

pact

Prison Advice & Care Trust

Report and financial statements

For the year ended 31 March 2007

A registered charity and company limited by guarantee

Company registration number 356443

Charity registration number 219278

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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	Resigned as Vice Chair, Re-elected as a trustee July 2007
Michael Whale, F.C.A.	Hon. Treasurer, Re-elected July 2007
Silvia Casale	
Michael Pring	
Colin Allen	
Sally Malin	
Richard Williams,	Re-elected July 2007
Penny Allen	
Suhail Aziz	
Kate Quigley	
Judy Mace	Elected July 2007

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, are listed above.

We are delighted to welcome Judy Mace to the Board.

*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:

Margaret Hodgson
Leo Garwe
Richard Williams

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

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

Our mission is to support prisoners and their families to make a fresh start and to minimise the harm that can be caused by imprisonment on offenders, families and communities.

Summary of policies adopted

Our goals

- To ensure that the children, their carers, and families of prisoners have access to appropriate advice, care and support to meet their needs
- To facilitate opportunities for positive contact between prisoners and their families from the courts to release
- To support families and prisoners in the resettlement process
- To respond to the needs of prisoners at risk of suicide and self-harm
- To support the development of restorative justice and promote community involvement in supporting people affected by imprisonment

Our values

- To respect the innate dignity and worth of every human being, and in the possibility of their rehabilitation and redemption, no matter what they have done
- To consult and involve users of our services to ensure that we remain responsive and sensitive to their needs
- To respect and value diversity and promote equality of opportunity
- To be a collaborative organisation, working co-operatively and in a spirit of partnership with the Prison Service, NOMS, and organisations with whom we share objectives and where this may result in improved outcomes
- To be a learning organisation, committed to developing our people, and to learning from others and from each other
- To provide quality services, and to monitor and evaluate our work

- To encourage and facilitate the involvement of volunteers and community and faith-based organisations to harness the goodwill, skills and energies of individuals who share our goals and values
- To break down barriers between the prison system and communities
- To be innovative and develop models of working and best practice which may be mainstreamed by Her Majesty's Prison Service and others

Review of the year

The year 2006-7

The year 2006-7 has seen a significant increase in the activities of the Trust. This expansion has been possible only with the very generous financial support of our funding providers as outlined in note 10 to these accounts.

Our income for the year has increased from £1.24 million to £2 million, but our costs have risen from £1.3 million to £2.1 million. This has given rise to a net deficit for the year of £80,846 compared with a deficit of £39,243 for 2005-6.

The Trustees have approved a budget for 2007-8 which they consider to be realistic and which targets at least breakeven position for the year. The focus of the management is now to consolidate the current position of the charity, and to enhance its reserves to secure its ongoing financial stability. We will be taking a prudent view of all new projects to ensure that costs are fully funded by income.

The state of our prisons

2006 saw **pact** continue in its growth and development, and deliver improved and expanded services to more children, families, prisoners and offenders, than at any time in its history.

To focus on a year in the life of the charity, and to make sense of our achievements and impact, we need to briefly draw back and see the bigger picture; the context in which we work. Hardly a day went by in 2006-7 when prisons or the criminal justice system failed to make the headlines or the news bulletins. The prison population shot to a record high despite the statistics on recorded crime suggesting that crime overall was actually falling. As the prison population approached absolute capacity, cells in police stations and courts also filled up with prisoners. The government agreed millions of pounds' worth of new capital investment to expand the populations of several existing prisons, and to build new ones. Prison ships were once again discussed.

pact and others in the criminal justice field suggested that this strategy, on its own, would be likely to fail. A simple analysis of the growth of the prison population over the past decade compared to the rate of expansion of prison places showed us that new prison places would simply fill up as soon as they were built. The state cannot simply build its way out of the problem, and in any case, it should not. Whilst additional places may be needed in the short term, policy-makers should look at why the prison population has grown, and why prison continues to fail to reduce re-offending to an acceptable level. There will, we believe, always be a place for prison for the most serious, dangerous, and unrepentant offenders. But it is widely recognised that the government needs to start exploring alternatives to custodial sentences for people who are mentally ill, addicted, or have special needs.

We also pointed to the potential consequences of overcrowded prisons. Prison cells designed for one man, with open toilets, are being used for two, and in many prisons, prisoners find themselves locked up for 23 hours a day. Prison governors and officers, many of whom came into the service with high ideals and hopes of working to rehabilitate offenders and reduce crime on our streets, find themselves struggling to provide the education, training, counselling or therapy, or prison work needed. Even the most basic access to exercise is affected. Not only are governors and their

officers attempting to cope with the increased pressures of full prisons, but they are also expected to make 'efficiency savings' at a time of rising fuel bills and other costs. Many prisons do amazingly well under the circumstances, but many governors find themselves unable to do much more than simply contain people. And even that will be under threat if the situation is allowed to fester.

As this report is written, the latest figures reveal that there appears to be a rise in the rate of prisoner suicides. Many commentators blame overcrowding. For every suicide, it is estimated that prison officers prevent another two prisoners taking their own lives.¹ Self-harm is rife. Prison officers find themselves in the front line, and are given little credit for the lives they save, or the sometimes intolerable demands placed upon them.

Impact of overcrowding on children and families

Prisoners' children and families remain the hidden victims of society's failure to make prisons work. It is common for families to spend days trying to find out where a loved one has been taken after being remanded into custody. As prisoners are driven around the country inside one of the big white vans that are becoming an ever more prevalent feature of our city traffic and motorways, looking for 'room at the inn', many of their relatives spend anxious days trying to find out where they have gone.

One mother of a mentally ill prisoner told us that it took 16 days to find out what prison her son was being held in, as he was driven to prisons which were discovered to have 'locked out'². It then took her five days to get a visit, as the prison's booking line was permanently engaged. When the governor was asked why this was so, his answer was that his budget did not allow him to put enough staff on the line to deal with the number of calls, and didn't have the funds to develop alternative booking systems. Whilst the prisoner's mother searched, wanting to tell him that she loved him despite what he had done, the prisoner was placed on suicide watch, believing that he had been abandoned by his family.

Another prisoner in Devon told us that his family, in North London, could not visit him because of the distance and cost. Thousands of children find themselves awoken in the early hours by anxious parents and carers, in order to embark on round-trips of hundreds of miles to visit parents or brothers or sisters in prison. For families or prisoners, it can be exhausting, unaffordable, and depressing.

Drugs

Drugs, in society, and inside our prisons, remain one of the biggest challenges. We have continued to work hard to do what we can to keep drugs out of the prisons. Some prison visitors are tempted, or blackmailed, to smuggle drugs into prisons through visits. We have seen many women struggle to resist the pleas and threats of prisoners to bring in what they 'need'. Some prisoners also will use ingenious if often unpleasant tactics to smuggle drugs into prison. We continued to work hard to educate visiting families and others of the risks and dangers of bringing in drugs, have worked closely with prison drugs teams and dog handlers, and have developed a drug awareness training

¹ Prisons & Probation Ombudsman Annual Report.

² Term used to describe a prison's decision to accept no more prisoners due to reaching the accepted level of overcrowding.

programme for our Visitors' Centre and family support workers in partnership with Adfam³. It is clear however that these methods of getting drugs into prisons can only account for a small percentage of the drugs finding their way into our prisons. Criminal gangs will invest heavily in smuggling, and prison officers and others working inside prisons are obvious targets and vulnerable to temptation. The criminal actions of some prison officers have tarnished the reputation of the Prison Service, and of the many outstanding and dedicated public servants whose integrity and care is seldom acknowledged by the media or the wider public. We believe that the Prison Service needs to review its procedures and in particular, to allow drug dog handlers greater scope to stop and search prison officers on prison grounds, and to invest in more drug dog and handler training.

Signs of hope

It has in many ways been a very difficult and challenging year, but there have been some signs of hope and progress. Government policy on criminal justice is now heavily focused on reducing re-offending. Within its own analysis of the 'pathways' to achieving this, there is now the rhetoric at least of a 'Children & Families' pathway. Regional Offender Managers will, we are told, be tasked with commissioning services based on reducing re-offending, based on the understanding of the pathways. We continue to hope therefore that the government will recognise the huge benefit to society of investing in a nationwide strategy to respond to the needs of prisoners' children and families, and to ensure that when we incarcerate a child's parent or parents, we recognise our duty of care as a society to the welfare and rights of that child.

Our services

Centres for prisoners' children and families (Visitors' Centres)

During the year, we maintained our centres for children and families at Belmarsh, Woodhill, Holloway, Pentonville, Wormwood Scrubs, Dartmoor and Exeter Prisons. At Brixton Prison, where we had begun work in the previous year with a single family support worker, thanks to the support of the governor, we recruited two additional workers and took over the responsibility for 'booking in' visitors. At Wandsworth Prison, the biggest prison in Europe, we established a **pact** Centre for children and families in May. We also took on the running of the new Channings Wood Visitors' Centre in Devon, a new building which we worked in partnership with the prison to establish. At HMP/YOI Eastwood Park in Gloucestershire, our new children and families services worker worked with the prison to support the women and girls arriving from all over England and Wales, and the children and families visiting. We also began discussions and secured funding to support the development of services for families at Bristol Prison, and at Parc Prison in South Wales.

Supervised children's play areas and family days

At most of these prisons, we provided supervised play areas within the prison's visits halls, providing much-needed respite for children and their parents and carers. Play areas provided a safe haven for thousands of children. At many of the prisons, the support of governors and their staff enabled us to provide special 'family day' visits. Unlike normal prison visits, during which an imprisoned parent is not allowed to leave their chair or move around, family days provide parents with the opportunity to play and interact with their children in a positive and happy atmosphere. One boy of 4 years old whose father is coming towards the end of a 3 year sentence said after one

³ Adfam is a charity with whom we work closely. They work to support families affected by drug or alcohol addiction. www.adfam.org.uk

family day, “I didn’t know my daddy could walk”. Many prisoners, and some parents outside, have a background in care or dysfunctional families, and have never learned how to play with their children. We believe these events should be more common in prisons, as they strengthen parent-child relationships, and provide opportunities to support the development of parenting skills.

First Night in Custody schemes

In 2000, we developed the well-known First Night in Custody scheme at HMP/YOI Holloway. Three years later, we developed a similar scheme at HMP Exeter. This was in response to nine self-inflicted deaths in custody over a six year period. In the three years since the scheme at HMP Exeter was established, there were no recorded suicides in the first 72 hours of custody. In 2006-7, a new **pact** team arrived on C Wing at Wandsworth Prison. Within a couple of months, the prison ‘listeners’ (Samaritans) remarked on the massive reduction in demand from prisoners feeling suicidal, and the prison chaplains told us that they could now spend more time on resettlement work as we had lifted so much of the burden. Thanks to the support of the Wates Foundation, the Prison Reform Trust began a comparative review of **pact** First Night in Custody schemes alongside several schemes developed by prisons. This is due to be published in 2007-8. As well as preventing suicide and self-harm, First Night in Custody schemes also helped us to identify dozens of cases of child protection issues and family welfare issues which had been previously undetected, including cases of children living with known sex offenders or being cared for by other unknown men, or in one case a frail grandparent unexpectedly left with six children to care for. Our First Night in Custody schemes also enabled us to reassure many families outside that their loved ones were safe, and many prisoners that they had not been abandoned by their families.

Resettlement work

At Holloway Prison, we worked with Clinks⁴ to road test the new training pack for volunteers working with offenders in the community. We also established a mentoring scheme for prolific offenders. Working with Shelter and the St Giles Trust who provide the referrals, **pact** mentors supported women pre and post release.

At HMP Wormwood Scrubs, the support of London Probation and a partnership with Marriage Care has enabled us to support the resettlement of prisoners into North West London boroughs, through a family-focused approach. Working with prisoners, their wives and partners, individually, in couples, and in groups, we have worked both pre and post release to deliver a programme of support which is based on strengthening communication and relationship skills.

The Basic Caring Communities project which we had attempted to establish at HMP Pentonville has instead been developed at Wandsworth Prison, due to the growth in the remand population at Pentonville and the difficulties facing the prison. A steering group involving Chaplaincy, Offender Management, Probation and **pact** was established, and much good preparatory work was done to establish the project framework and to raise the necessary funds.

Much good resettlement work was also carried out through the family support workers at **pact** Centres. Many of our workers sat on prison resettlement groups, and, through well-developed networks of support with community organisations and churches, provided hundreds of prisoners and families with practical assistance, information advice and guidance, and emotional support.

⁴ Clinks is the umbrella organisation for voluntary organisations that work with offenders and their families. www.clinks.org

This ranged from finding clothes for prisoners to wear on release to helping sort out tenancy, housing and debt issues.

“pact lunch”

Our catering arm, **pact** lunch, went from strength to strength. After nearly a year’s hard work, the new **pact** lunch coffee bar finally opened in the visits hall at Pentonville Prison. A new coffee bar also opened in HMP Dartmoor, and we took over the management of coffee bars at Holloway, Wandsworth, Exeter and Channings Wood Prisons. Thousands of prisoners and their families can now ‘break bread’ together and buy a choice of healthy food and drink at affordable prices. This initiative has also begun to generate a surplus for the charity which provides us with sustainable and regular income to support our work.

New initiative in the courts

We have long recognised that many families need support at an earlier stage, including at court. We have also recognised that many people end up in prison for relatively minor offences, and we have been frustrated at the lack of earlier intervention to address these needs. We developed a scheme in partnership with Devon & Cornwall Probation, under the clear-sighted leadership of the Chief Officer, Mary Anne McFarlane, and the Local Criminal Justice Board, and with additional support from the Government Office for the South West, the Department for Constitutional Affairs (Ministry of Justice), the Mercers company and others, we established advice and support teams at Plymouth and Bodmin Courts. These teams of volunteers, managed by a **pact** co-ordinator, have been called ‘CASS’ (Community Advice and Support Service), and have proven popular with court officials, magistrates, the police and probation. During the year, we supported hundreds of offenders to help them address offending-related issues. The initiative is being evaluated by the University of Plymouth. We believe that the evaluation will show this to be a highly cost-effective method of involving the local community in tackling crime which hurts local communities, and in halting the spiral of offending behaviour which can lead from relatively ‘low-level’ crime to prison sentences.

String of Pearls

String of Pearls is the brainchild of Mary Stephenson, who was the writer-in-residence at HMP Channings Wood. The project engages families who have experienced imprisonment in creating art, writing, music, and training materials, to raise awareness of the **impact** of imprisonment. **pact** has acted as the host charity for String of Pearls, in order to provide this exciting and highly effective approach with the support it needs to reach a wider audience.

Quality assurance

The trustees of **pact**, together with our Director, Andy Keen-Downs, recognise that whilst the growth of the organisation’s services in response to unmet need and in fulfilment of our charitable mission is desirable, we must ensure that we can fulfil our duty of care to our staff and volunteers, to our colleagues and partners in other organisations, and most importantly, to those in need who come to us for help and support.

To ensure that **pact** continues to deliver services to the highest possible standard, the charity continued to develop its policies and procedures, and invest in training and developing our workforce.

New policies introduced have included a 'Safer Working in the Community' Policy and a Risk Assessment Tool and Guidance. We also reviewed a number of existing policies, including our Health and Safety policy. We established a Policy & Quality Group, lead by the Director, to oversee the development, communication, implementation and review process of **pact** policies and procedures.

We reviewed and updated our insurance coverage to ensure that it is sufficient and keeping pace with growth and new work. Volunteers working in the community were added to our cover, for example.

Training

An eight day management development programme was developed in consultation with an HR consultant, and this was delivered to the **pact** management team. Training in child protection, drug awareness, and a range of other courses were either delivered in-house or via training agencies or partners. **pact** staff and volunteers also attended a wide range of free training events courtesy of the Prison Service, including security training, key training, and 'first on scene' training. We are also grateful to a number of prisons for allowing us to use their training facilities. This year saw a big increase in the charity's spend on training and development, but thanks to the support of the Prison Service, the cost was lower than it would have otherwise been.

Communications

The temporary website was replaced by a brand new site with more content and functions. The site is now managed directly by the charity, and is updated very regularly in order to keep its contents fresh and current. An annual review, two copies of *FreshSTART* magazine, and a Prisoners' Sunday pack were produced and dispatched to supporters, churches, chaplains, contacts within the Prison Service, Probation, NOMS, and other voluntary organisations. **pact** also assisted in the organisation of an ecumenical service to mark Prisons Week, which took place at the Italian Church in Clerkenwell, London, and was followed by a wine and pizza reception.

Fundraising

Our Head of Development, Angela Grimes, spent part of the year on maternity leave, and was blessed with a healthy baby boy. Angela plans to return part time in 2007-8. We recruited Leo Donaghy to cover her work, however. We also recruited Alison Beck as our Communications Officer to ensure that we can get the charity's message across and increase our profile. We plan to expand the fundraising team in line with our growing need for funds. Our major challenge is to improve our unrestricted income in order that we have sufficient working capital to continue to develop our work whilst meeting our running costs. Prisons have moved to paying retrospectively on a quarterly basis, and the majority of charitable trusts and foundations which support our work are keen to fund specific projects. We now need to expand our supporter base, and encourage people to support our core costs. In order to achieve this, it is vital that **pact**'s good work and the impact we make is more widely known and better understood.

Central Office

We strengthened our finance team in order to ensure that our accounting and financial management is of the highest standard and is transparent to budget holders and funders, and provides the charity with the management information required to oversee a complex mix of projects and services. HR was managed by Lynne Bowman who doubled up as PA to the director. The Central Office was managed by Patricia Kiss, who also provided ICT support to our services, health and safety guidance and database management. Our Children's Services Manager, Linda Andrew, supported our play services at Brixton and Holloway, and provided guidance, training and support to **pact**'s London & SE play workers. Heather St Louis, our London/SE Volunteer Co-ordinator, recruited and supported volunteers into our projects. Alex Wakefield, our Catering/Business Development Manager, developed our **pact** lunch initiative. We continue to provide a central support function to all our services from a single room office.

Strengthening management and better decision-making

Sara Doak, our Head of Services (London & SE), also went on maternity leave in the year. We used this as an opportunity to review our structure and offer three London managers the opportunity to take on expanded responsibilities. Sandra Duhaney, Patricia Somerset and Mark Williamson rose to the challenge. We bid a fond farewell to Sue Caley at the end of the year, with gratitude and appreciation for the impressive development of services in Devon and Cornwall. We were pleased to recruit Dan Howell as a new Development Manager for the South West, primarily to develop services at Bristol and Eastwood Park Prisons, but also to support our operation in Devon and Cornwall. Our Director replaced the old Senior Management Team with a Strategy Group, and a number of sub-groups, in order to involve those with relevant expertise and specialist knowledge in the process of informing good decision making. A Volunteer Working Group, Income Generation Group, First Night & Safer Custody Group and the aforementioned Policy & Quality Group were established, as part of a new meetings strategy and structure.

Monitoring and evaluation

A standard 'core monitoring system' was designed and piloted in the year and will be rolled out to all **pact** Visitors' Centres and children's play services in 2007-8. This will provide a simple quantitative record of take-up of services, in a standardised format. We will also seek to measure the provision of information advice and guidance services, and will invest more time and energy in recording case study examples to illustrate the impact of our work. A User Consultation Survey was also designed and will be rolled out to **pact** projects in 2007-8 to assess the quality of our services, and the experiences of our service users in terms of their contact with statutory services. These new measures will inform our strategy for 2007-8 and beyond, and provide evidence of patterns of need which can be shared with our partners in the Prison Service and elsewhere.

How many people we helped

Community Advice and Support Service (Plymouth and Bodmin Courts)

We supported 1,096 individuals, including offenders and relatives of offenders, in our first 12 months of operation, with a rising trend of take up of the service.

First Night in Custody Services

We helped a total of 7,815 individual people in our First Night in Custody services, plus many more through supporting prisoner induction. During the year, **pact** met with and supported 2,306 women prisoners at Holloway prison, 3,316 men at Wandsworth prison and 2,193 at Exeter prison

Prison Visitors' Centres for families

We developed our core monitoring system in the year, and introduced it in April 2007 at all the prisons where **pact** runs centres, with the exception of Belmarsh where we were unable for logistical reasons to gather the data.

Our statistics record 'visits', broken down by family groups, and also by individual visitors. We cannot at this point analyse how many of these were repeat visits, or the frequency of use, so there is inevitably some multiple counting of individual people using our services on more than one occasion. However, from the statistics available to us for the first quarter of 2007-8, the number of instances when we supported individual visitors we estimate for 2006-7 are as follows:

Women	112,268
Men	53,480
Children/age not recorded	90,960
Total	256,708

(These figures are an under-estimate as they do not include HMP Belmarsh, nor do they include occasions when we supported families via the telephone or email or visits to our website.)

Children's play services in prison visits halls

We recorded 19,256 occasions on which children were supported in our supervised play areas.

Information advice & guidance for prisoners' families

We estimate that we provided information advice & guidance support to 38,000 men and women.

Thank you

We wish to extend our deepest thanks to all the charitable trusts and foundations, individuals, and parish churches that have given us support during 2006-7, enabling us to carry out our work. We are also extremely grateful to the Prison Service and other statutory bodies for their continued support.

Funders who have donated £1,000 or more are detailed below. We are also very grateful to the many individual donors and small charitable trusts that made donations under this amount. Their contributions are no less vital to our work.

During the year we received generous unrestricted donations from a number of trusts, foundations and individuals, including Sir Harold Hood's Charitable Trust (£20,000), the Violet and Milo Cripps Charitable Trust (£20,000), the Albert Hunt Trust (£5,000), the Bisgood Charitable Trust (£3,000), the Beatrice Laing Charitable Trust (£2,500), the Odin Charitable Trust (£2,000), the David and Marie Grummitt Foundation (£1,000), and Mr J Denza (£2,000). We used this money to support our operation and to enable us to maintain and develop a wide range of projects and services including our family support work, Visitors' Centres, children's play services, and First Night in Custody schemes.

In 2006-7 we received the third instalment of a three-year grant from the Home Office Invest to Save programme of £122,000. This money has been a crucial part of the development and continued running of our Visitors' Centres, play services and family support work in Dartmoor, Exeter and Channings Wood Prisons in the South West.

We also received £7,526 from the Big Lottery Fund to put towards the cost of running our Visitors' Centres at the three South West prisons. The Garfield Weston Foundation generously part-funded our South West children's play services, providing us with £12,500 for staff and running costs. We are also very grateful to the Dulverton Trust for their donation of £2,500 towards **pact's** play facilities at HMP Dartmoor.

During the year, we received a donation from Feltham Visitors' Centre, a registered charity which was being wound up. The administrators kindly offered **pact** £50,000 which we used to further fund our services at HMP Dartmoor in 2006/07 and 2007/08.

During the year **pact** launched new Visitors' Centres, play services, catering facilities and family support work at three prisons: Bristol Prison, Eastwood Park Prison in Gloucestershire, and Parc Prison in South Wales. We would like to thank the National Offender Management Service (NOMS) Voluntary and Community Sector Grants Unit for committing £42,000 towards the capital costs of these new projects. We are also deeply grateful to Tudor Lankelly Chase (a partnership of the Tudor Trust and the Lankelly Chase Foundation) for providing grants totalling £54,000 for the provision of a children and families support worker at HMP/YOI Eastwood Park, and a development manager for the South West who will also lead on the development of services for families visiting prisoners at HMP Bristol.

The Tudor Trust also provided a grant of £40,000 that allowed us to recruit and pay the full costs of the **pact** lunch manager – (Head of Catering and Retail) – for 18 months, and they provided a second capital grant of £5,000 to pay for much-needed catering equipment for our **pact** lunch coffee bar at Pentonville Prison.

2006-7 saw the launch of our innovative courts advice project, the Community Advice and Support Service (CASS). We developed the scheme in partnership with Devon and Cornwall Probation Service (£5,000), the Local Community Justice Board and Department of Constitutional Affairs (£90,000) and the Government of the South West (£30,000). We are also very grateful to the Mercers Charitable Trust, who donated £10,000 towards CASS.

We are very grateful for the continued support of BBC Children in Need. This year they funded our work with children by donating a total of £64,564.20. We used this money to further develop our

children's play areas at Holloway and Brixton (£52,242.95) and Wandsworth (£12,321.25) Prisons; this money was used to fund the post of a children's services development manager, who focused on improving provision for children visiting prisoners at Holloway and Brixton, for example by developing 'family days' at Brixton and recruiting more playworker volunteers.

Our thanks also go to the Wates Foundation for the £12,500 they gave us to enable the Prison Reform Trust to conduct a review of our First Night In Custody services. A further £12,500 was pledged for 2007-08.

Warm thanks are due to the Lloyds TSB Foundation, who gave us £13,284, with a further grant of £6,069 pledged for 2007/08, for our children's play work at Pentonville Prison. The play area inside Pentonville's visits hall has been refurbished, and now features puzzles, toys, games, an arts and crafts table, dressing up clothes, bean bags, and dedicated playworkers and volunteers – helping make visits less traumatic for children visiting the prison.

The Goldsmiths Company gave us £3,000 towards our on-going family support work at HMP Pentonville.

During the year, **pact** received a grant of £5,000 from the Anchor Foundation and a further grant of £5,000 from Devon and Cornwall Probation Service for the String of Pearls project. A series of String of Pearls workshops were held across the South West, using creative arts materials to teach professionals about the needs of prisoners' families in the community. The workshops were a resounding success and we hope to expand the String of Pearls project during 2007-8.

We received £45,000, that being the second instalment of a three-year £135,000 grant, from the Indigo Trust that funds **pact**'s London-based volunteer co-ordinator. During the year, our volunteer co-ordinator managed the recruitment and training of an increasing number of much-needed volunteers at our projects across London and the South East.

The St Giles Trust channelled £28,053.68 worth of European Social Fund money ('Exodus' project), to commission our services at Holloway Prison, where we provided a mentoring scheme for women awaiting release and post release.

We also want to thank the Swan Mountain Trust for giving us a grant of £1,400. This enabled the research and production of our Survey of Children and Family related Services at Prisons in the South West of England, which we published in January 2007.

We would also like to thank The John Paul Getty Jn Charitable Trust for a 3 year £48,000 grant which started in 2006/2007 (£16,000 per year) for the Exeter First Night In Custody service. Our thanks also go to The Leigh Trust for a £5,000 grant for the same service.

We also wish to acknowledge the City Bridge Trust's pledge to fund a new family support and mediation initiative focused on the needs of grandparents and other 'kinship carers' from 2007-8. This project will operate at HMP/YOI Holloway and HMP Wormwood Scrubs. The grant is for three years and totals £155,000.

We would very much like to thank the prison governors and their teams for their co-operation and support. **pact**'s work with prisons is based on individually negotiated agreements, and on the

willingness of governors and prison service staff to work with us in a spirit of partnership to develop services in response to need.

We would also like to thank London Probation and Devon and Cornwall Probation, the Devon & Cornwall Local Criminal Justice Board, Government Office for the South West, the DCA/Ministry of Justice Community Justice Team, the NOMS Voluntary & Community Sector Grants Unit, the Lottery, and the HM Treasury Invest to Save programme, all of whom funded and supported our work.

We would also like to thank the hundreds of individuals who have supported us as volunteers, giving so generously of their time, skills and life experience, to enable us to fulfil our mission. The value of their support is in many ways incalculable, but a simple cost:benefit calculation showed that in monetary terms it is in excess of £250,000 in the year.

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	213,777
Statutory and grant funding	1,436,104
Other income	351,773
	<hr/>
	2,001,654
Expenditure	
Cost of generating funds	488,224
Cost of charitable activities	1,589,852
Governance costs	4,424
	<hr/>
	2,082,500
Deficit 2006-07	<u>£(80,846)</u>

In the previous year there was a deficit of £39,723.

The total net assets of the Trust at 31 March 2007 amounted to £167,095 (2006: £247,940), attributable to the various funds as follows:

General Fund	
Unrestricted funds with no specific purpose laid down by donor	£53,812
Designated Funds	
Earmarked by Trustees for the various prison Visitors' Centres and related projects	£50,813
Restricted funds	
To be used for specific purposes laid down by donors	£62,450
Total funds	<hr/>
	£167,095

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.

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 on.....15th August.....2007

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 Auditor's report to the Trustees

We have audited the financial statements of Prison Advice and Care Trust (**pact**) for the year ended 31 March 2007, 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 2005).

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 2007 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
Date16th August..... 2007

Prison Advice and Care Trust (pact)
A Registered Charity and Company Limited by Guarantee
Statement of Financial Activities for the year ended 31 March 2007

	Notes	Unrestricted General Fund £	Unrestricted Visitor Centres £	Total Unrestricted Funds £	Restricted Funds £	Total Funds 2007 £	Total Funds 2006 £
INCOMING RESOURCES							
Incoming resources from generated funds:							
Voluntary income		210,803	2,974	213,777	-	213,777	81,061
Activities for generating funds:							
Catering		-	307,160	307,160	33,167	340,327	66,876
Investment and other income		11,447	-	11,447	-	11,447	8,064
Incoming resources from charitable activities:							
Statutory and grant funding	10	27,550	934,498	962,048	474,055	1,436,104	1,086,314
Total Incoming Resources		<u>249,800</u>	<u>1,244,632</u>	<u>1,494,432</u>	<u>507,222</u>	<u>2,001,654</u>	<u>1,242,315</u>
RESOURCES EXPENDED							
Cost of generating funds							
Fundraising		124,458	-	124,458	-	124,458	78,729
Catering		-	317,798	317,798	45,968	363,766	119,163
		<u>124,458</u>	<u>317,798</u>	<u>442,256</u>	<u>45,968</u>	<u>488,224</u>	<u>197,892</u>
Cost of charitable activities							
Services for children & families		-	950,365	950,365	489,646	1,440,010	909,095
First night in custody services		-	120,489	120,489	-	120,489	109,006
Other projects		-	-	-	29,353	29,353	62,520
		<u>-</u>	<u>1,070,853</u>	<u>1,070,853</u>	<u>518,999</u>	<u>1,589,852</u>	<u>1,080,621</u>
Governance costs		<u>4,424</u>	<u>-</u>	<u>4,424</u>	<u>-</u>	<u>4,424</u>	<u>3,525</u>
Total Resources Expended	2	<u>128,882</u>	<u>1,388,652</u>	<u>1,517,533</u>	<u>564,966</u>	<u>2,082,500</u>	<u>1,282,038</u>
NET INCOME/(EXPENDITURE) FOR THE YEAR							
		120,918	(144,020)	(23,102)	(57,744)	(80,846)	(39,723)
Opening fund balances		55,361	92,560	147,921	100,019	247,940	287,663
Transfers between funds		(122,466)	102,291	(20,175)	20,175	-	-
Closing fund balances		<u>53,813</u>	<u>50,831</u>	<u>104,645</u>	<u>62,450</u>	<u>167,094</u>	<u>247,940</u>

All of the operations undertaken by the Company during the current and preceding periods are continuing operations.

The Company has no recognised gains and losses other than those included in the surplus above, and therefore no separate statement of recognised gains and losses has been presented.

Prison Advice and Care Trust (pact)
A Registered Charity and Company Limited by Guarantee
Balance Sheet at 31 March 2007

	Notes	2007 £	2006 £
Fixed Assets			
Tangible fixed assets	4	41,615	55,415
Investments	5	200	200
		<u>41,815</u>	<u>55,615</u>
Current Assets			
Stocks for resale		9,381	1,000
Debtors	6	259,594	64,772
Cash		208,722	315,584
		<u>477,697</u>	<u>381,356</u>
Less: Current Liabilities			
Amounts falling due within one year	7	<u>352,418</u>	<u>189,031</u>
Net Current Assets		125,279	192,325
Total assets less current liabilities		<u>£167,094</u>	<u>£247,940</u>
Represented by:			
Unrestricted funds			
General fund	8	53,813	55,361
Designated funds - Visitors' Centres	8	50,831	92,560
		<u>104,644</u>	<u>147,921</u>
Restricted funds	9	62,450	100,019
Total funds		<u>£167,094</u>	<u>£247,940</u>

The Financial Statements were approved by the board of directors on:

15th August 2007

and were signed on its behalf by:

Margaret Hodgson
Chairman

Michael Whale
Treasurer

Prison Advice and Care Trust (pact)
A Registered Charity and Company Limited by Guarantee
Notes to the Financial Statements for the year ended 31 March 2007

1. Principal accounting policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice on Accounting and Reporting by Charities (SORP 2005) issued by the Accounting Standards Board. These are the first accounts prepared under SORP 2005, so the comparative figures have been re-stated accordingly.

Cash Flow Statement

The charitable company qualifies as a small company under the Companies Act 1985, and the Committee of Management has elected to take advantage of the exemption under FRS1 not to prepare a cash flow statement.

Investments

Investments are stated at cost as it is considered that there is no material difference between market value and cost.

Tangible Fixed Assets and Depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Office furniture and equipment	- 15% reducing balance basis
Computers	- 25% reducing balance basis
Leasehold property improvements	- 8.1% reducing balance basis

Income

Voluntary income, which represents funds received from donations, appeals and legacies is included in the income and expenditure account when received. Other income is credited to the income and expenditure accounts when it becomes receivable.

Allocation of support costs

Expenditure is included in the income and expenditure account on an accruals basis. Expenditure incurred on activities falling directly within one cost category is attributed to that category. Expenditure that involves more than one cost category are apportioned on a reasonable, justifiable and consistent basis to the categories involved.

The total cost of the central management and administration function ("support costs"), excluding exceptional expenditure, is apportioned to projects pro rata the total wage cost of each project. Support costs include all of the following functions and infrastructure costs that are essential to the effective management of pact's services: finance & accounting, payroll, administration, HR & Personnel, ICT support, audit legal and insurance fees, staff training & development and quality assurance.

Fund raising

Fund raising income is generated from voluntary donations received as a result of donors' knowledge of the charitable company enhanced by special appeals.

Fund accounting

(i) Unrestricted Funds - General Fund

Unrestricted funds are donations, appeals, legacies and other incoming resources receivable for the objects of the charity without further specified purpose laid down by the donor and are available as general funds

(ii) Designated funds - Visitors' centres

Designated funds for the various Visitors' Centres and related projects are earmarked by the trustees as unrestricted funds to be used solely for running of these activities.

(iii) Restricted funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

Leases

Rentals payable under operating leases are charged to income and expenditure account as incurred.

Prison Advice and Care Trust (pact)
A Registered Charity and Company Limited by Guarantee
Notes to the Financial Statements for the year ended 31 March 2007

2. Expenditure	Direct costs	Support costs	2007	2006
	£	£	£	£
Services for children & families	1,118,151	317,534	1,435,686	909,095
First night in custody services	91,905	28,584	120,489	109,006
Other projects	29,353	-	29,353	62,520
Fundraising	103,368	21,090	124,458	78,729
Coffee bars	323,152	44,940	368,092	119,163
Governance	4,424	-	4,424	3,525
	<u>1,670,353</u>	<u>412,148</u>	<u>2,082,501</u>	<u>1,282,038</u>

This is stated after charging;

	£	£
Auditor's remuneration	3,760	3,525
Staff costs (note 3)	1,441,112	946,399
Depreciation of tangible fixed assets	<u>30,842</u>	<u>31,261</u>

3. Staff costs

Salaries & associated costs	1,398,703	904,148
Pension costs	<u>42,409</u>	<u>42,251</u>
	<u>1,441,112</u>	<u>812,132</u>

The average weekly number of employees during the year was as follows;

Administration & fund raising	7	5
Charitable & development	<u>76</u>	<u>49</u>
	<u>83</u>	<u>54</u>

No member of the committee received any remuneration from the charity during the year.

4. Tangible fixed assets

Cost	Computers	Plant equipment	Total
	£	£	£
At 1st April 2006	89,521	85,786	175,307
Additions	<u>7,436</u>	<u>9,606</u>	<u>17,041</u>
At 31st March 2007	<u>96,957</u>	<u>95,392</u>	<u>192,349</u>

Depreciation

At 1st April 2006	56,922	62,969	119,891
Charge for the year	<u>17,656</u>	<u>13,186</u>	<u>30,842</u>
At 31st March 2007	<u>74,578</u>	<u>76,156</u>	<u>150,734</u>

Net book amount 31st March 2007 22,379 19,236 41,615

Net book amount 31st March 2006 32,599 22,817 55,416

Prison Advice and Care Trust (pact)
A Registered Charity and Company Limited by Guarantee
Notes to the Financial Statements for the year ended 31 March 2007

5. Tangible fixed asset investments

The trustees consider that the market value of investments is not materially different from the cost.

	2007	2006
	£	£
6. Debtors		
Trade debtors	205,297	57,184
Prepayments	54,297	7,588
	<u>259,594</u>	<u>64,772</u>

7. Creditors: Amounts falling due within one year

	£	£
Trade creditors	83,954	11,082
Accruals	3,973	4,049
Social security & other taxes	35,168	22,255
Pensions	(58)	7,007
Deferred income	229,380	144,638
	<u>352,418</u>	<u>189,031</u>

8. Unrestricted funds

General fund

	£	£
At 1 April 2006	55,361	51,712
Surplus for the year	120,918	63,887
Transfers to cover deficit on restricted and designated funds	(122,466)	(60,238)
General Fund balance at 31st March 2007	<u>53,813</u>	<u>55,361</u>

Designated Funds - Visitors' Centres

The fund balances in respect of the Visitors' Centres operated by the charity were as follows at 31st March 2007:

H.M. Prison Belmarsh	26,863	35,973
H.M. Prison Brixton	-	-
H.M. Prison Holloway	8,415	21,577
H.M. Prison Pentonville	-	-
H.M. Prisons South West	12,723	9,120
H.M. Prison Wandsworth	-	1,707
H.M. Prison Woodhill	-	-
H.M. Prison Wormwood Scrubs	2,831	24,183
Designated Funds balances at 31st March 2007	<u>50,831</u>	<u>92,560</u>

9. Restricted funds

	£	£
At 1 April 2006	100,019	113,259
Grant income and donations	507,222	342,210
Direct charitable expenditure on restricted activities	(564,966)	(364,167)
Operating surplus / (deficit)	<u>42,275</u>	<u>91,302</u>
Transfers from general funds - projects in deficit	20,175	8,717
Restricted Funds balances at 31st March 2007	<u>62,450</u>	<u>100,019</u>

Prison Advice and Care Trust (pact)
A Registered Charity and Company Limited by Guarantee
Notes to the Financial Statements for the year ended 31 March 2007

	2007	2006
	£	£
10. Statutory and grant funding		
Unrestricted Funds - General		
Other donors/those wishing not to be named	14,550	-
Albert Hunt Trust	5,000	5,000
The Bisgood Charitable Trust	3,000	-
Mr. J. Denza	2,000	-
Odin Charitable Trust	2,000	-
David & Marie Grummitt Foundation	1,000	-
Baring Foundation	-	25,000
Sir Harold Hood Charitable Trust	-	20,000
Pyke Charitable Trust	-	9,000
	<u>27,550</u>	<u>59,000</u>
Designated Funds - Visitors' Centres		
H.M. Prison Belmarsh	141,218	145,722
H.M. Prison Brixton	49,146	15,000
H.M. Prison Holloway	195,819	150,000
H.M. Prison Pentonville	91,565	87,205
H.M. Prisons South West	62,237	74,817
H.M. Prison Wandsworth	158,834	24,730
H.M. Prison Woodhill	87,964	77,544
H.M. Prison Wormwood Scrubs	147,716	110,086
	<u>934,498</u>	<u>685,104</u>
Restricted funds		
Home Office - Invest to Save	122,000	104,000
Devon & Cornwall - Local Criminal Justice Board	83,758	41,250
B.B.C. Children in Need	64,329	6,783
Tudor Trust	48,167	-
Indigo Trust	37,500	-
Feltham Visitors Centre	25,000	-
Exodus	24,912	6,674
Garfield Weston	12,500	-
National Offender Management Service	10,000	-
Mercers Charitable Trust	10,000	-
Lankelly Trust	9,913	-
Big Lottery Fund	7,526	34,236
Lloyds TSB Foundation	6,582	-
Anchor Foundation	5,000	-
The Goldsmiths Company	3,000	-
The Dulverton Trust	2,500	-
Other donors/those wishing not to be named	1,368	4,524
Esmee Fairbairn Foundation	-	32,500
City Parochial	-	30,488
Sir Halley Stewart	-	15,000
Pilgrim Trust	-	15,000
John Ellerman Trust	-	13,000
Betterplay Scheme	-	10,965
Home Office - What Can I Do?	-	8,000
Indigo Trust	-	7,500
Islington Health Action Zone	-	4,488
St Winifredes Just and Peace Group	-	3,923
Action for Prisoners Families	-	2,879
Teignmouth District Council	-	1,000
Wates Foundation	-	-
	<u>474,055</u>	<u>342,210</u>
Total for the year	<u>1,436,104</u>	<u>1,086,314</u>

	2007	2006
	£	£
11. Pension schemes		
Pension costs charged to income and expenditure account	<u>£42,409</u>	<u>£42,251</u>

The Trust offers its employees the opportunity to contribute to a stakeholder pension scheme, or alternatively, under the terms of employment with staff, contributes a fixed percentage of gross salary to employees' own personal pension plans

12. Taxation

The company is a charity not liable to corporation tax on its income.

The charity is not registered for VAT and accordingly, all expenditure is recorded inclusive of any VAT incurred.