we continued to work in Devon at the three prisons, HMP Exeter, HMP Channings Wood, and HMP Dartmoor. £800,000 has been secured by pact in this period from a range of sources to develop basic services which the Prison Service locally has not been able to resource. At Exeter, 19,164 visits were supported through our Visitors Centre and 3,120 prisoners were seen by our First Night service. We continued to run the Supervised Play Service to respond to the needs of visiting children. At Dartmoor prison, our Visitors Centre saw 14,976 visits and continued to support the children in the Visits Halls Supervised Play Area. At HMP Channings Wood, which has been without a Visitors Centre, we supported the prison's case for a proper centre for the families, and this is being installed and should become operational in the next financial year. Our family support worker continues to work at the prison, and the supervised play service continues to meet demand.

Our work in the South West to develop accredited training for our volunteers has been a great success, with Open College Network accreditation approved for the pact training programme. During the year, over 150 volunteers have passed through our projects, with a smaller core team of volunteers making an exceptional contribution.

The year saw major changes to the key personnel we liaise with. All three Governors changed, as did the Area Manager for the prison service. Much of our work over the previous period had been with individual governors, and so this proved something of a challenge. However, all three governors are keen to retain pact's support and value our work.

Community Advice & Support Service: Innovative Pilot

With the support of Devon & Cornwall Probation Service, the Office for Criminal Justice Reform, and the Local Criminal Justice Board, pact is trialling a new way of working in the courts. The scheme, known simply as the Community Advice & Support Service (CASS), is being piloted at Bodmin court in Cornwall and at Plymouth court. Together with the probation service, magistrates, judges, and the police, pact has felt frustrated at the way in which families of people sent to prison are often left 'in limbo'. We have also noted the number of people whose offending behaviour regularly brings them to court, and who leave court without any ongoing support or attention. It is clear to us that without targeted support and guidance, many of these people, who typically face multiple issues, will at their next court appearance receive a custodial sentence, leading to ever more over-crowded prisons. Many of these people struggle with mental illness or psychiatric disorder, drug & alcohol abuse, chaotic family life, homelessness or housing issues, poverty and money management & debt problems. Many have had a poor experience of education, and low level literacy skills are common, as is dyslexia. Many have experienced a childhood in care. In short, many have all the characteristics of the prison population, and for many, sadly, that is the direction of travel. These issues are huge and complex and are beyond the capacity of pact. They require a well co-ordinated and well-resourced response from a variety of statutory and voluntary agencies. However, that doesn't mean nothing can be done. Pact's initiative is to recruit and train teams of volunteers, and to base them at courts to provide an instantly available source of information, advice and guidance to people as they wait at court, or prior to leaving court. Equipped with a database of agencies providing a wide range of services, and good local knowledge and contacts, the CASS volunteers not only provide information about where to go for help, but provide follow up support, and on occasions, will also accompany people to interviews and meetings with other agencies. Volunteers also support families of people convicted to prison, and link up with our family support worker and Visitors Centre at HMP Exeter and Dartmoor. Alongside existing schemes such as Victim Support and the Witness Support Scheme, we believe this simple, low-cost model of service offers huge potential in terms of both reducing re-offending and supporting families of prisoners, and at a time of overcrowded and struggling prisons, we believe the Government should be paying close attention. An evaluation of the pilot has now been commissioned from the University of Plymouth.

Every Child Matters

Pact continued to promote the needs and welfare of children of prisoners in 2005-6. In February, we appointed a Children's Services Development Co-ordinator. This new post will initially focus on improving provision for children visiting prisoners at HMP Holloway and HMP Brixton, and will also advise and support pact workers nationally.

Across pact, we also continued to work hard to promote and support children's visits and family days in prisons. For many children and their parents or carers, visiting a loved one in prison can be extremely difficult, which is why we run our Visitors Centres and Supervised Play Services and work hard to make our services child-friendly. Long journeys, often on public transport, combined with periods of waiting, being subjected to search procedures, the presence of drugs dogs and uniformed officers rattling large bunches of keys, can make the journey into a prison visits hall a frightening experience for a child. The rules of prison visiting are also hard to explain. 'Why won't daddy play with me?' is a question we often hear. Some parents don't explain to the children where they are, or why Daddy or Mum can't leave their seat, or is wearing a funny bib. Other parents do tell the children that they are visiting a prison, or children simply find out for themselves, and children are left feeling frightened of the thought of their father or mother being kept in a cage. It is hard for children to relate to their imprisoned parent, and vice versa, when sitting on hard plastic seats in a noisy crowded visits hall. Yet on the day of release, it is of vital importance that families can be re-formed and that prisoners can re-adjust to their role as father or mother, husband wife or partner. Not just vital for the families concerned, but for society as a whole if we are to hope to reduce crime on our streets. Children's Visits, and all-day Family Visits, are a valuable way in which we can help families maintain fractured relationships, and in which we can ease the adjustment to life outside the prison gate. We ran many such events in prisons during the year, thanks to the support and co-operation of Prison Governors and Officers, many of whom gave up rest breaks or agreed to work flexibly in order to make them possible. We would like to express our thanks to them all on behalf of the families who benefited.

During the year, we dedicated a substantial amount of time to reviewing and developing our Child Protection Policies and Procedures. These involved extensive consultation with staff, managers, Social Services Departments, and specialist agencies (including Kids VIP). The policy & procedures were also thoroughly reviewed by pact's insurers as part of a Risk Control Programme. Now part of the Staff Handbook, a training programme is being developed to ensure that all relevant staff are fully competent to deal with any issues of concern. The policy and procedures have, sadly, already been put to the test and have been found to be effective, however, this is such a critically important area that we will keep things under constant review.

Volunteers: Bringing Prisons and Communities Together

Pact is run as a professional organisation in which trained and supervised volunteers played a vital role in 2005-6. Volunteers came from all walks of life, from ex-prisoners to retired lawyers, dancers to fishermen. Working as Resettlement Mentors, in Visitors Centres, in Supervised Play Areas, in our Coffee Bars and Refreshment Serveries, in our new Courts Project, and providing admin support in our central office and SW area office, volunteers complemented our paid staff and enabled us to deliver services that would be impossible with staff alone. Across all our projects, In the South West alone, we calculated the financial value of our volunteer workforce as being a little under £100,000 a year. But of course, volunteers are much more than unpaid labour. Volunteers are people from local communities who choose to make a difference. Volunteers also bring a level of scrutiny and openness, fresh ideas, and different life-experiences to our work, all of which is invaluable.

'What Can I Do?'

In November 2005, Baroness Scotland launched 'What Can I Do?', the second edition of a guide to volunteering in the criminal justice sector which pact published in partnership with the Churches Criminal Justice Forum. The guide was launched in conjunction with a new website, www.whatcanido.org.uk, and was praised by the Baroness as an excellent example of what can be achieved through alliances between agencies in the voluntary and faith sectors.

Catering for Needs

Some charitable services are sometimes described, rather disparagingly perhaps, as 'tea and sympathy.' We do much more than that at pact, but the value of a well made cup of tea, served with a smile, to someone who is emotionally fragile and exhausted, should not be under-estimated. Our job is to be effective, efficient, and to do 'what works', but we must never forget that our mission is also to care. We all know that part of the life of a normal, functioning family, is to eat together. Breaking bread together has an important role in human relationships and spiritual life across cultures and faiths, and has deep resonance and significance for us all. We all know also that diet affects mood, the ability to concentrate, and of course, our physical health and well-being, and we know that there are many children whose behaviour can be dramatically affected by what they eat, particularly those diagnosed with ADHD.

Funding our services is always a challenge, and we are always exploring the potential to diversify our income streams. However, it is important that we concentrate on what we are best at, and that we focus on our charitable objectives.

We know also that opportunities for prisoners to undertake 'purposeful activity', particularly activity that can provide work experience that may lead to improved prospects for employment after release, are thin on the ground in many prisons.

With all of this in mind, we decided to undertake a new venture, a form of social enterprise. The initiative is called 'pact lunch.' The aural pun is intended and we hope will invoke a few smiles as well as the odd groan.

Thanks to the support of the Tudor Trust, in March 2006 we recruited a commercial manager with experience in retail and catering to lead in the development of catering services in prison visits halls and visitors centres (see 'Thank You' section for more information). In some prisons, we will be replacing vending machines selling fizzy drinks and sweets. In others, we will be taking existing services into management with a view to improving the quality of the service. We will also be working to improve our management of existing services, through a more business-like approach to purchasing, pricing, quality assurance and stock management. We also propose to do more to attend to diversity and dietary requirements, promoting healthy choices, and ensure that we are meeting standards for health & safety, food handling and hygiene. Our aim will be to ensure that families have affordable options and are treated with courtesy and respect, and that our operation will generate surpluses to support the costs of services we deliver at the prisons we work at.

Human Resources

We invested time in reviewing and consulting pact managers on many of our policies and procedures in 2005-6 and these were revised and re-issued in the new Staff Handbook. The Handbook now provides all staff and managers with guidance on induction, probation, supervision and appraisal, attendance and leave, working practices, health & safety, disciplinary & grievance, good conduct, use of computer equipment, disclosure of information, equal opportunities, anti-harassment policy, employment of ex-offenders, maternity and paternity rights and pay, statutory adoption, parental leave, job sharing, pension scheme and retirement. In addition, we have included the child protection policy and procedures, plus an introductory section explaining the purpose of the handbook and our underpinning values and ethos as a charity. The Handbook also includes an induction checklist for new staff and managers, a supervision record form, and forms for staff probation and appraisal. There are in addition specific forms relating to child protection, and a new staff declaration form which we have introduced under the child protection procedures.

In central office, a staff database has been developed to streamline HR administration, and all personnel files have been checked and updated to ensure that we have copies of terms & conditions of employment and accurate and up to date personal information.

Information Technology

We invested in our IT systems in 2005-6. A new central office server and firewall was installed, we upgraded our database software (Progress) and trained key staff in its use, and standardised our MS Office suite. Several projects received new computers and software and we began an audit of IT skills and training as the basis for a staff training programme to be delivered in 2006-7.

Finance

During the course of the year, we continued to improve and develop our accounting and financial management systems and internal controls. Paul Furrer, our Head of Finance, joined the Charity Finance Directors Group. SAGE, our accounting software, was updated. We introduced a purchase order system and re-structured costs centres and budgets with coding to keep track of restricted funds and expenditure. A system of quarterly management accounting was introduced which proved to be reliable and robust and provided the Director and his team and the Board of Trustees with useful management information. Towards the end of the year, work was well underway to complete a detailed budget for pact for presentation to the Board of Trustees. The Trustees established a Finance Sub-Committee during the year, consisting of Michael Whale, the Treasurer, Michael Pring, Trustee, the Director and Head of Finance. Terms of reference were agreed by the Board. This committee, minus the Director, also reviewed and agreed the Director's remuneration, which it was also tasked to do within its remit.

Thank You

We are deeply grateful to the charitable trusts and foundations, parishes and individual donors whose support has enabled us to achieve so much in 2005-6. We are also extremely grateful to Her Majesty's Prison Service and other statutory bodies for their support in enabling us to provide a professional and trusted service.

Funders who have contributed £5,000 and above are listed below. We are thankful also to the many donors who have contributed below this amount. Their contributions are no less important to our work.

During the year we mourned the loss of Sir Harold Hood, a committed and generous supporter of pact's work as well as one of our Vice-Presidents. We were delighted, however, that his legacy lives on through the generous donation of £20,000 from the Sir Harold Hood Charitable Trust. Further unrestricted income included a final instalment of £25,000 from the Baring Foundation, £9,000 from the Pyke Trust and £5,000 from the Albert Hunt Trust.

In the South West we continue to receive significant voluntary income for our projects and services. In 2005/6 we received a second instalment of £104,000 of a £315,000 3 year grant from HM Treasury's Invest to Save programme. This money has been vital to the development and running of our services at all 3 prisons in the South West including Visitors Centres, Family Support Work, Play Work and all day Family Visits. Contributions to our work have also come from the Esmée Fairbairn Foundation who provided the final instalment of a three year grant of £97,500 (£32,500 in 2005/6) to pay for the Director of Services, South West salary and volunteer expenses. In 2005/6 pact received an instalment of £34,236 from the Big Lottery as part of our grant of £138,000 towards our Visitors Centre work at HMPs Exeter and Dartmoor and a final instalment of £15,000 (part of a £40,000 grant) from Sir Halley Stewart towards Family Support Work.

As part of our focus on expanding our services we have been working in partnership with Devon and Cornwall Local Criminal Justice Board to develop a new initiative in the South West designed to support offenders and their families at Bodmin court. To support the project OCJR (Office for Criminal Justice Reform) committed £55,000, of which £41,250 relates to 2005/6.

Providing supervised play for children visiting their parent in prison is vitally important and goes a long way to normalising an otherwise very traumatic experience. We are grateful therefore that the importance of this service continues to be recognised by charitable funders. In the South West we received a final instalment of £10,965 (part of a wider grant of £52,500) from the Better Play scheme (joint initiative of Barnardos, Childrens Play Council and the Big Lottery). This was used to provide play in Visits Halls and Visitors Centres in HMPs Exeter, Dartmoor and Channings Wood.

In London we are pleased to report the securing of a significant grant of £103,000 from BBC Children In Need over 2 years to support the development of children's services at pact through the appointment of a Children's Services Development Manager, and a Play Co-ordinator at HMP Brixton.

In the London region HMP Holloway's First Night in Custody project at HMP Holloway benefited from a final instalment of £30,488 from the City Parochial Foundation as part of a 2 year grant and pact received

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a 1 year grant of £15,000 from the Pilgrim Trust towards the development of the pact centre at HMP Brixton.

A bid was submitted to the Tudor Trust to fund a Catering Development Manager to develop catering services within Visits Halls at a number of prisons where pact operates, allowing for any surplus income to be ploughed back into developing our services. The bid was successful and a £64,000 grant was awarded over 2 years.

Volunteers are an important resource for pact. Without them we could not deliver our services. At the end of the year, over 40 volunteers were active in our London projects and over 90 in Devon & Cornwall, and many more had worked in our projects throughout the course of the year. We have developed a very strong network of support for our volunteers in the South West which we have been keen to replicate in London. We were delighted therefore in 2005/6 to secure a substantial grant of £135,000 over 3 years from the Indigo Trust to employ a London based Volunteer Co-ordinator to manage the recruitment and training of an expanded team of London volunteers.

2005/6 saw the launch of a new version of What Can I Do? – a comprehensive guide to volunteering opportunities in the criminal justice system produced in partnership with CCJF (Churches Criminal Justice Forum). We were pleased to receive a grant of £8,000 from the Home Office towards the printing costs of the publication.

An appeal to individual supporters, accompanied by pact's new look *freshSTART* magazine, took place in the year, and in October 2005 we mailed a Prisoners Sunday resource pack to parishes and parish groups. The pack continues to have a dual purpose of generating funds as well as raising awareness of the impact of imprisonment on prisoners and their families. In total all appeals, parish collections and legacies raised £81,061 of unrestricted income for the charity.

Prison Advice & Care Trust (pact)
A Registered Charity and Company Limited by Guarantee

REVIEW OF ACTIVITIES

The Board of Trustees constantly reviews the charity's work to ensure that maximum benefit is gained from the limited resources at our disposal and by the effort of both staff and voluntary supporters.

Results for the year and financial position

The results for the year, which are set out in the Statement of Financial Activities on page 17, are summarised as follows:

	£
Income	
Voluntary income	81,061
Statutory and grant funding	1,086,314
Other income	74,940
	<hr/>
	1,242,315
Expenditure	
Cost of generating funds	197,892
Cost of charitable activities	1,080,621
Governance costs	3,525
	<hr/>
	1,282,038
Deficit 2005/06	<hr/>
	£(39,723)

In the previous year there was a deficit of £34,712.

The total net assets of the Trust at 31 March 2006 amounted to £247,940 (2005: £287,663), attributable to the various funds as follows:

General Fund	
Unrestricted funds with no specific purpose laid down by donor	55,361
Designated Funds	
Earmarked by Trustees for the various prison visitor centres and related projects	92,560
Restricted funds	
To be used for specific purposes laid down by donors	100,019
Total funds	<hr/>
	247,940

Reserves Policy

Prison Advice & Care Trust is dependent for its income on charitable trusts, parish appeals, individual donations, the Prison Service, and other funders, for the delivery of our services. All these sources of income are vulnerable to considerable fluctuation. The Trust employs a number of permanent professional staff whose work requires planning of at least one year ahead. In order to provide a measure of job security and continuity of work, the Trustees aim to maintain a minimum of four months unrestricted funds to meet the costs of staff and operating costs (excluding restricted and designated funds for discrete projects).

Fixed Assets

Details of fixed assets are given in note 4 to the financial statements.

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Risk management

The Trustees consider that maintaining pact's general reserve at the level stated above, combined with a review of controls over key financial processes, provides pact with sound risk assurance. The Trustees will continue to identify, monitor, review and manage the operational and business risks faced by the Trust and to put in place systems which continue to safeguard the Trust's assets and mitigate the risks identified.

GOVERNANCE OF THE CHARITY

The Board of Trustees, which meets four times a year, is the governing body of the Trust and is responsible for establishing the policy of the Trust in relation to the furtherance of its charitable objectives. Each member of the Board of Trustees is both a Trustee of the charity and also a director of the charitable company for the purposes of company law.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the charitable company's activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and,
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution re-appointing Tom Carolan & Co is to be proposed at the next Annual General Meeting.

Signed on behalf of the Board of Trustees on2006

Margaret Hodgson, Chair

Andrew Keen-Downs, Secretary

Prison Advice & Care Trust

Suite C5
City Cloisters
196 Old Street
London EC1V 9FR

Registered Charity No. 219278.
Company limited by guarantee
Registered in England No. 356443

Independent Auditors' Report to the Trustees

We have audited the financial statements of Prison Advice and Care Trust (pact) for the year ended 31 March 2006, which comprise the Statement of Financial Activities, Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

This report is made solely to the charitable company's trustees, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters which 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of Prison Advice and Care Trust (pact) for the purposes of Company Law) responsibilities for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting standards are set out in the Statement of Trustees Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees Annual Report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees remuneration and transactions with the charitable company is not disclosed.

We read the other information contained in the Trustees' Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and significant disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the Financial Statements give a true and fair view of the state of the charitable company's affairs at 31st March 2006 and of its result for the year then ended, and have been properly prepared in accordance with the provisions of the Companies Act 1985.

Tom Carolan & Co.

Chartered Accountants and Registered Auditor
Gortnamona Newdown
The Downs
Co Westmeath
Ireland

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