

PRISONERS EDUCATION TRUST

England & Wales · Charity number 1084718

Details

Status	Registered
Legal form	Charitable company
Company number	04132595
Registered	2001-01-26
Register	View on the Charity Commission register

Contact

Address	Prisoners Education Trust 17 Oval Way London SE11 5RR
Phone	02037525680
Email	info@prisonerseducation.org.uk
Website	www.prisonerseducation.org.uk

Activities

Objects: THE CHARITY'S OBJECTS ARE TO ADVANCE THE EDUCATION AND TRAINING OF PERSONS WHO ARE OR HAVE BEEN IN CUSTODY IN THE UNITED KINGDOM OR THE CHANNEL ISLANDS OR THE ISLE OF MAN TOGETHER REFERRED TO HEREFTER IN THIS MEMORANDUM AS THE UNITED KINGDOM BY:I) PROVIDING FUNDING TOWARDS THE COST OF SUITABLE EDUCATIONAL COURSES AND TRAINING, IN PARTICULAR DISTANCE LEARNING, FOR ANY INDIVIDUAL OR GROUP OF INDIVIDUALS IN CUSTODY IN A PRISON OR SIMILAR INSTITUTION IN THE UNITED KINGDOM, OR WHO HAS BEEN RELEASED FROM CUSTODY IN SUCH PRISON OR SIMILAR INSTITUTION, WHO HAS DEMONSTRATED TO THE TRUSTEES A SUFFICIENT NEED FOR SUCH A COURSE AND WHO WOULD BENEFIT FROM FINANCIAL ASSISTANCE FOR ALL OR PART OF THE COST THEREOF;II) PROVIDING SUITABLE TEXTBOOKS AND OTHER MATERIALS TO PURSUE A COURSE OR TRAINING APPROVED BY THE TRUSTEES;III) PROVIDING TO ANYONE IN CUSTODY OR WHO HAS BEEN IN CUSTODY IN THE UNITED KINGDOM AND WHO WOULD BENEFIT FROM FINANCIAL ASSISTANCE TO PAY FOR THE SAME, SUITABLE ART AND CRAFT MATERIALS

Activities: PET supports prisoners to transform their lives through learning. We do this by providing distance learning courses, advice and support in subjects and levels not available in prisons. PET also promotes and argues the case for prisoner education, supports learning communities for prisoners and ex-prisoners, and carries out research informed by prisoner learners, to improve policies and practice.

Classification

- **How:** Makes Grants To Individuals, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Defined Groups

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£2,285,371	£1,896,343	£1,089,305	21
2023-12-31	£1,631,356	£1,634,477	£699,158	22
2022-12-31	£1,433,023	£1,794,301	£702,351	21
2021-12-31	£1,324,112	£1,653,934	£1,065,156	27
2020-12-31	£1,344,097	£1,511,654	£1,393,386	22

Trustees

Name	Role	Appointed
Paul Kelly	Chair	2024-01-31
Dr Joanna Easton		2025-05-12
Emily Giles		2019-08-19
James John Killen		2019-08-10
Judith Lesley Feline		2022-04-01
Kenneth John Merry		2022-04-01
Olayemi Daniel		2022-07-22
Oluseun Sowole		2025-05-12
Richard John Ward		2019-08-10
Sally Burnell		2025-05-12
Simon Mellor		2022-07-25
Vicki Mulligan		2019-08-12

Accounts

PRISONERS' EDUCATION TRUST

**(Company limited by guarantee no. 04132595
registered charity no. 1084718)**

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2024

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

For the year ended 31 December 2024

Trustees: Sally Burnell (*from 12 May 2025*)
Ola Daniel
Jo Easton (*from 12 May 2025*)
Judith Feline
Emily Giles
Paul Kelly (Chair) (*from 31 January 2024*)
James Killen
Mandeep Mahil (*to 31 January 2024*)
Simon Mellor (Honorary Treasurer)
Ken Merry
Vicki Morris
Oluseun Sowole (*from 12 May 2025*)
Lewis Owens (*to 8 January 2024*)
Sir Paul Phillips CBE (*to 1 May 2025*)
Richard Ward OBE (Deputy Chair)

Trustees serve four-year terms and are limited to a maximum of two terms other than in exceptional circumstances.

Company Secretary and Chief Executive: Jon Collins

Company reg. no: 04132595

Charity reg. no: 1084718

Registered office: The Foundry
17 Oval Way
London
SE11 5RR

Telephone: 020 3752 5680
Email: info@prisonerseducation.org.uk
Website: www.prisonerseducation.org.uk

Auditors: Price Bailey LLP
Chartered Accountants and Tax Advisors
24 Old Bond Street
Mayfair
London
W1S 4AP

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

For the year ended 31 December 2024 (continued)

Bankers:	Unity Trust Bank 9 Brindley Place Birmingham B1 2HB
	CCLA Senator House 85 Queen Victoria Street London EC4V 4ET
Solicitors:	BPE Solicitors LLP St James' House St James' Square Cheltenham GL50 3PR

**TRUSTEES' ANNUAL REPORT, (incorporating the Directors' report)
for the year ended 31 December 2024**

The Trustees (who are also the directors for the purposes of company law) present their report and the audited financial statements for the year ended 31 December 2024.

The Trustees confirm that the annual report and financial statements of Prisoners' Education Trust (PET) comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

OBJECTS, ACTIVITIES, AND STRATEGY

Objects

The charitable objects of PET are contained in our Memorandum and Articles of Association and relate to advancing the education and training of prisoners and ex-prisoners in the UK, the Isle of Man and the Channel Islands (though in practice we do not fund prisoner learners in Scotland and Northern Ireland). They include providing funding for distance learning courses; providing advice and guidance about education and training; promoting improvements in prison education policy and practice; publicising the authentic views and insights of prisoner learners; and commissioning and carrying out research, projects, reports, and conferences to help in evaluating and promoting improvements in prison education policy and practice in the UK.

Vision, mission and values

PET's vision is:

Prisoners' lives transformed through learning

This is supported by our mission:

Every prisoner a learner, every prison a place to learn

The vision and mission are underpinned by PET's values:

- **we inspire** hope and aspiration through learning;
- **we care** passionately about empowering learners and staff;
- **we collaborate** to achieve more together;
- **we are tenacious** to make change happen;
- **we are expert** and listen to learners and other experts;
- **we celebrate** everyone's successes; and
- **we are inclusive** and promote equality and diversity.

Strategy

PET published a five-year strategy for 2022-26 in October 2021. It is available at prisonerseducation.org.uk/about-us. This strategy sets out the following aims:

1. We will extend our reach by seeking out and engaging people in prison who have not yet considered or participated in distance learning.
2. We will extend the support that we provide, to enable learners to access courses that meet their goals and to increase the proportion who complete their courses.
3. We will make use of digital technology to enhance the learning experience for people in prison.
4. We will use PET's standing to influence policy in order to achieve change and realise our vision.

To enable us to carry out this work effectively and in line with our values the strategy also says that:

5. We will engage with and involve people with lived experience of prison education, so that PET continues to put the learner at the centre of all that we do.
6. We will put equality, equity, diversity and inclusion at the heart of our work, to ensure that fairness is central to everything that we do.
7. We will ensure that PET is a well-run, effective and financially sustainable organisation, built on firm foundations and fit for the future.

These elements of the strategy inform every area of our work.

The sections on achievements and performance below use these strategic priorities to review our work in 2024.

Public benefit

PET, as a registered charity established to support prisoners and ex-prisoners in the UK, is a Public Benefit Entity. When approving PET's ongoing activities, trustees give due consideration to how they meet the Charity Commission's statutory guidance on public benefit.

- We grant access to distance learning courses not otherwise available within the prison system to individual adult prisoners throughout England, Wales, the Isle of Man and the Channel Islands. Rigorous Ministry of Justice research shows that these learning opportunities have a positive impact on reducing reoffending and promoting employment, benefitting the individuals, their families, and wider society.
- We provide an advice service to help people in prison maximise the benefits of successful selection, study and completion of their courses, which again benefits their families and wider society.
- We seek to improve prison education policy, support and promote best practice, and make the case for its benefits to society.

Grant making policy

Any individual aged 18 or over who has been sentenced, is currently serving a custodial sentence in England, Wales, the Channel Islands or the Isle of Man, and has six months or more left to serve on their sentence is eligible to apply to PET to fund them to take part in an educational distance learning course.

Grants are awarded based on an application form, which is designed to gather evidence on a person's readiness and motivation to participate in a distance learning course. This application form needs to be endorsed by an authorised member of staff at the prison. Applications are then scored against transparent criteria. Information, advice and guidance is provided to the applicant and to prison education staff throughout the application process. The application and scoring process was redesigned in 2019 and is now well-established.

Our application process is overseen by our Quality Assurance Panel, which is made up of trustees and a PET alumnus. They meet four times a year to review application data, the number of successful applications, and related issues. This provides reassurance to the Board of Trustees that the application process is effective and fair.

ACHIEVEMENTS, PERFORMANCE AND PLANS FOR FUTURE PERIODS

Achievements and performance for 2024

PET in 2024 in numbers

Number of applications for funding from people in prison: 3,082
Number of distance learning courses funded for people in prison: 1,540
Number of prisons that we funded courses in: 119
Number of times information, advice and guidance given: 3,507
Number of calls to PET's Advice Line: 1,121
Income: £2.27m
Website users: 33,010

Founded in 1989, PET celebrated our 35th birthday during 2024. This was an opportunity to reflect on what we have achieved over the last three and half decades and look to the future with the organisation thriving and well placed to meet future challenges.

The same could not be said about the prison system as a whole. It remained under significant pressure, with severe and growing population pressures. Regimes continued to be restricted by overcrowding and staffing shortages, with people continuing to spend much too much time in their cells. A new government, elected in July 2024, introduced emergency measures to reduce the population by releasing people from their sentences early. This averted the immediate capacity crisis but prisons have remained under pressure and any longer-term reforms have largely been put on hold pending the publication of the report of the government-commissioned Independent Sentencing Review, chaired by David Gauke.

Within this context, PET has continued to provide access to distance learning courses - and related information, advice and guidance - for people in prison. As the feedback that we receive from our learners has consistently told us, the opportunities that our courses provide are a rare chink of light in a system that is largely failing to support people to achieve their goals for the future. As one learner said, "without your essential support I would struggle to find anything meaningful to do in closed prison to help me prepare for decent work outside".

We have also continued to develop our work, including running a major project to extend our reach and expand the support that we offer to learners, launching a new website available to people in prison, and developing new digital courses for people in prison. In addition, we have continued to influence and inform the development of prison education policy, liaising with the new government and publishing two significant reports advocating for improvements in the provision of prison education.

Our work during 2024 is described in more detail below, set out under the priorities set out in PET's organisational strategy.

1) Extending our reach by seeking out and engaging people in prison who have not yet considered or participated in distance learning

During 2024 PET continued, through our Access to Learning (A2L) programme, to be the leading organisation funding and supporting distance learning in prisons in England and Wales, as well as the Channel Islands and the Isle of Man. This is the largest area of our charitable expenditure. We provide a unique service to people in prison, enabling them to access distance learning courses that would otherwise be unavailable to them. This helps people leaving prison to secure employment and reduces reoffending.

During 2024, we received 3,082 applications for support to access distance learning, a similar number to the previous year (3,051). Of these 1,540 (50%) were successful, an increase of 15% on 2023 (1,340) and the highest number since before the coronavirus pandemic. This exceeded our target for the year (1,500 awards) by 40. The number of applications that we received and the number of courses that we funded for the last five years is set out in the table below.

	2020	2021	2022	2023	2024
Applications	1,798	2,315	2,667	3,051	3,082
Number of courses funded	1,046	1,437	1,507	1,340	1,540

The five courses that were applied for most in 2024 were:

- National Examination Board in Occupational Safety and Health (NEBOSH) Health and Safety Executive (HSE) Award in Managing Risks and Risk Assessment
- Business Start-up
- Nutrition to Support Physical Activity
- Principles of Management and Leadership
- Institution of Occupational Safety and Health (IOSH) Managing Safely

Looking at successful applications, the five courses that we were able to support most often were:

- NEBOSH HSE Award in Managing Risks and Risk Assessment
- NEBOSH National General Certificate in Occupational Health and Safety
- IOSH Managing Safely
- Principles of Management and Leadership
- Nutrition to Support Physical Activity

We know from previous analysis by the Ministry of Justice's Justice Data Lab that accessing the courses that we offer reduces reoffending and improves learners' chances of securing employment after release. But the feedback from learners continued to demonstrate the wider impact that access to distance learning can have.

For example, one learner told us that:

“Studying in prison has given me a sense of purpose, helped me focus on my future and has improved my mental health drastically. I no longer feel as though valuable time is being wasted, I am creating a better version of myself. It has given me a sense of normality and is gradually removing my fears for the future and replacing these feelings with hope and excitement for what could be possible on release.”

Another said:

“My PET course has helped me stay focused and motivated during my sentence. This has allowed me to look forward to gaining employment on release and having a good career and better opportunities.”

A third said:

“PET has not only helped me plan for my future employment goals, but has given me hope for a brighter positive outcome when I return to the community.”

The feedback that we receive from our learners is key to ensuring that the work that we do is having a positive impact, while also helping to guide the future development of the services that we offer.

Extending our reach

In line with the priorities set out in our organisational strategy, during 2024 we continued to work to extend our reach to ensure that people from all prisons and all communities within the prison system have equal access to our services.

During 2023 we secured funding from The National Lottery Community Fund (TNLCF) for a three-year project to, among other things, increase the number of applications that we receive from selected prisons and from older people, Muslim people, and people from Gypsy, Roma and Traveller (GRT) communities.

During 2024 we held focus groups with Muslim people and with people from GRT communities and then worked to implement the findings from these groups. This included looking at our course offer and ensuring that our materials are fully representative of the communities that we work with.

We also carried out a programme of work engaging with prisons in the North. This focused on increasing application numbers from category C prisons in the North East and North West, and we began running a pilot programme of more intensive support with four prisons in the region. This involved running two focus groups, providing more hard copy resources to the prisons, and hosting online sessions with prison staff to raise awareness of what is available on our websites, our Advice Line, our free short courses and our digital courses.

Promoting PET in prisons

During 2024 we continued to promote PET and what we offer to people in prison. We produced new posters to distribute to prisons to promote PET and our work. They were informed by a focus group with learners in prison, who made recommendations about how to help our posters stand out among all the others in the prison environment, with specific attention to messaging for both staff and learners. This resulted in different posters being produced for staff and people in prison and for male and female prisons. They were distributed to all prisons and feedback was very positive.

We also continued to make in-person visits to prisons during 2024 to promote PET's work to staff and to people in prison. This was complemented by running online training sessions for prison staff, where we can share information and good practice with distance learning co-ordinators and other staff.

In addition, we continued to contribute to each edition of Inside Time, the national newspaper for people in prison, to promote PET's courses. This is a way that we are able to communicate directly with people about the courses that PET offers.

The Frank Awards

As well as access to distance learning courses, PET continued to work in partnership with the Longford Trust to administer the Frank Awards, offering grants to people in prison to cover the cost of individual modules towards degrees at the Open University. During 2024, we were able to support 19 people in prison through the Frank Awards (2023: 18).

Key achievements during 2024

- Funding 1,540 distance learning courses for people in prison, providing access to educational opportunities that would otherwise have been unavailable.
- Producing and distributing new posters for people in prison and prison staff promoting PET and our Advice Line.
- Contributing monthly to Inside Time, the national prison newspaper, to promote to people in prison the courses PET has to offer.

2) Extending the support that we provide, to enable learners to access courses that meet their goals and to increase the proportion who complete their courses

The provision of information, advice and guidance to people in prison is central to PET's work. During 2024, we provided information, advice and guidance on 3,507 occasions (2023: 3,504), on average 292 times per month (2023: 292). The top five subjects that we were contacted about were requests for an update on applications, information on how to apply, assistance with courses, course selection, and exams and assessments.

An important way that learners and potential learners were able to contact us was via our Advice Line, which we launched in 2020 following the outbreak of the coronavirus

pandemic and the consequent introduction of severely restricted prison regimes. The Advice Line enables people in prison to contact us directly for advice and support and is now a core part of our service.

During 2024 we received 1,121 calls (2023: 1,215) on the Advice Line from 504 unique callers (2023: 477), an average of 93 calls per month (2023: 101). Many callers contacted the Advice Line more than once, demonstrating the way that the service enables PET to develop relationships directly with individual learners, supporting them as they choose a course, apply, complete their course and then consider their next steps.

In addition, PET continued to use the Email a Prisoner (EMAP) service - which enables emails to be printed out and handed to people in prison, with replies scanned and emailed back to us - to respond to queries and provide more information, following up on Advice Line calls that could not be resolved immediately over the phone. This enabled us to respond more quickly to enquiries and prevented some of the inevitable delays caused by using the post.

Support for learners

A key further strand of our work during 2024 under this element of the strategy was to support more people to complete their PET-funded distance learning courses. To enable us to carry out this work, as mentioned above we have secured funding from TNLCF for a three-year project to extend our reach and develop the support that we can offer to our learners.

This funding enabled us to significantly improve the resources that we produce for prison staff during 2024. We created six videos, each with an information card to print in any prisons where it is not possible to watch videos. The videos cover topics including how to support learners to complete courses and how to assist learners with exams and assignments. They cover a range of issues that successful learners told us were important in enabling them to complete their PET course.

Alongside this we have made improvements to the prison staff area of the PET website, adding new resources, changing the layout and encouraging specific navigation through the platform. This work has significantly increased traffic to this part of the site - the number of visits increased by 26% compared to 2023 and the number of people using this area on the site increased by 186%, from 120 in 2023 to 343 in 2024.

To inform this work and to look at PET resources more broadly, we held eight focus groups with 64 people across five prisons. These groups looked at a range of PET resources including our prospectus, posters and the letters we send people who apply to do a course to tell them whether they have been successful or not. Feedback has informed improvements to all our resources.

Support for prison staff in Wales

PET has also been running a related project working with prison staff in Wales to better enable them to support learners in Welsh prisons, recognising that one of the important

enablers of people completing their course is the availability of well-informed and trained staff, particularly distance learning co-ordinators. This has included facilitating meetings of the distance learning co-ordinators from all Welsh prisons, to enable them to collaborate and share best practice. This builds on our previous work in Wales through our Welsh Prisons Project. It also contributes to our broader work to increase the support available to learners, with the learning from this project informing how we support staff in prisons in England.

PET's course prospectus

In January 2024, we published a new version of our PET course prospectus. The prospectus (available on our website at prisonerseducation.org.uk/get-support/prison-staff/our-courses/) is a key document for us, providing information on the courses that are available to people in prison as well as information about PET, how to apply, how to prepare to study and how to seek support while studying. The new edition featured over 130 distance learning courses including GCSEs and A-levels, Open University Access modules and a wide range of professional and general interest courses. It was distributed to all prisons and we continued to send it out on request throughout the year.

Key achievements during 2024

- Providing information, advice and guidance to prison education staff, people in prison, and their families on 3,507 occasions.
- Responding to 1,121 calls on our Advice Line, providing direct access for people in prison to our expert staff.
- Publishing the 2024-25 edition of our PET Course Prospectus, providing in depth information to potential learners on the courses that we offer.

3) Making use of digital technology to enhance the learning experience for people in prison

During 2024, we continued our work to make better use of digital technology. Our work in this area covered three key areas.

Firstly, our work to make use of the existing digital infrastructure in prisons to promote and deliver PET courses continued to make good progress. We launched a new secure version of our website that can be accessed within prison, enabling people in prison who have secure access to the internet to find out about PET and what we offer. It is available across the prison estate. We also continued to work with Coracle Inside, who provide offline laptops to people in prison. We ran a successful pilot enabling people to do an accredited course on a Coracle laptop, the first time PET has supported a learner to complete a full, accredited distance learning course on a digital device.

Secondly, we had secured funding from HM Prison and Probation Service (HMPPS), through their Digital Content Innovation Fund, to develop short digital courses for use on the Virtual Campus. During 2024 we developed seven short courses, one in partnership

with the National Extension College on reading for pleasure and the other six on nature connectedness, music production and the music industry, green skills, health and safety in the workplace, health and fitness, and digital marketing and social media. The courses were launched on the Virtual Campus in June and by the end of 2024 had been accessed 1,808 times across 108 prisons in England and Wales. The most popular course was the one on digital marketing and social media, which was accessed 559 times. We promoted them extensively, including via prison radio and through prison visits.

Finally, we have continued to develop our capacity to gather data on our work digitally. To complement our existing digital process to enable prison education staff to supply us with data on PET's learners by adding it directly into our Salesforce database, during 2024 we launched a similar process with our course suppliers. By the end of the year, all of our suppliers were using this process, improving the quality of the data that we are able to collect.

Key achievements during 2024

- Launching a secure version of our website that is available to people in prison across the prison estate.
- Publishing and promoting seven free short courses for people in prison, funded by the HMPPS Digital Content Innovation Fund.
- Launching a process that enables our course suppliers to submit data on our learners to us digitally, used by all our suppliers by the end of the year.

4) Using PET's standing to influence policy in order to achieve change and realise our vision

During 2024 PET worked to influence the development of policy on prison education in a crucial period for the future of prisons, with a new government and a prison capacity crisis that has impacted on the delivery of prison education.

Following the general election, PET published 'Getting prison education right: Priorities for the new government', a briefing that made 10 recommendations to the ministerial team at the Ministry of Justice on how to transform prison education. This briefing was distributed to ministers, members of relevant parliamentary select committees, civil servants and our partners and stakeholders across the voluntary, statutory and private sectors. We promoted the recommendations in meetings with MPs and civil servants and intend to review the progress made in 2025.

We also published a research report on young women's experiences of education in prison. This report, written for us by research and policy consultant Katy Swaine Williams, who is now a member of the Women's Justice Board, explores the experiences of young women - aged 18 to 24 - who have spent time in prison and their relationship with education and work. It demonstrates the powerful role education plays for young women in prison and on release. This report was also circulated to key contacts,

including in the Ministry of Justice and HMPPS, and we presented its findings to the Ministry of Justice's Young Women's Forum.

PET also produced a report summarising the evidence demonstrating the efficacy of prison education. This report, 'Prison education - A review of the evidence', was published by Clinks, the infrastructure body for the criminal justice voluntary sector, as part of their online evidence library. We spoke at an event organised by Clinks to discuss and promote the findings of this review.

In addition, we continued to promote PET priority issues with key decision-makers, for example writing to the then Director General of HMPPS on pay for participating in education and to the then prisons minister on access to digital devices and the internet in prison. We responded to Ofsted's 'Big Listen' consultation, highlighting the importance of prison education and Ofsted's role in promoting good quality provision.

PET also submitted evidence to the All-Party Parliamentary Group on Sport and Physical Activity in the Criminal Justice System on the role of physical activity, physical education and sport in the prison system. The response drew attention to the role that distance learning can play in this agenda.

During 2024, PET featured widely in the media, including in the Guardian, the Financial Times, City AM, Times Higher Education, FE Week, Community Living, and Russell Webster's blog. This ensured that we continued to promote the importance of prison education to the public and pursue our policy objectives, as well as promoting PET as a leading source of advice and expertise on prison education policy.

PET's social media presence also enabled us to keep prison education on the public agenda. We continued to use X (formerly Twitter) as a way to promote our work, while our use of LinkedIn as a forum to raise issues and promote discussion among people with an interest in prison education increased. In common with many other charities, PET withdrew from use X (formerly Twitter) in 2025. We also joined Bluesky, a new social media platform, and continued to use Facebook. The number of people visiting our website increased from 29,895 in 2023 to 33,010 in 2024, an increase of 10%, while the number of visits to the website increased from 86,363 in 2023 to 93,740 in 2024, an increase of 9%.

Finally, PET continued to support the Essential Skills and Inclusion Network, which focuses on English, Maths, ESOL (English for Speakers of Other Languages), Digital Skills and Neurodiversity in prison and is convened by education consultant Rachel Öner. It met three times during 2024.

Key achievements during 2024

- Publishing a briefing setting out 10 priorities for the new government, maintaining PET's position as the leading policy voice on prison education.
- Publishing new research on young women's experience of prison education, an issue that had not been explored in detail before.
- Continuing to be the leading media and social media presence on prison education, with media coverage in the Guardian, Financial Times and Times Higher Education among others.

5) Engaging with and involving people with lived experience of prison education, so that PET continues to put the learner at the centre of all that we do

PET has continued to ensure that people with lived experience of the prison system are at the heart of our work.

A key element of this work was PET's project to extend our reach and develop the support that we offer. This project, funded by TNLCF and mentioned above, has lived experience at its heart and involved recruiting PET's first Lived Experience Co-ordinator, who joined the staff team in May 2024. This project also involves working with people with lived experience as Lived Experience Consultants, working with the staff team on the delivery of the project. This innovative approach has made a real difference to PET, foregrounding the importance of lived experience in our work.

We were also keen to enable people with lived experience to share their stories. To support this, we provided media training for PET alumni looking at audiences, how you put together and frame your messaging, how to prepare for an interview, and different styles of interview. Our lived experience consultants wrote a blog for our website and one for Russell Webster's blog as part of the TNCLF-funded project. One of our alumni shared their story with Times Higher Education for an article about accessing higher education in prison and also contributed to a Teachers Talk Radio podcast. Another alumnus contributed to the BBC and National Prison Radio show Outside In. Two alumni's stories were also published on our website, with one republished by prison newspaper Inside Time.

In addition, we continued to host our Alumni Advisory Group, which influences PET practice and policy and informs our work. For example, the Alumni Advisory Group advised us on the development of our 'Getting prison education right: Priorities for the new government' policy briefing. A member of the Alumni Advisory Group also sits on our Quality Assurance Panel, which oversees our application process.

People with lived experience of the prison system and prison education also sit on our Board of Trustees. In addition, we continue to run our Trustee Development Programme, which provides people with lived experience of the justice system with an opportunity to gain the necessary experience to become a trustee in the future. One person completed

the programme in March 2024 and we then carried out a review before recruiting a new cohort to the programme. Three people will join the programme in 2025.

Key achievements during 2024

- Enabling our Lived Experience Consultants to play a key role in the delivery of a project to extend our reach and develop the support that we offer.
- Providing media training to a group of our alumni and supporting them to appear in the media.
- Reviewing and relaunching our Trustee Development Programme, giving people with lived experience an opportunity to gain board experience.

6) Putting equality, equity, diversity and inclusion at the heart of our work, to ensure that fairness is central to everything that we do

PET is committed to embedding equality, equity, diversity and inclusion (EEDI) into every aspect of our work.

During 2024 we carried out our first EEDI survey of the Board and staff team to provide data on the makeup of the staff team and the Board and to capture people's experiences of EEDI and related issues. The results were collated and discussed at a staff awayday focused on EEDI, where we also heard from people with experience of developing EEDI within their organisation.

These results were also discussed at a session attended by the Board of Trustees and PET's Senior Management Team, where we also scrutinised the EEDI data collected through our application process, identifying the communities that were underrepresented among those applying to PET and among those that we funded.

We also hosted an intern from the LSE as part of their Race Equity Internship Programme.

Key achievements during 2024

- Carrying out an EEDI survey of the PET staff team and Board, to inform our future work.
- Holding a staff awayday focused on EEDI, giving the staff team a chance to inform and influence our future EEDI work.
- Continuing to use the EEDI data that we collect from the people who access PET's services to inform the future development of our work.

7) Ensuring that PET is a well-run, effective and financially sustainable organisation, built on firm foundations and fit for the future

Fundraising

Effective fundraising is essential to enabling PET to fulfil our objectives as a charity and is always a priority for the organisation. It is well recognised that the fundraising environments for charities continued to be very challenging in 2024, and in this context it was very pleasing that our income was £2.29m, a significant increase on 2023 (£1.63m).

We are, as always, immensely grateful for the generosity of our existing funders who continued to support us and to the significant number of new funders who supported us for the first time in 2024. We could not do what we do, providing educational opportunities to people in prison, without their support. A list of our major supporters can be found in Notes 2 and 3 of the accounts.

Supporter engagement

PET ran two major fundraising campaigns in 2024, one through BBC Radio 4, presented by Nazanin Zaghari-Ratcliffe, and the second as part of the annual Big Give campaign. Between them they raised more than £100,000 and we are very grateful to everyone who contributed. PET also continued to produce regular newsletters for our supporters, providing updates on our work and sharing learners' stories.

Staffing

In line with PET's staff remuneration policy (see page 20 for more details), an interim review of staff pay was carried out during 2024 and staff salaries were adjusted accordingly. We also reviewed our employee benefits and updated the benefits offered to staff to ensure they are in line with comparable organisations. This process was overseen by the Remuneration Committee, which makes recommendations on pay and benefits to the Board of Trustees.

Information technology

During 2024, we continued to develop our Salesforce database, used to manage our service delivery, and our supporter relationship management system, Beacon. We also carried out a project to better integrate our databases, including Salesforce and Beacon, as well as our QuickBooks accounting package.

Safeguarding

PET continues to take a robust approach to safeguarding, with comprehensive safeguarding policies and procedures in place. During 2024, Vicki Mulligan continued to act as the trustee with responsibility for overseeing our work on safeguarding.

Data protection

Data protection continued to be a priority for PET during 2024, with robust systems in place to ensure the appropriate management of the data that we hold. We updated our Data Audit during 2024, ensuring that we continue to be compliant with the UK GDPR.

Key achievements during 2024

- Raising £2.27m, an increase of 40% compared to the previous year.
- Running highly successful campaigns with BBC Radio 4 and via the Big Give.
- Reviewing and improving our employee benefits offer, ensuring that PET continues to be in line with best practice as an employer.

Our plans for 2025

During 2025, PET will continue to implement the aims of our organisational strategy. Priorities will include:

- Maintaining a high-quality service to prison learners in the provision of information, advice and guidance, assessing applications for distance learning courses, and supporting successful applicants to complete their courses.
- Successfully completing the delivery of our digital innovation project funded through the HMPPS Digital Innovation Fund.
- Continuing the delivery of our TNLCP project to reach and support more learners in prison in line with the agreed project plan.
- Running a pilot project to assess the feasibility of delivering distance learning courses via PET's whitelisted website.
- Influencing the development of prison education policy, including publishing two briefings on priority policy issues.
- Raising sufficient funding to deliver our objectives for the year while maintaining appropriate levels of reserves.

We will also continue to invest in our staff team, with a particular focus on supporting wellbeing and providing training opportunities to support development. Retaining staff and ensuring that they are appropriately supported is, as always, a key priority for the Board of Trustees.

Finally, we will begin the development of our new organisational strategy, which will guide the future priorities of PET when our current strategy ends in 2026.

FINANCIAL REVIEW

The results of the year's operations are set out in the attached financial statements. The total retained reserves at 31 December 2024 amounted to £1,089,305 (2023: £699,158), of which £720,543 (2023: £409,571) were unrestricted.

Income for the year ended 31 December 2024 totalled £2,285,371 compared with £1,631,356 for 2023. As noted above on page 15, the Trustees are very satisfied with the level of income raised in 2024 given the challenging fundraising environment.

In 2024 PET received £940,999 from charitable trusts and corporate institutions (2023: £837,806); £822,896 from government sources (2023: £443,511) of which £428,844 was government grants; £275,286 from individuals, including Gift Aid and legacies (2023: £147,138); £172,589 of income from other charitable activities (2023: £129,572); £2,694 from fundraising events (2023: £7,644); £17,806 from investment income (2023: £7,644); and £nil income from donated goods and services (2023: £nil).

PET spent £1,896,343 in 2024, an increase of £261,866 from £1,634,477 in 2023, mainly due to the TNLCF and HMPPS Digital Innovation projects. Overall there was a net surplus on unrestricted funds of £310,972, increasing unrestricted funds from £409,571 to £720,543. Restricted funds increased from £289,587 to £368,762 as funds secured in prior years were spent down, but replenished by significant new grants.

The established pattern of the charity's fundraising activities is such that voluntary income will be available from a diverse range of trusts and individual donors at stepped intervals throughout the next 12 months, enabling the charity to manage cashflow effectively.

The Trustees have considered and agreed that it is appropriate to prepare these annual financial statements on a going concern basis. They are confident that sufficient funds will be available to enable operations to continue at a sustainable level for a period of at least 12 months from the date of approval.

The Trustees consider PET well-placed to further continue and develop its activities as a going concern through its fundraising efforts and close liaison with significant funders such as HMPPS. PET's current HMPPS multi-year grant agreement will come to an end in March 2025, but HMPPS has renewed the grant agreement up to 31 March 2028.

The Trustees are also confident that sensitivity analysis demonstrates that PET will continue to be able to support a satisfactory number of learners even if income from grant-making trusts and individuals is further adversely affected by ongoing difficult economic conditions in 2025.

Reserves policy

The Trustees review the level of free reserves at every Board meeting. In addition to this, at least twice each year the Trustees review the free reserves requirement and reserves policy to ensure it is adequate to meet PET's needs.

The calculation takes account of the minimum funds we would need for an orderly wind-down of activities if the charity was required to cease operating at short notice, the working capital we would require to continue our charitable delivery in the event of a significant gap or drop in income or reduction in levels of unrestricted funding, and our

need to hold some funds to invest in new streams of charitable delivery before we are able to fundraise for their full costs. This excludes direct expenditure to support learners from restricted funding.

Given that most of PET's income is dependent upon successful fundraising activity and is therefore subject to unpredictable fluctuation, and given the uncertain fundraising environment all charities face in the current economic environment, PET needed to retain a healthy level of free reserves during 2024. However, PET's Board of Trustees also recognised the need to support the delivery of PET's key activities, ensuring that PET continued to use its resources to support as many learners as possible to access distance learning.

On this basis, the Board of Trustees determined that PET's free reserves requirement at 31 December 2024 should be £376,000 (2023: £418,000). This was lower than in 2023, reflecting changes that were made in 2023 and 2024 to reduce PET's running costs. As at 31 December 2024 PET had free reserves available for use of £705,288 (2023: £386,445). Free reserves are calculated as unrestricted funds of £720,543 less £15,255 tied up in fixed assets. Free reserves were significantly above target for 2024.

A number of factors generated this very welcome outcome. PET's Fundraising team secured several large grants towards core costs that were not anticipated in the budget for the year or included at a prudently low estimate in the charity's fundraising plans. A material proportion (£69k) of one of these grants was earmarked for use in 2025 and will be spent then as planned. In addition to this, accrued income for 2024 included £119k of unrestricted grants and legacies that were received early or recognised as income 2024 in order to comply with the requirements of the Charities SORP. These grants and legacies were anticipated for 2025 and will be spent as planned in that year.

In addition to these elements, the pattern of fundraising in 2024 differed from PET's budget assumptions - a larger proportion of grants and donations was received without restrictions. PET consequently had a lower balance of funds restricted to course awards than expected as at 31 December 2024 and so expects to spend at least £120k of free reserves ensuring that demand from learners can be met.

Although the free reserves of £705k were much higher than anticipated as at 31 December 2024, if the estimated costs of an orderly wind-down of £402k (increased on prior years to reflect higher staff numbers and a broader range of activities), the timing differences of £119k and planned spend on course awards of £120k are excluded then a smaller buffer of £64k remains to meet unexpected liabilities or invest in new opportunities. At present, the Board plan to invest these additional free reserves in a pilot project expanding PET's digital methods of service delivery and increasing capacity to support the increased number of learners seen in 2024 and expected to continue during 2025 and 2026.

Looking ahead to 2025, the Trustees set an initial free reserves target for the year of £750k. This reflects the expansion of PET's activities in the past 18 months and recognises the need to retain a sensible and prudent level of reserves but also to use available funds to support our charitable activities. The Board are also mindful that two

large projects are coming to an end in 2025 and 2026 and that a larger reserve could be required to maintain activities at an appropriate level while new income streams are secured. This assumption will be kept under review during the year.

Fundraising

The Board of Trustees takes a best practice approach to fundraising. The Head of Fundraising and External Affairs reports to the Board on fundraising performance, strategy, legal and best practice developments at every Board meeting. The Board's Fundraising Committee meets with the Head of Fundraising and External Affairs, Chief Executive, and Head of Finance ahead of every Board meeting. At these meetings, the Committee reviews the fundraising business plan to provide further assurance over the appropriateness and effectiveness of our fundraising practices.

The Head of Fundraising and External Affairs is responsible for keeping up-to-date with best practice, ensuring the training and support of the team, and complying with fundraising regulations. The Board also undertakes formal and informal fundraising training on an ad hoc basis to ensure that staff and volunteers are sufficiently trained and informed of their legal responsibilities.

PET is registered with the Fundraising Regulator and adheres to its Code of Fundraising Practice, undertaking regular reviews of the Code. PET is also registered with the Fundraising Preference Service. PET has a policy of not engaging agencies or commercial organisations.

We protect vulnerable donors through our Vulnerable Donors Policy. This involves upholding strong data protection controls over our supporter data; avoiding intrusive forms of fundraising such as telephone and door-to-door approaches; limiting our postal and email correspondence; and noting and adhering to supporter contact preferences. During 2024, one minor complaint was received regarding fundraising and responded to (2023: 3).

Staff remuneration policy

PET is hugely grateful for the commitment and enthusiasm of our staff. We believe that it is essential to attract and retain staff with the appropriate skills and capabilities, and reward them fairly for delivering PET's important work. It is therefore important to pay staff properly, while also having prudent regard to the use of charitable resources. In order to do this, PET reviews our salaries and overall rewards packages (including those of our key management personnel) on a biennial basis using a professional job evaluation methodology to consider salaries in relation to the charity sector for the job levels concerned. Additionally, between salary reviews, the Trustees may complete discretionary annual reviews, taking account of (while not being constrained by) the movement of pay and prices and other relevant factors. In this they are supported by a formal Remuneration Committee.

Risk management

The Trustees regularly review, assess and ensure the implementation of systems to manage the major risks to which PET is exposed, in particular operational and financial risks. They review any material changes in risks at each Board meeting, with the assistance of the Chief Executive.

The Board also complete a biannual risk review, once as part of the approval of PET's plans for the forthcoming year and again at the mid-year point. This is to ensure that adequate plans and procedures are in place to mitigate the key risks to which PET is exposed.

The Board and SMT have collectively assessed the principal risks to which the charity is exposed (based on their combined probability and impact) as that:

- Demand for distance learning courses from people in prison cannot be met with the resources that PET has available.
- Changes to contracts for the delivery of education in prison disrupts education departments, impacting on the ability of people in prison to access distance learning.
- The challenging economic environment reduces the availability of charitable funding for PET, particularly from individuals, while continuing to increase PET's costs.
- PET fails to meet the fundraising targets that have been set for 2025, using up more of our reserves than planned.
- There is insufficient capacity in the staff team to deliver PET's workplan.
- Staff stress levels are unacceptably high, affecting productivity and wellbeing.

The risk register identifies the key management actions to mitigate these risks. PET's Senior Management Team also considers monthly what new risks have emerged and what needs to be done to address them, ensuring that new risks are identified promptly. Clear procedures are in place for the authorisation of expenditure in order to manage internal control risks.

STRUCTURE

PET is a charitable company, incorporated on 29 December 2000. It acquired the assets and undertaking, subject to liabilities, of Prisoners' Education Trust, a charitable trust, with effect from 1 January 2001. That trust, which had been established by a deed dated 19 April 1989, was formally wound up in 2003. PET is registered as a charitable company limited by guarantee and is governed by its memorandum and articles of association. PET has no share capital or debentures. In the event of PET being wound up each member is required to contribute an amount not exceeding £10.

GOVERNANCE AND MANAGEMENT

PET is governed by a Board of Trustees. The Board is responsible for establishing the strategic direction of PET. The Board delegates responsibility to the Senior Management Team, through the Chief Executive, to execute the day-to-day operations of PET in accordance with the policies, procedures and budgets approved by the Board. Details of those serving on the Board during the year and those serving currently are shown on page 1.

Following changes to PET's Articles of Association, agreed at an EGM in July 2021, trustees now serve four-year terms and are limited to a maximum of two terms other than in exceptional circumstances. Some additional changes were made to the Articles of Association at an EGM in March 2024 to clarify term limits for an existing trustee who is appointed Chair and to specify that once somebody has served two terms they can never be reappointed to the Board.

PET's Board used to meet six times a year, in addition to its annual awayday. Following the arrival of a new Chair and a review of governance, the Board decided to change the frequency of its meetings to four a year, which it decided ensured effective governance while also making appropriate use of staff capacity.

The Chair also conducts an annual review meeting with each trustee, collating the key themes to share back with the Board. This informs Board development priorities and improves performance. The Deputy Chair also carries out an annual appraisal of the Chair, actively seeking input from trustees and the Chief Executive to inform this.

The Board has continued to have regard to the Charity Governance Code (as applied to larger charities). At the end of 2024 no serving trustee had exceeded the recommended maximum in the Code of nine years.

The Board considers it important to maintain a balance of skills in its membership and has a well-established Nominations Committee that undertakes trustee recruitment and induction. During the latter half of 2024, the Nominations Committee ran a recruitment process for members of the Trustee Development Programme (see below) and began planning a recruitment process to add more trustees to PET's Board. Recruitment took place during the first half of 2025 and three new trustees were appointed.

Alongside the Nominations Committee, the Board currently has five further committees, the Equality, Equity, Diversity and Inclusion Committee, the Finance, Audit and Risk Committee, the Fundraising Committee, the Remuneration Committee and the Quality Assurance Panel. The Finance, Audit and Risk Committee was established in 2024 and met for the first time on 12 September. The other committees continued to meet as needed during 2024.

In recent years PET has run a Trustee Development Programme, which provides people with lived experience of the justice system with the opportunity to gain the necessary experience to become a trustee in the future. During the year it had one participant

(2023: 1), whose time on the programme ended in March 2024. The programme was then reviewed and some changes were made, before the Nominations Committee ran a recruitment process in late-2024. Three people were recruited and will join the programme in 2025.

Changes to the Board of Trustees

As noted in the 2023 Annual Report, a new Chair - Paul Kelly - joined the Board in January 2024. Two trustees stepped down from the Board in the same month. As noted above, the Board of Trustees ran a recruitment process in the first quarter of 2025 and three new trustees - Sally Burnell, Jo Easton and Oluseun Sowole - were appointed. Sir Paul Phillips CBE stepped down from the Board in May 2025. PET would like to thank Sir Paul for the significant contribution he made in his time on the Board of Trustees.

RESPONSIBILITIES STATEMENT OF THE TRUSTEES

The Trustees (who are the directors of PET for the purposes of company law) are responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom General Accepted Accounting Practice.

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2019;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material 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 operation).

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of PET, and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of PET, for ensuring that the assets are properly applied in accordance with charity law, and for taking reasonable steps for the detection and prevention of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on PET's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that PET's auditors are aware of that information.

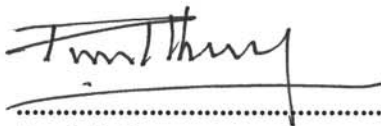
Preparation of the report

This report has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

Auditors

The auditors, Price Bailey LLP, have been appointed under Section 485 of the Companies Act 2006.

This report was approved and authorised for issue by the Board of Trustees on 25th June 2025 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Paul Kelly', is written over a horizontal dotted line.

Paul Kelly
Chair of Trustees

Independent auditor's report to the members of Prisoners' Education Trust

Opinion

We have audited the financial statements of Prisoners' Education Trust (the 'charitable company') for the year ended 31 December 2024 which comprise the Statement of Financial Activities incorporating the Income and Expenditure account, the Charitable Company Balance Sheet, the Statement of Cash Flows and the related notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. The Trustees are

responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Charitable Company and the sector in which it operates, and considered the risk of the Charitable Company not complying with the applicable laws and regulations including fraud in particular those regulations directly related to the financial statements, including financial reporting and tax legislation. In relation to the operations of the Charitable Company this included compliance with the Companies Act 2006 and Charities Act 2011.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

Reviewing minutes of Board meetings, reviewing any correspondence with the Charity Commission, agreeing the financial statement disclosures to underlying supporting documentation, and made enquiries of management and officers of the Charitable Company.

To address the risk of management override of controls, we carried out testing of journal entries and other adjustments for appropriateness. We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates.

Because of the inherent limitations of an audit, there is the risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involved intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

This description forms part of our auditor's report.

Use of our report

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



Michael Cooper-Davis FCCA ACA (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

24 Old Bond Street

London

W1S 4AP

Date: 27 June 2025

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)
For the year ended 31 December 2024

	Note	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
		£	£	2024	2023
				£	£
INCOME AND ENDOWMENTS FROM:					
Donations and Legacies	2	743,120	473,165	1,216,285	984,944
Charitable Activities:					
Access to Learning	3	-	822,896	822,896	443,511
Engagement and Development	3	-	172,589	172,589	129,572
Policy and Research	3	-	-	-	-
Other Trading activities	4	2,694	-	2,694	7,644
Investments		17,806	-	17,806	15,715
Prison Contributions		-	53,101	53,101	49,970
TOTAL INCOME AND ENDOWMENTS		763,620	1,521,751	2,285,371	1,631,356
EXPENDITURE ON:					
Raising funds		284,987	-	284,987	321,275
Charitable Activities:					
Service Delivery including Access to Learning		94,164	1,442,576	1,536,740	1,197,322
Policy and Research		74,616	-	74,616	115,880
Charitable Activities		168,780	1,442,576	1,611,356	1,313,202
TOTAL EXPENDITURE	5	453,767	1,442,576	1,896,343	1,634,477
Net Income/(Expenditure)		309,853	79,175	389,028	(3,121)
Gain/(Losses) on Investment		1,119	-	1,119	(72)
Transfers between Funds		-	-	-	-
NET MOVEMENT IN FUNDS		310,972	79,175	390,147	(3,193)
RECONCILIATION OF FUNDS:					
Total Funds Brought Forward		409,571	289,587	699,158	702,351
TOTAL FUNDS CARRIED FORWARD		720,543	368,762	1,089,305	699,158

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure relates to continuing activities.

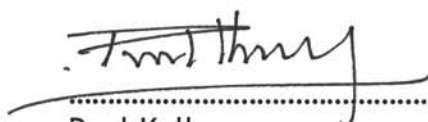
The annexed notes form part of these financial statements.

BALANCE SHEET
As at 31 December 2024

	Notes	2024 £	2023 £
FIXED ASSETS			
Intangible fixed assets	8a	1,189	10,930
Tangible fixed assets	8b	14,066	12,196
Investments	9	21,936	20,817
		37,191	43,943
CURRENT ASSETS			
Debtors	10	352,865	294,659
Cash at bank and in hand		822,867	472,382
		1,175,732	767,041
LIABILITIES			
Creditors: amounts falling due within one year	11	(123,618)	(111,826)
NET CURRENT ASSETS / (LIABILITIES)		1,052,114	655,215
TOTAL NET ASSETS		1,089,305	699,158
TOTAL FUNDS OF THE CHARITY:			
Restricted funds	12	368,762	289,587
Unrestricted funds	12	720,543	409,571
		1,089,305	699,158

The annexed notes form part of these financial statements.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies. They were approved and authorised for issue by the Trustees on 25th June 2025 and signed on their behalf by:


.....
Paul Kelly
Chair of Trustees

Company limited by guarantee no. 04132595 & registered charity no. 1084718.

STATEMENT OF CASH FLOWS
For the year ended 31 December 2024

	2024	2023
	£	£
Cash flows from operating activities:		
Net cash provided by / (used in) operating activities (see below)	339,962	(111,643)
Cash flows from investing activities:		
Interest income	17,806	15,715
Investment income	1,119	(72)
Purchase of property, plant and equipment	(8,402)	(3,202)
Net cash provided by / (used in) investing activities	10,523	12,441
Change in cash and cash equivalents in the reporting period	350,485	(99,202)
Cash and cash equivalents at the beginning of the reporting period	472,382	571,584
Cash and cash equivalents at the end of the reporting period	822,867	472,382

RECONCILIATION OF NET INCOME/ (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024	2023
	£	£
Net income / (expenditure) for the reporting period (as per the SOFA)	389,028	(3,121)
Adjustments for:		
Depreciation charges	16,273	21,989
Interest income	(17,806)	(15,715)
Investment	(1,119)	72
Decrease / (increase) in debtors	(58,206)	(88,585)
Increase / (decrease) in creditors	11,792	(26,283)
Net cash provided by / (used in) operating activities (see above)	339,962	(111,643)

ANALYSIS OF CASH AND CASH EQUIVALENT

	2024	2023
	£	£
Cash in hand	462,901	129,960
Notice deposits (less than 3 months)	359,966	342,422
	822,867	472,382

The statement of cash flows includes the movement in cash balances of unrestricted funds and restricted funds. The charity does not hold any endowment funds.

STATEMENT OF CASH FLOWS
For the year ended 31 December 2024

	2024	2023
	£	£
Cash & cash equivalent as at 01/01/2024	472,382	571,584
Cashflows	350,485	(99,202)
Other non cash changes	-	-
Cash & cash equivalent as at 31/12/2024	822,867	472,382

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

1. ACCOUNTING POLICIES

PET is a charitable company limited by guarantee and incorporated in England and Wales. The charity's registered office is The Foundry, 17 Oval Way, London, SE11 5RR.

The principal accounting policies adopted, judgements and estimates made in the preparation of the financial statements are as follows:

Basis of preparation of financial statements

PET meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition - effective from January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Companies Act 2006. As there are no material uncertainties about the charity's ability to continue operating, the accounts have been prepared on a going concern basis.

The financial statements are prepared in Sterling, which is the functional currency of the charity and the financial statements are rounded to the nearest pound.

The effects of events relating to the year ended 31 December 2024 which occurred before the date of approval of the financial statements by the Trustees have been included in the financial statements to the extent required to show a true and fair view of the state of affairs at 31 December 2024 and the results for the year ended on that date. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Going concern

The Trustees have assessed the charity's requirements for the foreseeable future and are confident that sufficient funds will be available to enable operations to continue at a sustainable level for a period of at least 12 months from the date of approval of these financial statements. PET implemented a number of cost-saving measures in 2023 that took full effect in 2024 and enable the charity to operate on a more financially sustainable basis. HMPPS have renewed their major grant until 31st March 2028 and, although the charity anticipates some continuing challenges in the fundraising environment in 2025, the Trustees are satisfied that the charity will still be able to maintain a sufficiently strong income pipeline, reinforced by the current level of free reserves, for the charity to continue implementing its strategy for 2022-2026. The Trustees are also confident that sensitivity analysis demonstrates that PET will continue to be able to support a satisfactory number of learners even if the HMPPS grant ceases unexpectedly. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern as a result of not being able to raise further funds.

Income

Income is included in the Statement of Financial Activities when PET is legally entitled to the income, it is probable that the income will be received, and the amount can be measured reliably. Grants are accounted for in the period specified for their use by donors or, where there is no time restriction, when conditions have been met and entitlement has been gained. Where the charity receives government grants, it recognises the income only where there is reasonable assurance that the charity will comply with the conditions attaching to the grants, and that they will be received.

Legacy income is recognised when it is probable that a legacy will be received (when probate has been granted, the executors have confirmed that there are sufficient assets to make a distribution, and there are no other conditions preventing a distribution), and the amount receivable can be reliably measured. Income tax recoverable in relation to investment income or Gift Aid donations is recognised at the time the relevant income is receivable.

Donated services include venue use, catering for meetings and events, and research services. Facilities and services donated for PET's use, where the benefit is quantifiable, are recognised in the financial statements as both income and expenditure, at the value the charity would have paid in the open market for an equivalent economic benefit in the period in which they are received. Donated goods for distribution are recognised as income (or stock if not yet distributed) and expenditure at fair value, or if fair value is not practicably obtained, at the cost to the donor. Ticketed fundraising event income is recognised when the event has taken place and entitlement has thus been gained. All other income is accounted for on the accruals basis. See also note 14 for the contribution of volunteers.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Expenditure on raising funds comprises the costs associated with generating income. Support and governance costs, which cannot be directly attributed to particular activities, have been apportioned proportionately based on the activity levels of different charitable activities, and their relative demands on central resources.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

Expenditure (continued)

Grants awarded are recorded as liabilities and expenditure recognised in the Statement of Financial Activities when the award has been approved, as a constructive obligation has been formed. Irrecoverable VAT is charged against the category of expenditure for which it was incurred. Rentals applicable to operating leases are charged to the Statement of Financial Activities over the period in which the cost is incurred.

Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objects of PET and which have not been designated for other purposes. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by PET for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is detailed in Note 12.

Fixed assets, depreciation and amortisation

All individual assets costing more than £500 are capitalised. Individual assets costing below £500 are capitalised where they form part of a packaged asset with a total value over £500.

Tangible assets are depreciated over their expected useful lives on the following bases:

Furniture/fittings	-	10 years
Office & IT equipment	-	5 years

Intangible assets are amortised over their expected useful lives on the following bases:

Website	-	5 years
Database	-	5 years

Cash

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Pensions

PET contributes employer contributions towards a Pensions Auto-enrolment compliant group personal pension scheme. Contributions are charged to the Statement of Financial Activities as they become payable.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

Financial instruments

The charity only has basic financial instruments; they are initially recognised at transaction value and subsequently measured at their settlement value. Cash and deposits are measured at the cash value held at the reporting date. All debtors and creditors are initially measured at the settlement amount after any discounts (under normal credit terms) have been applied; if settlement is due in more than one year, the value is included at discounted net present value.

Taxation

PET has charitable status and is thus exempt from taxation on its income under various exemptions available in the Taxes Acts.

Key judgements and estimation policy

No significant judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies.

The Trustees made estimates and assumptions concerning the future based on their knowledge of the company and the environment in which it operates. The resulting accounting estimates and assumptions will, by definition, seldom equal the related outcome.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

2. INCOME FROM DONATION AND LEGACIES

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Institutions who granted or donated £5,000 or more:						
The 29th May 1961 Charitable Trust	12,000	-	12,000	12,000	-	12,000
Adrian Swire Charitable Trust	-	-	-	20,000	-	20,000
Army Benevolent Fund	-	18,000	18,000	-	20,000	20,000
Aurum Charitable Trust	10,000	-	10,000	-	-	-
Beatrice Laing Trust	-	6,550	6,550	-	5,000	5,000
The Bromley Trust	25,000	-	25,000	20,000	-	20,000
The Brook Trust	-	20,000	20,000	-	20,000	20,000
Charles S French Charitable Trust	-	5,000	5,000	-	5,000	5,000
Charles Hayward Foundation	-	15,000	15,000	-	15,000	15,000
Community Foundation for Surrey's Charles Russell	-	-	-	-	-	-
Speechlys Community Fund	-	6,550	6,550	-	-	-
Colyer-Fergusson Charitable Trust	-	-	-	-	8,250	8,250
The Constance Travis Charitable Trust	50,000	-	50,000	50,000	-	50,000
Drapers' Charitable Fund	25,000	-	25,000	25,000	-	25,000
Dulverton Trust	35,000	-	35,000	35,000	-	35,000
The February Foundation	-	-	-	-	5,000	5,000
Fishmongers' Company's Charitable Trust	-	30,000	30,000	-	30,000	30,000
Garfield Weston Foundation	-	63,000	63,000	-	64,000	64,000
The Goldcrest Charitable Trust	-	-	-	5,000	-	5,000
The Goldsmiths' Company Charity	-	-	-	33,000	-	33,000
Haddenham Healthcare Ltd	10,000	-	10,000	-	-	-
The Guttridge Family Foundation	10,000	-	10,000	-	-	-
The Hadley Trust	50,000	-	50,000	35,000	-	35,000
The Horlock Educational Trust	-	10,000	10,000	-	10,000	10,000
Inner London Magistrates' Courts' Poor Box & Feeder Charity	-	-	-	-	5,000	5,000
Jill & Norman Franklin Trust	10,000	13,000	23,000	-	11,400	11,400
John Armitage Charitable Trust	70,000	-	70,000	60,000	-	60,000
Julia Rausing Trust	-	100,000	100,000	-	-	-
The John R Murray Charitable Trust	-	-	-	15,000	-	15,000
Liz and Terry Bramall Foundation	-	7,000	7,000	-	-	-
London North Eastern Railways (LNER)	-	-	-	-	26,055	26,055
Michael Marsh Charitable Trust	-	5,000	5,000	-	-	-
The Nagle Family Foundation	-	-	-	-	10,000	10,000
Northern Consortium	-	-	-	-	19,650	19,650
The Peacock Charitable Trust	10,000	-	10,000	10,000	-	10,000
Police and Crime Commissioner for South Yorkshire	-	-	-	-	12,386	12,386
The Portal Trust	-	15,000	15,000	-	9,696	9,696
The Options Fund	5,000	-	5,000	-	-	-
The Robert Gavron Charitable Trust	-	5,000	5,000	-	-	-
Scott (Eredine) Charitable Trust	5,000	-	5,000	-	-	-
Simon Gibson Charitable Trust	-	5,240	5,240	-	-	-
Sir James Knott Trust	-	6,550	6,550	-	6,550	6,550
Society of the Holy Child Jesus CIO	15,000	-	15,000	20,000	-	20,000
The Susanna Peake Charitable Trust	-	5,000	5,000	-	5,000	5,000
The Taylor Family Foundation	-	-	-	-	20,000	20,000
The Thriplow Charitable Trust	-	5,000	5,000	-	5,000	5,000
The Vandervell Foundation	5,000	-	5,000	5,000	-	5,000
The Veterans' Foundation	-	-	-	-	16,375	16,375
William Harding's Charity	-	6,550	6,550	-	5,790	5,790
Other donations from institutions	171,820	74,739	246,559	60,834	96,820	157,654
Individuals who donated £5,000 or more:						
David Knowles*	-	5,000	5,000	-	5,000	5,000
Margie Markwick*	-	5,000	5,000	-	-	-
Gift Aid receivable	-	-	-	-	-	-
Other donations from individuals	133,463	35,986	169,449	72,549	33,093	105,642
Legacies of £5,000 or more:						
The Estate of Mrs Ruth Angela Lucy West	6,679	-	6,679	16,000	-	16,000
Norman Franklin	5,000	5,000	10,000	-	-	-
Other legacy income	79,158	-	79,158	20,496	-	20,496
	743,120	473,165	1,216,285	514,879	470,065	984,944

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

2. INCOME FROM DONATION AND LEGACIES (continued)

In addition to the amounts disclosed above, trusts and individuals marked with an asterisk also kindly donated to the 2024 Big Give Christmas Challenge.

PET has been notified of its entitlement to two legacies, but is not currently able to estimate the timing or amount of their receipt

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2024 £	2024 £	2024 £	2023 £
Service Delivery: Access to Learning Grants				
HMPPS England	-	411,519	411,519	391,990
HMPPS Wales	-	17,325	17,325	17,953
	-	428,844	428,844	409,943
Service Delivery: Digitisation				
HMPPS Digital Funding	-	394,052	394,052	33,568
Service Delivery: Engagement and Development				
The National Lottery Community Fund	-	150,740	150,740	82,245
The Moondance Foundation		11,849	11,849	35,690
The Waterloo Foundation		10,000	10,000	11,637
	-	995,485	995,485	573,083

All funds received in 2024 were restricted (2023: all restricted). Included within Income from Charitable Activities is total income from government sources of £822,896 (2023: £443,511), of which £428,844 was government grants (2023: £409,943). The total value of the grant received has been recognised in year. For a description of the nature and purpose of material government grants see Note 12.

There are no unfulfilled conditions or contingencies attaching to the grants which have been recognised as income, and no other material sources of government assistance were received (2023: the same).

4. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2024 £	2024 £	2024 £	2023 £
Fundraising events	2,694	-	2,694	7,644
	2,694	-	2,694	7,644

In 2024 all income from other trading activities was unrestricted (2023: all unrestricted).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

5. EXPENDITURE

Support staff costs have been allocated based on an estimate of the percentage of time staff spent supporting the activity; office costs have been apportioned based on an estimate of relative usage of these central resources. Premises costs have been allocated across projects based on staff numbers. Support costs are analysed overleaf:

	Grant funding of activities	Staff costs	Activities undertaken directly	Support costs	Total	Total
	2024	2024	2024	2024	2024	2023
	£	£	£	£	£	£
Service Delivery	622,513	577,982	136,456	199,789	1,536,740	1,197,322
Policy and Research	-	49,439	8,259	16,918	74,616	115,880
Total expenditure on charitable activities	622,513	627,421	144,715	216,707	1,611,356	1,313,202
Raising funds	-	215,185	8,655	61,147	284,987	321,275
Support and governance		149,780	128,074	(277,854)	-	-
	622,513	992,386	281,444	-	1,896,343	1,634,477

Prior Year

	Grant funding of activities	Staff costs	Activities undertaken directly	Support costs	Total
	2023	2023	2023	2023	2023
	£	£	£	£	£
Service Delivery	512,750	470,511	22,039	192,022	1,197,322
Policy and Research	-	77,043	6,528	32,309	115,880
Total expenditure on charitable activities	512,750	547,554	28,567	224,331	1,313,202
Raising funds	-	212,786	9,728	98,761	321,275
Support and governance		140,919	182,173	(323,092)	-
	512,750	901,259	220,468	-	1,634,477

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

Analysis of support costs

	Total 2024 £	Total 2023 £
Support staff costs	125,737	123,321
Rent, service charge and rates	18,012	38,268
Other premises costs	6,815	9,008
Insurance	4,029	6,170
Computer and IT costs	27,272	41,139
Bank charges	1,049	1,017
Postage, photocopier and telephone	11,452	12,586
Printing and stationery	2,669	1,983
Legal and professional fees	4,287	20,499
Depreciation	16,348	21,989
Other support costs	17,748	13,107
Governance staff costs	24,046	17,598
Other governance costs	18,390	16,407
	42,436	34,005
	277,854	323,092

Expenditure includes:

	2024 £	2023 £
Auditors' remuneration:		
Audit fee excluding VAT	12,425	10,500
Irrecoverable VAT on audit fee	2,485	2,100
Operating lease rentals - Land and buildings	17,303	36,677
- Plant and equipment	1,576	1,618
Depreciation on owned assets	16,273	21,989

Grant funding includes grants payable for Open University, other accredited and unaccredited distance learning courses, and small grants for other educational materials. All grants are made to acquire courses and materials for individuals, and have been analysed below:

	2024 £	2023 £
Open University courses	38,856	42,654
General education courses	583,657	470,096
	622,513	512,750

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

6. STAFF NUMBERS AND COSTS

	2024 £	2023 £
Wages and salaries	856,778	781,374
Social security costs	85,655	77,645
Defined contribution pension costs	45,008	39,362
Other staff costs	4,946	2,878
Agency staff and consultants	-	-
	992,387	901,259

The average monthly number of employees, calculated as full-time equivalents (FTE), during the period was:

	2024 FTE	2023 FTE
Raising funds	4.6	4.5
Service Delivery	10.1	9.8
Policy and Research	1.6	1.6
Governance	0.4	0.4
Support	2.6	2.6
	19.3	18.9

The average monthly number of employees, calculated as average head count (AHC), during the period was:

	2024 AHC	2023 AHC
Raising funds	4.9	5.1
Service Delivery	10.8	11.3
Policy and Research	1.8	1.8
Governance	0.4	0.4
Support	2.8	3.0
	20.7	21.6

One employee received employee benefits (including employer's National Insurance contributions and employer's pension contributions) in the range of £100,000 - £110,000 and three received employee benefits in the range of £60,000 - £70,000. Employee benefits include pension contributions of 6% of total earnings were also payable (2023: 5%).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

The key management personnel of PET received earnings and benefits (including employer pension contributions of 6% of total earnings totalling £306,778 (2023: £289,789)). The number of key management personnel was 4 (2023: 4), being the Chief Executive and three Heads of Departments. The FTE number of key management personnel staff members were 3.8 (2023: 3.8).

Pensions - defined contribution scheme

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £45,007 (2023: £39,362). Contributions totalling £nil (2023: £nil) were payable to the fund at the balance sheet date and are included in creditors.

7. TRUSTEE TRANSACTIONS AND RELATED PARTIES

During the year, no trustee received any remuneration (2023: £nil). Trustees received reimbursement of travel expenses to attend trustee meetings of £1,787 (2023: £516). The charity received £1,507 in donations on usual terms from its trustees, key management personnel, their close family members and entities over which they have significant interest or effective control during the period (2023: £1,964). Total expenses incurred by the Trustees in the furtherance of their duties but not reclaimed from the charity were immaterial in 2023 and 2024. There is no ultimate controlling party.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

8a. INTANGIBLE FIXED ASSETS

	Website £	Database £	Total 2024 £	Total 2023 £
COST				
Opening balance 1 January 2024	36,048	38,726	74,774	74,774
Additions	-	-	-	-
At 31 December 2024	36,048	38,726	74,774	74,774
Amortisation				
Opening balance 1 January 2024	34,052	29,792	63,844	48,889
Charge for the period	1,996	7,745	9,741	14,955
At 31 December 2024	36,048	37,537	73,585	63,844
NET BOOK VALUE				
At 31 December 2023	1,996	8,934	10,930	25,885
At 31 December 2024	-	1,189	1,189	10,930

8b. TANGIBLE FIXED ASSETS

	Furniture & Fittings £	Office & IT Equipment £	Total 2024 £	Total 2023 £
COST				
Opening balance 1 January 2023	23,930	30,870	54,800	51,598
Additions	852	7,550	8,402	3,202
Disposal	(19,328)	-	(19,328)	-
At 31 December 2024	5,454	38,420	43,874	54,800
DEPRECIATION				
Opening balance 1 January 2024	21,618	20,986	42,604	35,570
Charge for the period	1,679	4,853	6,532	7,034
Provision for Disposal	(19,328)	-	(19,328)	-
At 31 December 2024	3,969	25,839	29,808	42,604
NET BOOK VALUE				
At 31 December 2023	2,312	9,884	12,196	16,028
At 31 December 2024	1,485	12,581	14,066	12,196

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

9. INVESTMENTS

	2024 £	2023 £
Aviva Investment Bond:		
Market value brought forward	20,817	20,889
Additions		
Distributions reinvested		
Unrealised gain/(loss)	1,119	(72)
Market value carried forward	21,936	20,817
Historical cost	21,064	21,064

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Trade Debtors	44,981	2,538
Net prison contributions due	8,680	7,295
Grants receivable	227,729	262,764
Donations receivable	60,769	12,195
Prepayments	8,125	7,200
Other accrued income	1,402	1,488
Lease deposit	1,179	1,179
	352,865	294,659

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Trade creditors	35,737	45,899
Taxation and social security costs	22,575	20,511
Grants committed but not yet paid (see below)	21,884	16,800
Accruals	13,800	18,094
Other creditors	11,333	10,522
VAT Payable	18,289	-
	123,618	111,826

Grants committed but not yet paid analysis

	2024 £	2023 £
At start of year	16,800	43,583
Grants committed in the year	558,369	488,491
Grant commitments fulfilled	(553,285)	(515,274)
	21,884	16,800

Grant commitments are recorded as liabilities on the balance sheet and as expenditure in the Statement of Financial Activities when the award has been approved, as a constructive obligation has been formed. The vast majority of grant awards are fulfilled within 12 months of the commitment.

Deferred income analysis:

	2024 £	2023 £
At start of year	-	3,523
Amounts added in the year	-	-
Amount released to income from previous years	-	(3,523)
	-	-
At end of year	-	-

Deferred income comprised grant monies received during the period subject to donor-imposed conditions specifying the time period over which the expenditure of resources can take place.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

12a. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £	Total Funds 2023 £
Intangible Fixed Assets	1,189	-	1,189	10,930
Tangible fixed assets	14,066	-	14,066	12,196
Investments	21,936	-	21,936	20,817
Current Assets	738,016	437,716	1,175,732	767,041
Current Liabilities	(54,664)	(68,954)	(123,618)	(111,826)
	720,543	368,762	1,089,305	699,158

Prior Year Comparative Figures

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Intangible Fixed Assets	10,930	-	10,930
Tangible fixed assets	12,196	-	12,196
Investment	20,817	-	20,817
Current Assets	404,233	362,808	767,041
Current Liabilities	(38,605)	(73,221)	(111,826)
	409,571	289,587	699,158

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

12b. FUNDS OF THE CHARITY

	Brought Forward 01/01/2024 £	Income £	Expenditure £	Transfers £	Carried Forward 31/12/2024 £
RESTRICTED FUNDS					
Policy and Research	-	-	-	-	-
Governance	-	-	-	-	-
Access to Learning	-				-
General	103,215	133,541	(133,931)	-	102,825
Women	19,480	40,000	(36,476)	-	23,004
Younger people	20,851	30,000	(29,196)	-	21,655
Older people	-	-	-	-	-
Army veterans	14,223	18,000	(25,770)	-	6,453
HMPPS England	-	411,519	(411,519)	-	-
HMPPS Wales	-	17,325	(17,325)	-	-
Geographically restricted	85,934	219,334	(241,479)	-	63,789
Course subject restricted	-	-	-	-	-
Course Development	8,291	30,000	(30,000)	-	8,291
HMPPS Digitisation Project	-	394,052	(336,127)	-	57,925
Information Advice and Guidance	2,333	2,290	(2,043)	-	2,580
Small Grants	-	-	-	-	-
Prison & Prisoners' contribution	5,186	53,101	(57,892)	-	395
Awards	724	-	-	-	724
Engagement and Development	-				-
The National Lottery Community Fund	24,436	150,740	(104,825)	-	70,351
Other engagement and development funds	4,914	21,849	(15,993)	-	10,770
	289,587	1,521,751	(1,442,576)	-	368,762
UNRESTRICTED FUNDS	409,571	764,739	(453,767)	-	720,543
TOTAL FUNDS	699,158	2,286,490	(1,896,343)	-	1,089,305

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

Prior year comparative figures:

	Brought Forward 01/01/2023 £	Income £	Expenditure £	Transfers £	Carried Forward 31/12/2023 £
RESTRICTED FUNDS					
Policy and Research	3,334	-	(3,334)	-	-
Governance	-	-	-	-	-
Access to Learning					
General	39,675	143,070	(79,530)	-	103,215
Women	7,891	48,620	(37,031)	-	19,480
Younger people	12,420	49,696	(41,265)	-	20,851
Older people	-	-	-	-	-
Army veterans	3,051	36,375	(25,203)	-	14,223
HMPPS England	187	391,989	(392,176)	-	-
HMPPS Wales	-	17,952	(17,952)	-	-
Geographically restricted	66,107	156,006	(136,179)	-	85,934
Course subject restricted	959	-	(959)	-	-
Course Development	13,160	30,000	(34,869)	-	8,291
HMPPS Digitisation Project	-	33,568	(33,568)	-	-
Information Advice and Guidance	10,158	4,300	(12,125)	-	2,333
Small Grants	2,202	-	(2,202)	-	-
Prison & Prisoners' contribution	4,944	49,970	(49,728)	-	5,186
Awards	724	-	-	-	724
Engagement and Development					
The National Lottery Community Fund	-	84,245	(59,809)	-	24,436
Other engagement and development funds	-	47,327	(42,413)	-	4,914
	164,812	1,093,118	(968,343)	-	289,587
UNRESTRICTED FUNDS	537,539	538,166	(666,134)	-	409,571
TOTAL FUNDS	702,351	1,631,284	(1,634,477)	-	699,158

PRISONERS' EDUCATION TRUST

	Brought Forward 01/01/2023 £	Income £	Expenditure £	Transfers £	Carried Forward 31/12/2023 £
RESTRICTED FUNDS					
Policy and Research	3,334	-	(3,334)	-	-
Governance	-	-	-	-	-
Access to Learning					-
General	39,675	143,070	(79,530)	-	103,215
Womens prisoners	7,891	48,620	(37,031)	-	19,480
Younger prisoners	12,420	49,696	(41,265)	-	20,851
Older prisoners	-	-	-	-	-
Army veterans	3,051	36,375	(25,203)	-	14,223
HMPPS England	187	391,989	(392,176)	-	-
HMPPS Wales	-	17,952	(17,952)	-	-
Geographically restricted	66,107	156,006	(136,179)	-	85,934
Course subject restricted	959	-	(959)	-	-
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Prison & Prisoners' contribution	4,944	49,970	(49,728)	-	5,186
Awards	724	-	-	-	724
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Other engagement and development funds	-	47,327	(42,413)	-	4,914
	164,812	1,093,118	(968,343)	-	289,587
UNRESTRICTED FUNDS	537,539	538,166	(666,134)	-	409,571
TOTAL FUNDS	702,351	1,631,284	(1,634,477)	-	699,158

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

Restricted funds

**Policy &
Research**

For research, policy, advocacy and alumni development work.

**Access to
Learning:**

General	For distance learning courses and advice, major funders in 2024 include: The Big Give Christmas Challenge, Beatrice Laing Trust, Garfield Weston Foundation, David Knowles, Margie Marwick and Julia Rausing Trust.
Women in prison	For distance learning courses and advice to women in prison, major funders in 2024 include: The Brook Trust and Charles Hayward Foundation.
Younger people in prison	For distance learning courses and advice to younger people in prison, major funders in 2024 include: The Horlock Educational Trust, The Portal Trust and various other trusts.
Ex-armed forces	For distance learning courses and advice to ex-service personnel, major funders in 2024 include: Army Benevolent Fund
HMPPS England	Funding granted for distance learning courses, including Open University Access courses and a range of accredited and unaccredited further education courses, as well as an Advice and Information service for serving prisoners and their families.
HMPPS Wales	Funds granted by the Welsh Assembly Government, through HMPPS in Wales for prisoners who are ordinarily resident in Wales to study Open University and other accredited and unaccredited further education courses.
Geographically restricted	Funds granted for distance learning courses and advice with specific geographical restrictions. Major funders in 2024 include: Sir James Knott Trust, The Thriplow Charitable Trust, William Harding's Charity and various other trusts.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

Restricted funds (continued)

Course subject restricted & Course development	Funds granted for distance learning courses with specific subject restrictions and course development.
Engagement and development	Funds restricted to projects to extend our reach to underrepresented groups and prisons, and to enhance the support that we offer to learners and staff in both England and Wales. The National Lottery Community Foundation, Moondance Foundation and The Waterloo Foundation are the main contributors for this project.
Digital Development	Fishmongers' Company's Charitable Trust and HMPPS England provided the support for this work

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

13. OTHER FINANCIAL COMMITMENTS

At 31 December 2024 the charity had an operating lease for its London office premises with a remaining term of less than 5 years. There is a rolling 6-month break clause, and therefore the commitment by the charity at any given point is 6 months' rent and service charge. As at 31 December 2024, this amounted to £8,432 (2023: £8,041). The charity also had a non-cancellable operating lease commitment of £423 (2023: £423) for equipment falling due within one year.

In October 2015 the charity signed an operating licence for an office space in Cardiff with an initial 18-month term and a rolling one-month break clause. The commitment of the charity at any one time is rent and service charges of £625. There are no other non-cancellable operating licence commitments falling due within one year or in more than one year (2023: the same).

14. CONTRIBUTION OF VOLUNTEERS

We are very grateful for the vital contributions to our work made by volunteers in 2024 in many different capacities. A number of our alumni that we had helped while in prison and are now in the community gave their time to speak at events or to journalists to promote our work. Some of our high-profile supporters also gave their time to speak at events on our behalf. We were given valuable help with administrative and office tasks by one volunteer gaining temporary work experience or helping with one off tasks (2023: 1). A number of professional and academic experts contributed their advice and expertise to our project and research work on a pro bono basis; and our trustees gave their time most generously and free of charge to act as ambassadors for PET and to provide robust and effective governance.

15. LIMITATION OF LIABILITY

Prisoners' Education Trust is a charitable company limited by guarantee. Liability is limited to £10 per member. As at 31 December 2024, there were 10 members (2023: 11).

Accounts

PRISONERS' EDUCATION TRUST

**(Company limited by guarantee no. 04132595
registered charity no. 1084718)**

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2023

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

For the year ended 31 December 2023

Trustees: Hilary Cross - *Deputy Chair (to 29 March 2023)*
Ola Daniel
Elisabeth Davies - *Chair (to 19 July 2023)*
Catherine Dawkins - *Honorary Treasurer (to 24 May 2023)*
Judith Feline
Emily Giles
Paul Kelly - *Chair (from 31 January 2024)*
James Killen
Simon Mellor - *Trustee (to 24 May 2023) and Honorary Treasurer (from 24 May 2023)*
Ken Merry
Vicki Morris
Mandeep Mahil (*to 31 January 2024*)
Lewis Owens (*to 8 January 2024*)
Sir Paul Phillips CBE
Richard Ward OBE - *Trustee (to 24 May 2023), Deputy Chair (from 24 May 2023) and Acting Chair (19 July 2023-31 January 2024)*

Trustees serve four-year terms and are limited to a maximum of two terms other than in exceptional circumstances.

**Company Secretary
and Chief Executive:** Jon Collins

Company reg. no: 04132595

Charity reg. no: 1084718

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

For the year ended 31 December 2023 (continued)

Registered office: The Foundry
17 Oval Way
London
SE11 5RR

Telephone: 020 3752 5680
Email: info@prisonerseducation.org.uk
Website: www.prisonerseducation.org.uk

Auditors: Price Bailey LLP
Chartered Accountants and Tax Advisors
24 Old Bond Street
Mayfair
London
W1S 4AP

Bankers: Unity Trust Bank
9 Brindley Place
Birmingham
B1 2HB

CCLA
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Solicitors: BPE Solicitors LLP
St James' House
St James' Square
Cheltenham
GL50 3PR

**TRUSTEES' ANNUAL REPORT, (incorporating the Directors' report)
for the year ended 31 December 2023**

The trustees (who are also the directors for the purposes of company law) present their report and the audited financial statements for the year ended 31 December 2023.

The trustees confirm that the annual report and financial statements of Prisoners' Education Trust (PET) comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

OBJECTS, ACTIVITIES, AND STRATEGY

Objects

The charitable objects of PET are contained in our Memorandum and Articles of Association and relate to advancing the education and training of prisoners and ex-prisoners in the UK, the Isle of Man and the Channel Islands (though in practice we do not fund prisoner learners in Scotland and Northern Ireland). They include providing funding for distance learning courses; providing advice and guidance about education and training; promoting improvements in prison education policy and practice; publicising the authentic views and insights of prisoner learners; and commissioning and carrying out research, projects, reports, and conferences to help in evaluating and promoting improvements in prison education policy and practice in the UK.

Vision, mission and values

PET's **vision** is:

Prisoners' lives transformed through learning

This is supported by our **mission**:

Every prisoner a learner, every prison a place to learn

The vision and mission are underpinned by PET's values:

- **we inspire** hope and aspiration through learning;
- **we care** passionately about empowering learners and staff;
- **we collaborate** to achieve more together;
- **we are tenacious** to make change happen;
- **we are expert** and listen to learners and other experts;
- **we celebrate** everyone's successes; and
- **we are inclusive** and promote equality and diversity.

Strategy

PET published a five-year strategy for 2022-26 in October 2021. It is available at prisonerseducation.org.uk/about-us. This strategy sets out the following aims:

1. We will extend our reach by seeking out and engaging people in prison who have not yet considered or participated in distance learning.
2. We will extend the support that we provide, to enable learners to access courses that meet their goals and to increase the proportion who complete their courses.
3. We will make use of digital technology to enhance the learning experience for people in prison.
4. We will use PET's standing to influence policy in order to achieve change and realise our vision.

To enable us to carry out this work effectively and in line with our values the strategy also says that:

5. We will engage with and involve people with lived experience of prison education, so that PET continues to put the learner at the centre of all that we do.
6. We will put equality, diversity and inclusion at the heart of our work, to ensure that fairness is central to everything that we do.
7. We will ensure that PET is a well-run, effective and financially sustainable organisation, built on firm foundations and fit for the future.

These elements of the strategy inform every area of our work.

The sections on achievements and performance below use these strategic priorities to review our work in 2023.

Public benefit

PET, as a registered charity established to support prisoners and ex-prisoners in the UK, is a Public Benefit Entity. When approving PET's ongoing activities, trustees give due consideration to how they meet the Charity Commission's statutory guidance on public benefit.

- We grant access to distance learning courses not otherwise available within the prison system to individual adult prisoners throughout England, Wales, the Isle of Man and the Channel Islands. Rigorous Ministry of Justice research shows that these learning opportunities have a positive impact on reducing reoffending and promoting employment, benefitting the individuals, their families, and wider society.
- We provide an advice service to help people in prison maximise the benefits of successful selection, study and completion of their courses, which again benefits their families and wider society.
- We seek to improve prison education policy, support and promote best practice, and make the case for its benefits to society.

Grant making policy

Any individual aged 18 or over who has been sentenced, is currently serving a custodial sentence in England, Wales, the Channel Islands or the Isle of Man, and has six months or more left to serve on their sentence is eligible to apply to PET to fund them to take part in an educational distance learning course.

Grants are awarded based on an application form, which is designed to gather evidence on a person's readiness and motivation to participate in a distance learning course. This application form needs to be endorsed by an authorised member of staff at the prison. Applications are then scored against transparent criteria. Information, advice and guidance (IAG) is provided to the applicant and to prison education staff throughout the application process. The application and scoring process was redesigned in 2019 and is now well-established.

Our application process is overseen by our Quality Assurance Panel, which is made up of trustees and a member of our Alumni Advisory Group. They meet at least three times a year to review application data, the number of successful applications, and equality, diversity and inclusion (EDI) data. This provides reassurance to the Board of Trustees that the application process is effective and fair.

ACHIEVEMENTS, PERFORMANCE AND PLANS FOR FUTURE PERIODS

Achievements and performance for 2023

PET in 2023 in numbers

Number of applications for funding from people in prison: 3,051
Number of distance learning courses funded for people in prison: 1,340
Number of prisons that we funded courses in: 119
Number of times information, advice and guidance given: 3,504
Number of calls to PET's Advice Line: 1,215
Income: £1.62m
Number of followers for PET on X (formerly Twitter): 19,979

During 2023, the pressures that the prison system was under were subject to significant public scrutiny and debate. Population pressures saw overcrowding increase and the prison system approach capacity, before emergency measures slowed the growth in the population in the last months of 2023. Alongside the increasing population, staffing shortages had a significant impact on prison regimes, with people in prison continuing to spend longer in their cell each day than had been the case prior to the coronavirus pandemic. The conditions that people were being held in also continued to cause concern.

Within this context, PET continued to offer an invaluable service to learners, supporting people in prison to access distance learning courses and providing related IAG. We also,

in line with our strategy, continued to develop our work, looking to extend our reach and the support that we are able to offer to learners and explore ways to make better use of digital technology to improve learners' experiences.

Alongside this we continued to work to inform and influence prison education policy, working with ministers, civil servants and parliamentarians, as well as senior staff in HM Prisons and Probation Service (HMPPS), to support the development of prison education. This included contributing to the development of a new Prison Education Service, which saw changes to prison education being introduced during 2023 ahead of the retendering of the core education delivery contracts. This will be a significant opportunity to address current concerns about the quality of prison education.

Our work during 2023 is described in more detail below, set out under the priorities identified in PET's organisational strategy.

1) Extending our reach by seeking out and engaging people in prison who have not yet considered or participated in distance learning

During 2023 PET continued, through our Access to Learning (A2L) programme, to be the leading organisation funding and supporting distance learning in prisons in England and Wales, as well as the Channel Islands and the Isle of Man. This is the largest area of our charitable expenditure. We provide a unique service to people in prison, enabling them to access distance learning courses that would otherwise be unavailable to them. This helps people leaving prison to secure employment and reduces reoffending.

During 2023 PET faced rising average course prices and an increase in our running costs, both driven by high levels of inflation. In response to this, and following careful consideration by the Board of Trustees, we reluctantly limited the number of courses that we funded to manage our expenditure. We received 3,051 applications for support to access distance learning, of which 1,340 (44%) were successful. This exceeded our target for the year (1,300 awards) by 40. In 2022, we received fewer applications (2,667) but more were successful (1,507).

	2019	2020	2021	2022	2023
Applications	2,678	1,798	2,315	2,667	3,051
Awards	1,703	1,046	1,437	1,507	1,340

The five courses that were applied for most in 2023 were:

- National Examination Board in Occupational Safety and Health (NEBOSH) Health and Safety Executive (HSE) Award in Managing Risks and Risk Assessment
- Business Start-up
- Agile Project Management
- Bookkeeping Certificate
- Institution of Occupational Safety and Health (IOSH) Managing Safely

Looking at successful applications, the five courses that we were able to support most often were:

- NEBOSH HSE Award in Managing Risks and Risk Assessment
- IOSH Managing Safely
- NEBOSH National General Certificate in Occupational Health and Safety
- Bookkeeping Certificate
- Chartered Management Institute (CMI) Level 3 in Principles of Management and Leadership

We know from previous analysis by the Ministry of Justice's Justice Data Lab that accessing the courses that we offer reduces reoffending and improves learners' chances of securing employment after release. But the feedback from learners continued to demonstrate the wider impact that access to distance learning can have. For example, one learner told us that:

"It has been engaging, thought provoking, educational and fun! It has provided a sense of pride and progression, that I'm doing something worthwhile with my time that I hope will benefit me for years to come. I would like to thank you for agreeing to fund this course."

Another said:

"I believe this will really help me gain employment when I am released. I can't thank the Prisoners' Education Trust enough! Thank you!"

A third said:

"Distance learning has helped my mental health and given me a means to spend my time positively in prison as well as given me tools and skills for release. Thank you."

The feedback that we receive from our learners is key to ensuring that the work that we do is having a positive impact, while also helping to guide the future development of the services that we offer.

Extending our reach

In line with the priorities set out in our organisational strategy, during 2023 we continued to work to extend our reach to ensure that people from all prisons and all communities within the prison system have equal access to our services.

Our initial work in this area involved analysing the data that we now capture on who is currently using our services to identify gaps and areas for improvement. We were then able to use this information to secure funding from The National Lottery Community Fund (TNLCF) for a three-year project to, among other things, increase the number of applications that we receive from selected prisons and from older people, Muslim people, and people from Gypsy, Roma and Traveller communities. Planning has been carried out

for this element of the project and work has begun to build relationships with organisations that work with the communities that we have identified.

Promoting PET in prisons

In the meantime, we continued to make in-person visits to prisons during 2023 to promote PET's work to staff and to people in prison. This was complemented by running online virtual prison sessions, where we can share information and good practice with distance learning co-ordinators and other staff. We also continued to contribute to each edition of Inside Time, the national newspaper for people in prison, to promote what PET has to offer. This is a way that we are able to communicate directly with people about the courses that PET offers and developments at PET. Feedback from callers to our Advice Line shows that this is an important way in which people in prison learn about PET - during 2023, 50% of new callers heard about the Advice Line from Inside Time (2022: 58%).

The Frank Awards

As well as access to distance learning courses, PET continued to work in partnership with the Longford Trust to administer the Frank Awards, offering grants to people in prison to cover the cost of individual modules towards degrees at the Open University. During 2023, we were able to support 18 people in prison through the Frank Awards (2022: 15).

Key achievements during 2023

- Funding 1,340 distance learning courses for people in prison, providing access to educational opportunities that would otherwise have been unavailable.
- Securing funding from TNLCF to increase the number of applications that we receive from prisons and communities that are currently underrepresented.
- Contributing monthly to Inside Time, the national prison newspaper, to promote to people in prison what PET has to offer.

2) Extending the support that we provide, to enable learners to access courses that meet their goals and to increase the proportion who complete their courses

The provision of information, advice and guidance (IAG) to people in prison is central to PET's work. During 2023, we provided IAG on 3,504 occasions (2022: 3,608), on average 292 times per month (2022: 301). The top five subjects that we were contacted about were requests for an update on applications, information on how to apply, assistance with courses, course selection, and exams and assessments.

An important way that learners and potential learners were able to contact us was via our Advice Line, which we launched in 2020 following the outbreak of the coronavirus pandemic and the consequent introduction of severely restricted prison regimes. The Advice Line enables people in prison to contact us directly for advice and support and is now a core part of our service.

During 2023 we received 1,215 calls (2022: 1,368) on the Advice Line from 477 unique callers (2022: 496), an average of 101 calls per month (2022: 114). Many callers contacted the Advice Line more than once, demonstrating the way that the service enables PET to develop relationships directly with individual learners, supporting them as they choose a course, apply, complete their course and then consider their next steps.

The positive feedback that we have received demonstrates the value of the Advice Line to people in prison. For example, one learner told us that:

“Every time I called PET, the person I spoke to was very friendly and helpful. Keep it up.”

In addition, PET continued to use the Email a Prisoner (EMAP) service - which enables emails to be printed out and handed to people in prison, with replies scanned and emailed back to us - to respond to queries and provide more information, following up on Advice Line calls that could not be resolved immediately over the phone. This enabled us to respond more quickly to enquiries and prevented some of the inevitable delays caused by using the post.

Support for learners

A key further strand of our work under this element of the strategy during 2023 was to support more people to complete their PET-funded distance learning courses. To enable us to carry out this work, as mentioned above we secured funding from TNLCF for a three-year project to extend our reach and develop the support that we can offer to our learners.

With this funding secured, we were able to begin a programme of work to establish what the key factors are that enable people to complete a PET-funded course. We held focus groups with people who had completed their courses and also focus groups and one-to-one conversations with people who had not completed their courses. This enabled us to begin to develop a picture of what the key supportive factors and the key barriers are. This will inform our work in 2024 and beyond to establish how we can embed and enhance the supportive factors and break down the identified barriers.

Support for prison staff in Wales

PET has also been running a related project working with prison staff in Wales to better enable them to support learners in Welsh prisons, recognising that one of the important enablers of people completing their course is the availability of well-informed and trained staff, particularly distance learning co-ordinators. This has included providing presentations on PET and training for staff. It has also included facilitating meetings of the distance learning co-ordinators from all Welsh prisons, to enable them to collaborate and share best practice. This builds on our previous work in Wales through our Welsh Prisons Project. It also contributes to our broader work to increase the support available to learners, with the learning from this project informing how we support staff in prisons in England.

PET's course prospectus

During 2023, we also began the process of updating our PET Course Prospectus, including collecting feedback from learners and prison and education staff. A new prospectus was published in early 2024.

Key achievements during 2023

- Providing information, advice and guidance to prison education staff, people in prison, and their families on 3,504 occasions.
- Responding to 1,215 calls on our Advice Line, providing direct access for people in prison to our expert staff.
- Continuing to develop our work in Wales, providing support to distance learning co-ordinators and other staff in Welsh prisons.

3) Making use of digital technology to enhance the learning experience for people in prison

During 2023, PET made substantial progress in our work to make better use of digital technology, despite ongoing limitations in the availability of digital technology within prisons and the lack of internet access.

Our work in this area covered three key areas.

Firstly, we continued to work with a range of providers to make our resources available digitally within prisons. This included work to make information about PET and the courses that we offer available on the Virtual Campus, the prison intranet, and to monitor the extent to which they were accessed. We also worked with Coracle Inside, who provide laptops in prisons, to develop a process whereby a person in prison could complete a free PET short course, access our prospectus, apply to do a PET-funded course, and complete that course all on a laptop. With the development work complete, this project will be piloted in 2024.

In addition, we have begun work to develop a secure version of our website that could be accessed within prison, enabling people in prison who have secure access to the internet to find out about PET and what we offer. We initially worked on this with Socrates Software (who provide in-cell tablets in HMP Five Wells) and are now also working with Novus to make it available via their Open Borders system.

Secondly, we were delighted to secure funding from HM Prison and Probation Service (HMPPS), through their Digital Content Innovation Fund, to develop short digital courses for use on the Virtual Campus. This includes a literacy course, which we are developing in partnership with the National Extension College (NEC), and a number of other short courses that we hope will enable people in prison to get a taste of distance learning in a digital environment.

Thirdly, we have been continuing to build on and develop our capacity to gather data on our work digitally. We had previously created a secure interface to enable prison education staff to supply us with data on PET's learners digitally by adding it directly into our Salesforce database. This is both more efficient than our old systems for gathering data and provides more comprehensive and timely information. It is now used by 95% of prisons. To complement this, a similar process has been successfully piloted with our course suppliers and will be rolled out during 2024. This will similarly improve the quality of the data that we are able to collect.

Key achievements during 2023

- Developing a secure version of our website that we will be able to make available to people in prison.
- Securing funding from the HMPPS Digital Content Innovation Fund to enable us to develop free short courses for people in prison.
- Developing a process that enables our course suppliers to submit data on our learners to us digitally.

4) Using PET's standing to influence policy in order to achieve change and realise our vision

During 2023, PET worked to influence the development of policy on prison education, with a particular focus on the emerging plans for a new Prison Education Service.

During the year we responded to several select committee inquiries, highlighting the importance of education in running an effective prison system, the challenges of delivering high-quality education given the pressures that prisons are currently under, and how the situation could be improved. This included responding to the Justice Select Committee's inquiries into the future prison population and estate capacity and into the prison operational workforce. We also responded to the Welsh Affairs Committee's follow-up inquiry to its 2019 report on prison provision in Wales.

PET responded to a consultation by His Majesty's Inspector of Prisons (HMIP) on the criteria against which they inspect prisons holding adult men. Following PET's response and recommendation, they added "Prisoners are able to access digital technology and appropriate digital content to support their learning" to these expectations. We also responded to HMIP's 2023 Stakeholder Survey, highlighting the importance of their work on education.

We also spoke at a number of events, including at a meeting of the All-Party Parliamentary Group on Penal Affairs, at the launch of a new report from the Traveller Movement looking at the barriers that Romany Gypsies and Irish Travellers face in accessing purposeful activities in prison, and at the University and College Union's annual conference.

During 2023, PET featured widely in the media, including in The Times, FE Week, FE News, Inside Time, Wales Online, the South Wales Argus and Russell Webster's blog. PET's social media presence also enabled us to keep prison education on the public agenda. We continued to use X (formerly Twitter) as a way to promote our work, while our use of LinkedIn as a forum to raise issues and promote discussion among people with an interest in prison education increased.

The Prisoner Learning Alliance

PET has convened and provide the secretariat for the Prisoner Learning Alliance (PLA), an alliance of organisations and individuals committed to improving policy and practice in prison education, since it was launched in 2012. Early in 2023, recognising the need to prioritise how best to use our limited resources, PET's Board of Trustees decided to end PET's financial support for the PLA at the end of the year. The PLA subsequently closed in December 2023.

Despite this difficult decision, the PLA still had a busy year in 2023, as planned work was completed and ongoing projects were successfully wrapped up. This included publishing a guide for developing the curriculum in prisons, created by teachers and learners to support those working in prisons to offer a good range of high-quality formal and informal learning. The PLA also responded to three parliamentary select committee inquiries and an HMIP consultation, published a series of blogs, organised two successful webinars, and held a networking event for prison education staff in the Midlands. The PLA continued to host the Essential Skills and Inclusion Network, a forum for prison teachers and those supporting special educational needs and disabilities (SEND) work in prisons. PET will take over hosting this in 2024.

A closing event was held in December 2023 and the website has been preserved to ensure that the resources produced by the PLA remain available. At its closure at the end of 2023 the PLA had 50 organisational (full) members (2022: 46) and 402 individual associate members (2022: 337).

Key achievements during 2023

- Responding to inquiries by the Justice Select Committee and Welsh Affairs Committee, highlighting the importance of education provision for people in prison.
- Influencing an update of HMIP's "expectations" for prisons holding adult men, the criteria against which these prisons are inspected.
- Continuing to be the leading media and social media presence on prison education, with an extensive audience on X (formerly Twitter) and a growing LinkedIn profile.

5) Engaging with and involving people with lived experience of prison education, so that PET continues to put the learner at the centre of all that we do

PET has continued to ensure that people with lived experience of the prison system are at the heart of our work.

This included hosting our Alumni Advisory Group, which influences PET practice and policy and informs our work. During 2023 this group met regularly and contributed to the ongoing development of PET's work. In addition, five new members were recruited to join the group, expanding its capacity and range of experience. With these new members in place, the group began a new project to collect and publish the experiences of people who have lived experience of prison education.

The work of the Alumni Advisory Group during 2023 also included the development of PET's new project to extend our reach and develop the support that we offer. This project, funded by TNLCF and mentioned above, has lived experience at its heart and was co-created with the Alumni Advisory Group from the outset.

An important element of this project involves the recruitment of six people with lived experience as Lived Experience Consultants, to contribute to the project's delivery. This recruitment took place during 2023 and the Lived Experience Consultants are already making a significant contribution to this work. This will be augmented during 2024 by the recruitment of a new Lived Experience Co-ordinator role to further develop PET's work in this area.

Members of the Alumni Advisory Group also sit on our Strategy Focus Group, which is made up of staff and alumni and supports and guides the implementation of our organisational strategy. It continued to meet throughout 2023, providing invaluable insight on our work. A member of the Alumni Advisory Group also sits on our Quality Assurance Panel, which oversees our application process.

People with lived experience of the prison system and prison education also sit on our Board of Trustees. In addition, we continue to run our Trustee Development Programme, which provides people with lived experience of the justice system with an opportunity to gain the necessary experience to become a trustee in the future. There was one person on the programme during 2023 (2022: 1).

Key achievements during 2023

- Recruiting five new members of the Alumni Advisory Group to broaden its membership and increase its capacity.
- Securing funding from TNLCF for a project that we had co-created with members of the Alumni Advisory Group.
- Recruiting Lived Experience Consultants to play a key role in this new project, ensuring that their experience and insight is central to its design and delivery.

6) Putting equality, diversity and inclusion at the heart of our work, to ensure that fairness is central to everything that we do

PET is committed to embedding equality, diversity and inclusion (EDI) into every aspect of our work.

During 2023 we refreshed our EDI Committee, which now has both staff and trustees as members. This relaunched committee started meeting in 2023 and developed a new EDI workplan for the organisation, ensuring that our work on EDI is aligned with our identified EDI priorities and our broader organisational strategy. Implementation of this workplan will begin in 2024.

As with previous years, we continued to scrutinise the EDI data collected through our application process, identifying the communities that were underrepresented among those applying to PET and among those that we funded. A session is held annually to review this data, attended by the Board of Trustees and PET's Senior Management Team.

We also continued to develop our new approach to recruitment, which is anonymous and relies on responses to questions rather than CVs to select candidates. This approach is intended to be fairer as it increases accessibility and reduces unconscious bias, and feedback from the recruitment processes that we have run has been positive.

Key achievements during 2023

- Relaunching a refreshed EDI Committee, with both staff and trustees as members.
- Developing and agreeing a new EDI workplan for PET to guide our work in this area over the next three years.
- Continuing to use the EDI data that we collect from the people who access PET's services to inform the future development of our work.

7) Ensuring that PET is a well-run, effective and financially sustainable organisation, built on firm foundations and fit for the future

Fundraising

Effective fundraising is essential to enabling PET to fulfil our objectives as a charity and is always a priority for the organisation. The fundraising environment in 2023 remained extremely challenging, with ongoing high levels of inflation having a continuing impact on the cost of living. This put pressure on our funders and undoubtedly had an impact on the income that we were able to secure. Despite these pressures, we raised £1.62m in 2023 (2022: £1.43m), a significant achievement in the circumstances.

We are, as always, immensely grateful for the generosity of our existing funders who continued to support us and to the significant number of new funders who supported us for the first time in 2023. We could not do what we do, providing educational

opportunities to people in prison, without their support. A list of our major supporters can be found in Notes 2 and 3 of the accounts.

Events and supporter engagement

During 2023 we held one in person event for our supporters, hosted for us by a member of our Board of Trustees at the Royal Academy of Music in London. This event was attended by current and new supporters and launched our annual Big Give campaign, which this year raised in excess of £41,000 (2022: £29,730). In addition, PET continued to produce regular newsletters for our supporters, providing updates on our work and sharing learners' stories.

Staffing

PET's hybrid working model is now well-embedded, with most staff working from home for the majority of the time while also spending some time in PET's offices in London and Cardiff. Regular awaydays enable the whole staff team to come together in person. This continued to work well during 2023, with PET's staff survey showing high levels of satisfaction with our approach to flexible working. This approach also enabled us to reduce our costs by moving to a smaller office during 2023.

During 2023, PET continued to respond to the challenging fundraising environment and the impact of high levels of inflation by managing PET's costs. As mentioned above, this included closing the PLA at the end of 2023 and this impacted on the staff team. Changes were also made in the Communications and A2L teams. However, new funding to support the development of digital resources enabled us to recruit two new members of staff to support this work.

In line with PET's staff remuneration policy (see page 19 for more details), a full review of staff pay was carried out during 2023 by an external expert and staff salaries were adjusted accordingly. This process was overseen by the Remuneration Committee, which makes recommendations on pay and benefits to the Board of Trustees.

Information technology

During 2023, we moved to a new IT support provider and a new IT system based on Microsoft SharePoint. This modernised our IT infrastructure and provided a more efficient working environment for PET's staff. We also continued to develop our Salesforce database, used to manage our service delivery, and our supporter relationship management system, Beacon.

Safeguarding

PET continues to take a robust approach to safeguarding, with comprehensive safeguarding policies and procedures in place. During 2023, Vicki Morris continued to act as the trustee with responsibility for overseeing our work on safeguarding.

Data protection

Data protection continued to be a priority for PET during 2023, with robust systems in place to ensure the appropriate management of the data that we hold. We intend to update our Data Audit during 2024 to ensure that we continue to be compliant with the UK GDPR.

Key achievements during 2023

- Raising £1.62m, more than we raised during 2022 despite the challenging financial environment.
- Raising more than £41,000 via our annual Big Give campaign, a 39% increase on the previous year.
- Moving to a new IT system, providing a more flexible and efficient digital working environment for staff.

Our plans for 2024

During 2024, PET will continue to implement the aims of our organisational strategy. Priorities will include:

- Maintaining a high-quality service to learners in prison by providing information, advice and guidance, assessing applications for distance learning courses, and supporting successful applicants to complete their courses
- Successfully delivering the first full year of our TNLCF project to reach and support more learners in prison
- Producing new digital content and promoting its use in prisons, including that funded through the HMPPS Digital Innovation Fund
- Influencing prison education policy as the new Prison Education Service develops and around the forthcoming general election
- Raising sufficient funding to deliver our objectives for the year while maintaining appropriate levels of reserves

We will also continue to invest in our staff team, with a particular focus on supporting wellbeing and providing training opportunities to support development. Retaining staff and ensuring that they are appropriately supported is, as always, a key priority for the Board of Trustees.

Given the economic environment and consequent increasing costs and challenges for fundraising, we expect that 2024 will be another challenging year for charities financially. Responding to this challenging climate, PET took steps during 2023 to reduce our running costs and ensure that we move towards a stronger financial position. The Board of Trustees and Senior Management Team will continue to take a firm approach to financial management during 2024 to ensure that PET continues to improve its financial position.

FINANCIAL REVIEW

The results of the year's operations are set out in the attached financial statements. The total retained reserves at 31 December 2023 amounted to £699,158 (2022: £702,351), of which £409,571 (2022: £537,539) were unrestricted.

Income for the year ended 31 December 2023 totalled £1,631,356 compared with £1,433,023 for 2022. As noted above on page 14, the trustees are very satisfied with the level of income raised in 2023 given the challenging fundraising environment.

In 2023 PET received £837,806 from charitable trusts and corporate institutions (2022: £697,259); £443,511 from government sources (2022: £471,534) of which £409,943 was government grants; £147,138 from individuals, including Gift Aid and legacies (2022: £191,520); £163,140 of income from charitable activities (2022: £10,000); £7,644 from fundraising events (2022: £3,969); £15,715 from investment income (2022: £6,959); and £nil income from donated goods and services (2022: £nil).

PET spent £1,634,477 in 2023, a decrease of £159,824 from £1,794,301 in 2022. Overall there was a net deficit on unrestricted funds of £127,968, decreasing unrestricted funds from £537,539 to £409,571. Restricted funds increased from £164,812 to £289,587 as funds secured in prior years were spent down, but replenished by significant new grants.

The established pattern of the charity's fundraising activities is such that voluntary income will be available from a diverse range of trusts and individual donors at stepped intervals throughout the next 12 months, enabling the charity to manage cashflow effectively.

The trustees have considered and agreed that it is appropriate to prepare these annual financial statements on a going concern basis. They are confident that sufficient funds will be available to enable operations to continue at a sustainable level for a period of at least 12 months from the date of approval.

The trustees consider PET well-placed to further continue and develop its activities as a going concern through its fundraising efforts and close liaison with significant funders such as HMPPS. PET's current HMPPS multi-year grant agreement will come to an end in March 2025, but HMPPS has confirmed that it will renew this grant agreement.

The trustees are also confident that sensitivity analysis demonstrates that PET will continue to be able to support a satisfactory number of learners even if income from grant-making trusts and individuals is further adversely affected by ongoing difficult economic conditions in 2024.

Reserves policy

The trustees review the level of free reserves at every Board meeting. In addition to this, at least twice each year the trustees review the free reserves requirement and reserves policy to ensure it is adequate to meet PET's needs.

The calculation takes account of the minimum funds we would need for an orderly wind-down of activities if the charity was required to cease operating at short notice, the working capital we would require to continue our charitable delivery in the event of a significant gap or drop in income or reduction in levels of unrestricted funding, and our need to hold some funds to invest in new streams of charitable delivery before we are able to fundraise for their full costs. This excludes direct expenditure to support learners from restricted funding.

Given that most of PET's income is dependent upon successful fundraising activity and is therefore subject to unpredictable fluctuation, and given the uncertain fundraising environment all charities face in the current economic environment, PET needed to retain a healthy level of free reserves during 2023. However, PET's Board of Trustees also recognised the need to support the delivery of PET's key activities, ensuring that PET continued to use its resources to support as many learners as possible to access distance learning.

On this basis, the Board of Trustees determined that PET's free reserves requirement at 31 December 2023 should be £418,000 (2022: £480,000). This was lower than in 2022, reflecting changes that were made in 2023 to reduce PET's running costs. As at 31 December 2023 PET had free reserves available for use of £386,445 (2022: £495,626). Free reserves are calculated as unrestricted funds of £409,571 less £23,126 tied up in fixed assets. Although free reserves were below target for 2023, they remained in excess of the estimated costs of an orderly wind-down of activities.

Looking ahead to 2024, the trustees set an initial free reserves target for the year of £376,000. This reflects PET's reduced cost base and recognises the need to retain a sensible and prudent level of reserves but also to use available funds to support our charitable activities. This assumption will be kept under review during the year.

The Board has also agreed to continue the close monthly monitoring and review of the forecast free reserves position which has been in place since 2019. This involves the Chair and Honorary Treasurer informing the Board if at any point outside of Board meetings factors are identified that might cause free reserves to drop below the level required to manage an orderly wind-down of its activities.

Fundraising

The Board takes a best practice approach to fundraising. The Head of Fundraising and External Affairs reports to the Board on fundraising performance, strategy, legal and best practice developments at every Board meeting. The Board's Fundraising Committee meets with the Head of Fundraising and External Affairs, Chief Executive, and Head of Finance six times per year. At these meetings, the Committee reviews the fundraising business plan to provide further assurance over the appropriateness and effectiveness of our fundraising practices.

The Head of Fundraising and External Affairs is responsible for keeping up-to-date with best practice, ensuring the training and support of the team, and complying with fundraising regulations. The Board also undertakes formal and informal fundraising

training on an ad hoc basis to ensure that staff and volunteers are sufficiently trained and informed of their legal responsibilities.

PET is registered with the Fundraising Regulator and adheres to its Code of Fundraising Practice, undertaking regular reviews of the Code. PET is also registered with the Fundraising Preference Service. PET has a policy of not engaging agencies or commercial organisations.

We protect vulnerable donors through our Vulnerable Donors Policy. This involves upholding strong data protection controls over our supporter data; avoiding intrusive forms of fundraising such as telephone and door-to-door approaches; limiting our postal and email correspondence; and noting and adhering to supporter contact preferences. During 2023, three minor complaints were received regarding fundraising and responded to (2022: 2).

Staff remuneration policy

PET is hugely grateful for the commitment and enthusiasm of our staff. We believe that it is essential to attract and retain staff with the appropriate skills and capabilities, and reward them fairly for delivering PET's important work. It is therefore important to pay staff properly, while also having prudent regard to the use of charitable resources. In order to do this, PET reviews our salaries and overall rewards packages (including those of our key management personnel) on a biennial basis using a professional job evaluation methodology to consider salaries in relation to the charity sector for the job levels concerned. Additionally, between salary reviews, the Trustees may complete discretionary annual reviews, taking account of (while not being constrained by) the movement of pay and prices and other relevant factors. In this they are supported by a formal Remuneration Committee.

Risk management

The trustees regularly review, assess and ensure the implementation of systems to manage the major risks to which PET is exposed, in particular operational and financial risks. They review any material changes in risks at each Board meeting, with the assistance of the Chief Executive.

The Board also complete a biannual risk review, once as part of the approval of PET's plans for the forthcoming year and again at the mid-year point. This is to ensure that adequate plans and procedures are in place to mitigate the key risks to which PET is exposed. During 2023 the approach taken to assessing risks and the format of PET's risk register was reviewed and updated to ensure it remained in line with best practice.

The Board and executive team have collectively assessed the principal risks to which the charity is exposed (based on their combined probability and impact) as that:

- Demand for distance learning courses from people in prison cannot be met with the resources that PET has available.
- Staffing shortages in prisons limit the capacity of prison staff to support people in prison to access distance learning.
- The challenging economic environment reduces the availability of charitable funding for PET, particularly from individuals, while continuing to increase PET's costs.
- PET fails to meet the fundraising targets that have been set for 2024, using up more of our reserves than planned.
- There is insufficient capacity in the staff team to deliver PET's workplan.
- Staff stress levels are unacceptably high, affecting productivity and wellbeing.

The risk register identifies the key management actions to mitigate these risks. PET's Senior Management Team also considers monthly what new risks have emerged and what needs to be done to address them, ensuring that new risks are identified promptly. Clear procedures are in place for the authorisation of expenditure in order to manage internal control risks.

STRUCTURE

PET is a charitable company, incorporated on 29 December 2000. It acquired the assets and undertaking, subject to liabilities, of Prisoners' Education Trust, a charitable trust, with effect from 1 January 2001. That trust, which had been established by a deed dated 19 April 1989, was formally wound up in 2003. PET is registered as a charitable company limited by guarantee and is governed by its memorandum and articles of association. PET has no share capital or debentures. In the event of PET being wound up each member is required to contribute an amount not exceeding £10.

GOVERNANCE AND MANAGEMENT

PET is governed by a Board of Trustees. The Board is responsible for establishing the strategic direction of PET. The Board delegates responsibility to the Senior Management Team, through the Chief Executive, to execute the day-to-day operations of PET in accordance with the policies, procedures and budgets approved by the Board. Details of those serving on the Board during the year and those serving currently are shown on page 1.

Following changes to PET's Articles of Association, agreed at an EGM in July 2021, trustees now serve four-year terms and are limited to a maximum of two terms other than in exceptional circumstances. Some additional changes were made to the Articles of Association at an EGM in March 2024 to clarify term limits for an existing trustee who is appointed Chair and to specify that once somebody has served two terms they can never be reappointed to the Board.

The Board meets six times a year, in addition to its annual awayday. With the arrival of a new Chair, the Board intends to review the frequency of its meetings during 2024 to ensure effective and efficient governance and appropriate use of staff capacity.

The Chair also conducts an annual review meeting with each trustee, collating the key themes to share back with the Board. This informs Board development priorities and improves performance. The Deputy Chair also carries out an annual appraisal of the Chair, actively seeking input from trustees and the Chief Executive to inform this.

The Board has continued to have regard to the Charity Governance Code (as applied to larger charities). At the end of 2023 no serving trustee had exceeded the recommended maximum in the Code of nine years.

The Board considers it important to maintain a balance of skills in its membership and has a well-established Nominations Committee that undertakes trustee recruitment and induction. During the latter half of 2023, the Nominations Committee led the recruitment of a new Chair on behalf of the Board of Trustees.

Alongside the Nominations Committee, the Board currently has four further committees, the Equality, Diversity and Inclusion Committee, the Fundraising Committee, the Remuneration Committee and the Quality Assurance Panel. They continued to meet as needed during 2023. It is anticipated that the current committee structure will be reviewed during 2024.

PET also continued to run a Trustee Development Programme during 2023, which provides people with lived experience of the justice system with the opportunity to gain the necessary experience to become a trustee in the future. During the year it had one participant (2022: 1).

Chair of the Board of Trustees

As noted in last year's annual report, in July 2023 Elisabeth Davies stepped down from the role of Chair of the Board of Trustees of PET, having been appointed to a new role as the National Chair of the Independent Monitoring Boards, responsible for the independent monitoring of prisons, YOIs and places of immigration detention. PET is extremely grateful to Elisabeth for the huge contribution that she made to our work. Richard Ward was appointed to act as Chair on an interim basis until a permanent successor was appointed. Following a rigorous recruitment process, Paul Kelly was appointed as PET's new Chair and took up the role on 31 January 2024.

Further changes to the Board of Trustees

During 2023, two longstanding PET trustees - Hilary Cross and Catherine Dawkins - stood down from the Board of Trustees, having completed their second and final terms. As Deputy Chair and Honorary Treasurer respectively, both made a substantial contribution in their time on the Board and we are very grateful for all that they did for PET.

Early in 2024, two further trustees stood down from the board - Mandeep Mahil, who had completed her first term and decided not to put herself forward for a second, and Lewis Owens. PET would like to thank them both for their hard work and for all that they contributed to our achievements.

The Board of Trustees will review its membership in 2024 and decide what future recruitment may be needed.

Relationship to the Prisoner Learning Alliance

PET provided the secretariat for the Prisoner Learning Alliance (PLA), of which it was also a member. The work of the PLA was overseen by a steering committee, of which the Chief Executive of PET was an ex-officio member, but the PLA was an informal grouping of organisations with no separate legal identity. PET secured funding to convene the PLA. As noted above, during 2023 PET's Board of Trustees considered its relationship with the PLA, given competing demands for funding. A decision was made to end PET's long term financial support for the PLA and the PLA subsequently closed in December 2023.

RESPONSIBILITIES STATEMENT OF THE TRUSTEES

The trustees (who are the directors of PET for the purposes of company law) are responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom General Accepted Accounting Practice.

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2019;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material 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 operation).

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of PET, and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of PET, for ensuring that the assets are properly applied in accordance with charity law, and for taking reasonable steps for the detection and prevention of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on PET's website. Legislation in the United Kingdom

governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that PET's auditors are aware of that information.

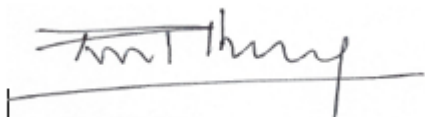
Preparation of the report

This report has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

Auditors

The auditors, Price Bailey LLP, have been appointed under Section 485 of the Companies Act 2006.

This report was approved and authorised for issue by the Board of Trustees on 7th June 2024 and signed on its behalf by:

A handwritten signature in blue ink, appearing to read 'Paul Kelly', written over a horizontal line.

.....
Paul Kelly
Chair of Trustees

Independent auditor's report to the members of Prisoners' Education Trust

Opinion

We have audited the financial statements of Prisoners' Education Trust (the 'charitable company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities incorporating the Income and Expenditure account, the Charitable Company Balance Sheet, the Statement of Cash Flows and the related notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are

responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Charitable Company and the sector in which it operates, and considered the risk of the Charitable Company not complying with the applicable laws and regulations including fraud in particular those regulations directly related to the financial statements, including financial reporting, and tax legislation. In relation to the operations of the Charitable Company this included compliance with the Companies Act 2006, and Charities Act 2011.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified.

These included the following:

Reviewing minutes of Board meetings, reviewing any correspondence with the Charity Commission, agreeing the financial statement disclosures to underlying supporting documentation, and making enquiries of management and officers of the Charitable Company.

To address the risk of management override of controls, we carried out testing of journal entries and other adjustments for appropriateness. We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates.

Because of the inherent limitations of an audit, there is the risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that

compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involved intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

This description forms part of our auditor's report.

Use of our report

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



Michael Cooper-Davis FCCA ACA (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

24 Old Bond Street

London

W1S 4AP

11 June 2024

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)
For the year ended 31 December 2023

	Note	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
		£	£	2023	2022
				£	£
INCOME AND ENDOWMENTS FROM:					
Donations and Legacies	2	514,879	470,065	984,944	888,779
Charitable Activities:					
Access to Learning	3	-	443,511	443,511	471,534
Engagement and Development	3	-	129,572	129,572	
Policy and Research	3	-	-	-	10,000
Other Trading activities	4	7,644	-	7,644	3,969
Investments		15,715	-	15,715	6,959
Prison Contributions		-	49,970	49,970	51,782
TOTAL INCOME AND ENDOWMENTS		538,238	1,093,118	1,631,356	1,433,023
EXPENDITURE ON:					
Raising funds		321,275	-	321,275	310,837
Charitable Activities:					
Service Delivery including Access to Learning		232,313	965,009	1,197,322	1,302,570
Policy and Research		112,546	3,334	115,880	180,894
Charitable Activities		344,859	968,343	1,313,202	1,483,464
TOTAL EXPENDITURE	5	666,134	968,343	1,634,477	1,794,301
Net Income/(Expenditure)		(127,896)	124,775	(3,121)	(361,278)
Gain/(Losses) on Investment		(72)	-	(72)	(1,527)
Transfers between Funds		0	-	-	-
NET MOVEMENT IN FUNDS		(127,968)	124,775	(3,193)	(362,805)
RECONCILIATION OF FUNDS:					
Total Funds Brought Forward		537,539	164,812	702,351	1,065,156
TOTAL FUNDS CARRIED FORWARD		409,571	289,587	699,158	702,351

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure relates to continuing activities.

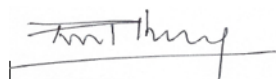
The annexed notes form part of these financial statements.

BALANCE SHEET
As at 31 December 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Intangible fixed assets	8a	10,930	25,885
Tangible fixed assets	8b	12,196	16,028
Investments	9	20,817	20,889
		43,943	62,802
CURRENT ASSETS			
Debtors	10	294,659	206,074
Cash at bank and in hand		472,382	571,584
		767,041	777,658
LIABILITIES			
Creditors: amounts falling due within one year	11	(111,826)	(138,109)
NET CURRENT ASSETS / (LIABILITIES)		655,215	639,549
TOTAL NET ASSETS		699,158	702,351
TOTAL FUNDS OF THE CHARITY:			
Restricted funds	12	289,587	164,812
Unrestricted funds	12	409,571	537,539
		699,158	702,351

The annexed notes form part of these financial statements.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies. They were approved and authorised for issue by the trustees on 7th June 2024 and signed on their behalf by:



.....
Paul Kelly
Chair of Trustees

Company limited by guarantee no. 04132595 & registered charity no. 1084718.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	2023	2022
	£	£
Cash flows from operating activities:		
Net cash provided by / (used in) operating activities (see below)	(111,643)	(216,506)
Cash flows from investing activities:		
Interest income	15,715	6,959
Investment income	(72)	(1,527)
Purchase of property, plant and equipment	(3,202)	(4,581)
Net cash provided by / (used in) investing activities	12,441	851
Change in cash and cash equivalents in the reporting period	(99,202)	(215,655)
Cash and cash equivalents at the beginning of the reporting period	571,584	787,239
Cash and cash equivalents at the end of the reporting period	472,382	571,584

RECONCILIATION OF NET INCOME/ (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022
	£	£
Net income / (expenditure) for the reporting period (as per the SOFA)	(3,121)	(361,278)
Adjustments for:		
Depreciation charges	21,989	21,430
Interest income	(15,715)	(6,959)
Investment	72	1,527
Decrease / (increase) in debtors	(88,585)	120,543
Increase / (decrease) in creditors	(26,283)	8,231
Net cash provided by / (used in) operating activities (see above)	(111,643)	(216,506)

ANALYSIS OF CASH AND CASH EQUIVALENT

	2023	2022
	£	£
Cash in hand	129,960	94,312
Notice deposits (less than 3 months)	342,422	477,272
	472,382	571,584

The statement of cash flows includes the movement in cash balances of unrestricted funds and restricted funds. The charity does not hold any endowment funds.

The annexed notes form part of these financial statements.

STATEMENT OF CASH FLOWS
For the year ended 31 December 2023

Analysis of change in net debt

	2023	2022
	£	£
Cash & cash equivalent as at 01/01/2023	571,584	787,239
Cashflows	(99,202)	(215,655)
Other non cash changes	-	-
Cash & cash equivalent as at 31/12/2023	472,382	571,584

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. ACCOUNTING POLICIES

PET is a charitable company limited by guarantee and incorporated in England and Wales. The charity's registered office is The Foundry, 17 Oval Way, London, SE11 5RR.

The principal accounting policies adopted, judgements and estimates made in the preparation of the financial statements are as follows:

Basis of preparation of financial statements

PET meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition - effective from January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Companies Act 2006. As there are no material uncertainties about the charity's ability to continue operating, the accounts have been prepared on a going concern basis.

The financial statements are prepared in Sterling, which is the functional currency of the charity and the financial statements are rounded to the nearest pound.

The effects of events relating to the year ended 31 December 2023 which occurred before the date of approval of the financial statements by the trustees have been included in the financial statements to the extent required to show a true and fair view of the state of affairs at 31 December 2023 and the results for the year ended on that date. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Going concern

The trustees have assessed the charity's requirements for the foreseeable future and are confident that sufficient funds will be available to enable operations to continue at a sustainable level for a period of at least 12 months from the date of approval of these financial statements. PET implemented a number of cost-saving measures in 2023 that will take full effect in 2024 and enable the charity to operate on a more financially sustainable basis. HMPPS have confirmed that they will renew their major grant for at least one year from 1 April 2025 and, although the charity anticipates some continuing challenges in the fundraising environment in 2024, the trustees are satisfied that the charity will still be able to maintain a sufficiently strong income pipeline, reinforced by the current level of free reserves, for the charity to continue implementing its strategy for 2022-2026. The trustees are also confident that sensitivity analysis demonstrates that PET will continue to be able to support a satisfactory number of learners even if the HMPPS grant ceases unexpectedly. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern as a result of not being able to raise further funds.

Income

Income is included in the Statement of Financial Activities when PET is legally entitled to the income, it is probable that the income will be received, and the amount can be measured reliably. Grants are accounted for in the period specified for their use by donors or, where there is no time restriction, when conditions have been met and entitlement has been gained. Where the charity receives government grants, it recognises the income only where there is reasonable assurance that the charity will comply with the conditions attaching to the grants, and that they will be received.

Legacy income is recognised when it is probable that a legacy will be received (when probate has been granted, the executors have confirmed that there are sufficient assets to make a distribution, and there are no other conditions preventing a distribution), and the amount receivable can be reliably measured. Income tax recoverable in relation to investment income or Gift Aid donations is recognised at the time the relevant income is receivable.

Donated services include venue use, catering for meetings and events, and research services. Facilities and services donated for PET's use, where the benefit is quantifiable, are recognised in the financial statements as both income and expenditure, at the value the charity would have paid in the open market for an equivalent economic benefit in the period in which they are received. Donated goods for distribution are recognised as income (or stock if not yet distributed) and expenditure at fair value, or if fair value is not practicably obtained, at the cost to the donor. Ticketed fundraising event income is recognised when the event has taken place and entitlement has thus been gained. All other income is accounted for on the accruals basis. See also note 14 for the contribution of volunteers.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Expenditure on raising funds comprises the costs associated with generating income. Support and governance costs, which cannot be directly attributed to particular activities, have been apportioned proportionately based on the activity levels of different charitable activities, and their relative demands on central resources.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

Expenditure (continued)

Grants awarded are recorded as liabilities and expenditure recognised in the Statement of Financial Activities when the award has been approved, as a constructive obligation has been formed. Irrecoverable VAT is charged against the category of expenditure for which it was incurred. Rentals applicable to operating leases are charged to the Statement of Financial Activities over the period in which the cost is incurred.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objects of PET and which have not been designated for other purposes. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by PET for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is detailed in Note 12.

Fixed assets, depreciation and amortisation

All individual assets costing more than £500 are capitalised. Individual assets costing below £500 are capitalised where they form part of a packaged asset with a total value over £500.

Tangible assets are depreciated over their expected useful lives on the following bases:

Furniture/fittings	-	10 years
Office & IT equipment	-	5 years

Intangible assets are amortised over their expected useful lives on the following bases:

Website	-	5 years
Database	-	5 years

Cash

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Pensions

PET contributes employer contributions towards a Pensions Auto-enrolment compliant group personal pension scheme. Contributions are charged to the Statement of Financial Activities as they become payable.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

Financial instruments

The charity only has basic financial instruments; they are initially recognised at transaction value and subsequently measured at their settlement value. Cash and deposits are measured at the cash value held at the reporting date. All debtors and creditors are initially measured at the settlement amount after any discounts (under normal credit terms) have been applied; if settlement is due in more than one year, the value is included at discounted net present value.

Taxation

PET has charitable status and is thus exempt from taxation on its income under various exemptions available in the Taxes Acts.

Key judgements and estimation policy

No significant judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies.

The trustees made estimates and assumptions concerning the future based on their knowledge of the company and the environment in which it operates. The resulting accounting estimates and assumptions will, by definition, seldom equal the related outcome.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

2. INCOME FROM DONATION AND LEGACIES

Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
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Institutions who granted or donated £5,000 or more:

The 29th May 1961 Charitable Trust	12,000	-	12,000	12,000	-	12,000
ABF The Soldiers' Charity	-	20,000	20,000	-	20,444	20,444
Adrian Swire Charitable Trust	20,000	-	20,000	20,000	-	20,000
The Banham Charitable Foundation	-	-	-	-	10,000	10,000
Beatrice Laing Trust	-	5,000	5,000	-	5,000	5,000
The Bromley Trust	20,000	-	20,000	20,000	-	20,000
The Brook Trust	-	20,000	20,000	-	20,000	20,000
Cambridgeshire Community Foundation	-	6,550	6,550	-	-	-
The Carr-Gregory Trust *	-	5,000	5,000	10,000	-	10,000
Charles S French Charitable Trust	-	5,000	5,000	-	-	-
Charles Hayward Foundation	-	15,000	15,000	-	15,000	15,000
The Cherry Family Foundation	-	-	-	-	14,475	14,475
City & Metropolitan Welfare Charity	-	-	-	-	5,000	5,000
Colyer-Fergusson Charitable Trust	-	8,250	8,250	-	8,250	8,250
The Constance Travis Charitable Trust	50,000	-	50,000	50,000	-	50,000
Drapers' Charitable Fund	25,000	-	25,000	25,000	-	25,000
The Dulverton Trust	35,000	-	35,000	35,000	-	35,000
Edward Cadbury Charitable Trust	-	-	-	-	5,000	5,000
Evan Cornish Foundation	-	-	-	-	10,422	10,422
The February Foundation	-	5,000	5,000	-	-	-
Fishmongers' Company's Charitable Trust	-	30,000	30,000	-	30,000	30,000
Garfield Weston Foundation	-	64,000	64,000	-	-	-
The Goldcrest Charitable Trust	5,000	-	5,000	-	-	-
The Goldsmiths' Company Charity	33,000	-	33,000	30,000	-	30,000
Haddenham Healthcare Ltd	-	-	-	5,000	-	5,000
The Hadley Trust	35,000	-	35,000	35,000	-	35,000
The Henry C Hoare Charitable Trust	-	-	-	5,000	-	5,000
The Horlock Educational Trust	-	10,000	10,000	-	10,000	10,000
Inner London Magistrates' Courts' Poor Box & Feeder Charity	-	5,000	5,000	-	-	-
Jill & Norman Franklin Trust	-	11,400	11,400	-	9,600	9,600
John Armitage Charitable Trust	60,000	-	60,000	60,000	-	60,000
The John R Murray Charitable Trust	15,000	-	15,000	-	-	-
The Lawson Trust	-	-	-	-	5,000	5,000
London North Eastern Railways (LNER)	-	26,055	26,055	-	-	-
The Lord Belstead Charitable Trust	-	-	-	-	5,000	5,000
Monday Charitable Trust *	-	-	-	-	6,115	6,115
The Nagle Family Foundation	-	10,000	10,000	-	10,000	10,000
Northern Consortium	-	19,650	19,650	-	-	-
The Peacock Charitable Trust	10,000	-	10,000	8,000	-	8,000
Police and Crime Commissioner for South Yorkshire	-	12,386	12,386	-	-	-
The Portal Trust	-	9,696	9,696	-	5,380	5,380
PPL	-	-	-	5,000	-	5,000
The Robert Gavron Charitable Trust	-	-	-	-	5,000	5,000
The Shears Foundation	-	-	-	-	10,000	10,000
Singer Foundation	-	-	-	-	10,422	10,422
Sir James Knott Trust	-	6,550	6,550	-	-	-
Society of the Holy Child Jesus CIO	20,000	-	20,000	-	-	-
The Susanna Peake Charitable Trust	-	5,000	5,000	-	5,000	5,000
The Taylor Family Foundation	-	20,000	20,000	-	22,000	22,000
The Thriplow Charitable Trust	-	5,000	5,000	-	-	-
The Vandervell Foundation	5,000	-	5,000	5,000	-	5,000
Van Neste Foundation	-	-	-	-	10,000	10,000
The Veterans' Foundation	-	16,375	16,375	-	-	-
William Harding's Charity	-	5,790	5,790	-	-	-
Other donations from institutions	60,834	85,270	146,104	30,148	85,003	115,151

Individuals who donated £5,000 or more:

David Knowles *	-	-	-	-	6,000	6,000
Overlandon	-	-	-	10,000	-	10,000
Other donations from individuals	72,549	38,093	110,642	90,763	25,545	116,308

Legacies of £5,000 or more:

The Estate of Mrs Ruth Angela Lucy West	16,000	-	16,000	-	-	-
Other legacy income	20,496	-	20,496	59,212	-	59,212

514,879	470,065	984,944	515,123	373,656	888,779
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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

2. INCOME FROM DONATION AND LEGACIES (continued)

In addition to the amounts disclosed above, trusts and individuals marked with an asterisk also kindly donated to the 2023 Big Give Christmas Challenge.

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2023 £	2023 £	2023 £	2022 £
Access to Learning Grants:				
HMPPS England	-	391,990	391,990	453,578
HMPPS Wales	-	17,953	17,953	17,956
	-	409,943	409,943	471,534
Digitisation				
HMPPS Digital Funding	-	33,568	33,568	-
Engagement and Development				
The National Lottery Community Fund	-	82,245	82,245	-
The Moondance Foundation		35,690	35,690	
The Waterloo Foundation		11,637	11,637	
Policy and Research grants:				
Texel Foundation	-	-	-	10,000
	-	573,083	573,083	481,534

All funds received in 2023 were restricted (2022: all restricted). Included within Income from Charitable Activities are total government grants of £409,943 (2022: £471,534). The total value of the grant received has been recognised in year.

For a description of the nature and purpose of material government grants see Note 12.

There are no unfulfilled conditions or contingencies attaching to the grants which have been recognised as income, and no other material sources of government assistance were received (2022: the same).

4. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2023 £	2023 £	2023 £	2022 £
Fundraising events	7,644	-	7,644	3,969
	7,644	-	7,644	3,969

In 2023 all income from other trading activities was unrestricted (2022: all unrestricted).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

5. EXPENDITURE

Support staff costs have been allocated based on an estimate of the percentage of time staff spent supporting the activity; office costs have been apportioned based on an estimate of relative usage of these central resources. Premises costs have been allocated across projects based on staff numbers. Support costs are analysed overleaf:

Grant funding of activities	Staff costs	Activities undertaken directly	Support costs	Total	Total
2023 £	2023 £	2023 £	2023 £	2023 £	2022 £
Access to Learning Grants:					
Access to Learning	512,750	470,511	22,039	192,022	1,197,322
Policy and Research	-	77,043	6,528	32,309	115,880
Total expenditure on charitable activities	512,750	547,554	28,567	224,331	1,313,202
					1,483,464
Raising funds	-	212,786	9,728	98,761	321,275
Support and governance		140,919	182,173	(323,092)	-
	512,750	901,259	220,468	-	1,634,477
					1,794,301

Prior Year

Grant funding of activities	Staff costs	Activities undertaken directly	Support costs	Total
2022 £	2022 £	2022 £	2022 £	2022 £
Access to Learning Grants:				
Access to Learning	600,768	500,442	26,271	175,089
Policy and Research	-	141,772	6,676	32,446
Total expenditure on charitable activities	600,768	642,214	32,947	207,535
				1,483,464
Raising funds	-	221,572	11,139	78,126
Support and governance		123,828	161,833	(285,661)
	600,768	987,614	205,919	-
				1,794,301

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

Analysis of support costs

	Total 2023 £	Total 2022 £
Support staff costs	123,321	101,458
Rent, service charge and rates	38,268	70,576
Other premises costs	9,008	1,499
Insurance	6,170	4,303
Computer and IT costs	41,139	30,295
Bank charges	1,017	1,135
Postage, photocopier and telephone	12,586	11,344
Printing and stationery	1,983	2,838
Legal and professional fees	20,499	4,076
Depreciation	21,989	21,430
Other support costs	13,107	3,665
Governance staff costs	17,598	22,370
Other governance costs	16,407	10,672
	34,005	33,042
	323,092	285,661

Expenditure includes:

	2023 £	2022 £
Auditors' remuneration:		
Audit fee excluding VAT	10,500	9,350
Irrecoverable VAT on audit fee	2,100	1,870
Operating lease rentals - Land and buildings	36,677	57,175
- Plant and equipment	1,618	1,649
Depreciation on owned assets	21,989	21,430

Grant funding includes grants payable for Open University, other accredited and unaccredited distance learning courses, and small grants for other educational materials. All grants are made to acquire courses and materials for individuals, and have been analysed below:

	2023 £	2022 £
Open University courses	42,654	79,092
General education courses	470,096	521,676
	512,750	600,768

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

6. STAFF NUMBERS AND COSTS

	2023 £	2022 £
Wages and salaries	781,374	844,217
Social security costs	77,645	88,147
Defined contribution pension costs	39,362	41,730
Other staff costs	2,878	6,157
Agency staff and consultants	-	7,363
	901,259	987,614

The average monthly number of employees, calculated as full-time equivalents (FTE), during the period was:

	2023 FTE	2022 FTE
Raising funds	4.5	5.0
Access to Learning	9.8	11.5
Policy and Research	1.6	2.3
Governance	0.4	0.3
Support	2.6	1.8
	18.9	20.9

The average monthly number of employees, calculated as average head count (AHC), during the period was:

	2023 AHC	2022 AHC
Raising funds	5.1	5.6
Access to Learning	11.3	11.6
Policy and Research	1.8	2.5
Governance	0.4	0.3
Support	3.0	1.8
	21.6	21.8

One employee received employee benefits (including employer's National Insurance contributions and employer's pension contributions) in the range of £100,000 - £105,000 and two received employee benefits in the range of £60,000 - £70,000. Employee benefits include pension contributions of 5% of total earnings were also payable (2022: 5%). The key management personnel of PET received earnings and benefits (including employer

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

pension contributions of 5% of total earnings totalling £289,789 (2022: £377,963). The number of key management personnel was 4 (2022: 5), being the Chief Executive and three Heads of Departments. The FTE number of key management personnel staff members were 3.8 (2022: 5).

Pensions - defined contribution scheme

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £39,362 (2022: £41,730). Contributions totalling £nil (2022: £nil) were payable to the fund at the balance sheet date and are included in creditors.

7. TRUSTEE TRANSACTIONS AND RELATED PARTIES

During the year, no trustee received any remuneration (2022: £nil). Trustees received reimbursement of travel expenses to attend trustee meetings of £516 (2022: £236). The charity received £1,964 in donations on usual terms from its trustees, key management personnel, their close family members and entities over which they have significant interest or effective control during the period (2022: £3,315). Total expenses incurred by the trustees in the furtherance of their duties but not reclaimed from the charity were immaterial in 2023 and 2022. There is no ultimate controlling party.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

8a. INTANGIBLE FIXED ASSETS

	Website £	Database £	Total 2023 £	Total 2022 £
COST				
Opening balance 1 January 2023	36,048	38,726	74,774	74,774
Additions	-	-	-	-
At 31 December 2023	36,048	38,726	74,774	74,774
Amortisation				
Opening balance 1 January 2023	26,842	22,047	48,889	33,934
Charge for the period	7,210	7,745	14,955	14,955
At 31 December 2023	34,052	29,792	63,844	48,889
NET BOOK VALUE				
At 31 December 2022	9,206	16,679	25,885	40,840
At 31 December 2023	1,996	8,934	10,930	25,885

8b. TANGIBLE FIXED ASSETS

	Furniture & Fittings £	Office & IT Equipment £	Total 2023 £	Total 2022 £
COST				
Opening balance 1 January 2023	23,844	27,754	51,598	47,017
Additions	86	3,116	3,202	4,581
At 31 December 2023	23,930	30,870	54,800	51,598
DEPRECIATION				
Opening balance 1 January 2023	18,984	16,586	35,570	29,094
Charge for the period	2,634	4,400	7,034	6,476
At 31 December 2023	21,618	20,986	42,604	35,570
NET BOOK VALUE				
At 31 December 2022	4,860	11,168	16,028	17,923
At 31 December 2023	2,312	9,884	12,196	16,028

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

9. INVESTMENTS

	2023 £	2022 £
Aviva Investment Bond:		
Market value brought forward	20,889	22,415
Additions		
Distributions reinvested		-
Unrealised gain/(loss)	(72)	(1,526)
Market value carried forward	20,817	20,889
Historical cost	21,064	21,064

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade Debtors	2,538	1,602
Net prison contributions due	7,295	18,544
Grants receivable	262,764	155,870
Donations receivable	12,195	7,039
Prepayments	7,200	10,902
Other accrued income	1,488	7,222
Lease deposit	1,179	4,895
	294,659	206,074

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	45,899	39,172
Taxation and social security costs	20,511	28,981
Grants committed but not yet paid (see below)	16,800	43,583
Accruals	18,094	15,457
Deferred Income	-	3,523
Other creditors	10,522	7,393
	111,826	138,109

	2023 £	2022 £
At start of year	43,583	47,904
Grants committed in the year	488,491	559,798
Grant commitments fulfilled	(515,274)	(564,119)
	16,800	43,583

Grant commitments are recorded as liabilities on the balance sheet and as expenditure in the Statement of Financial Activities when the award has been approved, as a constructive obligation has been formed. The vast majority of grant awards are fulfilled within 12 months of the commitment.

	2023 £	2022 £
At start of year	3,523	-
Amounts added in the year	-	3,523
Amount released to income from previous years	(3,523)	-
	-	-
At end of year	-	3,523

Deferred income comprises grant monies received during the period subject to donor-imposed conditions specifying the time period over which the expenditure of resources can take place (received in 2022, but intended by the donor for the year ending 31 December 2023).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

12a. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £	Total Funds 2022 £
Intangible Fixed Assets	10,930	-	10,930	25,885
Tangible fixed assets	12,196	-	12,196	16,028
Investments	20,817	-	20,817	20,889
Current Assets	404,233	362,808	767,041	777,658
Current Liabilities	(38,605)	(73,221)	(111,826)	(138,109)
	409,571	289,587	699,158	702,351

Prior Year Comparative Figures

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Intangible Fixed Assets	25,885	-	25,885
Tangible fixed assets	16,028	-	16,028
Investment	20,889	-	20,889
Current Assets	533,345	244,313	777,658
Current Liabilities	(58,608)	(79,501)	(138,109)
	537,539	164,812	702,351

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

12b. FUNDS OF THE CHARITY

	Brought Forward 01/01/2023 £	Income £	Expenditure £	Transfers £	Carried Forward 31/12/2023 £
RESTRICTED FUNDS					
Policy and Research	3,334	-	(3,334)	-	-
Governance	-	-	-	-	-
Access to Learning					
General	39,675	143,070	(79,530)	-	103,215
Womens prisoners	7,891	48,620	(37,031)	-	19,480
Younger prisoners	12,420	49,696	(41,265)	-	20,851
Older prisoners	-	-	-	-	-
Army veterans	3,051	36,375	(25,203)	-	14,223
HMPPS England	187	391,989	(392,176)	-	-
HMPPS Wales	-	17,952	(17,952)	-	-
Geographically restricted	66,107	156,006	(136,179)	-	85,934
Course subject restricted	959	-	(959)	-	-
Course Development	13,160	30,000	(34,869)	-	8,291
HMPPS Digitisation Project	-	33,568	(33,568)	-	-
Information Advice and Guidance	10,158	4,300	(12,125)	-	2,333
Small Grants	2,202	-	(2,202)	-	-
Prison & Prisoners' contribution	4,944	49,970	(49,728)	-	5,186
Awards	724	-	-	-	724
Engagement and Development					
The National Lottery Community Fund	-	84,245	(59,809)	-	24,436
Other engagement and development funds	-	47,327	(42,413)	-	4,914
	164,812	1,093,118	(968,343)	-	289,587
UNRESTRICTED FUNDS	537,539	538,166	(666,134)	-	409,571
TOTAL FUNDS	702,351	1,631,284	(1,634,477)	-	699,158

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

Prior year comparative figures:

	Brought Forward 01/01/2022 £	Income £	Expenditure £	Transfers £	Carried Forward 31/12/2022 £
RESTRICTED FUNDS					
Policy and Research	12,198	7,800	(16,664)	-	3,334
Governance	-	-	-	-	-
Access to Learning					
General	73,109	87,011	(120,445)	-	39,675
Womens prisoners	8,629	45,000	(45,738)	-	7,891
Younger prisoners	322	42,802	(30,704)	-	12,420
Older prisoners	-	-	-	-	-
Army veterans	6,311	24,444	(27,704)	-	3,051
HMPPS England	27,690	453,578	(481,081)	-	187
HMPPS Wales	-	17,956	(17,956)	-	-
Geographically restricted	55,036	128,136	(117,065)	-	66,107
Course subject restricted	40,224	5,000	(44,265)	-	959
Course Development	-	30,000	(16,840)	-	13,160
Advice Line	9,000	12,463	(11,305)	-	10,158
Small Grants	1,202	1,000	-	-	2,202
Prison & Prisoners' contribution	4,155	51,782	(50,993)	-	4,944
Awards	724	-	-	-	724
Welsh Prisons Project	39,255	-	(39,255)	-	-
	277,855	906,972	(1,020,015)	-	164,812
UNRESTRICTED FUNDS	787,301	524,524	(774,286)	-	537,539
TOTAL FUNDS	1,065,156	1,431,496	(1,794,301)	-	702,351

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

Restricted funds

**Policy &
Research**

For research, policy, advocacy and alumni development work.

**Access to
Learning:**

General	For distance learning courses and advice, major funders in 2023 include: The Big Give Christmas Challenge (various donors including Monday Charitable Trust), Beatrice Laing Trust, Nagle Family Foundation, The Roddick Foundation, Van Neste Foundation and various other trusts.
Women in prison	For distance learning courses and advice to women in prison, major funders in 2023 include: The Brook Trust and Charles Hayward Foundation.
Younger people in prison	For distance learning courses and advice to younger people in prison, major funders in 2023 include: Evan Cornish Foundation, The Horlock Educational Trust, The Portal Trust, The Taylor Family Foundation and various other trusts.
Ex-armed forces	For distance learning courses and advice to ex-service personnel, major funders in 2023 include: ABF The Soldiers' Charity and The Veterans' Foundation.
HMPPS England	Funding granted for distance learning courses, including Open University Access courses and a range of accredited and unaccredited further education courses, as well as an Advice and Information service for serving prisoners and their families.
HMPPS Wales	Funds granted by the Welsh Assembly Government, through HMPPS in Wales for prisoners who are ordinarily resident in Wales to study Open University and other accredited and unaccredited further education courses.
Geographically restricted	Funds granted for distance learning courses and advice with specific geographical restrictions. Major funders in 2023 include: Cherry Family Foundation, Colyer-Fergusson Charitable Trust, The Shears Foundation, The Singer Foundation, William Harding's Charity and various other trusts.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

Restricted funds (continued)

Course subject restricted & Course development	Funds granted for distance learning courses with specific subject restrictions and course development. Major funders with subject restrictions for courses in 2023 include: David Knowles, The Banham Charitable Foundation and various other trusts.
Engagement and development	Funds restricted to projects to extend our reach to underrepresented groups and prisons, and to enhance the support that we offer to learners and staff in both England and Wales. The National Lottery Community Foundation, Moondance Foundation and The Waterloo Foundation are the main contributors for this project.
Advice Line	Schroder Charity Trust and other organisations and individuals contributed funds to support this work.
Digital Development	Fishmongers' Company's Charitable Trust provided the support for this work

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

13. OTHER FINANCIAL COMMITMENTS

At 31 December 2023 the charity had an operating lease for its London office premises with a remaining term of less than 5 years. There is a rolling 6-month break clause, and therefore the commitment by the charity at any given point is 6 months' rent and service charge. As at 31 December 2023, this amounted to £8,041 (2022: £34,458). The charity also had a non-cancellable operating lease commitment of £423 (2022: £423) for equipment falling due within one year.

In October 2015 the charity signed an operating licence for an office space in Cardiff with an initial 18-month term and a rolling one month break clause. The commitment of the charity at any one time is rent and service charges of £625. There are no other non-cancellable operating licence commitments falling due within one year or in more than one year (2022: the same).

14. CONTRIBUTION OF VOLUNTEERS

We are very grateful for the vital contributions to our work made by volunteers in 2023 in many different capacities. A number of our alumni that we had helped while in prison and are now in the community gave their time to speak at events or to journalists to promote our work. Some of our high-profile supporters also gave their time to speak at events on our behalf. We were given valuable help with administrative and office tasks by one volunteer gaining temporary work experience or helping with one off tasks (2022: 1). No individuals helped us out on a voluntary basis with fundraising events organised either directly through PET or via our South London supporters' group (2022: 0). A number of professional and academic experts contributed their advice and expertise to our project and research work on a pro bono basis; and our Patrons and trustees gave their time most generously and free of charge to act as ambassadors for PET and to provide robust and effective governance.

15. LIMITATION OF LIABILITY

Prisoners' Education Trust is a charitable company limited by guarantee. Liability is limited to £10 per member. As at 31 December 2023, there were 11 members (2022: 10).

Accounts

PRISONERS' EDUCATION TRUST
(Company limited by guarantee no. 04132595
registered charity no. 1084718)

REPORT AND FINANCIAL STATEMENTS YEAR

ENDED 31 DECEMBER 2022

PRISONERS' EDUCATION TRUST

(Company limited by guarantee no. 04132595, registered charity no. 1084718)

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2022

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

For the year ended 31 December 2022

Trustees:

Hilary Cross – Deputy Chair (to 29 March 2023)
Ola Daniel (from 13 July 2022)
Catherine Dawkins - Honorary Treasurer (to 24 May 2023)
Elisabeth Davies - Chair (to 19 July 2023)
Judith Feline (from 1 April 2022)
Emily Giles
James Killen
Simon Mellor (from 13 July 2022)
Ken Merry (from 1 April 2022)
Vicki Morris
Mandeep Mahil
Lewis Owens (from 1 April 2022)
Sir Paul Phillips CBE
Richard Ward OBE – Acting Chair (from 19 July 2023)
Mark Welsh (to 30 March 2022)

Trustees serve four-year terms and are limited to a maximum of two terms other than in exceptional circumstances

Company Secretary and

Chief Executive:

Jon Collins

Company reg. no: 04132595

Charity reg. no: 1084718

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY,
ITS TRUSTEES AND ADVISERS**
For the year ended 31 December 2022 (continued)

Registered office: The Foundry
17 Oval Way
London
SE11 5RR

Telephone: 020 3752 5680
Email: info@prisonerseducation.org.uk
Website: www.prisonerseducation.org.uk

Auditors: Price Bailey LLP
Chartered Accountants and Tax Advisors
24 Old Bond Street
Mayfair
London
W1S 4AP

Bankers: Barclays Bank
2 Victoria Street
London
SW1H 0ND

Unity Trust Bank
9 Brindley Place
Birmingham
B1 2HB

CCLA
Senator House
85 Queen Victoria Street
London, EC4V 4ET

**TRUSTEES' ANNUAL REPORT, (incorporating the Directors' report)
for the year ended 31 December 2022**

The trustees (who are also the directors for the purposes of company law) present their report and the audited financial statements for the year ended 31 December 2022.

The trustees confirm that the annual report and financial statements of Prisoners' Education Trust (PET) comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

OBJECTS, ACTIVITIES, AND STRATEGY

Objects

The charitable objects of PET are contained in our Memorandum and Articles of Association and relate to advancing the education and training of prisoners and ex-prisoners in the UK, the Isle of Man and the Channel Islands (though in practice we do not fund prisoner learners in Scotland and Northern Ireland). They include providing funding for distance learning courses; providing advice and guidance about education and training; promoting improvements in prison education policy and practice; publicising the authentic views and insights of prisoner learners; and commissioning and carrying out research, projects, reports, and conferences to help in evaluating and promoting improvements in prison education policy and practice in the UK.

Vision, mission and values

PET's **vision** is:

Prisoners' lives transformed through learning

This is supported by our **mission**:

Every prisoner a learner, every prison a place to learn

The vision and mission are underpinned by PET's values:

- **we inspire** hope and aspiration through learning;
- **we care** passionately about empowering learners and staff;
- **we collaborate** to achieve more together;
- **we are tenacious** to make change happen;
- **we are expert** and listen to learners and other experts;
- **we celebrate** everyone's successes; and
- **we are inclusive** and promote equality and diversity.

Strategy

PET published a new five-year strategy for 2022-26 in October 2021, available at prisonerseducation.org.uk/about-us. This strategy set out the following aims:

1. We will extend our reach by seeking out and engaging people in prison who have not yet considered or participated in distance learning.
2. We will extend the support that we provide, to enable learners to access courses that meet their goals and to increase the proportion who complete their courses.
3. We will make use of digital technology to enhance the learning experience for people in prison.
4. We will use PET's standing to influence policy in order to achieve change and realise our vision.

To enable us to carry out this work effectively and in line with our values the strategy also says that:

5. We will engage with and involve people with lived experience of prison education, so that PET continues to put the learner at the centre of all that we do.
6. We will put equality, diversity and inclusion at the heart of our work, to ensure that fairness is central to everything that we do.
7. We will ensure that PET is a well-run, effective and financially sustainable organisation, built on firm foundations and fit for the future.

These elements of the strategy inform every area of our work.

The sections on achievements and performance below use these strategic priorities to review our work in 2022.

Public benefit

PET, as a registered charity established to support prisoners and ex-prisoners in the UK, is a Public Benefit Entity. When approving PET's ongoing activities, trustees give due consideration to how they meet the Charity Commission's statutory guidance on public benefit.

- We grant access to distance learning courses not otherwise available within the prison system to individual adult prisoners throughout England, Wales, the Isle of Man and the Channel Islands. Rigorous Ministry of Justice research shows that these learning opportunities have a positive impact on reducing reoffending and promoting employment, benefitting the individuals, their families, and wider society.
- We provide an advice service to help prisoners maximise the benefits of successful selection, study and completion of their courses, which again benefits their families and wider society.
- We seek to improve prison education policy, support and promote best practice, and make the case for its benefits to society.

Grant making policy

Any individual aged 18 or over who has been sentenced, is currently serving a custodial sentence in England, Wales, the Channel Islands or the Isle of Man, and has six months or more left to serve on their sentence, is eligible to apply to PET to fund them to take part in an educational distance learning course.

Grants are awarded based on an application form, which is designed to gather evidence on a person in prison's readiness and motivation to participate in a distance learning course. This application form needs to be endorsed by an authorised member of staff at the prison. Applications are then scored against transparent criteria. Information, advice and guidance (IAG) is provided to

the applicant and to prison education staff throughout the application process. The application and scoring process was redesigned in 2019 and is now well-established.

Our application process is overseen by our Quality Assurance Panel, which is made up of trustees and a member of our Alumni Advisory Group. They meet at least three times a year to review application data, the number of successful applications, and equality, diversity and inclusion (EDI) data. This provides reassurance to the Board of Trustees that the application process is robust and fair.

ACHIEVEMENTS, PERFORMANCE AND PLANS FOR FUTURE PERIODS

Achievements and performance for 2022

PET in 2022 in numbers

Number of times information, advice and guidance given: 3,608
Number of calls to PET's Advice Line: 1,368
Number of different prisons from which people in prison have called PET's Advice Line: 109
Number of applications for funding from people in prison: 2,667
Number of distance learning courses funded for people in prison: 1,507
Income: £1.43m
Number of Twitter followers for PET: 20,191

During 2022, the prison system began to recover from the effects of the Covid-19 pandemic, with prisons emerging from lockdown and more people in prison regaining access to prison education departments. Prison regimes were, however, still far more restricted than they had been prior to the pandemic, with people in prison continuing to spend far more time in their cell than had been the case previously.

Within this context, PET continued to offer an invaluable service to prison learners, providing IAG to people in prison and supporting people in prison to access distance learning courses. We also, in line with our new strategy, continued to develop our work, looking to extend our reach and the support that we are able to offer to learners and explore ways to make better use of digital technology to improve learners' experiences.

Alongside this we continued to work to inform and influence prison education policy, working with ministers, civil servants and parliamentarians, as well as senior staff in HM Prisons and Probation Service (HMPPS), to support the development of prison education.

Our work during 2022 is described in more detail below, set out under the priorities identified in PET's organisational strategy.

1) Extending our reach by seeking out and engaging people in prison who have not yet considered or participated in distance learning.

During 2022 PET continued, through our Access to Learning (A2L) programme, to be the leading organisation funding and supporting distance learning in prisons in England and Wales. This is the largest area of our charitable expenditure. We provide a unique service to people in prison, enabling them to access distance learning courses that would otherwise be unavailable to them, and evidence from the Ministry of Justice's Justice Data Lab shows that this reduces reoffending and helps people leaving prison to secure employment.

As the restrictions put in place in prisons in response to the Covid-19 pandemic began to be lifted, 2022 saw a continuing recovery in the number of applications that we received and the number of courses that we were able to fund, although not yet quite to pre-pandemic levels.

During 2022 PET received 2,667 applications for support to access distance learning, of which 1,507 (57%) were successful. This exceeded our target for the year (1,470 awards) by 37. It is also more courses than we were able to support people to access in 2021, when there were 2,315 applications, of which 1,434 (62%) were successful.

	2019	2020	2021	2022
Applications	2,678	1,798	2,315	2,667
Awards	1,703	1,046	1,437	1,507

The five courses that were applied for most in 2022 were the National Examination Board in Occupational Safety and Health (NEBOSH) Award in Managing Risks and Risk Assessment; the Institution of Occupational Safety and Health (IOSH) Managing Safely course; Business Start-Up; the Bookkeeping Certificate; and the People, Work and Society Open University (OU) Access module. Looking at successful applications, the five courses that we were able to support most often were the NEBOSH HSE Award in Managing Risks and Risk Assessment, the IOSH Managing Safely course; Business Start-Up; the Bookkeeping Certificate; and Nutrition for Physical Activity.

We know from previous analysis by the Ministry of Justice's Justice Data Lab that access to these courses reduce reoffending and improve learners' chances of securing employment after release. But the feedback from learners continued to demonstrate the impact that access to distance learning can have. For example, one learner told us that:

"When I first was convicted, I lost all hope of having a future in something that would bring me joy and success in my work and professional life. PET has changed that, allowing me to complete my business start up course has given me back hope of a better life."

Another said:

"Thank you for funding this course. The impact this has had has been incredible. It has given me positivity whilst in prison and helped my mental health immensely. My prospects upon leaving prison look more hopeful and during times of lockdown this study has kept me sane and feeling positive about things. You have made a real difference to my life and my future."

During 2022, we updated our PET Course Prospectus based on feedback from learners and prison and education staff. We now offer over 125 courses, including nine new additions since the previous year. New courses added to the 2022 prospectus included Proofreading and Copy Editing, Drug and Alcohol Counselling, and E-Commerce Business, with the last of these written by someone with lived experience of prison. We also added three new animal care courses: Canine Science, Feline Studies, and Principles of British Wildlife Care and Rehabilitation. The prospectus was published digitally and sent to every prison in England and Wales. It is available on our website at: prisonerseducation.org.uk/get-support/prison-staff/our-courses/.

While in-person visits to prisons remained rare due to restrictions related to Covid-19, we instead ran online virtual prison sessions, where we were able to share information and good practice with distance learning co-ordinators and other staff. We also contributed to a range of events to promote PET and our services, including an event at the HMPPS Insights Festival, a webinar for HMPPS staff, conferences for members of Independent Monitoring Boards, and Unlocked Graduates' annual conference.

We also continued to contribute to each edition of Inside Time, the national newspaper for people in prison, to promote what PET has to offer. This is an important way to communicate directly with people in prison about the courses that PET offers and developments at PET, such as the launch of the new prospectus and the value of the OU Access modules that PET makes available.

As well as access to distance learning courses, PET continued to work in partnership with the Longford Trust to administer the Frank Awards, offering grants to people in prison to cover the cost of individual modules towards degrees at the OU. During 2022, we were able to support 15 people in prison through the Frank Awards (2021: 17).

Key achievements during 2022

- Funding 1,507 distance learning courses for people in prison, providing access to educational opportunities that would otherwise have been unavailable.
- Publishing an updated PET Course Prospectus, making information about the courses we offer available to people in prison.
- Launching a new programme of online sessions for prisons, making use of technology to enable us to provide information and guidance to distance learning co-ordinators and education staff.

2) Extending the support that we provide, to enable learners to access courses that meet their goals and to increase the proportion who complete their courses

The provision of IAG to people in prison is central to PET's work. During 2022, we provided IAG on 3,608 occasions (2021: 3,618), on average 301 times per month (2021:302). The top five subjects that we were contacted about were course selection, requests for an update on applications, information on how to apply, assistance with courses, and course materials not arriving.

A key way that learners and potential learners were able to contact us was via our Advice Line, which we launched in 2020 following the outbreak of the Covid-19 pandemic and the consequent introduction of severely restricted prison regimes. The Advice Line enables people in prison to contact us directly for advice and support and, despite the subsequent easing of Covid-related restrictions, we have decided to maintain the Advice Line as a core part of our service to people in prison.

During 2022 we received 1,368 calls (2021: 1,499) on the Advice Line from 496 unique callers (2021: 548), an average of 114 calls per month. The top subjects discussed on calls to the Advice Line during 2022 included requests for updates regarding the caller's application to PET, course choices and how to apply, and assistance with courses that they were studying. Many callers contacted the Advice Line more than once, demonstrating the way that the Advice Line enables PET to develop relationships directly with individual learners, supporting them as they choose a course, apply, complete their course and then consider their next steps.

The positive feedback that we received demonstrates the value of the Advice Line to people in prison. For example one learner told us that:

"the advice line supported by PET gives me extra confidence if I need any support, and I find that the support I have received through PET is way above the standards of the main education departments within the prison service."

In addition, PET continued to use the Email a Prisoner (EMAP) service - which enables emails to be printed out and handed to people in prison, with replies scanned and emailed back to us – to respond to queries and provide more information, following up on Advice Line calls that could not be resolved immediately. This enabled us to respond more quickly to enquiries and ameliorate some of the inevitable delays caused by using the post.

A key further strand of our work under this element of the strategy during 2022 was to support more people to complete their PET-funded distance learning courses. As the first element of this work, we completed four focus groups talking to people who had completed their PET-funded course and analysed the data that we hold on completion rates to explore patterns and trends. This work enabled us to begin to assess what more PET can do to support learners to complete their courses.

Key achievements during 2022

- Providing information, advice and guidance to prison education staff, people in prison, and their families on 3,608 occasions.
- Responding to 1,368 calls on our Advice Line, providing direct access for people in prison to our expert staff.
- Beginning a programme of work to enhance the support that we can offer to people in prison. This will continue in 2023.

3) Making use of digital technology to enhance the learning experience for people in prison

During 2022, PET prioritised two key areas of work in making better use of digital technology.

The first was making PET resources and the courses that we supply available digitally to people in prison. As in previous years, this work was constrained during 2022 by the limited availability of digital technology within prisons and the lack of internet access. Nonetheless we managed to make substantial progress.

PET's prospectus and the four short courses that we have developed for people in prison were made available digitally via laptop computers provided by Coracle Inside, a company that provides secure laptops to people in prison. The four short courses were also made available digitally via the Virtual Campus, the prison intranet. In addition, PET's application form – which people in prison have to fill in if they want to apply to do a course funded by PET – was made available digitally via Coracle Inside's laptops. PET also worked with Coracle Inside to make our first accredited course available to study digitally. By the end of 2022 Coracle Inside provided about 1,000 laptops in total to 51 prisons, with plans to expand further in 2023, enabling people who have access to them to find out more about PET and what we offer.

The second area of work was enabling us to gather data on PET's learners digitally, with prison education staff able to add information directly into our Salesforce database via a secure interface. This enabled them to update PET on learners' progress as well as transfers, releases and missing materials. This saves time for both prison education staff and PET staff, and provides us with more comprehensive and timely information. As one member of prison education staff said:

"Can I just say how fantastic I think this is ... it seems really user friendly and easy to navigate. It will really be easier to keep PETs better informed of the progress of the women. Another great example of how PETs continues to support us."

Following a trial, this was rolled out during 2022 and 92% of prisons have now used this process to submit information to PET. Our priority during 2023 will be encouraging course suppliers to use a similar process.

Key achievements during 2022

- Making PET's prospectus and short courses available in digital format to people in prison for the first time.
- Making our first full distance learning course available digitally to people in prison.
- Rolling out a process that enables prison education staff to provide data on our learners to PET digitally, now used by 92% of prisons.

4) Using PET's standing to influence policy in order to achieve change and realise our vision

During 2022, PET worked to influence both the response of the prison system to the Covid-19 pandemic and the longer-term development of policy on prison education.

The report of the Education Select Committee's inquiry into prison education, which was announced in 2020, was published during 2022. PET was actively engaged in the inquiry from the outset and responded to the publication of the report, welcoming the majority of its recommendations and supporting their implementation. PET also responded to the Ministry of Justice's response to the report, urging them to take forward recommendations on priority areas such as the funding of prison education and the availability of digital technology to prison learners. PET also submitted a response to the Prisons Strategy White Paper and submitted evidence to the Commission on Young Lives about education for children in prison.

PET engaged with a Deputy Further Education Commissioner on a review of prison education carried out on behalf of the Further Education Commissioner, ensuring that it was informed by PET's experience and expertise. We continued to contribute to the Ministry of Justice's Higher Education Working Group and to the Clinks Reducing Reoffending Third Sector Advisory Board and its Special Interest Group on Future Regime Design. This enabled PET to feed into HMPPS's thinking on how activities in prisons will be managed and delivered as the plans develop.

During 2022, PET featured widely in the media, including on ITV's Good Morning Britain, LBC, MailOnline, the New Statesman, the Yorkshire Post, Wales Online, LADBible, Tes, FE News, FE Week, The Justice Gap, Russell Webster's blog and the Independent Monitor (the magazine for members of the Association of Members of Independent Monitoring Boards). PET's social media presence also continued to grow. Our Twitter following increased to more than 20,000 by the end of the year, helping our efforts to keep prison education on the public agenda. We also increased our use of LinkedIn as a forum to raise issues and promote discussion among people with an interest in prison education.

The Prisoner Learning Alliance

PET has continued to convene and provide the secretariat for the Prisoner Learning Alliance (PLA), an alliance of organisations and individuals from the charitable and educational sectors committed to improving policy and practice in prison education.

The PLA had a busy year in 2022, returning to a fuller work programme following the constraints imposed by the Covid-19 pandemic in 2020 and 2021. This included running a national conference, publishing a new report on professional development for prison educators, publishing a new set of materials to support cell-based prison education, and launching an Essential Skills and Inclusion Network, a forum for prison teachers and those supporting SEND work in prisons. The PLA also continued to respond to, and comment on, key developments in prison education policy and produce regular blogs and news updates on its website.

At the end of 2022 the PLA had 46 (2021: 59) organisational (full) members and 337 (2021: 215) individual associate members.

Key achievements during 2022

- Being cited extensively in the report of the Education Select Committee's inquiry on prison education, reflecting the key role that we had played throughout the inquiry.
- Being asked to contribute to the Deputy Further Education Commissioner's review of prison education, demonstrating PET's standing in the field of prison education.
- Continuing to be the leading social media presence on prison education, with an extensive Twitter audience and a growing LinkedIn profile.

5) Engaging with and involve people with lived experience of prison education, so that PET continues to put the learner at the centre of all that we do

PET has continued to ensure that people with lived experience of the prison system are at the heart of our work.

This includes hosting our Alumni Advisory Group, which influences PET practice and policy and informs our work. During 2022 this group met regularly and contributed to the ongoing development of PET's work. This has included helping to develop a new project with lived experience at its centre, which we hope to secure funding for in 2023, ensuring its co-creation from the outset.

Members of the Alumni Advisory Group also sit on our Strategy Focus Group, which is made up of staff and alumni and supports and guides the implementation of our new organisational strategy. It met throughout 2022, contributing to our digital work and our work to extend our reach. A member of the Alumni Advisory Group also sits on our Quality Assurance Panel, which oversees our application process.

People with lived experience of the prison system and prison education also sit on our Board of Trustees. In addition, we continue to run our Trustee Development Programme, which provides people with lived experience of the justice system an opportunity to gain the necessary experience to become a trustee in the future. The first person who completed the Trustee Development Programme successfully applied to become a member of the Board of Trustees, joining during 2022, and a second person has now joined the programme.

During 2022, at the suggestion of our alumni we also held a creative competition, enabling people in prison to submit pieces of work that celebrated their educational successes and achievements. Alumni judged the competition, which attracted more than 110 entries from over 50 prisons. Winning entries were displayed at our face-to-face event for supporters in November, where we also heard from some of our alumni about their experiences of education in prison and the role that PET had played.

We have continued to run the Alumni Network, which is open to anyone with experience of serving time in prison. The Network keeps its members up-to-date with services and opportunities from different organisations and provides a supportive environment for people who have been in prison.

Key achievements during 2022

- Creating a new Strategy Focus Group with staff and alumni members to guide the implementation of our new organisational strategy.
- Working with alumni to co-create a new project to enhance the support that PET offers to learners and extend our reach.
- Running a creative competition in partnership with alumni, enabling people in prison to showcase their talent and creativity.

6) Putting equality, diversity and inclusion at the heart of our work, to ensure that fairness is central to everything that we do

PET is committed to embedding equality, diversity and inclusion (EDI) into every aspect of our work.

During 2022 we revisited our work in this area. Staff and trustees worked together to develop and agree new EDI priorities for the organisation. We also agreed new Terms of Reference for a refreshed EDI Committee, which will oversee our work to deliver on these new priorities. This reformed committee will start meeting in 2023.

We continued to scrutinise the EDI data collected through our application process, identifying the communities who were underrepresented among those applying to PET for support and in the courses that we funded. This data was reviewed at a session with the Board of Trustees and PET's Senior Management Team, and is being used to help to shape and inform our work to extend our reach across the prison system.

We also finalised a new approach to recruitment, following a pilot in 2021. This new process, which is anonymous and relies on responses to questions rather than CVs to select candidates, is intended to increase accessibility and reduce unconscious bias, producing a fairer approach.

Key achievements during 2022

- Agreeing new EDI priorities for the organisation, which will inform our work during the next four years.
- Using the EDI data that we have collected to inform the development of a new project to extend PET's reach.
- Embedding a new, fairer approach to recruitment across PET, including in recruiting new trustees.

7) Ensuring that PET is a well-run, effective and financially sustainable organisation, built on firm foundations and fit for the future

Fundraising

Effective fundraising is essential to enabling PET to fulfil our objectives as a charity and is always a priority for the organisation. The fundraising environment in 2022 remained extremely challenging, with the pressures caused by the Covid-19 pandemic augmented by high levels of inflation and ensuing increases in the cost of living. This put pressure on our funders and undoubtedly had an impact on the income that we were able to secure. Despite these pressures, we raised £1.43m in 2022 (2021: £1.32m), a significant achievement in the circumstances.

We are, as always, immensely grateful for the generosity of our existing funders who continued to support us and to the significant number of new funders who supported us for the first time in 2022. We could not do what we do, providing educational opportunities to people in prison, without their support. A list of our major supporters can be found in Notes 2 and 3 of the accounts.

Events and supporter engagement

In 2022 we were able to hold an end of year event face-to-face for the first time since before the Covid-19 pandemic. This event, attended by supporters, alumni and other stakeholders, highlighted the achievements of our learners and showcased the work that PET had carried out in 2022. It was also an opportunity to host an exhibition of creative works from learners, collated from entries to our creative competition.

We also held an online event for supporters in April. This event was an opportunity for Jon Collins, PET's Chief Executive, to introduce himself to supporters, discuss his first year at PET, and talk about PET's plans for the future. This event was well-attended and feedback was very positive. In addition, PET continued to produce regular newsletters for our supporters, providing updates on our work and sharing learners' stories.

Staffing

Following an extended period with the staff team working primarily from home due to Covid-19, during 2022 PET adopted a hybrid working model. This approach has worked well and will enable us to reduce our costs by moving to a smaller office in 2023.

To further reduce costs, in response to the challenging fundraising environment and rising costs mentioned above, PET undertook restructures of the Senior Management Team and the Finance Team during the latter half of 2022. These changes were key steps towards putting PET on a firm financial footing for the future, recognising the need to respond promptly and proactively to changes in the external financial environment.

PET's trustees continued to be immensely impressed by the dedication and commitment of PET's staff in working together to tackle the considerable challenges caused by Covid-19. In line with PET's staff remuneration policy (see page 16 for more details), a full review of staff pay is only carried out biennially and was not due this year. Nevertheless, and consistent with the Board's approach in the past, pay was reviewed by the Remuneration Committee and staff salaries were adjusted in recognition of changes in the cost of living and the employment market.

Information technology

During 2022 we continued to develop our use of our Salesforce database. Its use to manage our service delivery is now well-embedded and we were able to use it to manage our application process effectively and to comprehensively monitor our activities. The data that we are now able to access as a result is key to our plans to develop our services in the future. We also continued to develop our use of our new supporter relationship management system, Beacon.

Safeguarding

PET continues to take a robust approach to safeguarding. During 2022, Vicki Morris was appointed as the trustee with responsibility for overseeing our work on safeguarding. She replaced Mark Welsh, who had held this role, when he stepped down with the Board. Our safeguarding policies and procedures were also reviewed and updated.

Data protection

In 2022 PET reviewed our Data Audit to ensure that we continue to be compliant with the UK GDPR.

Key achievements during 2022

- Raising £1.43m, significantly more than we raised during 2021, despite the challenging financial environment.
- Holding a face-to-face end of year event for the first time since the Covid-19 pandemic, with contributions from several PET alumni.
- Moving to hybrid working for all staff, maximising flexibility, supporting staff retention and reducing costs.

Our plans for 2023

During 2023, PET will continue to implement our new organisational strategy. Priorities will include:

- Maintaining a high-quality service to prison learners in the provision of information, advice and guidance, assessing applications for distance learning courses, and supporting successful applicants to complete their courses.
- Developing our work to provide additional support to our learners, with the aim of increasing the proportion who complete their courses.
- Developing and trialling the digital provision of more of our courses, working with partners.
- Influencing the development of prison education policy as the new Prison Education Service develops.
- Raising sufficient funding to deliver our objectives for the year while maintaining appropriate levels of reserves.

We will also continue to invest in our staff team, with a particular focus on improving wellbeing and providing training opportunities to support development. Retaining staff and ensuring that they are appropriately supported is, as always, a key priority for the Board of Trustees.

Given the economic environment and consequent increasing costs and challenges for fundraising, we expect that 2023 will again be a challenging year for charities financially. PET is not immune to these challenges and, as noted above, has already taken steps to respond by proactively reducing our running costs. The Board of Trustees and Senior Management Team will continue to take a robust approach to financial management during 2023 to ensure that PET maintains a strong financial position.

FINANCIAL REVIEW

The results of the year's operations are set out in the attached financial statements. The total retained reserves at 31 December 2022 amounted to £702,352 (2021: £1,065,156), of which £537,540 (2021: £787,301) were unrestricted.

Income for the year ended 31 December 2022 totalled £1,433,023 compared with £1,324,112 for 2021. As noted above on page 12, the trustees are satisfied with the level of income raised in 2022 given the challenging fundraising environment, while noting that it was less than originally anticipated.

In 2022 PET received £707,259 from charitable trusts and corporate institutions (2021 - £725,323); £471,534 from government sources (2021 - £426,627); £191,520 from individuals, including Gift Aid and legacies (2021 - £128,811); £3,969 from fundraising events (due to the constraints caused by Covid-19) (2021 - £1,074); £6,959 from investment income and other income (2021 - £1,728); and £NIL income from donated goods and services (2021 - £NIL).

PET spent £1,794,301 in 2022, an increase of £140,367 from £1,653,934 in 2021. Overall there was a net deficit on unrestricted funds of £249,761 decreasing unrestricted funds from £787,301 to £537,540. Restricted funds decreased from £277,855 to £164,812 as funds secured in prior years were spent down.

The established pattern of the charity's fundraising activities is such that voluntary income will be available from a diverse range of trusts and individual donors at stepped intervals throughout the next 12 months, enabling the charity to manage cashflow effectively.

The trustees have considered and agreed that it is appropriate to prepare these annual financial statements on a going concern basis. They are confident that sufficient funds will be available to enable operations to continue at a sustainable level for a period of at least 12 months from the date of approval. In preparing the annual budget for 2023, the Senior Management Team and Board of Trustees identified a range of cost saving measures to help ensure that PET can deliver its activities on a sustainable basis. These measures were implemented in the first half of 2023.

The trustees consider PET well-placed to further continue and develop its activities as a going concern through its fundraising efforts and close liaison with significant funders such as HMPPS. The HMPPS multi-year grant agreement came to an end in March 2023 and PET has secured two further years of funding at the same level.

The trustees are also confident that sensitivity analysis demonstrates that PET will continue to be able to support a satisfactory number of learners even if income from grant-making trusts and individuals is further adversely affected by ongoing difficult economic conditions in 2023.

Reserves policy

The trustees review the level of free reserves at every Board meeting. In addition to this, at least twice each year the trustees review the free reserves requirement and reserves policy to ensure it is adequate to meet PET's needs.

The calculation takes account of the minimum funds we would need for an orderly windup if the charity was required to cease operating at short notice, the working capital we would require to continue our charitable delivery in the event of a significant gap or drop in income or reduction in levels of unrestricted funding, and our need to hold some funds to invest in new streams of

PRISONERS' EDUCATION TRUST

charitable delivery before we are able to fundraise for their full costs. This excludes direct expenditure to support learners from restricted funding.

Given that most of PET's income is dependent upon successful fundraising activity and is therefore subject to unpredictable fluctuation, and given the uncertain fundraising environment all charities face in the current economic environment, PET needed to retain a robust level of free reserves during 2022. However, PET's Board of Trustees also recognised the need to invest in building the capacity of the Fundraising and Service Delivery teams during 2022, to support the delivery of PET's new organisational strategy.

On this basis, The Board of Trustees determined that PET's free reserves requirement at 31 December 2022 should be £480,000 (2021: £620,000). As at 31 December 2022 PET had free reserves available for use of £495,626 (2021: £693,657). Free reserves are calculated as unrestricted funds of £537,539 less £41,913 tied up in fixed assets.

Looking ahead to 2023, the trustees set an initial free reserves target for the year of £418,000 to reflect PET's reduced cost base following the implementation of a variety of cost savings in early 2023. This recognises the need to retain a sensible and prudent level of reserves but also to use available funds to support our charitable activities. This assumption will be kept under review during the year.

The Board has also agreed to continue the close monthly monitoring and review of the forecast free reserves position which has been in place since 2019. This involves the Chair and Honorary Treasurer informing the Board if at any point outside of Board meetings factors are identified that might cause free reserves to drop below the level required to manage an orderly wind-up of its activities.

Fundraising

The Board takes a best practice approach to fundraising. The Head of Fundraising and External Affairs reports to the Board on fundraising performance, strategy, legal and best practice developments at every Board meeting. The Board's Fundraising Committee meets with the Head of Fundraising and External Affairs, Chief Executive, and Head of Finance six times per year. At these meetings, the Committee reviews the fundraising business plan to provide further assurance over the appropriateness and effectiveness of our fundraising practices.

The Head of Fundraising and External Affairs is responsible for keeping up-to-date with best practice, ensuring the training and support of the team, and complying with fundraising regulations. The Board also undertakes formal and informal fundraising training on an ad hoc basis to ensure that staff and volunteers are sufficiently trained and informed of their legal responsibilities.

PET is registered with the Fundraising Regulator and adheres to its Code of Fundraising Practice, undertaking at least an annual review of the Code (sometimes more if new standards are introduced or revised). PET is also registered with the Fundraising Preference Service. PET has a policy of not engaging agencies or commercial organisations. During 2022 we engaged a fundraising consultant to review our fundraising approach and provide additional capacity to the fundraising team.

We protect vulnerable donors through our Vulnerable Donors Policy. This involves upholding robust data protection controls over our supporter data; avoiding intrusive forms of fundraising such as telephone and door-to-door approaches; limiting our postal and email correspondence; and noting and adhering to supporter contact preferences. In 2022, two minor complaints were received regarding fundraising and responded to (2021: 3).

Staff remuneration policy

PET is hugely grateful for the commitment and enthusiasm of our staff. We believe that it is essential to attract and retain staff with the appropriate skills and capabilities, and reward them fairly for delivering PET's important work. It is therefore important to pay staff properly, while also having prudent regard to the use of charitable resources. In order to do this, PET reviews our salaries and overall rewards packages (including those of our key management personnel) on a biennial basis using a professional job evaluation methodology to consider salaries in relation to the charity sector for the job levels concerned. Trustees have the power, supported by a formal Remuneration Committee, to complete discretionary reviews between biennial salary reviews. Given the significant movement of pay and prices, and as noted in page 12 above, this discretionary process was activated in 2022 with staff salaries adjusted as a result to recognise cost of living changes and the employment market.

Risk management

The trustees regularly review, assess and ensure the implementation of systems to manage the major risks to which PET is exposed, in particular operational and financial risks. They review any material changes in risks at each Board meeting, with the assistance of the Chief Executive. They also complete a biannual risk review, once as part of the approval of PET's plans for the forthcoming year and again at the mid-year point. This is to ensure that adequate plans and procedures are in place to mitigate the key risks to which PET is exposed. Internal control risks are minimised by the implementation of procedures in respect of authorisation of expenditure and grant commitments.

The Board and executive team have collectively assessed the principal risks to which the charity is exposed (based on their combined probability and impact) as that:

- Ongoing restrictions to prison regimes following Covid-19 limits the number of people who apply to PET for support to access distance learning and limits the support learners are able to access.
- The challenging economic environment in the UK, including high rates of inflation, reduces the availability of charitable funding for PET while increasing PET's costs.
- PET fails to meet the ambitious fundraising targets set for 2023, using up more of our reserves than planned.
- There is insufficient capacity in the staff team to deliver PET's workplan.
- Staff stress levels are unacceptably high, affecting productivity and wellbeing.

The risk register identifies the key management actions to mitigate these risks. PET's Senior Management Team also considers monthly what new risks have emerged and what needs to be done to address them, ensuring that new risks are identified promptly.

STRUCTURE

PET is a charitable company, incorporated on 29 December 2000. It acquired the assets and undertaking, subject to liabilities, of Prisoners' Education Trust, a charitable trust, with effect from 1 January 2001. That trust, which had been established by a deed dated 19 April 1989, was formally wound up in 2003. PET is registered as a charitable company limited by guarantee and is governed by its memorandum and articles of association. PET has no share capital or debentures. In the event of PET being wound up each member is required to contribute an amount not exceeding £10.

GOVERNANCE AND MANAGEMENT

PET is governed by a Board of Trustees. The Board is responsible for establishing the strategic direction of PET. The Board delegates responsibility to the senior management team, through the Chief Executive, to execute the day-to-day operations of PET in accordance with the policies, procedures and budgets approved by the Board.

Following changes to PET's Articles of Association, agreed at an EGM in July 2021, trustees now serve four-year terms and are limited to a maximum of two terms other than in exceptional circumstances. Details of those serving on the Board during the year and those serving currently are shown on page 1.

The Board meets six times a year, in addition to its annual awayday. The Chair also conducts an annual review meeting with each trustee, collating the key themes to share back with the Board. This informs Board development priorities and improves performance. The Deputy Chair also carries out an annual appraisal of the Chair, actively seeking input from trustees and the Chief Executive to inform this.

The Board has continued to have regard to the Charity Governance Code (as applied to larger charities). At the end of 2022 no serving trustee had exceeded the recommended maximum in the Code of nine years.

The Board considers it important to maintain a balance of skills in its membership and has a well-established Nominations Committee that undertakes trustee recruitment and induction. The Committee led a rigorous and open process of trustee recruitment in 2021, with particular regard to diversity and the value of the voice of those with lived experience of the justice system. As a result four new trustees were appointed; they joined the Board during 2022. One person joined PET's Trustee Development Programme, which provides people with lived experience of the justice system with the opportunity to gain the necessary experience to become a trustee in the future.

As PET's current Honorary Treasurer was nearing the end of their final term as a trustee, the Nominations Committee ran a recruitment process for a new Honorary Treasurer during 2022. Following an open recruitment process a new trustee was appointed to take over the Honorary Treasurer role when PET's current Honorary Treasurer steps down in May 2023.

Mark Welsh completed his second term as a trustee and stepped down on 30 March 2022. PET would like to thank Mark for his contribution to PET and our work over eight years as a trustee. His knowledge and insight was greatly appreciated.

Alongside the Nominations Committee, the Board currently has four further committees. The Fundraising Committee, the Remuneration Committee and the Quality Assurance Panel continued to meet as needed during 2022. As noted above, the Terms of Reference for the Equality, Diversity and Inclusion Committee were reviewed in 2022 and it will be relaunched with a refreshed membership and remit during 2023.

President and patrons

PET was deeply saddened by the death of Lord Ramsbotham in December 2022. Lord Ramsbotham was a patron of PET and an inspiring advocate for our work and for prison education, both as HM Chief Inspector of Prisons and then in the House of Lords. We are extremely grateful for his support over many years.

Two further patrons of PET, Lord Woolf and Michael Smyth, stepped down during 2022. We are very grateful for their contribution to PET and to our work. PET will be approaching new patrons in 2023, having previously completed a review of our patrons and the President role within PET.

Relationship to the Prisoner Learning Alliance

PET provides the secretariat for the Prisoner Learning Alliance (PLA), of which it is also a member. The work of the PLA is overseen by a steering committee, of which the Chief Executive of PET is an ex-officio member, but the PLA remains an informal grouping of organisations with no separate legal identity. PET also secures funding to convene the PLA. We intend to explore the future viability of this funding relationship during 2023.

Chair of the Board of Trustees

In July 2023 Elisabeth Davies was appointed to a new role as the National Chair of the Independent Monitoring Boards, responsible for the independent monitoring of prisons, YOIs and places of immigration detention. As a matter of good governance, she stepped down from the role of Chair of the Board of Trustees of PET. Richard Ward was appointed to act as Chair on an interim basis while PET seeks a permanent successor. The Board would like to take this opportunity to record their thanks to Elisabeth Davies for her rigorous and productive leadership over the past five years. A more comprehensive summary of the achievements during her tenure will be included in the 2023 Trustees' Annual Report.

RESPONSIBILITIES STATEMENT OF THE TRUSTEES

The trustees (who are the directors of PET for the purposes of company law) are responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom General Accepted Accounting Practice.

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2019;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material 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 operation).

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of PET, and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of PET, for ensuring that the assets are properly applied in accordance with charity law, and for taking reasonable steps for the detection and prevention of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on PET's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that PET's auditors are aware of that information.

Preparation of the report

This report has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

Auditors

The auditors, Price Bailey LLP, have been appointed under Section 485 of the Companies Act 2006.

This report was approved and authorised for issue by the Board of Trustees on 16 August 2023 and signed on its behalf by:



.....
Richard Ward
Acting Chair of Trustees

Independent auditor's report to the members of Prisoners' Education Trust

Opinion

We have audited the financial statements of Prisoners' Education Trust (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities incorporating the Income and Expenditure account, the Charitable Company Balance Sheet, the Statement of Cash Flows and the related notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Charitable Company and the sector in which it operates, and considered the risk of the Charitable Company not complying with the applicable laws and regulations including fraud in particular those regulations directly related to the financial statements, including financial reporting, and tax legislation. In relation to the operations of the Charitable Company this included compliance with the Companies Act 2006, and Charities Act 2011.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified.

These included the following:

Reviewing minutes of Board meetings, reviewing any correspondence with the Charity Commission, agreeing the financial statement disclosures to underlying supporting documentation, and made enquiries of management and officers of the Charitable Company.

To address the risk of management override of controls, we carried out testing of journal entries and other adjustments for appropriateness. We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates.

Because of the inherent limitations of an audit, there is the risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involved intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

This description forms part of our auditor's report.

Use of our report

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



**Michael Cooper-Davis FCCA ACA (Senior
Statutory Auditor)**

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

24 Old Bond Street

London

W1S 4AP

Date: 17 August 2023

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)
For the year ended 31 December 2022

	<i>Note</i>	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
		£	£	2022	2021
				£	£
INCOME AND ENDOWMENTS:					
Donations and Legacies	2	515,123	373,656	888,779	779,223
Charitable Activities:					
Access to Learning: Government Grant	3	0	471,534	471,534	426,627
Policy and Research	3	0	10,000	10,000	5,650
Welsh Prisons Project	3	0	0	0	69,260
Other Trading activities	4	3,969	0	3,969	1,074
Investments		6,959	0	6,959	136
Furlough- HMRC		0	0	0	1,148
Prison Contributions		0	51,782	51,782	40,994
TOTAL INCOME AND ENDOWMENTS		526,051	906,972	1,433,023	1,324,112
EXPENDITURE:					
Raising funds		310,837	-	310,837	265,546
Charitable Activities:					
Access to Learning		299,219	1,003,351	1,302,570	1,057,170
Policy and Research		164,230	16,664	180,894	159,443
Welsh Prisons Project		-	-	-	171,775
Charitable Activities		463,449	1,020,015	1,483,464	1,388,388
TOTAL EXPENDITURE	5	774,286	1,020,015	1,794,301	1,653,934
Net Income/(Expenditure)		(248,235)	(113,043)	(361,278)	(329,822)
(Losses)/gain on Investment		(1,527)		(1,527)	1,592
Transfers between Funds		-	-	-	-
NET MOVEMENT IN FUNDS		(249,762)	(113,043)	(362,805)	(328,230)
RECONCILIATION OF FUNDS:					
Total Funds Brought Forward		787,301	277,855	1,065,156	1,393,386
TOTAL FUNDS CARRIED FORWARD		537,539	164,812	702,351	1,065,156

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure relates to continuing activities.

The annexed notes form part of these financial statements.

PRISONERS' EDUCATION TRUST

BALANCE SHEET As at 31 December 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Intangible fixed assets	8a	25,885	40,840
Tangible fixed assets	8b	16,028	17,923
Investments	9	20,889	22,415
		62,802	81,178
CURRENT ASSETS			
Debtors	10	206,074	326,616
Cash at bank and in hand		571,584	787,239
		777,658	1,113,855
LIABILITIES			
Creditors: amounts falling due within one year	11	(138,109)	(129,877)
NET CURRENT ASSETS / (LIABILITIES)		639,549	983,978
TOTAL NET ASSETS		702,351	1,065,156
TOTAL FUNDS OF THE CHARITY:			
Restricted funds	12	164,812	277,855
Unrestricted funds	12	537,539	787,301
		702,351	1,065,156

The annexed notes form part of these financial statements.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies. They were approved and authorised for issue by the trustees on 16 August 2023 and signed on their behalf by:



Richard Ward
Acting Chair of Trustees

Company limited by guarantee no. 04132595 & registered charity no. 1084718.

STATEMENT OF CASH FLOWS
For the year ended 31 December 2022

	2022	2021
	£	£
Cash flows from operating activities:		
Net cash provided by / (used in) operating activities (see below)	(216,506)	(520,346)
Cash flows from investing activities:		
Interest income	6,959	136
Investment income	(1,527)	1,592
Purchase of property, plant and equipment	(4,581)	(8,492)
Net cash provided by / (used in) investing activities	851	(6,764)
Change in cash and cash equivalents in the reporting period	(215,655)	(527,110)
Cash and cash equivalents at the beginning of the reporting period	787,239	1,314,349
Cash and cash equivalents at the end of the reporting period	571,584	787,239

RECONCILIATION OF NET INCOME/ (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022	2021
	£	£
Net income / (expenditure) for the reporting period (as per the SOFA)	(361,278)	(329,822)
Adjustments for:		
Depreciation charges	21,430	20,182
Interest income	(6,959)	(136)
Investment	1,527	(1,592)
Decrease / (increase) in debtors	120,543	(141,212)
Increase / (decrease) in creditors	8,231	(67,766)
Net cash provided by / (used in) operating activities (see above)	(216,506)	(520,346)

ANALYSIS OF CASH AND CASH EQUIVALENT

	2022	2021
	£	£
Cash in hand	94,312	50,655
Notice deposits (less than 3 months)	477,272	736,584
	571,584	787,239

The statement of cash flows includes the movement in cash balances of unrestricted funds and restricted funds. The Charity does not hold any endowment funds.

The annexed notes form part of these financial statements.

PRISONERS' EDUCATION TRUST

STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

Analysis of change in net debt

	2022	2021
	£	£
Cash & cash equivalent as at 01/01/2022	787,239	1,314,349
Cashflows	(215,655)	(527,110)
Other non cash changes	-	-
Cash & cash equivalent as at 31/12/2022	571,584	787,239

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

1. ACCOUNTING POLICIES

PET is a charitable company limited by guarantee and incorporated in England and Wales. The Charity's registered office is The Foundry, 17 Oval Way, London SE11 5RR.

The principal accounting policies adopted, judgements and estimates made in the preparation of the financial statements are as follows:

Basis of preparation of financial statements

PET meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition - effective from January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Companies Act 2006. As there are no material uncertainties about the charity's ability to continue operating, the accounts have been prepared on a going concern basis.

The financial statements are prepared in Sterling, which is the functional currency of the Charity and the financial statements are rounded to the nearest pound.

The effects of events relating to the year ended 31 December 2022 which occurred before the date of approval of the financial statements by the trustees have been included in the financial statements to the extent required to show a true and fair view of the state of affairs at 31 December 2022 and the results for the year ended on that date. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Going concern

The trustees have assessed the charity's requirements for the foreseeable future and are confident that sufficient funds will be available to enable operations to continue at a sustainable level for a period of at least 12 months from the date of approval of these financial statements. PET has implemented a number of cost-saving measures in late 2022 and early 2023 that will enable the charity to operate on a more financially sustainable basis. HMPPS have renewed their major grant until 31 March 2025 and, although the charity anticipates some continuing challenges in the fundraising environment in 2023, the trustees are satisfied that the charity will still be able to maintain a sufficiently strong income pipeline, reinforced by the current level of free reserves, for the charity to continue implementing its strategy for 2022–2026. The trustees are also confident that sensitivity analysis demonstrates that PET will continue to be able to support a satisfactory number of learners even if the HMPPS grant ceases unexpectedly. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern as a result of not being able to raise further funds

Income

Income is included in the Statement of Financial Activities when PET is legally entitled to the income, it is probable that the income will be received, and the amount can be measured reliably. Grants are accounted for in the period specified for their use by donors or, where there is no time restriction, when conditions have been met and entitlement has been gained. Where the charity receives government grants, it recognises the income only where there is reasonable assurance that the charity will comply with the conditions attaching to the grants, and that they will be received.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

Income (continued)

Legacy income is recognised when it is probable that a legacy will be received (when probate has been granted, the executors have confirmed that there are sufficient assets to make a distribution, and there are no other conditions preventing a distribution), and the amount receivable can be reliably measured. Income tax recoverable in relation to investment income or Gift Aid donations is recognised at the time the relevant income is receivable.

Donated services include venue use, catering for meetings and events, and research services. Facilities and services donated for PET's use, where the benefit is quantifiable, are recognised in the financial statements as both income and expenditure, at the value the charity would have paid in the open market for an equivalent economic benefit in the period in which they are received. Donated goods for distribution are recognised as income (or stock if not yet distributed) and expenditure at fair value, or if fair value is not practicably obtained, at the cost to the donor. Ticketed fundraising event income is recognised when the event has taken place and entitlement has thus been gained. All other income is accounted for on the accruals basis. See also note 14 for the contribution of volunteers.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Expenditure on raising funds comprises the costs associated with generating income. Support and governance costs, which cannot be directly attributed to particular activities, have been apportioned proportionately based on the activity levels of different charitable activities, and their relative demands on central resources. Grants awarded are recorded as liabilities and expenditure recognised in the Statement of Financial Activities when the award has been approved, as a constructive obligation has been formed. Irrecoverable VAT is charged against the category of expenditure for which it was incurred. Rentals applicable to operating leases are charged to the Statement of Financial Activities over the period in which the cost is incurred.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objects of PET and which have not been designated for other purposes. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by PET for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is detailed in Note 12.

Fixed assets, depreciation and amortisation

All individual assets costing more than £500 are capitalised. Individual assets costing below £500 are capitalised where they form part of a packaged asset with a total value over £500.

Tangible assets are depreciated over their expected useful lives on the following bases:

Furniture/fittings	-	10 years
Office & IT equipment	-	5 years

Intangible assets are amortised over their expected useful lives on the following bases:

Website	-	5 years
Database	-	5 years

Cash

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

Pensions

PET contributes employer contributions towards a Pensions Auto-enrolment compliant group personal pension scheme. Contributions are charged to the Statement of Financial Activities as they become payable.

Financial instruments

The charity only has basic financial instruments; they are initially recognised at transaction value and subsequently measured at their settlement value. Cash and deposits are measured at the cash value held at the reporting date. All debtors and creditors are initially measured at the settlement amount after any discounts (under normal credit terms) have been applied; if settlement is due in more than one year, the value is included at discounted net present value.

Taxation

PET has charitable status and is thus exempt from taxation on its income under various exemptions available in the Taxes Acts.

Key judgements and estimation policy

No significant judgments (apart from those involving estimates) have been made in the process of applying the above accounting policies.

The trustees made estimates and assumptions concerning the future based on their knowledge of the company and the environment in which it operates. The resulting accounting estimates and assumptions will, by definition, seldom equal the related outcome.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

2 INCOME FROM DONATION AND LEGACIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Institutions who granted or donated £5,000 or more:						
ABF The Soldiers' Charity	-	20,444	20,444	-	-	-
Adrian Swire Charitable Trust	20,000	-	20,000	20,000	-	20,000
Beatrice Laing Trust	-	5,000	5,000	-	5,000	5,000
Charles Hayward Foundation	-	15,000	15,000	-	-	-
City & Metropolitan Welfare Charity	-	5,000	5,000	-	-	-
Colyer-Fergusson Charitable Trust	-	8,250	8,250	-	8,000	8,000
Drapers' Charitable Fund	25,000	-	25,000	-	-	-
Dulverton Trust	35,000	-	35,000	-	-	-
Edward Cadbury Charitable Trust	-	5,000	5,000	-	5,000	5,000
Fishmongers' Company's Charitable Trust	-	30,000	30,000	-	-	-
Evan Cornish Foundation	-	10,422	10,422	-	9,684	9,684
Haddenham Healthcare Ltd	5,000	-	5,000	-	-	-
Jill Franklin Trust	-	9,600	9,600	-	9,600	9,600
John Armitage Charitable Trust	60,000	-	60,000	60,000	-	60,000
Monday Charitable Trust	-	6,115	6,115	-	7,194	7,194
Nagle Family Foundation	-	10,000	10,000	-	-	-
Police and Crime Commissioner for South Yorkshire	-	-	-	-	5,380	5,380
PPL	5,000	-	5,000	-	-	-
Schroder Charity Trust	-	-	-	-	5,000	5,000
Society of the Holy Child Jesus	-	-	-	25,000	-	25,000
The 29th May 1961 Charitable Trust	12,000	-	12,000	12,000	-	12,000
The Banham Charitable Foundation	-	10,000	10,000	-	-	-
The Bromley Trust	20,000	-	20,000	20,000	-	20,000
The Brook Trust	-	20,000	20,000	-	20,000	20,000
The Carr-Gregory Trust	10,000	-	10,000	10,000	-	10,000
The Charles Irving Charitable Trust	-	-	-	-	-	-
The Cherry Family Foundation	-	14,475	14,475	-	-	-
The Constance Travis Charitable Trust	50,000	-	50,000	50,000	-	50,000
The Goldsmiths' Company Charity	30,000	-	30,000	30,000	-	30,000
The Hadley Trust	35,000	-	35,000	35,000	-	35,000
The Henry C Hoare Charitable Trust	5,000	-	5,000	-	-	-
The Horlock Educational Trust	-	10,000	10,000	-	10,000	10,000
The Lawson Trust	-	5,000	5,000	-	-	-
The Lord Belstead Charitable Trust	-	5,000	5,000	-	5,000	5,000
The Peacock Charitable Trust	8,000	-	8,000	8,000	-	8,000
The Portal Trust	-	5,380	5,380	-	5,380	5,380
The Robert Gavron Charitable Trust	-	5,000	5,000	-	-	-
The Shears Foundation	-	10,000	10,000	-	5,000	5,000
The Singer Foundation	-	10,422	10,422	-	10,760	10,760
The Susanna Peake Charitable Trust	-	5,000	5,000	-	5,000	5,000
The Taylor Family Foundation	-	22,000	22,000	-	20,000	20,000
The Vandervell Foundation	5,000	-	5,000	5,000	-	5,000
Van Neste Foundation	-	10,000	10,000	-	10,000	10,000
William Harding's Charity	-	-	-	-	5,380	5,380
Other donations from institutions	30,148	85,003	115,151	41,134	182,900	224,034
Individuals who donated £5,000 or more:						
David Knowles	-	6,000	6,000	-	-	-
Overlandon	10,000	-	10,000	-	-	-
Other donations from individuals	90,763	25,545	116,308	86,707	34,691	121,398
Legacies donated of £5,000 or more:						
Other legacy income	59,212	-	59,212	7,412	-	7,412
	515,123	373,656	888,779	410,254	368,969	779,223

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

3 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2022 £	2022 £	2022 £	2021 £
Access to Learning Grants:				
Ministry of Justice	-	453,578	453,578	403,481
Welsh Assembly Government	-	17,956	17,956	23,146
	-	471,534	471,534	426,627
Policy and Research grants:				
Barrow Cadbury Trust	-	-	-	700
Texel Foundation	-	10,000	10,000	-
Other Donors	-	-	-	4,950
	-	10,000	10,000	5,650
Welsh Prisons Project				
Moondance Foundation	-	-	-	69,260
	-	481,534	481,534	501,537

All funds received in 2022 were restricted (2021: all restricted). Included within Income from Charitable Activities are total government grants of £471,534 (2021 - £426,627). The total value of the grant received has been recognised in year.

For a description of the nature and purpose of material government grants see Note 12.

There are no unfulfilled conditions or contingencies attaching to the grants which have been recognised as income, and no other material sources of government assistance were received (2021 - the same).

4. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2022 £	2022 £	2022 £	2021 £
Fundraising events	3,969	-	3,969	1,074
	3,969	-	3,969	1,074

In 2022 all income from other trading activities was unrestricted (2021: all unrestricted).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

5. EXPENDITURE

Support staff costs have been allocated based on an estimate of the percentage of time staff spent supporting the activity; office costs have been apportioned based on an estimate of relative usage of these central resources. Premises costs have been allocated across projects based on estimated floor space used. Support costs are analysed overleaf:

	Grant funding of activities	Staff costs	Activities undertaken directly	Support costs	Total	Total
	2022	2022	2022	2022	2022	2021
	£	£	£	£	£	£
Access to Learning Grants:						
Access to Learning	600,768	500,442	26,271	175,089	1,302,570	1,057,170
Policy and Research	-	141,772	6,676	32,446	180,894	159,443
Welsh Prisons Project	-	-	-	-	-	171,775
Total expenditure on charitable activities	600,768	642,214	32,947	207,535	1,483,464	1,388,388
Raising funds	-	221,572	11,139	78,126	310,837	265,546
Support and governance	-	123,828	161,833	(285,661)	-	-
	600,768	987,614	205,919	-	1,794,301	1,653,934

Prior Year

	Grant funding of activities	Staff costs	Activities undertaken directly	Support costs	Total
	2021	2021	2021	2021	2021
	£	£	£	£	£
Access to Learning Grants:					
Access to Learning	507,891	378,842	13,408	157,029	1,057,170
Policy and Research	-	118,476	4,015	36,952	159,443
Welsh Prisons Project	3,054	144,329	12,086	12,306	171,775
Total expenditure on charitable activities	510,945	641,647	29,509	206,287	1,388,388
Raising funds	-	180,656	11,795	73,095	265,546
Support and governance	-	120,175	159,207	(279,382)	-
	510,945	942,478	200,511	-	1,653,934

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

Analysis of support costs

	Total 2022 £	Total 2021 £
Support staff costs	101,458	99,236
Rent, service charge and rates	70,576	72,794
Other premises costs	1,499	759
Insurance	4,303	3,482
Computer and IT costs	30,295	30,819
Bank charges	1,135	1,398
Postage, photocopier and telephone	11,344	8,156
Printing and stationery	2,838	2,732
Legal and advice costs	-	-
Depreciation	21,430	20,182
Other support costs	7,741	6,809
Governance staff costs	22,370	20,939
Other governance costs	10,672	12,076
	33,042	33,015
	285,661	279,382

Expenditure includes:

	2022 £	2021 £
Auditors remuneration:		
Audit fee excluding VAT	7,350	7,350
Irrecoverable VAT on audit fee	1,470	1,470
Operating lease rentals - Land and buildings	57,175	57,175
- Plant and equipment	1,649	2,479
Depreciation on owned assets	21,431	20,182

Grant funding includes grants payable for Open University, other accredited and unaccredited distance learning courses, and small grants for other educational materials. All grants are made to acquire courses and materials for individuals, and have been analysed below:

	2022 £	2021 £
Open University courses	79,092	120,604
General education courses	521,676	390,341
	600,768	510,945

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

6. STAFF NUMBERS AND COSTS

	2022	2021
	£	£
Wages and salaries	844,217	806,627
Social security costs	88,147	79,972
Defined contribution pension costs	41,730	40,417
Other staff costs	6,157	4,751
Agency staff and consultants	7,363	10,711
	987,614	942,478

The average monthly number of employees, calculated as full time equivalents (FTE), during the period was:

	2022	2021
	FTE	FTE
Raising funds	5.0	4.2
Access to Learning	11.5	8.8
Policy and Research	2.3	2.3
Welsh Prisons Project	0.0	3.1
Governance	0.3	0.3
Support	1.8	1.8
	20.9	20.5

The average monthly number of employees, calculated as average head count (AHC), during the period was:

	2022	2021
	AHC	AHC
Raising funds	5.6	4.9
Access to Learning	11.6	8.9
Policy and Research	2.5	2.7
Welsh Prisons Project	0.0	3.3
Governance	0.3	0.3
Support	1.8	1.8
	21.8	21.9

One employee received employee benefits in the range of £80,000 - £90,000 and one other employee received employee benefits in the range of £60,000 - £70,000; employers' pension contributions of 5% of total earnings were also payable (2021 - same). The key management personnel of PET received earnings and benefits (including employer pension contributions of 5% of total earnings) totalling £377,963 (2021 - £342,643). The number of key management personnel was 5 (2021 - 5) being the Chief Executive, and four Heads of Departments; the FTE number of key management personnel staff members was 5 (2021 - 5).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

6. STAFF NUMBERS AND COSTS (continued)

Pensions – defined contribution scheme

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £41,730 (2021 £40,417). Contributions totalling £nil (2021: £28) were payable to the fund at the balance sheet date and are included in creditors.

7. TRUSTEE TRANSACTIONS AND RELATED PARTIES

During the year, no trustee received any remuneration (2021 - £NIL). Three trustees received reimbursement of travel expenses to attend trustee meetings totalling £236 (2021 – 1 trustee, £105). The Charity received £3,315 in donations on usual terms from its trustees, key management personnel, their close family members and entities over which they have significant interest or effective control during the period (2021- £3,575). Total expenses incurred by the trustees in the furtherance of their duties but not reclaimed from the Charity were immaterial in 2022 and 2021. There is no ultimate controlling party. There were no other related party transactions (2021: none).

PRISONERS' EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2022

8a. INTANGIBLE FIXED ASSETS

	Website £	Database £	Total 2022 £	Total 2021 £
COST				
Opening balance 1 January 2022	36,048	38,726	74,774	71,154
Additions	-	-	-	3,620
At 31 December 2022	36,048	38,726	74,774	74,774
Amortisation				
Opening balance 1 January 2022	19,632	14,302	33,934	19,307
Charge for the period	7,210	7,745	14,955	14,627
At 31 December 2022	26,842	22,047	48,889	33,934
NET BOOK VALUE				
At 31 December 2021	16,416	24,424	40,840	51,847
At 31 December 2022	9,206	16,679	25,885	40,840

8b. TANGIBLE FIXED ASSETS

	Furniture & Fittings £	Office & IT Equipment £	Total 2022 £	Total 2021 £
COST				
Opening balance 1 January 2022	23,208	23,809	47,017	42,145
Additions	636	3,945	4,581	4,872
At 31 December 2022	23,844	27,754	51,598	47,017
DEPRECIATION				
Opening balance 1 January 2022	16,366	12,728	29,094	23,539
Charge for the period	2,618	3,858	6,476	5,555
At 31 December 2022	18,984	16,586	35,570	29,094
NET BOOK VALUE				
At 31 December 2021	6,842	11,081	17,923	18,606
At 31 December 2022	4,860	11,168	16,028	17,923

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

9. INVESTMENTS

	2022 £	2021 £
Aviva Investment Bond:		
Market value brought forward	22,415	20,823
Additions		
Distributions reinvested		1,592
Unrealised (loss)/gain	(1,526)	-
Market value carried forward	<u>20,889</u>	<u>22,415</u>
Historical cost	<u>21,064</u>	<u>21,064</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade Debtors	1,602	2,771
Net prison contributions due	18,544	13,949
Grants receivable	155,870	288,656
Donations receivable	7,039	7,660
Prepayments	10,903	2,747
Other accrued income	7,221	5,937
Lease deposit	4,895	4,895
	<u>206,074</u>	<u>326,616</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	39,172	35,123
Taxation and social security costs	28,981	21,467
Grants committed but not yet paid (see below)	43,583	47,904
Accruals	15,457	17,872
Deferred Income	3,523	-
Other creditors	7,393	7,511
	138,109	129,877
At start of year	47,904	76,256
Grants committed in the year	559,798	507,178
Grant commitments fulfilled	(564,119)	(535,529)
	43,583	47,904

Grant commitments are recorded as liabilities on the balance sheet and as expenditure in the Statement of Financial Activities when the award has been approved, as a constructive obligation has been formed. The vast majority of grant awards are fulfilled within 12 months of the commitment.

Deferred income analysis:

At start of year	-	69,260
Amounts added in the year	3,523	-
Amount released to income from previous years -	-	(69,260)
	-	-
At end of year	3,523	-

Deferred income comprises grant monies received during the period subject to donor-imposed conditions specifying the time period over which the expenditure of resources can take place (received in 2022, but intended by the donor for the year ending 31 December 2023).

PRISONERS' EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

12a. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Intangible Fixed Assets	25,885	0	25,885	40,840
Tangible fixed assets	16,028	0	16,028	17,923
Investments	20,889	0	20,889	22,415
Current Assets	533,345	244,313	777,658	1,113,855
Current Liabilities	(58,609)	(79,500)	(138,109)	(129,877)
	537,538	164,812	702,351	1,065,156

Prior Year Comparative Figures

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Intangible Fixed Assets	40,840	-	40,840
Tangible fixed assets	17,923	0	17,923
Investment	22,415	-	22,415
Current Assets	746,482	367,373	1,113,855
Current Liabilities	(40,359)	(89,518)	(129,877)
	787,302	277,855	1,065,156

PRISONERS' EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

12b. FUNDS OF THE CHARITY

	Brought Forward 01/01/2022 £	Income £	Expenditure £	Transfers £	Carried Forward 31/12/2022 £
RESTRICTED FUNDS					
Policy and Research	12,198	7,800	(16,664)	-	3,334
Governance	-	-	-	-	-
Access to Learning					
General	73,109	87,011	(120,445)	-	39,675
Womens prisoners	8,629	45,000	(45,738)	-	7,891
Younger prisoners	322	42,802	(30,704)	-	12,420
Older prisoners	-	-	-	-	-
Army veterans	6,311	24,444	(27,704)	-	3,051
HMPPS England	27,690	453,578	(481,081)	-	187
HMPPS Wales	-	17,956	(17,956)	-	-
Geographically restricted	55,036	128,136	(117,065)	-	66,107
Course subject restricted	40,224	5,000	(44,265)	-	959
Course Development	-	30,000	(16,840)	-	13,160
Advice Line	9,000	12,463	(11,305)	-	10,158
Small Grants	1,202	1,000	-	-	2,202
Prison & Prisoners' contribution	4,155	51,782	(50,993)	-	4,944
Awards	724	-	-	-	724
Welsh Prisons Project	39,255	-	(39,255)	-	0
	277,855	906,972	(1,020,015)	-	164,812
UNRESTRICTED FUNDS	787,301	524,524	(774,286)	-	537,539
TOTAL FUNDS	1,065,156	1,431,496	(1,794,301)	-	702,351

PRISONERS' EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

Prior year comparative figures:

	Brought Forward 01/01/2021 £	Income £	Expenditure £	Transfers £	Carried Forward 31/12/2021 £
RESTRICTED FUNDS					
Policy and Research	44,476	24,398	(56,676)	-	12,198
Governance	-	-	-	-	-
Access to Learning					
General	166,444	135,440	(215,805)	(12,970)	73,109
Womens prisoners	2,160	45,144	(38,224)	(451)	8,629
Younger prisoners	4,919	40,064	(45,110)	451	322
Older prisoners	-	-	-	-	-
Army veterans	32,860	2,000	(28,549)	-	6,311
HMPs England	18,298	403,481	(394,089)	-	27,690
Hmpws Wales	-	23,145	(23,145)	-	-
Geographically restricted	40,620	108,224	(93,809)	-	55,035
Course subject restricted	49,522	-	(9,298)	-	40,224
Course Development	-	-	-	-	-
Advice Line	11,072	18,836	(20,908)	-	9,000
Small Grants	2,202	-	(1,000)	-	1,202
Prison & Prisoners' contribution	4,466	41,508	(41,819)	-	4,155
Awards	724	-	-	-	724
Learner Engagement/Welsh Prisons Project	78,164	69,260	(108,169)	-	39,255
	455,927	911,500	(1,076,602)	(12,970)	277,855
UNRESTRICTED FUNDS	937,459	414,204	(577,332)	12,970	787,301
TOTAL FUNDS	1,393,386	1,325,703	(1,653,934)	-	1,065,156

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

Restricted funds

Policy & Research

For research, policy, advocacy and alumni development work, including support of the PLA, funded in 2022 by the Texel Foundation.

Access to Learning:

General	For distance learning courses and advice, major funders in 2022 include: The Big Give Christmas Challenge (various donors including Monday Charitable Trust), Beatrice Laing Trust, Jill Franklin Trust, Nagle Family Foundation, Van Neste Foundation and various other trusts.
Women prisoners	For distance learning courses and advice to women in prison, major funders in 2022 include: The Brook Trust, Charles Hayward Foundation, The Robert Gavron Charitable Trust, The Roddick Foundation and various other trusts.
Younger prisoners	For distance learning courses and advice to younger prisoners under 30, major funders in 2022 include: Evan Cornish Foundation, The Horlock Educational Trust, The Portal Trust, The Taylor Family Foundation and various other trusts.
Ex-armed forces	For distance learning courses to ex-service personnel, major funders in 2022 include: ABF The Soldiers' Charity and various other trusts.
HMPPS England	Funding granted for distance learning courses, including Open University Access courses and a range of accredited and unaccredited further education courses, as well as an Advice and Information service for serving prisoners and their families.
HMPPS Wales	Funds granted by the Welsh Assembly Government, through HMPPS in Wales for prisoners who are ordinarily resident in Wales to study Open University and other accredited and unaccredited further education courses.
Geographically restricted	Funds granted for distance learning courses and advice with specific geographical restrictions. Major funders in 2022 include: Cherry Family Foundation, City & Metropolitan Welfare Charity, Colyer-Fergusson Charitable Trust, Edward Cadbury Charitable Trust, The Lawson Trust, The Lord Belstead Charitable Trust, The Shears Foundation, The Singer Foundation, Susanna Peake Charitable Trust, William Harding's Charity and various other charities.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

Restricted funds (continued)

Course subject restricted & Course development	Funds granted for distance learning courses with specific subject restrictions and course development. Major funders for course subject restriction in 2022 include: David Knowles, The Banham Charitable Foundation, and various other charities.
Learner engagement/ Welsh Prisons Project	Funds restricted to strengthen and extend our support for Welsh prisoners, building learning communities to support our students to achieve their educational and vocational goals, whilst in custody and upon release. Moondance Foundation is the main contributor for this project.
Advice Line	Schroder Charity Trust, Taylor Family Foundation, and some other organisations and individuals contributed funds to support this work.
Digital Development	Fishmongers' Company's Charitable Trust provided the support for this work

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

13. OTHER FINANCIAL COMMITMENTS

At 31 December 2022 the Charity had an operating lease for its London office premises with a remaining term of less than 5 years. There is a rolling 6-month break clause, and therefore the commitment by the charity at any given point is 6 months' rent and service charge. As at 31 December 2022, this amounted to £34,458 (2021 - £34,458). The Charity also had a non-cancellable operating lease commitment of £423 (2021 - £423) for equipment falling due within one year.

In October 2015 the charity signed an operating licence for an office space in Cardiff with an initial 18 month term and a rolling one month break clause. The commitment of the charity at any one time is rent and service charges of £625. There are no other non-cancellable operating licence commitments falling due within one year or in more than one year (2021 - the same).

14. CONTRIBUTION OF VOLUNTEERS

We are very grateful for the vital contributions to our work made by volunteers in 2022 in many different capacities. A number of our alumni that we had helped while in prison and are now in the community gave their time to speak at events or to journalists to promote our work. Some of our high profile supporters also gave their time to speak at events on our behalf. We were given valuable help with administrative and office tasks by one volunteer gaining temporary work experience or helping with one off tasks (2021 - 1). No individuals helped us out on a voluntary basis with fundraising events organised either directly through PET or via our South London supporters' group (2021 - 0). A number of professional and academic experts contributed their advice and expertise to our project and research work on a pro bono basis; and our Patrons and trustees gave their time most generously and free of charge to act as ambassadors for PET and to provide robust and effective governance.

15. LIMITATION OF LIABILITY

Prisoners' Education Trust is a charitable company limited by guarantee. Liability is limited to £10 per member. As at 31 December 2022, there were 14 members (2021: 10).

Accounts

PRISONERS' EDUCATION TRUST
(Company limited by guarantee no. 04132595
registered charity no. 1084718)

REPORT AND FINANCIAL STATEMENTS YEAR
ENDED 31 DECEMBER 2021

PRISONERS' EDUCATION TRUST

(Company limited by guarantee no. 04132595, registered charity no. 1084718)

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2021

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PRISONERS' EDUCATION TRUST

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

For the year ended 31 December 2021

President: His Honour John Samuels QC (to 31 December 2021)

Patrons:

Michael Smyth CBE QC (Hon)
The Rt Hon. the Lord Woolf
Lord Ramsbotham GCB CBE

Trustees:

Hilary Cross – Deputy Chair
Catherine Dawkins - Honorary Treasurer
Elisabeth Davies - Chair
Patrick Diamond (to 24 November 2021)
Judith Feline (from 1 April 2022)
Emily Giles
James Killen
Ken Merry (from 1 April 2022)
Vicki Morris
Mandeep Mahil
Lewis Owens (from 1 April 2022)
Dr Paul Phillips CBE
John Richard Ward OBE
Mark Welsh (to 30 March 2022)

Trustees serve four-year terms and are limited to a maximum of two terms other than in exceptional circumstances

Company Secretary and

Chief Executive: Rod Clark (to 31 March 2021)
Jon Collins (from 1 April 2021)

Company reg. no: 04132595

Charity reg. no: 1084718

PRISONERS' EDUCATION TRUST

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

For the year ended 31 December 2021 (continued)

Registered office: The Foundry
17 Oval Way
London
SE11 5RR

Telephone: 020 3752 5680
Email: info@prisonerseducation.org.uk
Website: www.prisonerseducation.org.uk

Auditors: Price Bailey LLP
Chartered Accountants and Tax Advisors
3rd Floor, 24 Old Bond Street
Mayfair, London, W1S 4AP

Bankers: Barclays Bank
2 Victoria Street
London
SW1H 0ND

Unity Trust Bank
9 Brindley Place
Birmingham
B1 2HB

CCLA
Senator House
85 Queen Victoria Street
London, EC4V 4ET

**TRUSTEES' ANNUAL REPORT, (incorporating the Directors' report)
for the year ended 31 December 2021**

The Trustees (who are also the directors for the purposes of company law) present their report and the audited financial statements for the year ended 31 December 2021.

The Trustees confirm that the annual report and financial statements of Prisoners' Education Trust (PET) comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

OBJECTS, ACTIVITIES, AND STRATEGY

Objects

The charitable objects of PET are contained in our Memorandum and Articles of Association and relate to advancing the education and training of prisoners and ex-prisoners in the UK, the Isle of Man and the Channel Islands (though in practice we do not fund prisoner learners in Scotland and Northern Ireland). They include providing funding for distance learning courses; providing advice and guidance about education and training; promoting improvements in prison education policy and practice; publicising the authentic views and insights of prisoner learners; and commissioning and carrying out research, projects, reports, and conferences to help in evaluating and promoting improvements in prison education policy and practice in the UK.

Vision, mission and values

PET's **vision** is:

Prisoners' lives transformed through learning

This is supported by our **mission**:

Every prisoner a learner, every prison a place to learn

The vision and mission are underpinned by PET's values:

- **we inspire** hope and aspiration through learning;
- **we care** passionately about empowering learners and staff;
- **we collaborate** to achieve more together;
- **we are tenacious** to make change happen;
- **we are expert** and listen to learners and other experts;
- **we celebrate** everyone's successes; and
- **we are inclusive** and promote equality and diversity.

Strategy

PET published our strategy for 2018-2020 early in 2018. A new strategy for 2022-2026 was published during 2021 (see below, p.13). During 2021 we therefore continued to work under the auspices of our previous strategy.

This original strategy set out our work across three spheres of influence:

- the learner at the centre;
- prisons and communities; and
- the wider system.

To succeed in affecting change in these spheres of influence, PET also needs to have robust foundations.

PRISONERS' EDUCATION TRUST

The sections on achievements and performance below use these headings to review our achievements in 2021, a year in which PET, the prison system and the country as a whole continued to be severely affected by the Covid-19 pandemic.

Public benefit

PET, as a registered charity established to support prisoners and ex-prisoners in the UK, is a Public Benefit Entity. When approving PET's ongoing activities, Trustees give due consideration to how they meet the Charity Commission's statutory guidance on public benefit.

- We grant access to distance learning courses not otherwise available within the prison system to individual adult prisoners throughout England, Wales, the Isle of Man and the Channel Islands, irrespective of any protected characteristics. We believe (supported by rigorous evidence from Ministry of Justice research) that these learning opportunities have a positive impact on reducing reoffending and promoting employment, benefitting the individuals, their families, and wider society.
- We provide an advice service to help prisoners maximise the benefits of successful selection, study and completion of their courses, which again benefits their families and wider society.
- We seek to improve prison education policy, support and promote best practice, and make the case for its benefits to society.

Grant making policy

Any individual aged 18 or over who has been sentenced, is currently serving a custodial sentence in England, Wales, the Channel Islands or the Isle of Man, and has six months or more left to serve on their sentence, is eligible to apply to PET to fund them to take part in an educational distance learning course. Grants are awarded based on an application form, which is designed to gather evidence on a prisoner's readiness and motivation to participate in a distance learning course. This application form needs to be endorsed by an authorised member of staff at the prison. Applications are then scored against transparent criteria. Information, advice and guidance (IAG) is provided to prisoners and prison staff throughout the application process. Our process for awarding course funding is overseen by a Quality Assurance Panel, a Committee of the Board of Trustees. The application and scoring process was redesigned in 2019 and is now well-established.

ACHIEVEMENTS, PERFORMANCE AND PLANS FOR FUTURE PERIODS

Achievements and performance for 2021

During 2021, the work of PET and of the prison system as a whole continued to be severely affected by the Covid-19 pandemic. For substantial periods of the year people in prison were locked in their cells for up to 23 hours a day and access to prison education departments was limited.

Throughout this challenging period, PET did whatever we could to support prison learners. We have maintained our new Advice Line (launched in 2020 in response to the pandemic), carried out virtual prison visits, and responded to hundreds of letters from people in prison. The number of applications that we have received has slowly recovered and we were able to fund 1,437 distance learning courses over the year.

This has also been an important year in PET's development. We published a new five-year strategy, setting out our plans for the future of the organisation. We also appointed a new Chief Executive, Jon Collins, who joined PET in April.

PET in 2021 in numbers

Number of times information, advice and guidance given: 4,516
Number of calls to PET's Advice Line: 1,499
Number of different prisons from which prisoners have called PET's Advice Line: 92
Number of applications for funding from people in prison: 2,315
Number of distance learning courses funded for people in prison: 1,437
Income: £1.3m
Prisoner Learning Alliance members: 274
Number of Twitter followers for PET: 19,974

1) The learner at the centre

a) Access to learning

In 2021 PET continued, through our Access to Learning programme, to be the leading organisation funding and supporting distance learning in prisons in England and Wales. This is the largest area of our charitable expenditure. Despite the considerable challenges presented by the Covid-19 pandemic, 2021 saw a recovery in the number of applications that we received and the number of courses that we were able to fund, although not yet to pre-pandemic levels.

	2021	2020	2019
Applications	2,315	1,798	2,678
Awards	1,437	1,046	1,703

The three courses that were the most applied for in 2021 were the National Examination Board in Occupational Safety and Health (NEBOSH) Level 2 Award in Health and Safety and Work (which provides a general understanding of health and safety principles and is key for employability in many jobs); the People, Work and Society Open University Access module; and the Science, Technology and Maths Open University Access module. Looking at successful applications, the three courses that we were able to support most often were the NEBOSH Level 2 Award in Health and Safety and Work; the Bookkeeping Certificate; and the People, Work and Society Open University Access module.

Thanks to the support of the Garfield Weston Foundation and the Open University Students' Educational Trust, we were also able to continue to support prisoners to take their initial module towards a full degree without relying on a student loan. This was initially a three-year programme but due to lower than anticipated take-up, caused by the Covid-19 pandemic, we were able to extend it and during 2021 we supported 13 further people in prison through this project (2020: 43).

PET also continued to work in partnership with the Longford Trust to administer the Frank Awards, offering grants to people in prison to cover the cost of individual modules towards degrees at the Open University (OU). During 2021, we were able to support 17 prisoners (2020: 7).

Our application process is overseen by our Quality Assurance Panel, which is made up of Trustees and a member of our Alumni Advisory Group. They meet three times a year to review application data, the number of successful applications, and equality, diversity and inclusion (EDI) data. This provides reassurance to the Board of Trustees that the application process is robust and fair.

While 2021 was our first full year of data accumulated from our new application process, we are already using the EDI data to inform our work and IAG provision. For example, when comparing our learner data to the broader prison population, we identified that we support a smaller proportion of people from Gypsy, Roma and Traveller communities. As a result we have built relationships with organisations working with these groups, contributed to a briefing by the Traveller Movement about education in prison, and spoken at the launch event for this briefing.

b) Providing advice and support

The provision of information, advice and guidance (IAG) to people in prison is central to PET's work. During 2021, we delivered IAG 4,520 times in total, via a range of mediums. We have also reviewed our IAG practices, looking at where we could make improvements, and explored how to capture the activity on our database system, Salesforce, while continuing to comply with the UK General Data Protection Regulation (GDPR). This work has helped us to monitor our engagement and see the real picture of someone's journey with PET.

Following the outbreak of the Covid-19 pandemic in 2020, and the introduction of severely restricted prison regimes that followed, PET launched a new Advice Line to enable people in prison to contact us directly for advice and support. This Advice Line continued to develop and grow during 2021, becoming an indispensable part of our offer to people in prison and their families.

During 2021 we received nearly 1,500 calls to our Advice Line from 548 unique callers, providing a mixture of IAG, support, and signposting to other services. The top subjects discussed on calls included requests for updates regarding the caller's application to PET, course choices and how to apply, and assistance with courses that they were studying. More than half of calls (55%) required follow-up.

As well as providing a way for learners and applicants to make direct contact with PET, the Advice Line gives those people who are unable or unsure how to access the prison education department the opportunity to find out about PET and distance learning, and to speak to PET advice staff directly. Timely contact with PET also helps to improve the quality of the applications that we receive, ensuring that PET staff time is spent where it can have the greatest impact and reducing delays for people in prison. Many callers contacted the Advice Line more than once, demonstrating the way that the Advice Line enables PET to develop relationships directly with individual learners, supporting them as they choose a course, apply, complete their course and then consider their next steps.

In addition, PET has also used the Email a Prisoner service - which enables emails to be printed out and handed to people in prison, with replies scanned and emailed back to us – to respond to queries and provide more information, following up on Advice Line calls that cannot be resolved immediately. This has enabled us to respond more quickly to enquiries and ameliorate some of the inevitable delays caused by using the post, especially during a pandemic.

The positive feedback that we have received demonstrates the value of the Advice Line to people in prison, while the nature of the queries raised has informed our advice materials. Direct contact from learners across the prison estate also gives PET a prisoner's perspective, helping us to better understand the experiences of learners as the prison estate continues to be affected by measures intended to prevent the spread of Covid-19. It also helps us to understand where there may be issues in specific prisons or with particular course suppliers, which we can then look to address to improve the experience of distance learning in prison.

c) Promoting what we offer

During 2021, we published a new PET Course Prospectus. Its development was informed by feedback from people in prison and from prison education staff, as well as a thorough review of the courses that we provide. This resulted in a significant refresh of what we are able to offer to learners. We brought on board a range of new courses, ensuring that they were high quality, up-to-date and fully accessible to people in prison. Some of our new courses include An Introduction to Warehousing and Logistics (reflecting a significant increase in job opportunities in this sector) and Understanding Coaching and Mentoring. We now also offer a number of health and social care courses, as well as several focusing on project management.

Overall the new prospectus includes over 120 approved courses, including short courses, GCSEs and A-levels, Open University Access Modules and professional courses. As well as step-by-step guides, help and support throughout, each course area now has outline summaries, course levels and durations. In addition, the prospectus has an online version, incorporating an interactive contents page and course index. The new prospectus was distributed to every prison in England and Wales for staff to share with learners and is available on our website at: prisonerseducation.org.uk/get-support/prison-staff/our-courses/.

The new prospectus has received very positive feedback. As one member of prison staff wrote: "It looks good, feels good and has an extensive choice of courses with an index that is clear and concise. I am sure it will inspire many."

During 2021, we also improved the Prison Staff Portal on PET's website. We asked prison staff for feedback on how to make the portal clearer and more accessible and used that feedback to make improvements. We then held online meetings with prison staff to demonstrate the new layout and resources and to make sure it worked for them. We now have more than 350 prison staff users signed up to the portal and this development work has been successful in reducing the number of emails and calls from prison staff, resulting in our team having more capacity to support our learners.

We have also continued to contribute to each edition of Inside Time, the national newspaper for people in prison. This is an important way to communicate directly with people in prison about the courses that PET offers and developments at PET, such as the launch of our new prospectus and new strategy. In March 2021 we launched a three-month campaign with National Prison Radio, reminding prisoners how to get in touch with PET and what we can offer to people in prison.

We have updated our posters and leaflets, which are used to promote PET and what we can offer within the prison estate. They have been disseminated to prisons and are also available to be downloaded from the Prison Staff Portal on PET's website for the first time.

d) Improving monitoring and data collection

A further priority in 2021 has been improving our monitoring and feedback processes for learners, prison staff and suppliers, ensuring all three align so we can undertake high quality data analysis. This included integrating our approach into our Salesforce database for ongoing impact analysis.

Our feedback and monitoring processes now include requesting information from course suppliers and prison staff every three months to find out whether students are still studying or have completed their courses, helping us to keep track of the progress made by our learners. We also send learners our new start of course and end of course monitoring forms. Taken together these forms will help to demonstrate the impact that participating in distance learning has had on prisoners and their motivations for studying. In addition, we send our learners feedback postcards, which ask how their course is benefitting them.

We are also piloting digital prison monitoring. Until now, monitoring has been a paper-based exercise but using our Salesforce functionality we have created an online form which is hosted in the Prison Staff Portal of our website. Prison staff can therefore log in and submit their form quickly and easily. This will not only provide PET with up-to-date information, but will also enable prison staff to see a list of the current distance learners in their prison at any one time. This approach should ease the burden of the administrative work that prison staff have to do, giving them more time to support their learners.

e) Engaging with learners and alumni

It is important to PET that people with lived experience of the prison system, and of prison education, contribute to and inform our work. We continue to run the Alumni Network, which is open to anyone with experience of serving time in prison. The Network keeps its members up-to-date with services and opportunities from different organisations and provides a supportive environment for people who have been in prison.

We also run an Alumni Advisory Group, which influences PET practice and policy and informs our work. During 2021, members of the Alumni Advisory Group contributed to the development of PET's new organisational strategy as members of the Strategy Development Group and a member of the group sits on our Quality Assurance Panel, which oversees our application process. Members of the Alumni Advisory Group also supported the recruitment of new members – late in 2021 four new alumni were recruited to the group. Alumni also sit on the Steering Group of the Prisoner Learning Alliance (PLA) and contribute to working groups that the PLA has set up.

As part of the development of the new organisational strategy we also surveyed people in prison on their views of PET and our future priorities, using Inside Time to promote the survey within the prison system.

Evidence of impact

In January 2021, the Ministry of Justice published research demonstrating the impact of PET's work. Analysis by the Justice Data Lab (JDL) – a team of statisticians at the Ministry of Justice – showed that people supported by PET:

- Are more likely to get a job within one year than prisoners PET does not support.
- Even if they do not get a job, they are less likely to reoffend within that year than other prisoners who do not get jobs.
- And if they do get jobs, they are even less likely to reoffend than other prisoners who find employment.

Based on the employment and reoffending records of over 9,000 people supported by PET to study distance learning courses in prison, this research showed that overall 18% of those who received grants for distance learning through PET reoffended during the one-year period after release, significantly less than the comparison group (23%).

This new analysis confirms the results of earlier JDL research, which showed that people supported by PET reoffended less in the year after release from prison than a matched comparison group of prisoners and that those supported by PET also secured employment more often than the matched comparison group.

While this data is essential in showing the impact that our work has, it is also important to hear directly from learners what difference our support can make. The monitoring processes that we have in place, as well as informal feedback through the Advice Line, shows us time and again that the work that we do can transform lives, as these testimonials from two of our learners demonstrate:

"PET is an amazing resource for people looking to learn new skills and rebuild your life ahead of release. It has allowed me to regain my confidence and focus once again on what is really important and that is providing for my family."

And:

"It has given me something to focus on during lockdown and to cope with my mental health. It has also provided me with valuable information and skills to use to progress positively in life when released from prison. With no current rehabilitation in place, it has been a lifeline."

The scholarship programme supported by the Garfield Weston Foundation, which covered the cost of the first OU Level 1 module for learners, was also evaluated, with a report published in April 2021. Although the period of time covered by this programme was severely impacted by Covid-19, the findings of the evaluation were very positive. Key findings included:

- Funding is essential for most students to access OU Level 1 modules, without which students may not continue.
- Studying has shown significant benefits to most students in terms of increased self-confidence and self-belief, motivation and a purpose to their life beyond prison.
- Most students who were currently studying on a Level 1 module indicated that they intended to continue their studies with the OU.

This showed that there are financial barriers to participating in degree-level education that may deter some people in prison, but where they can be overcome learners benefit significantly from participating and, once they are engaged in degree level education, will look to continue studying.

This evaluation also provided further individual examples of the difference that participating in education in prison can make. As one participant put it:

“I left school with nothing. Studying with the OU has opened my eyes to how capable I am and helped me believe in myself.”

2) Prisons and communities

a) The Welsh Prisons Project

PET's Welsh Prisons Pilot Project was established in 2015. Phase 2 started in 2017, aiming to create and deliver a new way of working for PET in Wales that was based on the available evidence and drew on the learning from the first phase pilot.

In February 2021, the Welsh Prisons Project (WPP) team published a report on the achievements of the project between 2017 and the end of 2020, including developing new courses and trialling a number of digital projects, as well as the ways in which what we learned in the WPP had informed subsequent developments in PET's ways of working. To complement the report, and working together with prison learners, the WPP team made an animation about the successes and achievements of people studying in prison.

In 2021, the third and final phase of the WPP aimed to develop further digital education opportunities in prisons across Wales, based on the learning from the previous phases of the WPP and influenced by the PET and PLA Theory of Change model. This included developing digital routes to providing IAG to people in prison, finding ways to enable people in prison to apply to PET digitally for learning opportunities, and enabling prison staff to keep in touch with PET digitally.

After spending the early part of 2021 conducting detailed research into the digital platforms available in the Welsh prisons and scoping out delivery opportunities, during the latter half of the year we began work to reformat one of our PET free short courses for use on the new Virtual Campus 2, the intranet for prisons. This will be an opportunity to introduce people in prison to PET and interest them in pursuing further educational opportunities with us.

We have also continued our work with independent providers of digital devices in prisons in order to make our short courses more widely available and to consider the potential to provide PET application forms digitally.

In addition, the WPP team continued to offer enhanced IAG across the Welsh estate, supporting learners and staff. We also produced a video, providing an introduction to distance learning for prospective learners, which was uploaded on a number of prison TV channels (including on WayOut TV in the East of England prisons).

2021 was the last year of the WPP, and we held a virtual celebration event for staff from the Welsh prisons in early December. With the publication of PET's new organisational strategy in 2021 seeing many areas of the WPP's work mainstreamed into the organisation as a whole, and the generous support of the Welsh grant-making organisation that has funded the WPP coming to an end, it seemed an appropriate time to close the WPP, with the WPP team moving into new roles within PET to continue their work across England as well as Wales.

b) Prison-University Partnerships

PET supports universities and further education colleges in developing partnerships with local prisons to enhance the educational experience for both prisoners and students from the community.

The terrorist attack at an event organised by Learning Together, a group of prison-university partnerships, at Fishmongers' Hall in late 2019 prompted HM Prison and Probation Service (HMPPS) to pause Learning Together activities in prisons. Despite this, and the ongoing pandemic, PET published five new blogposts related to this area of work on our website and worked in partnership with the University of Edinburgh on their 'Life Beyond' project, which brings the thrill of space exploration to prison learners through in-cell study. A four-module full course was produced, as well as a pack of shorter activities.

Evidence of impact

Overall, despite the impact of lockdown restrictions in 2020 and 2021, Phase 2 of the WPP saw the award of 567 distance learning courses to people in the Welsh prisons and the provision of 733 individual advice sessions. During Phase 3, we received 218 applications from people in Welsh prisons and awarded 151 distance learning courses. We provided 125 individual advice sessions to learners in Welsh prisons.

The blogposts related to prison-university partnerships have been viewed 1,265 times.

The resources created through the 'Life Beyond' project are now available to people in prison on the laptops provided by Coracle Inside (a company that provides secure laptops to people in prison preloaded with resources).

3) The wider system

a) Informing prison education policy

During 2021, PET worked to influence both the response of the prison system to the Covid-19 pandemic and the longer-term development of policy on prison education.

PET's Chief Executive contributed to an expert panel convened by the Ministry of Justice to help inform the development of the planned Prison Education Service and improvements to prison education more broadly. This panel met five times during 2021 and then reported key findings to the then prisons minister, Alex Chalk MP.

PET also contributed to a ministerial roundtable with the new prisons minister Victoria Atkins MP on the Ministry of Justice's Prisons Strategy White Paper, ahead of its publication in December 2021, and to a voluntary sector roundtable hosted by Phil Copple, Director General – Prisons at HMPPS, to discuss future prison strategy. PET continued to contribute to the Ministry of Justice's Higher Education Working Group.

The Education Select Committee's inquiry into prison education, which was announced in 2020, continued throughout 2021, with active engagement with PET throughout. PET submitted comprehensive written evidence to the inquiry and PET's former Chief Executive, Rod Clark, gave oral evidence in April. PET then helped the Committee to bring together a group of former prison learners to give evidence, enabling the Committee to hear first-hand from people with lived experience of the system.

PET also submitted written evidence to the Justice Select Committee's inquiry on women in prison, and PET's Head of Policy gave oral evidence to this inquiry. As part of our work to track and inform the prison system's recovery from the Covid-19 pandemic, we published a blog series about how prisons are recovering from the pandemic and what this means for prison learners.

PET was pleased to see HM Inspectorate of Prisons and Ofsted launch a joint review of prison education. Alongside the Education Select Committee's inquiry, the increased interest in and scrutiny of prison education is an opportunity to see real improvements introduced. We are awaiting the reports of these initiatives with interest.

b) PET in the media

During 2021, PET featured widely in the media, including in The Guardian, The Times, The i Paper, the Evening Standard, the New Statesman, Left Foot Forward, Tes, FE News, FE Week, Civil Society, The Justice Gap, Russell Webster's blog and Influence (the magazine of The Chartered Institute of Public Relations). PET's social media presence also continued to grow. Our Twitter following increased from just under 19,000 at the start of the year to more than 19,950 by the year end, helping our efforts to keep prison education on the public agenda.

We have also continued to share first-hand accounts from prison learners, along with the charity's latest news and developments, through our monthly e-newsletter. December's edition was sent to 1,856 recipients and opened by 651, up 24% from December 2020 (525 people).

The Prisoner Learning Alliance

PET has continued to convene and provide the secretariat for the Prisoner Learning Alliance (PLA), a sector-wide alliance of members from the charitable and educational sectors committed to improving policy and practice in prison education. It is the key umbrella organisation through which PET promotes prison education to a wider audience and engages with the government and policy makers.

The PLA's work during 2021 continued to be constrained by the Covid-19 pandemic. Nonetheless, the PLA carried out a range of activities.

The PLA published 'Hidden voices: The experience of teachers working in prisons', a report based on the findings of a joint UCU/PLA survey of prison educators. Over 400 prison educators completed the survey and the report highlighted their experiences and the changes that they would like to see. The report was very positively received and was covered extensively in Tes.

The PLA gave written and oral evidence to the Education Select Committee's inquiry on prison education. Written evidence was also submitted to the Justice Select Committee's inquiries on mental health and on women, to the House of Lords Youth Unemployment Committee inquiry on youth unemployment, and to the Commission on Young Lives about the provision of education for children in prison.

Due to the Covid-19 pandemic, the PLA again ran its annual conference online, with a mixture of plenary sessions and workshops. The keynote speech was delivered by Charlie Taylor, HM Chief Inspector of Prison. The event was very successful, with more than 200 people registered and positive engagement throughout. The PLA also continued to run its popular Wednesday webinars series, holding nine webinars during 2021, and held a roundtable event on employability and real-world training.

The PLA has set up working groups to look at the curriculum and to explore the issue of qualifications for prison teachers. They will report in 2022. During 2021 the PLA also worked with the charity Safe Ground to provide monthly reflective spaces for prison educators.

At the end of 2021 the PLA had 59 (2020: 55) organisational (full) members, 187 (2020: 127) individual associate members and 28 (2020: 19) members with lived experience of the prison system.

Evidence of impact

During 2021, PET and the PLA have continued to be regarded as important and influential voices on prison education issues. We are regularly invited to contribute to work by the Ministry of Justice and HMPPS, for example on increasing the availability of higher education in prison and on the design of the new Prisoner Education Service, enabling us to directly influence policy development. We have been regularly cited in meetings as one of the leading voices promoting in-cell technology.

We have also continued to work closely with the Education Select Committee to support their important inquiry into prison education, which we hope will lead to recommendations for improvements when their report is published in 2022.

4) Robust foundations

a) Publication of a new organisational strategy

During 2021 PET published a new organisational strategy for the next five years, 2022-2026. The development of this new strategy was guided by a PET Strategy Development Group (made up of staff and alumni) and a Trustee Strategy Development Group and involved extensive consultation with a wide range of PET stakeholders including learners in prison. We are very grateful to all those who contributed. The content of the new strategy is discussed below. It was launched in October 2021 and distributed to PET's stakeholders.

b) Appointment of a new Chief Executive

PET's longstanding Chief Executive, Rod Clark, retired in 2021 after eight years in the role. After a comprehensive recruitment process, outlined in last year's Trustees' Report, Jon Collins was appointed as his successor. Jon joined PET in April, having previously been Chief Executive of the Magistrates Association. Prior to that, Jon was Chief Executive of the Restorative Justice Council and he has previously worked at the Police Foundation, the Criminal Justice Alliance, the Fawcett Society and Nacro.

c) Fundraising

Effective fundraising is essential to enabling PET to fulfil our objectives as a charity and the fundraising environment in 2021 remained challenging, with Covid-19 curtailing our activities and putting additional pressure on our funders.

Nonetheless, 2021 was a successful year for our fundraising team. Total income for the year was £1,324,112, exceeding our fundraising target and comparable to that in 2020. While that remains well below the levels of income achieved pre-pandemic, this reflects the challenges presented by Covid-19 and was a significant achievement in the circumstances.

We are, as always, immensely grateful for the generosity of our existing funders who continued to support us and to the significant number of new funders who supported us for the first time in 2021. We could not do what we do, providing educational opportunities to people in prison, without their support. A list of our major supporters can be found in Notes 2 to 3 of the accounts.

A decision was taken during 2021 to increase the size of the fundraising team by recruiting an Individual Giving Manager. This will enable PET to grow our income from individuals in order to meet our fundraising targets for 2022 and beyond. This new post will be filled during the first half of 2022.

d) Events and supporter engagement

For a second year Covid-19 restrictions sadly prevented us from running the events for supporters that we would normally host – we were not able to hold our annual carol concert nor any other face-to-face events. We did, however, hold an online event for supporters, introducing PET staff and explaining in more detail what we do. More than 100 supporters signed up for this event and it was very well-received. We hope to run further online events in 2022. The event helped to promote annual participation in the Big Give Christmas Challenge, and we were delighted to again exceed our target and raise £30,060 from 142 donations.

e) Staffing

For much of 2021 the staff team continued to work from home. Although staff have adapted extremely well to this setup and ensured that PET continued to provide a high-quality service to our beneficiaries, the lack of face-to-face contact and in-person meetings with colleagues over this prolonged period had an inevitable impact on staff wellbeing. PET worked hard to address this, providing support to staff in a range of ways, and surveys of the team showed that staff largely felt very well supported by PET.

As work from home restrictions eased in England in the autumn, PET began trialling a hybrid working model in our London office. This saw staff working in the office between one and three days per week, and the remainder of the time at home. While this showed promise as a more flexible approach for PET in the future, the ongoing impact of Covid-19 meant that it never fully got up and running, and the emergence of the Omicron variant led to a return to fulltime home-working for all staff before the end of the year.

The Trustees continued to be immensely impressed by the dedication and commitment of PET's staff in working together to tackle the considerable challenges caused by Covid-19. In line with PET's staff remuneration policy (see page 16 for more details), a full review of staff pay was carried out by an external expert and staff salaries were adjusted accordingly.

PET is also extremely grateful for the important contribution of volunteers to our work as set out in note 14, albeit that volunteering opportunities were much more constrained than in previous years due to Covid-19 restrictions.

f) Equality, diversity and inclusion

PET is committed to embedding equality, diversity and inclusion (EDI) into every aspect of our work. Throughout 2021, we have continued to scrutinise our own practice to ensure that we are as inclusive and diverse as we can be in the opportunities that we offer.

This has included using the EDI data collected through our new application process to explore where specific communities may be underrepresented in people applying to PET for support and in the courses that we fund. This will help to shape our future work to extend our reach across the prison system.

We have also continued to work to improve the inclusivity of our recruitment processes, trialling a new recruitment process aimed at increasing accessibility and eliminating unconscious bias. In addition, we carried out a review of our website and made changes to improve accessibility.

g) Information technology

During 2021 we continued to develop our use of our Salesforce service delivery database, ensuring that we were able to use it to collect the information that we need and report on it quickly and accurately. While improvements continue to be made, systems are now in place to enable us to monitor our activities effectively and make decisions based on full and comprehensive data.

We also completed the process of moving from our previous supporter relationship management system (which was no longer fit for purpose) to a new platform, Beacon. This will save staff time, increasing capacity for fundraising activity.

h) Data protection

In 2021 PET reviewed our Data Audit to ensure that we continue to be compliant with the UK GDPR.

Our plans for 2022

During 2021, we published a new organisational strategy for 2022-26. It set out the following four aims for the next five years:

1. To extend our reach by seeking out and engaging people in prison who have not yet considered or participated in distance learning.
2. To extend the support that we provide, to enable learners to access courses that meet their goals and to increase the proportion who complete their courses.
3. To make use of digital technology to enhance the learning experience for people in prison.
4. To use PET's standing to influence policy in order to achieve change and realise our vision.

To enable us to carry out this work effectively and in line with our values, the strategy sets out how we will:

5. Engage with and involve people with lived experience of prison education, so that PET continues to put the learner at the centre of all that we do.
6. Put equality, diversity and inclusion at the heart of our work, to ensure that fairness is central to everything that we do.
7. Ensure that PET is a well-run, effective and financially sustainable organisation, built on firm foundations and fit for the future.

2022 will see PET begin to implement this new strategy and in future years the Trustees will use these priorities as the basis for reporting on the work of the organisation.

Raising funding and using those funds to support people in prison to access distance learning remains at the heart of what we do and we will continue at all times to carry out this important work. During 2022 we will therefore continue to fund courses that enable people in prison to participate in distance learning. We will continue to provide IAG to people in prison, via the Advice Line, the Email a Prisoner service and the post.

In 2022, we will also start our work to extend our reach and the support that we offer by analysing the current situation in terms of demand, primarily using PET data and existing data on the prison system and the prison population. We will then use the outcomes of this work to form the basis of a project to help us understand the reasons for current barriers to access, working with current and former prisoners, staff and partners. We will also use PET data to establish which learners do not complete their courses and carry out further work to better understand the reasons for this and how to address them.

We will also continue work to develop a PET presence on the Virtual Campus and on digital devices provided by other providers, building on learning from the WPP. To complement this we will identify and agree a trial site for a digital application route to PET for prison learners and develop a full understanding of the technical requirements.

PET will also continue to play a prominent role in the policy debate around prison education. Late in 2021, the Ministry of Justice published a Prisons Strategy White Paper, which contained a range of proposals on, or related to, prison education. PET will respond to this White Paper early in 2022 and continue to work with the Ministry of Justice and HMPPS as these proposals develop.

In addition, the Education Select Committee is due to publish the report of its inquiry into prison education in Spring 2022, while the review of prison education by HM Inspectorate of Prisons and Ofsted will publish at least its initial findings during 2022. PET will examine the findings and recommendations of these inquiries and consider how we can contribute to work to ensure the implementation of those that we support.

All of this work will take place within the context of a prison system still severely affected by the Covid-19 pandemic, with the emergence of the Omicron variant in late 2021 seeing increased restrictions reintroduced into the prison estate. PET will continue to do all that we can to ensure that people in prison are able to contact us for advice, apply to us for support to begin distance learning courses, and continue with and complete courses that they have already started. We will also continue to highlight the importance of restoring full access to education departments as soon as it is safe to do so.

To support this we will work to ensure that PET is a well-run, effective and financially sustainable organisation. When guidance intended to slow the spread of Covid-19 allows, we will continue to trial a hybrid working approach, looking to provide a flexible and dynamic work environment for the staff team. We will continue to invest in our staff team, with a particular focus on improving wellbeing and providing training opportunities to support development. We will also invest in our fundraising capacity, with a particular focus on increasing income from individual donors.

FINANCIAL REVIEW

The results of the year's operations are set out in the attached financial statements. The total retained reserves at 31 December 2021 amounted to £1,065,156 (2020: £1,393,386), of which £787,301 (2020: £937,459) were unrestricted.

Income for the year ended 31 December 2021 totalled £1,324,112 compared with £1,344,097 for 2020. As noted above on page 12, the Trustees are satisfied with the level of income raised in 2021 given the challenging fundraising environment.

In 2021 PET received £725,323 from charitable trusts and corporate institutions (2020 - £691,488); £426,627 from government sources (2020 - £411,325); £128,811 from individuals, including Gift Aid and legacies (2020 - £201,839); £1,074 from fundraising events due to the constraints of Covid-19 (2020 - £206); £1,728 from investment income and other income (2020 - £1,774); and £NIL income from donated goods and services (2020 - £NIL).

PET spent £1,653,934 in 2021, an increase of £142,280 from £1,511,654 in 2020. Overall there was a net deficit on unrestricted funds of £150,158 decreasing unrestricted funds from £937,459 to £787,301. Restricted funds decreased from £455,927 to £277,855 as funds secured in prior years were spent down.

The Trustees have considered and agreed that it is appropriate to prepare these annual financial statements on a going concern basis. They are confident that sufficient funds will be available to enable operations to continue at a sustainable level for a period of at least 12 months from the date of approval. The established pattern of the charity's fundraising activities is such that voluntary income will be available from a diverse range of trusts and individual donors at stepped intervals throughout the next 12 months, enabling the charity to manage cashflow effectively.

The Trustees consider PET well-placed to further continue and develop its activities as a going concern through its fundraising efforts and close liaison with significant funders such as the Ministry of Justice (MoJ). The current MoJ multi-year agreement comes to an end in March 2023 and PET will be applying for a further cycle of funding. The Trustees are also confident that sensitivity analysis demonstrates that PET will continue to be able to support a satisfactory number of learners even if income from grant-making trusts and individuals is adversely affected by difficult economic conditions in 2022 or other factors such as non-renewal of the grant funding from the MoJ.

Reserves policy

The Trustees review the level of free reserves at every Board meeting. In addition to this, at least twice each year the Trustees review the free reserves requirement and reserves policy to ensure it is adequate to meet the charity's needs.

The calculation takes account of the minimum funds we would need for an orderly windup if the charity was required to cease operating at short notice, the working capital we would require to continue our charitable delivery in the event of a significant gap or drop in income or reduction in levels of unrestricted funding, and our need to hold some funds to invest in new streams of charitable delivery before we are able to fundraise for their full costs. This excludes direct expenditure to support learners from restricted funding.

Given that most of PET's income is dependent upon successful fundraising activity and is therefore subject to unpredictable fluctuation, and given the uncertain fundraising environment all charities face during the Covid-19 pandemic, the Trustees concluded that, as in 2021, a higher level of free reserves will be required to support activities in 2022. This will be particularly important as PET begins to implement its new strategy for 2022-26. The Board anticipates that it will need to invest approximately £175,000 in building the capacity of the fundraising and service delivery teams, and also in developing new, especially digital, methods of course and service delivery.

On the basis of this policy, our free reserves requirement at 31 December 2021 was calculated as £620,000 (2020: £620,000). As at 31 December 2021 PET had free reserves available for use of £693,657 (2020: £832,124). Free reserves are calculated as unrestricted funds of £787,301 less £58,763 tied up in fixed assets, and £34,880 in non-cancellable lease commitments.

The Trustees expect to reduce their free reserves target as at 31 December 2022 once the initial investment in the new strategy has been made and if the fundraising environment improves. This assumption will be kept under review during the year.

The Board has also agreed to continue the close monthly monitoring and review of the forecast free reserves position which has been in place since 2019. This involves the Chair and Honorary Treasurer informing the Board if at any point outside of Board meetings factors are identified that might cause free reserves to drop below £350,000, as this could mean that the charity is left with insufficient funds to manage an orderly wind-up of its activities.

Fundraising

The Board takes a best practice approach to fundraising. The Head of Fundraising and Communications reports to the Board on fundraising performance, strategy, legal and best practice developments at every Board meeting. The Board's Fundraising Committee meets with the Head of Fundraising and Communications, Chief Executive, and Head of Finance six times per year. At these meetings, the Committee reviews the fundraising business plan to provide further assurance over the appropriateness and effectiveness of our fundraising practices. The Head of Fundraising and Communications is responsible for keeping up-to-date with best practice, ensuring the training and support of the team, and complying with fundraising regulations. The Board also undertakes formal and informal fundraising training on an ad hoc basis to ensure that staff and volunteers are sufficiently trained and informed of their legal responsibilities.

PET is registered with the Fundraising Regulator and adheres to its Code of Fundraising Practice, undertaking at least an annual review of the Code (sometimes more if new standards are introduced or revised). PET is also registered with the Fundraising Preference Service. PET has a policy of not engaging agencies, fundraising consultants or commercial organisations.

We protect vulnerable donors through our Vulnerable Donors Policy. This involves upholding robust data protection controls over our supporter data; avoiding intrusive forms of fundraising such as telephone and door-to-door approaches; limiting our postal and email correspondence; and noting and adhering to supporter contact preferences. In 2021, three minor complaints were received regarding fundraising and responded to (2020: 5).

Staff remuneration policy

PET is hugely grateful for the commitment and enthusiasm of our staff. We believe that it is essential to attract and retain staff with the appropriate skills and capabilities, and reward them fairly for delivering PET's important work. It is therefore important to pay staff properly, while also having prudent regard to the use of charitable resources. In order to do this, PET reviews our salaries and overall rewards packages (including those of our key management personnel) on a biennial basis using a professional job evaluation methodology to consider salaries in relation to the charity sector for the job levels concerned. Additionally, between salary reviews, the Trustees may complete discretionary annual reviews, taking account of (while not being constrained by) the movement of pay and prices and other relevant factors. In this they are supported by a formal Remuneration Committee.

Risk management

The Trustees regularly review, assess and ensure the implementation of systems to manage the major risks to which PET is exposed, in particular operational and financial risks. They review any material changes in risks at each Board meeting, with the assistance of the Chief Executive. They also complete an annual risk review as part of the approval of PET's plans for the forthcoming year. This is to ensure that adequate plans and procedures are in place to mitigate the key risks to which PET is exposed. Internal control risks are minimised by the implementation of procedures in respect of authorisation of expenditure and grant commitments.

The Board and executive team have collectively assessed the principal risks to which the charity is exposed (based on their combined probability and impact) as that:

- Ongoing Covid-19 related restrictions in prisons continue to prevent access to education departments for many prisoners.
- The impact of Covid-19 on prisons continues to limit the number of people who apply to PET for support to access distance learning.
- Urgent calls on charitable funding due to Covid-19 and its economic impact reduce availability of charitable funding for PET.
- PET fails to meet the ambitious fundraising targets set for 2022, using up more of our reserves than planned.
- PET fails to secure a further grant from HMPPS, or secures a grant at a lower level, when our current grant ends in 2023.
- Staff stress levels are unacceptably high, affecting productivity and wellbeing.

The risk register identifies the key management actions to mitigate these risks. It remains the case, however, that the future direction of the Covid-19 pandemic remains uncertain. The response of the Government and the Prison Service will have a significant impact on many, if not all, of these risks.

STRUCTURE

PET is a charitable company, incorporated on 29 December 2000. It acquired the assets and undertaking, subject to liabilities, of Prisoners' Education Trust, a charitable trust, with effect from 1 January 2001. That trust, which had been established by a deed dated 19 April 1989, was formally wound up in 2003. PET is registered as a charitable company limited by guarantee and is governed by its memorandum and articles of association. PET has no share capital or debentures. In the event of PET being wound up each member is required to contribute an amount not exceeding £10.

During the year, the Trustees reviewed and revised the charitable company's governing documents, the Memorandum and Articles of Association, to ensure that they were up-to-date and conform with current best practice regarding good governance. The most significant changes were to revise the terms of membership so that the only members of the charitable company are the Trustees, and to amend the arrangements for the retirement and re-appointment of Trustees. These changes are in line with the best practice guidance in NCVO's Charity Governance Code. The revised Articles of Association were adopted by a special resolution approved by the membership of the charitable company at an Extraordinary General Meeting (EGM) on 14 July 2021.

GOVERNANCE AND MANAGEMENT

PET is governed by a Board of Trustees. The Board is responsible for establishing the strategic direction of PET. The Board delegates responsibility to the senior management team, through the Chief Executive, to execute the day-to-day operations of PET in accordance with the policies, procedures and budgets approved by the Board.

Following changes to PET's Articles of Association, agreed at the EGM in July 2021, Trustees now serve four-year terms and are limited to a maximum of two terms other than in exceptional circumstances. Details of those serving on the Board during the year and those serving currently are shown on page 1.

The Board meets six times a year, in addition to its annual away day. The Chair also conducts annual review meetings with all Trustees collating the key themes to share back with Trustees, inform Board development priorities and indeed their own performance. The Deputy Chair also carries out an annual appraisal of the Chair, actively seeking input from Trustees to inform this.

The Board has continued to have regard to the Charity Governance Code (as applied to larger charities). At the end of 2021 no serving Trustee had exceeded the recommended maximum in the Code of nine years.

The Board considers it important to maintain a balance of skills in its membership and has established a Nominations Committee to undertake Trustee recruitment and induction. The Committee led a rigorous and open process of Trustee recruitment in 2021, aiming to attract candidates with skills and experience needed to make a contribution to the Board of Trustees and with particular regard to diversity and the value of the voice of those with lived experience of the justice system.

The Committee published a comprehensive application pack and the vacancies were widely advertised, resulting in 18 applications. Nine candidates were interviewed and four new Trustees were recommended to the Board of Trustees for appointment. Their appointments were agreed by the board in November 2021 and they will join the board during 2022. In addition, one candidate was invited to join PET's Trustee Development Programme, which provides people with lived experience of the justice system with the opportunity to gain the necessary experience to become a Trustee in the future.

Alongside the Nominations Committee, the Board currently has four further committees: Fundraising; Remuneration; Equality, Diversity and Inclusion; and the Quality Assurance Panel. All continued to meet as needed in 2021.

PET is hugely grateful for the significant contribution made by Patrick Diamond, who stood down as a Trustee in 2021. Patrick provided invaluable insight to the Board over seven years and played an important role in the change programme that has transformed over the last three years how PET manages applications for support.

As part of a review of our patrons and other ambassadorial roles, which is ongoing, PET's Board of Trustees took the decision that PET should not continue to have a President. As a result of this decision, PET's President, HH John Samuels QC, retired from the role at the end of 2021. John is a former Trustee and chair of PET who was appointed President in 2012. The Trustees would like to thank John for his immense contribution to our work.

Relationship to the Prisoner Learning Alliance

PET provides the secretariat and secures funding to convene the Prisoner Learning Alliance (PLA), of which it is also a member. Following the 2017 review of its structure and effectiveness, the PLA agreed various changes to its constitution which came into effect in 2018. These changes extended the categories of membership, put in place a modest membership fee and elected a steering committee of which the Chief Executive of PET is an ex-officio member. The PLA, however, remains an informal grouping of organisations with no separate legal identity.

RESPONSIBILITIES STATEMENT OF THE TRUSTEES

The Trustees (who are the directors of PET for the purposes of company law) are responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom General Accepted Accounting Practice.

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material 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 operation).

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of PET, and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of PET, for ensuring that the assets are properly applied in accordance with charity law, and for taking reasonable steps for the detection and prevention of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on PET's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that PET's auditors are aware of that information.

Preparation of the report

This report has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

Auditors

The auditors, Price Bailey LLP, have been appointed under Section 485 of the Companies Act 2006.

This report was approved and authorised for issue by the Board of Trustees on 20 June 2022 and signed on its behalf by:

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Elisabeth Davies
Chair of Trustees

Independent auditor's report to the members of Prisoners' Education Trust

Opinion

We have audited the financial statements of The Prisoners Education Trust (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities incorporating the Income and Expenditure account, the Charitable Company Balance Sheet, the Statement of Cash Flows and the related notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Charitable Company and the sector in which it operates, and considered the risk of the Charitable Company not complying with the applicable laws and regulations including fraud in particular those regulations directly related to the financial statements, including financial reporting, and tax legislation. In relation to the operations of the Charitable Company this included compliance with the Companies Act 2006, Charities Act 2011 and SORP 2019,

GDPR, employment law, safeguarding and health and safety.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

Reviewing minutes of Board meetings, reviewing any correspondence with the Charity Commission, agreeing the financial statement disclosures to underlying supporting documentation, and made enquiries of management and officers of the Charitable Company. The procedures in place for the reporting of any incidents to the Trustee Board including serious incident reporting of these matters as necessary with the Charity Commission and a review of the risk register and legal fees during the period.

Management override: To address the risk of management override of controls, we carried out testing of journal entries and other adjustments for appropriateness. We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates.

Because of the inherent limitations of an audit, there is the risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involved intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

This description forms part of our auditor's report.

Use of our report

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

Michael Cooper-Davis FCCA ACA (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

24 Old Bond Street

London

W1S 4AP

Date: 27 June 2022

PRISONERS' EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Income and Expenditure Account) For the year ended 31 December 2021

	<i>Note</i>	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
		£	£	2021 £	2020 £
INCOME:					
Donations and Legacies	2	410,254	368,969	779,223	815,657
Charitable Activities:					
Access to Learning: Government Grant	3	-	426,627	426,627	411,335
Access to Learning: Garfield Weston Foundation	3	-	-	-	-
Policy and Research	3	-	5,650	5,650	77,669
Welsh Prisons Project	3	-	69,260	69,260	-
Other Trading activities	4	1,074	-	1,074	206
Investments		136	-	136	2,015
Furlough- HMRC		1,148	-	1,148	7,247
Prison Contributions		-	40,994	40,994	29,968
TOTAL INCOME		412,612	911,500	1,324,112	1,344,097
EXPENDITURE:					
Raising funds		265,546	-	265,546	251,197
Charitable Activities:					
Access to Learning		145,413	911,757	1,057,170	870,270
Policy and Research		102,767	56,676	159,443	191,051
Welsh Prisons Project		63,606	108,169	171,775	199,136
ICT Project		-	-	-	-
Charitable Activities		311,786	1,076,602	1,388,388	1,260,457
TOTAL EXPENDITURE	5	577,332	1,076,602	1,653,934	1,511,654
Net Income/(Expenditure)		(164,720)	(165,102)	(329,822)	(167,557)
Gain/(Losses) on Investment		1,592	-	1,592	(241)
Transfers between Funds		12,970	(12,970)	-	-
NET MOVEMENT IN FUNDS		(150,158)	(178,072)	(328,230)	(167,798)
RECONCILIATION OF FUNDS:					
Total Funds Brought Forward		937,459	455,927	1,393,386	1,561,184
TOTAL FUNDS CARRIED FORWARD		787,301	277,855	1,065,156	1,393,386

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure relates to continuing activities.

The annexed notes form part of these financial statements.

PRISONERS' EDUCATION TRUST

BALANCE SHEET As at 31 December 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Intangible fixed assets	8a	40,840	51,847
Tangible fixed assets	8b	17,923	18,606
Investments	9a	22,415	20,823
		81,178	91,276
CURRENT ASSETS			
Debtors	9b	326,616	185,404
Cash at bank and in hand		787,239	1,314,349
		1,113,855	1,499,753
LIABILITIES			
Creditors: amounts falling due within one year	10	(129,877)	(197,643)
NET CURRENT ASSETS / (LIABILITIES)		983,978	1,302,110
TOTAL NET ASSETS		1,065,156	1,393,386
TOTAL FUNDS OF THE CHARITY:			
Restricted funds	11	277,855	455,927
Unrestricted funds	11	787,301	937,459
		1,065,156	1,393,386

The annexed notes form part of these financial statements.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies. They were approved and authorised for issue by the Trustees on 20 June 2022 and signed on their behalf by:

.....
Elisabeth Davies
Chair of Trustees

Company limited by guarantee no. 04132595 & registered charity no. 1084718.

STATEMENT OF CASH FLOWS
For the year ended 31 December 2021

	2021	2020
	£	£
Cash flows from operating activities:		
Net cash provided by / (used in) operating activities (see below)	(520,346)	43,355
Cash flows from investing activities:		
Interest income	136	2,015
Investment income	1,592	(241)
Purchase of property, plant and equipment	(8,492)	(9,999)
Net cash provided by / (used in) investing activities	(6,764)	(8,225)
Change in cash and cash equivalents in the reporting period	(527,110)	35,130
Cash and cash equivalents at the beginning of the reporting period	1,314,349	1,279,219
Cash and cash equivalents at the end of the reporting period	787,239	1,314,349

RECONCILIATION OF NET INCOME/ (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Net income / (expenditure) for the reporting period (as per the SOFA)	(329,822)	(167,557)
Adjustments for:		
Depreciation and amortisation charges	20,182	19,052
Interest income	(136)	(2,015)
Investment (gains)/losses	(1,592)	241
Decrease / (increase) in debtors	(141,212)	163,738
Increase / (decrease) in creditors	(67,766)	29,896
Net cash provided by / (used in) operating activities (see above)	(520,346)	43,355

ANALYSIS OF CASH AND CASH EQUIVALENT

	2021	2020
	£	£
Cash in hand	50,655	377,873
Notice deposits (less than 3 months)	736,584	936,476
	787,239	1,314,349

The statement of cash flows includes the movement in cash balances of unrestricted funds and restricted funds. The Charity does not hold any endowment funds.

The annexed notes form part of these financial statements.

PRISONERS' EDUCATION TRUST

STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

Analysis of change in net debt

	2021	2020
	£	£
Cash & cash equivalent as at 01/01/2021	1,314,349	1,279,219
Cashflows	(527,110)	35,130
Other non-cash changes	-	-
Cash & cash equivalent as at 31/12/2021	787,239	1,314,349

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

1. ACCOUNTING POLICIES

PET is a charitable company limited by guarantee and incorporated in England and Wales. The Charity's registered office is The Foundry, 17 Oval Way, London SE11 5RR.

The principal accounting policies adopted, judgements and estimates made in the preparation of the financial statements are as follows:

Basis of preparation of financial statements

PET meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition - effective from January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Companies Act 2006. As there are no material uncertainties about the charity's ability to continue operating, the accounts have been prepared on a going concern basis.

The financial statements are prepared in Sterling, which is the functional currency of the Charity.

The effects of events relating to the year ended 31 December 2021 which occurred before the date of approval of the financial statements by the Trustees have been included in the financial statements to the extent required to show a true and fair view of the state of affairs at 31 December 2021 and the results for the year ended on that date. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Going concern

The Trustees have assessed the charity's requirements for the foreseeable future and are confident that sufficient funds will be available to enable operations to continue at a sustainable level for a period of at least 12 months from the date of approval of these financial statements. HMPPS have renewed their major grant until 31 March 2023 and, although the charity anticipates some continuing challenges in the fundraising environment in 2022, the Trustees are satisfied that the planned expansion of the fundraising team in 2022 will help develop a sufficiently strong income pipeline, reinforced by the current level of free reserves, for the charity to rebuild activity levels and embark on its new strategy for 2022–2026. The Trustees are also confident that sensitivity analysis demonstrates that PET will continue to be able to support a satisfactory number of learners even if the MoJ grant ceases unexpectedly. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern as a result of not being able to raise further funds

Income

Income is included in the Statement of Financial Activities when PET is legally entitled to the income, it is probable that the income will be received, and the amount can be measured reliably. Grants are accounted for in the period specified for their use by donors or, where there is no time restriction, when conditions have been met and entitlement has been gained. Where the charity receives government grants, it recognises the income only where there is reasonable assurance that the charity will comply with the conditions attaching to the grants, and that they will be received.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

Income (continued)

Legacy income is recognised when it is probable that a legacy will be received (when probate has been granted, the executors have confirmed that there are sufficient assets to make a distribution, and there are no other conditions preventing a distribution), and the amount receivable can be reliably measured. Income tax recoverable in relation to investment income or Gift Aid donations is recognised at the time the relevant income is receivable.

Facilities and services donated for PET's use, where the benefit is quantifiable, are recognised in the financial statements as both income and expenditure, at the value the charity would have paid in the open market for an equivalent economic benefit in the period in which they are received. Donated goods for distribution are recognised as income (or stock if not yet distributed) and expenditure at fair value, or if fair value is not practicably obtained, at the cost to the donor. Ticketed fundraising event income is recognised when the event has taken place and entitlement has thus been gained. All other income is accounted for on the accruals basis.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Expenditure on raising funds comprises the costs associated with generating income. Support and governance costs, which cannot be directly attributed to particular activities, have been apportioned proportionately based on the activity levels of different charitable activities, and their relative demands on central resources. Grants awarded are recorded as liabilities and expenditure recognised in the Statement of Financial Activities when the award has been approved, as a constructive obligation has been formed. Irrecoverable VAT is charged against the category of expenditure for which it was incurred. Rentals applicable to operating leases are charged to the Statement of Financial Activities over the period in which the cost is incurred.

Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objects of PET and which have not been designated for other purposes. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by PET for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is detailed in Note 12.

Fixed assets, depreciation and amortisation

All individual assets costing more than £500 are capitalised. Individual assets costing below £500 are capitalised where they form part of a packaged asset with a total value over £500.

Tangible assets are depreciated over their expected useful lives on the following bases:

Furniture/fittings	-	10 years
Office & IT equipment	-	5 years

Intangible assets are amortised over their expected useful lives on the following bases:

Website	-	5 years
Database	-	5 years

Cash

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

Pensions

PET contributes employer contributions towards a Pensions Auto-enrolment compliant group personal pension scheme. Contributions are charged to the Statement of Financial Activities as they become payable.

Financial instruments

The charity only has basic financial instruments; they are initially recognised at transaction value and subsequently measured at their settlement value. Cash and deposits are measured at the cash value held at the reporting date. All debtors and creditors are initially measured at the settlement amount after any discounts (under normal credit terms) have been applied; if settlement is due in more than one year, the value is included at discounted net present value.

Taxation

PET has charitable status and is thus exempt from taxation on its income under various exemptions available in the Taxes Acts.

Key judgements and estimation policy

No significant judgments (apart from those involving estimates) have been made in the process of applying the above accounting policies.

The Trustees made estimates and assumptions concerning the future based on their knowledge of the company and the environment in which it operates. The resulting accounting estimates and assumptions will, by definition, seldom equal the related outcome.

PRISONERS' EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021

2 INCOME FROM DONATION AND LEGACIES

Donated services include venue use, catering for meetings and events, and research services.
See also note 14 for the contribution of volunteers.

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Institutions who granted or donated £5,000 or more:						
A B Charitable Trust	-	-	-	10,000	-	10,000
Adrian Swire Charitable Trust	20,000	-	20,000	30,000	-	30,000
Aurum Charitable Trust	-	-	-	-	13,000	13,000
Beatrice Laing Trust	-	5,000	5,000	-	-	-
Colyer-Fergusson Charitable Trust	-	8,000	8,000	-	-	-
Edward Cadbury Charitable Trust	-	5,000	5,000	-	-	-
Esmée Fairbairn Foundation	-	-	-	30,000	-	30,000
Evan Cornish Foundation	-	9,684	9,684	-	-	-
Inner London Magistrates' Courts' Poor Box & Feeder Charity	-	-	-	-	10,000	10,000
Jill Franklin Trust	-	9,600	9,600	-	8,800	8,800
John Armitage Charitable Trust	60,000	-	60,000	35,000	-	35,000
Liz & Terry Bramall Foundation	-	-	-	-	5,000	5,000
Peter Stebbings Memorial Charity	-	-	-	-	5,000	5,000
Police and Crime Commissioner for South Yorkshire	-	5,380	5,380	-	-	-
Schroder Charity Trust	-	5,000	5,000	-	-	-
Society of the Holy Child Jesus	25,000	-	25,000	-	-	-
Susanna Peake Charitable Trust	-	5,000	5,000	-	-	-
The 29th May 1961 Charitable Trust	12,000	-	12,000	10,000	-	10,000
The Bromley Trust	20,000	-	20,000	15,000	-	15,000
The Brook Trust	-	20,000	20,000	-	-	-
The Carr-Gregory Trust	10,000	-	10,000	7,500	-	7,500
The Constance Travis Charitable Trust	50,000	-	50,000	50,000	-	50,000
The Dulverton Trust	-	-	-	40,000	-	40,000
The Goldsmiths' Company Charity	30,000	-	30,000	-	-	-
The Hadley Trust	35,000	-	35,000	35,000	-	35,000
The Hobson Charity	-	-	-	-	5,261	5,261
The Horlock Educational Trust	-	10,000	10,000	-	-	-
The Julia and Hans Rausing Trust	-	-	-	-	6,725	6,725
The Lord Belstead Charitable Trust	-	5,000	5,000	-	-	-
The Monday Charitable Trust	-	7,194	7,194	-	-	-
The Peacock Charitable Trust	8,000	-	8,000	8,000	-	8,000
The Portal Trust	-	5,380	5,380	-	-	-
The Shears Foundation	-	5,000	5,000	-	-	-
The Singer Foundation	-	10,760	10,760	-	-	-
The Taylor Family Foundation	-	20,000	20,000	-	20,000	20,000
The Vandervell Foundation	5,000	-	5,000	5,000	-	5,000
The Veterans' Foundation	-	-	-	-	16,140	16,140
The Violet & Milo Cripps Charitable Trust	-	-	-	5,000	-	5,000
The John R Murray Charitable Trust	-	-	-	15,000	-	15,000
Van Neste Foundation	-	10,000	10,000	-	-	-
William Harding's Charity	-	5,380	5,380	-	-	-
Other donations from institutions	41,134	182,900	224,034	41,251	187,141	228,392
Individuals who donated £5,000 or more:						
Other donations from individuals	86,707	34,691	121,398	79,121	37,972	117,093
Legacies donated of £5,000 or more:						
From the estate of the late Geoffrey David Arthur Catchpole	-	-	-	5,000	-	5,000
From the estate of the Late Mr Michael Wright	-	-	-	14,346	-	14,346
Other legacy income	7,412	-	7,412	65,400	-	65,400
	410,254	368,969	779,223	500,618	315,039	815,657

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

3 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2021 £	2021 £	2021 £	2020 £
Access to Learning Grants:				
Ministry of Justice	-	403,481	403,481	396,629
Welsh Assembly Government	-	23,146	23,146	14,706
	-	426,627	426,627	411,335
Policy and Research grants:				
Barrow Cadbury Trust	-	700	700	10,800
Esmée Fairbairn Foundation	-	-	-	60,000
Other Donors	-	4,950	4,950	6,869
	-	5,650	5,650	77,669
Welsh Prisons Project				
Moondance Foundation	-	69,260	69,260	-
	-	501,537	501,537	489,004

All funds received in 2021 were restricted (2020: all restricted). Included within Income from Charitable Activities are total government grants of £426,627 (2020 - £411,335). The total value of the grant received has been recognised in year.

For a description of the nature and purpose of material government grants see Note 12.

There are no unfulfilled conditions or contingencies attaching to the grants which have been recognised as income, and no other material sources of government assistance were received (2020 - the same).

A £69,260 grant towards supporting the Welsh Prisons Project (2020: £Nil) was recognised as income in this year.

4. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2021 £	2021 £	2021 £	2020 £
Fundraising events	1,074	-	1,074	206
	1,074	-	1,074	206

In 2021 all income from other trading activities was unrestricted (2020: all unrestricted).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

5. EXPENDITURE

Support staff costs have been allocated based on an estimate of the percentage of time staff spent supporting the activity; office costs have been apportioned based on an estimate of relative usage of these central resources. Premises costs have been allocated across projects based on estimated floor space used. Support costs are analysed overleaf:

	Grant funding of activities	Staff costs	Activities undertaken directly	Support costs	Total	Total
	2021 £	2021 £	2021 £	2021 £	2021 £	2020 £
Access to Learning Grants:						
Access to Learning	507,891	378,842	13,408	157,029	1,057,170	870,270
Policy and Research	-	118,476	4,015	36,952	159,443	191,051
Welsh Prisons Project	3,054	144,329	12,086	12,306	171,775	199,136
ICT Project	-	-	-	-	-	-
Total expenditure on charitable activities	510,945	641,647	29,509	206,287	1,388,388	1,260,457
Raising funds	-	180,656	11,795	73,095	265,546	251,197
Support and governance	-	120,175	159,207	(279,382)	-	-
	510,945	942,478	200,511	-	1,653,934	1,511,654

Prior Year

	Grant funding of activities	Staff costs	Activities undertaken directly	Support costs	Total
	2020 £	2020 £	2020 £	2020 £	2020 £
Access to Learning Grants:					
Access to Learning	366,126	356,526	9,765	137,853	870,270
Policy and Research	-	135,980	13,195	41,876	191,051
Welsh Prisons Project	21,298	142,919	25,153	9,766	199,136
ICT Project	-	-	-	-	-
Total expenditure on charitable activities	387,424	635,425	48,113	189,495	1,260,457
Raising funds	-	168,780	12,202	70,215	251,197
Support and governance	-	119,581	140,129	(259,710)	-
	387,424	923,786	200,444	-	1,511,654

	Total 2021 £	Total 2020 £
Support staff costs	99,236	98,784
Rent, service charge and rates	72,794	70,340
Other premises costs	759	142
Insurance	3,482	3,594
Computer and IT costs	30,819	20,678
Bank charges	1,398	1,126
Postage, photocopier and telephone	8,156	7,835
Printing and stationery	2,732	2,312
Legal and advice costs	-	-
Depreciation	20,182	19,052
Other support costs	6,809	5,300
Governance staff costs	20,939	20,797
Other governance costs	12,076	9,750
	33,015	30,547
	279,382	259,710

Expenditure includes:

	2021 £	2020 £
Auditors remuneration:		
Audit fee excluding VAT	7,350	7,500
Irrecoverable VAT on audit fee	1,470	1,500
Operating lease rentals - Land and buildings	57,175	57,175
- Plant and equipment	2,479	1,741
Depreciation on owned assets	20,182	19,052

Grant funding includes grants payable for Open University, other accredited and unaccredited distance learning courses, and small grants for arts, hobby and other educational materials. All grants are made to acquire courses and materials for individuals, and have been analysed below:

	2021 £	2020 £
Open University courses	120,604	163,274
General education courses, arts & hobby materials	390,341	224,150
	510,945	387,424

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

6. STAFF NUMBERS AND COSTS

	2021	2020
	£	£
Wages and salaries	806,627	780,421
Social security costs	79,972	77,726
Defined contribution pension costs	40,417	39,362
Other staff costs	4,751	2,316
Agency staff and consultants	10,711	23,962
	942,478	923,787

The average monthly number of employees, calculated as full time equivalents (FTE), during the period was:

	2021	2020
	FTE	FTE
Raising funds	7.9	4.7
Access to Learning	10.4	8.6
Policy and Research	3.6	3.1
Welsh Prisons Project	3.5	3.2
Governance	0.3	0.3
Support	1.8	1.8
	27.5	21.7

The average monthly number of employees, calculated as average head count (AHC), during the period was:

	2021	2020
	AHC	AHC
Raising funds	5.9	4.9
Access to Learning	12.2	8.8
Policy and Research	5.6	3.7
Welsh Prisons Project	4.1	3.4
Governance	0.3	0.3
Support	1.8	1.8
	29.9	22.9

One employee, the Chief Executive, received a gross salary in the range of £80,000 - £90,000; employers' pension contributions of 5% of total earnings were also payable (2020 - same). The key management personnel of PET received earnings and benefits (including employer pension contributions of 5% of total earnings) totalling £353,041 (2020 - £342,643). The number of key management personnel was 5 (2020- 5) being the Chief Executive, and four Heads of Departments; the FTE number of key management personnel staff members was 5 (2020 - 5).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

6. STAFF NUMBERS AND COSTS (continued)

Pensions – defined contribution scheme

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £40,417 (2020 £39,362). Contributions totalling £nil (2020: £28) were payable to the fund at the balance sheet date and are included in creditors.

7. TRUSTEE TRANSACTIONS AND RELATED PARTIES

During the year, no trustee received any remuneration (2020 - £NIL). One trustee received reimbursement of travel expenses to attend trustee meetings of £105 (2020 – 1 trustees, £185). The Charity received £3,575 in donations on usual terms from its trustees, key management personnel, their close family members and entities over which they have significant interest or effective control during the period (2020- £5,773). Total expenses incurred by the Trustees in the furtherance of their duties but not reclaimed from the Charity were immaterial in 2021 and 2020. There is no ultimate controlling party. There were no other related party transactions.

PRISONERS' EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021

8a. INTANGIBLE FIXED ASSETS

	Website £	Database £	Total 2021 £	Total 2020 £
COST				
Opening balance 1 January 2020	36,048	35,106	71,154	68,416
Additions	-	3,620	3,620	2,738
At 31 December 2020	36,048	38,726	74,774	71,154
Amortisation				
Opening balance 1 January 2020	12,423	6,884	19,307	5,213
Charge for the period	7,210	7,417	14,627	14,094
At 31 December 2020	19,633	14,301	33,934	19,307
NET BOOK VALUE				
At 31 December 2020	23,625	28,222	51,847	63,203
At 31 December 2021	16,415	24,425	40,840	51,847

8b. TANGIBLE FIXED ASSETS

	Furniture & Fittings £	Office & IT Equipment £	Total 2021 £	Total 2020 £
COST				
Opening balance 1 January 2020	23,138	19,007	42,145	34,883
Additions	70	4,802	4,872	7,262
At 31 December 2021	23,208	23,809	47,017	42,145
DEPRECIATION				
Opening balance 1 January 2020	13,740	9,799	23,539	18,581
Charge for the period	2,626	2,929	5,555	4,958
At 31 December 2021	16,366	12,728	29,094	23,539
NET BOOK VALUE				
At 31 December 2020	9,398	9,208	18,606	16,302
At 31 December 2021	6,842	11,081	17,923	18,606

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

9. INVESTMENTS

	2021 £	2020 £
Aviva Investment Bond:		
Market value brought forward	20,823	21,064
Additions		
Distributions reinvested	1,592	-
Unrealised gain/(loss)	-	(241)
Market value carried forward	<u>22,415</u>	<u>20,823</u>
Historical cost	<u>21,064</u>	<u>21,064</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade Debtors	2,772	4,072
Net prison contributions due	13,949	14,937
Grants receivable	288,656	126,769
Donations receivable	7,660	28,940
Prepayments	2,747	5,791
Other accrued income	5,937	-
Lease deposit	4,895	4,895
	<u>326,616</u>	<u>185,404</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	35,123	4,056
Taxation and social security costs	21,467	21,343
Grants committed but not yet paid (see below)	47,904	76,256
Accruals	17,872	10,420
Deferred Income	-	69,260
Other creditors	7,511	16,304
	129,877	197,639

Grants committed but not yet paid analysis

At start of year	76,256	111,963
Grants committed in the year	507,178	406,250
Grant commitments fulfilled	(535,530)	(441,957)
	47,904	76,256

Grant commitments are recorded as liabilities on the balance sheet and as expenditure in the Statement of Financial Activities when the award has been approved, as a constructive obligation has been formed. The vast majority of grant awards are fulfilled within 12 months of the commitment.

Deferred income analysis:

At start of year	69,260	-
Amounts added in the year	-	69,260
Amount released to income from previous years	(69,260)	-
	-	-
At end of year	-	69,260

Deferred income comprises grant monies received during the period subject to donor-imposed conditions specifying the time period over which the expenditure of resources can take place (received in 2020, but intended by the donor for the year ending 31 December 2021). This grant was deferred as a liability in 2020 and recognized in 2021.

PRISONERS' EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

12a. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Intangible Fixed Assets	40,840	-	40,840	51,847
Tangible fixed assets	17,923	-	17,923	18,606
Investments	22,415	-	22,415	20,823
Current Assets	746,482	367,373	1,113,855	1,499,753
Current Liabilities	(40,359)	(89,518)	(129,877)	(197,643)
	787,302	277,855	1,065,156	1,393,386

Prior Year Comparative Figures

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Intangible Fixed Assets	51,847	-	51,847
Tangible fixed assets	18,606	0	18,606
Investment	20,823	-	20,823
Current Assets	883,977	615,776	1,499,753
Current Liabilities	(37,794)	(159,849)	(197,643)
	937,459	455,927	1,393,386

PRISONERS' EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

12b. FUNDS OF THE CHARITY

	Brought Forward 01/01/2021 £	Income £	Expenditure £	Transfers £	Carried Forward 31/12/2021 £
RESTRICTED FUNDS					
Policy and Research	44,476	24,398	(56,676)	-	12,198
Governance	-	-	-	-	-
Access to Learning					
General	166,444	135,440	(215,805)	(12,970)	73,109
Womens prisoners	2,160	45,144	(38,224)	(451)	8,629
Younger prisoners	4,919	40,064	(45,110)	451	322
Older prisoners	-	-	-	-	-
Army veterans	32,860	2,000	(28,549)	-	6,311
HMPPS England	18,298	403,481	(394,089)	-	27,690
Hmpps Wales	-	23,145	(23,145)	-	-
Geographically restricted	40,620	108,224	(93,809)	-	55,035
Course subject restricted	49,522	-	(9,298)	-	40,224
Course Development	-	-	-	-	-
Advice Line	11,072	18,836	(20,908)	-	9,000
Small Grants	2,202	-	(1,000)	-	1,202
Prison & Prisoners' contribution	4,466	41,508	(41,819)	-	4,155
Awards	724	-	-	-	724
Welsh Prisons Project	78,164	69,260	(108,169)	-	39,255
	455,927	911,500	(1,076,602)	(12,970)	277,855
UNRESTRICTED FUNDS	937,459	414,204	(577,332)	12,970	787,301
TOTAL FUNDS	1,393,386	1,325,703	(1,653,934)	-	1,065,156

During the year, a number of trusts and other donors kindly agreed that PET could transfer their restricted grants and donations to unrestricted funds to enable the charity to adapt more flexibly to the challenges generated by the COVID-19 pandemic.

PRISONERS' EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

Prior year comparative figures:

	Brought Forward 01/01/2020 £	Income £	Expenditure and net losses £	Transfers £	Carried Forward 31/12/2020 £
RESTRICTED FUNDS					
Policy and Research	77,744	95,961	(129,229)	-	44,476
Governance	-	-	-	-	-
Access to Learning					
General	148,466	166,341	(77,920)	(70,443)	166,444
Womens prisoners	66,030	-	(38,870)	(25,000)	2,160
Younger prisoners	27,616	19,675	(36,417)	(5,955)	4,919
Older prisoners	1,818	-	(1,818)	-	-
Army veterans	18,680	30,401	(16,221)	-	32,860
HMPPS England	2,428	396,629	(380,759)	-	18,298
Hmpps Wales	-	14,706	(14,706)	-	-
Geographically restricted	61,003	44,669	(50,760)	(14,292)	40,620
Course subject restricted	109,038	3,766	(68,282)	5,000	49,522
Course Development	-	-	-	-	-
Advice Line	-	31,030	(34,250)	14,292	11,072
Small Grants	3,202	-	(1,000)	-	2,202
Prison & Prisoners' contribution	3,655	30,833	(30,022)	-	4,466
Awards	4,892	-	(4,168)	-	724
Welsh Prisons Project	357,700	-	(199,136)	(80,400)	78,164
	882,272	834,011	(1,083,558)	(176,798)	455,927
UNRESTRICTED FUNDS	678,912	510,086	(428,337)	176,798	937,459
TOTAL FUNDS	1,561,184	1,344,097	(1,511,895)	-	1,393,386

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

Restricted funds

Policy & Research

For research, policy, advocacy and alumni development work, including support of the PLA. Major funders in 2021 include: Esmée Fairbairn Foundation, Barrow Cadbury Trust and some other organisations.

Access to Learning:

General	For distance learning courses and advice. Major funders in 2021 include: The Big Give Christmas Challenge (Various donors including The Monday Charitable Trust), Beatrice Laing Trust, Jill Franklin Charitable Trust, The Van Neste Foundation and various other trusts. As well as general support for distance learning, The Roddick Foundation also provided support for older prisoners.
Women prisoners	For distance learning courses and advice to women in prison; major funders in 2021 include: The Brook Trust and various other trusts.
Younger prisoners	For distance learning courses and advice to younger prisoners under 30. Major funders in 2021 include: Evan Cornish Foundation, The Horlock Educational Trust, The Portal Trust, The Taylor Family Foundation and various other trusts.
Ex-armed forces	For distance learning courses to ex-service personnel; major funders in 2021 include: ABF The Soldiers' Charity, The Veterans' Foundation and various other trusts.
HMPPS England	Funding granted for distance learning courses, including Open University Access courses and a range of accredited and unaccredited further education courses, as well as an Advice and Information service for serving prisoners and their families.
HMPPS Wales	Funds granted by the Welsh Assembly Government, through NOMS in Wales for prisoners who are ordinarily resident in Wales to study Open University and other accredited and unaccredited further education courses.
Geographically restricted	Funds granted for distance learning courses and advice with specific geographical restrictions. Major funders in 2021 include: Colyer-Fergusson Charitable Trust, Edward Cadbury Charitable Trust, Guernsey Community Foundation, The Lord Belstead Charitable Trust, Police and Crime Commissioner for South Yorkshire, The Samworth Foundation, The Shears Foundation, The Singer Foundation, Susanna Peake Charitable Trust, William Harding's Charity and various other charities.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

Restricted funds (continued)

Course subject restricted & Course development	Funds granted for distance learning courses with specific subject restrictions and course development. Major funders for course subject restriction in 2021 include: The Garfield Weston Foundation and various other charities.
Welsh Prisons Project	Funds restricted to strengthen and extend our support for Welsh prisoners, building learning communities to support our students to achieve their educational and vocational goals, whilst in custody and upon release. Moondance Foundation is the main contributor for this project.
Advice Line	Schroder Charity Trust, Taylor Family Foundation, and some other organisations and individuals contributed funds to support this work.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

13. OTHER FINANCIAL COMMITMENTS

At 31 December 2021 the Charity had an operating lease for its London office premises with a remaining term of less than 5 years. There is a rolling 6-month break clause, and therefore the commitment by the charity at any given point is 6 months' rent and service charge. As at 31 December 2021, this amounted to £34,458 (2020 - £34,458). The Charity also had a non-cancellable operating lease commitment of £423 (2020 - £423) for equipment falling due within one year.

In October 2015 the charity signed an operating licence for an office space in Cardiff with an initial 18 month term and a rolling one month break clause. The commitment of the charity at any one time is rent and service charges of £625. There are no other non-cancellable operating licence commitments falling due within one year or in more than one year (2020 - the same).

14. CONTRIBUTION OF VOLUNTEERS

We are very grateful for the vital contributions to our work made by volunteers in 2021 in many different capacities. A number of our alumni that we had helped while in prison and are now in the community gave their time to speak at events or to journalists to promote our work. Some of our high profile supporters also gave their time to speak at events on our behalf. We were given valuable help with administrative and office tasks by 1 volunteer gaining temporary work experience or helping with one off tasks (2020 - 5). No individuals helped us out on a voluntary basis with fundraising events organised either directly through PET or via our South London supporters' group (2020 - 7). A number of professional and academic experts contributed their advice and expertise to our project and research work on a pro bono basis; and our President and all our Patrons and Trustees gave their time most generously and free of charge to act as ambassadors for PET and to provide robust and effective governance.

15. LIMITATION OF LIABILITY

Prisoners' Education Trust is a charitable company limited by guarantee. Liability is limited to £10 per member. As at 31 December 2021, there were 10 members (2020: 29).

Accounts

PRISONERS' EDUCATION TRUST
(Company limited by guarantee no. 04132595
registered charity no. 1084718)

REPORT AND FINANCIAL STATEMENTS YEAR
ENDED 31 DECEMBER 2020

PRISONERS' EDUCATION TRUST

(Company limited by guarantee no. 04132595, registered charity no. 1084718)

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2020

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PRISONERS' EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS For the year ended 31 December 2020

President: His Honour John Samuels QC

Patrons:

Sir Christopher Ball
Susan Hill CBE
Baroness Linklater of Butterstone
Paul Maxlow-Tomlinson
Lord Ramsbotham GCB CBE

Michael Smyth CBE QC (Hon)
Baroness Stern CBE
The Rt Hon. the Lord Woolf

Trustees:

Hilary Cross – Deputy Chair
Catherine Dawkins - Honorary Treasurer
Elisabeth Davies - Chair
Patrick Diamond
Emily Giles
James Killen
Vicki Morris
Mandeep Mahil (appointed 29 January 2020)
Dr Paul Phillips CBE
Emily Thomas (resigned 25 March 2020)
John Richard Ward OBE
Mark Welsh

Although PET does not currently set term limits for trustees, the Board are mindful of the recommendations within Charity Commission's Code of Governance regarding periods of trusteeship longer than 9 years.

**Company Secretary and
Chief Executive:** Rod Clark

Company reg. no: 04132595

Charity reg. no: 1084718

PRISONERS' EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS For the year ended 31 December 2020 (continued)

Registered office: The Foundry
17 Oval Way
London
SE11 5RR

Telephone: 020 3752 5680
Email: info@prisonerseducation.org.uk
Website: www.prisonerseducation.org.uk

Auditors: Price Bailey LLP
Chartered Accountants and Tax Advisors
3rd Floor, 24 Old Bond Street
Mayfair, London, W1S 4AP

Bankers: Barclays Bank
2 Victoria Street
London
SW1H 0ND

Unity Trust Bank
Nine Brindley Place
Birmingham
B1 2HB

CCLA
Senator House
85 Queen Victoria Street
London, EC4V 4ET

**TRUSTEES' ANNUAL REPORT, (incorporating the Directors' report)
for the year ended 31 December 2020**

The Trustees (who are also the directors for the purposes of company law) present their report and the audited financial statements for the year ended 31st December 2020.

The Trustees confirm that the annual report and financial statements of Prisoners' Education Trust (referred to here as PET) comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

OBJECTS, ACTIVITIES, AND STRATEGY

The charitable objects of PET are contained in our memorandum and articles of association and relate to advancing the education and training of prisoners and ex-prisoners in the UK, the Isle of Man and the Channel Islands (though in practice we do not fund prisoner learners in Scotland and Northern Ireland). They include providing funding for distance learning courses; providing advice and guidance about education and training; promoting improvements in prison education policy and practice; publicising the authentic views and insights of prisoner learners; and commissioning and carrying out research, projects, reports, and conferences to help in evaluating and promoting improvements in prison education policy and practice in the UK.

PET published our strategy for 2018 to 2020 early in 2018. Work is currently in progress on the development of the charity's strategy for 2021 onwards see page 15.

PET's **vision** should be expressed as:

Prisoners' lives transformed through learning

This is supported by the **mission**:

Every prisoner a learner, every prison a place to learn

The vision and mission are underpinned by PET's values:

- **we inspire** hope and aspiration through learning;
- **we care** passionately about empowering learners and staff;
- **we collaborate** to achieve more together;
- **we are tenacious** to make change happen;
- **we are expert** and listen to learners and other experts;
- **we celebrate** everyone's successes; and
- **we are inclusive** and promote equality and diversity.

PET's strategy sets out our work across three spheres of influence:

- the learner at the centre;
- prisons and communities; and
- the wider system.

To succeed in affecting change in these spheres of influence, we agree that the organisation needs to have robust foundations. The sections on achievements and performance below use these headings to review our achievements in 2020, a year in which the prison system and the entire country has been deeply affected by the Covid-19 pandemic.

Public benefit

PET, as a registered charity established to support prisoners and ex-prisoners in the UK, is a Public Benefit Entity. When approving PET's ongoing activities, Trustees give due consideration to how they meet the Charity Commission's statutory guidance on public benefit.

- We grant access to distance learning courses not otherwise available within the prison system to individual prisoners throughout England, Wales, the Isle of Man and the Channel Islands, irrespective of any protected characteristics. We believe (supported by rigorous evidence from Ministry of Justice research) that these learning opportunities have a positive impact on reducing reoffending and promoting employment, benefitting the individuals, their families, and wider society.
- We provide an advice service to help prisoners maximise the benefits of successful selection, study and completion of their courses, which again benefits their families and wider society.
- We seek to improve prison education policy, support and promote best practice, and make the case for its benefits to society.

Grant making policy

Any individual who has been sentenced and is currently serving a custodial sentence in England, Wales, the Channel Islands or the Isle of Man is eligible to apply to PET to fund them to partake in an educational distance-learning course. During 2020, grants were awarded based on an application form to gather evidence on a prisoner's readiness and motivation to gain from a distance learning course together with an endorsement from an authorised member of staff at the prison. Applications were then scored against transparent criteria. Our grant approval criteria and Information, advice and guidance (IAG) were provided to prisoners and prison staff throughout the application process. Our process for awarding course funding was overseen by a Quality Assurance (QA) Panel that is a Committee of the Board of Trustees. The application process was redesigned in 2019 and 2020 was its first full year of operation. More details of the revised process can be found below.

ACHIEVEMENTS, PERFORMANCE AND PLANS FOR FUTURE PERIODS

2020 was a year of major challenge for PET, as it was for prison learners, the prison system and indeed the world as a whole as it grappled with the consequences of the Covid-19 pandemic. PET needed to respond rapidly and flexibly to mitigate the consequences of a national lockdown which saw prisoners confined to their cells for up to 23 hours a day and prison education staff essentially excluded from the prisons.

PET in 2020 in numbers

Number of calls to PET's new Freephone prisoner advice line implemented in response to the pandemic in April 2020: 1,087
Number of days from start of the lockdown to implement the advice line: 37 (23 March to 28 April)
Number of different prisons from which prisoners have called the PET advice line: 92
Number of distance learning courses funded for prisoners: 1,046
Most popular courses: People, Work & Society and Science, Technology & Maths Open University Access Modules and Business Start-Up
Number of staff: 22
Income: £1.3 m
Value of funding raised or redirected in response to the lockdown: £127k
Prisoner Learning Alliance members: 190
Number of Twitter followers for PET and PLA: over 20,000
Number of times the PLA's in cell activities hub has been accessed to source free in cell learning: 3,500

The learner at the centre

Achievements and performance in 2020

Support for distance learning courses

In 2020 PET continued to be the leading organisation funding and supporting distance learning in prisons in England and Wales through our Access to Learning programme. This is the largest area of our charitable expenditure. We have now funded prisoners to study courses or for arts and hobby materials over 43,000 times since our foundation in 1989.

In 2020 PET fully introduced a new, more transparent and rigorous process for deciding which prisoners to fund. Until 2020, ever since our inception as a charity in 1989, we had essentially followed the same fundamental process for prisoner funding applications: asking the prisoner to write us a letter setting out their motivation and case for funding, backed by an endorsement from staff in the prison. Although tried and tested, feedback showed that this approach was not as clear for learners as it might be in specifying what information PET needed and how it would be used in funding decisions. In 2019 we had developed and piloted a new process, which PET fully applied throughout 2020. The new process consists of an application form broken down into specific questions to help determine an individual's readiness and motivation to benefit from a course of learning. These answers are then scored using a decision matrix to assess the overall strength of the application. To ensure internal rigour of each stage of this new process PET established a Quality Assurance panel made up of trustees, PET staff, and an Alumni member. In 2020 this panel met monthly initially to review the new process in its early stages.

Funded by a generous, dedicated grant the implementation of this process was supported by an Implementation Manager and an Officer with expertise in the Salesforce software platform.

A key design principle for the development of our new processes has been to involve serving or former prisoners with lived experience in coproduction. We have drawn extensively on the insight of our Alumni Advisory Group. During 2020 the Alumni Advisory Group has contributed to:

- PET's Quality Assurance Panel,
- the development of PET's new strategy,
- taking part in sector webinars, and
- the recruitment of the new Chief Executive.

PET support for individual prisoner course applications over lockdown

An essential feature of the new process – with a view to moving to a fully digital, paperless, process in the future – was that it was designed to move away from a reliance on hard copy paper applications at the earliest possible stage. Ideally PET encouraged prisons to send us (via a secure e-mail address) scanned copies of handwritten applications but, if prisons still found it more convenient to send us hard copy, the process involved scanning those applications on receipt and storing them in digital form on the system for subsequent processing. This feature of the process proved invaluable when the Covid-19 lockdown started at the end of March 2020 requiring staff to work from home wherever possible. This was because staff were able to carry out all the later stages of the process securely from computers at home by accessing PET's secure remote desktop. This meant that the only requirement for staff to use our office in the Foundry in Vauxhall for the purposes of our application process was once or twice a week to receive and open the post and scan applications into the system. This was done by single individual volunteers working alone who could walk to the office with therefore a minimal risk of contracting or transmitting the disease. Fortunately our suppliers were also largely able to continue working to provide materials to learners and remote tutor support.

When Covid-19 struck, HMPPS needed to take urgent action to reduce and control the movement of prisoners in custody to reduce the risk of transmission. As a result, many were locked in cell for 23 hours a day. On the face of it, this should have been an ideal time for prisoners to turn to distance learning study so that they could continue to use their time constructively and support their mental wellbeing. Unfortunately, HMPPS management also decided that they needed to close education departments and prevent risk of infection by

PRISONERS' EDUCATION TRUST

excluding education and library staff from the prison. That meant prisoners were no longer in contact with the members of staff who work to support distance learning through managing the application process to PET and who support learners in other ways.

The effect was a dramatic reduction in the number of applications reaching us from the prisons. In the first three months of 2020 before lockdown, we received an average of 216 applications a month (a level of demand that would have been sufficient to meet our intention of funding at least 1,600 awards in the year and possibly exceed our 2019 total). In May, June and July, the peak of the first lockdown the average fell to 64 a month – a drop of over 70%. And although numbers did recover in the last four months of the year to 175 a month, this still represented a reduction of almost 20% on the first quarter. Nevertheless, despite the extreme difficulties, PET was still able to provide 1,046 courses tailored to meet specific requests from individual prisoner learners.

PET also published a 45-page Distance Learning Handbook, produced to support prison staff navigate our application process. It was produced in collaboration with people in prison and prison staff. The guide outlines studying with PET step-by-step – including how to make a successful application, ways to create a positive learning environment, and information about the support available from PET. This turned out to be particularly helpful to staff who were new to distance learning and to officers supporting people locked down in cells.

Courses only	2020 Actual	2019 Actual
Applications	1,798	2,678
Awards	1,046	1,703

As in previous years, PET supported a wide range of courses in 2020 including Open University Access Modules, and courses in business start-up, fitness training, creative writing, plumbing, understanding substance misuse, construction and health and safety certificates as amongst the most popular. Thanks to the generous support of the Garfield Weston Foundation and the Open University Students' Educational Trust, we have been able to continue to support prisoners to take their initial module towards a full degree without relying on a student loan. We were able to support 43 prisoners to start their degree level study over 2020 (2019: 116). Despite the problems of lockdown, PET also worked in partnership with the Longford Trust to administer and award funding known as Frank Awards to 7 prisoners for degree level study (2019: 10).

Response to lockdown: Launch of a Freephone PET advice line for prisoners

Providing more direct telephone based advice to prisoners had long been part of our aspirations for service delivery. But it soon became apparent following the first National lockdown that prisoners would be confined to their cells for 23 hours a day, that education staff would not be allowed into establishments and that prisoner learners would not be able to see the staff who generally provided support for their distance learning.

However information issued by HMPPS suggested that 60% of prisoners now had access to in cell telephony and that prompted us to set up the service as a matter of urgency to provide some means of advice and support for learners that would otherwise have none. The work included sourcing telephony solutions that would enable staff to provide the service from home, ensuring that the Freephone number was available on all prisoner phones without them needing to submit a special request, putting in place proper procedures for safeguarding staff and callers and providing appropriate staff training. Every PET team played a part in that, fundraising to make it possible, developing communications, finance setting up the telephony, policy drawing on knowledge and experience of other helpline services and the service delivery team themselves who developed the Salesforce database support and staffed it. It is a credit to the willingness of PET staff to do what they could to help prisoners in such difficult circumstances that the line was launched on 28 April only 37 days after the start of lockdown and just three weeks after we took the decision and started work on the implementation.

Overall in 2020 the advice line received 1,059 calls from prisoners in 92 different prisons. In the absence of their normal education contacts, it provided a vital source of advice, support and communication. PET staff were able to resolve large numbers of difficulties for learners and help them with the application process. 62% of calls required follow-up. Staff have also been able to adopt the "e-mail a prisoner" service to speed up and facilitate remote communication to resolve issues. This paid for scheme allows an email to be sent in to a prison where it is printed and then included in the prison post distribution. If the prisoner wishes to reply (and if

PRISONERS' EDUCATION TRUST

the reply facility is enabled in their prison), they hand write a response which is passed back to a member of prison staff who then scans and emails it to PET. It has complemented the advice line in a valuable way and enabled PET to respond swiftly to questions and queries raised through the advice line – closing the gap between PET and our learners. The advice line has also improved PET's ability to collect the views of learners and proved a new, positive means of engagement for PET which we hope to embed as a vital and continuing part of our service delivery.

Response to lockdown: Providing free material in cell for prisoners in lockdown

Prisoners confined to cell for 23 hours a day desperately needed material to provide worthwhile purposeful activity and support their learning and development. PET realised that our normal application process to meet specific learning needs could not operate effectively under the new circumstances so worked rapidly to source and provide material that could be widely distributed for free within the prison system, supporting the efforts of the prison education providers. This included making our new short taster courses widely and freely available and working with members of the Prisoner Learning Alliance (PLA) to provide free material. Both of these initiatives are described more fully below.

Enterprise awards

Thanks to the generous support of the Topinambour Trust, PET was able to offer Enterprise Awards again in May 2020, enabling PET-funded applicants to receive one-off grants up to the value of £1,000 to help them find work or start a business after prison. Despite the lockdown, we received 53 applications for the awards - up from 36 applications in 2018.

There were seven winners in total, including applicants planning to work as a gas safe engineer, personal trainer, barber, and footwear designer. Their funding will go towards start-up equipment and training courses. The awards have given us the opportunity to support our funded learners through the gate and have created another avenue for contacting alumni.

Evidence of impact

It has been particularly poignant to receive messages from prisoners about the importance to them of the help PET has provided over the period of the pandemic.

"The education has taken my mind outside of this lockdown which has helped a great deal [...] I thank the PET for everything they have done to keep me feeling like a normal person not just a number."

"The course is helping me to cope with being locked up for 23hrs a day. Both with my mental health and giving me a positive way to use my time. Thank you all at PET."

The redesigned application form has increased the amount and quality of data PET now receives on the protected characteristics of applicants. Our data management processes have matured in parallel to ensure we are GDPR compliant with this new, more sensitive data. Having real time, accessible dashboard data allows us to monitor the origin of applications and then give targeted support to particular prisons. We use the case management function of the database to track and monitor each contact with learners, increasing the quality of our support – any member of the team can pick up the case and support the learner.

During 2020, 137 prison and education staff signed up to the staff page on the PET website allowing them to access self-serve information. This brought the total number of users to 353.

A focussed piece of work with suppliers introduced Service Level Agreements and a targeted piece of monitoring (which will become part of our monitoring schedule in 2021) helped us identify successes and challenges from a supplier's perspective.

Evaluation of awards of funding for Level 1 Open University modules from The Garfield Weston Foundation

The Garfield Weston Foundation have generously funded Open University (OU) Level 1 modules for prisoners. The programme provided funding toward scholarships for students and ran for a period of three years. Eligible students received a scholarship to cover the cost of their first Level 1 module. A team from the OU is continuing to gather evaluation evidence on this programme. However, their initial findings include that:

- Studying has shown significant benefits to most students in terms of increased self-confidence and self-belief, motivation and a purpose to their life beyond prison. Comments left by students revealed that for some studying with OU exceeded their expectations and helped them realise their potential and skills.
- Students also specifically mentioned how the course content, materials and tutor interaction played a role and contributed to their positive experience of the OU.
- However, Covid-19 has had significant impact on student's studying. Continued support from prison and OU staff is especially important during these times as a result of loss of computer access, video and audio learning materials.

"Studying with the OU has completely changed my life...In the past I never used to plan my life ahead of time but now I have set myself a 10-year plan with a number of goals to achieve"
Prisoner learner response to evaluation survey

Evidence of impact from the Justice Data Lab

The Justice Data Lab is a team of statisticians in the Ministry of Justice (MoJ) who are able to take records of prisoners who have received help from PET in the past and then follow what happens to them after release on the Police National Computer (for evidence of confirmed reoffending) and DWP and HMRC records (for evidence of employment). By selecting a statistically similar set of prisoners who did not receive PET support and analysing their activity post-release too, the Justice Data Lab is able to provide a detailed, statistically significant assessment of the impact of PET-funded learning. In 2019 PET had submitted records of past learners for analysis in this way, providing a larger data set (over 9,000) with more recent cohorts of learners than had been available from previous analyses. The analysis was much delayed by the lockdown restrictions on the statistical team but results were finally published on 21 January 2021¹.

The JDL analysis confirms the results (all of which are statistically significant) from earlier studies that PET participants after release from prison:

- reoffended less than a matched comparison group of prisoners who didn't participate in the programme and
- got employment more than the matched comparison group.

The analysis also shows these effects to be statistically significant for each of the different types of course examined (Open University, academic or other vocational).

This latest analysis also went on to show that:

- Even if they didn't get a job, PET participants went on to reoffend less than a matched comparison group who also didn't get a job
- And those PET participants that did get employment went on to reoffend even less than matched prisoners who also got jobs.

This evidence strongly supports the PLA's theory of change about the positive impact of education

(<https://www.prisonerseducation.org.uk/wp-content/uploads/2019/04/Theory-of-Change-Report.pdf>).

Education in prison helps people to gain employment after release and that is known from other research to be linked to lower levels of reoffending. But education has benefits in other ways to do with wellbeing, developing personal and social capital and sense of identity and hope. And those other benefits are also likely to help someone lead a fulfilling life away from crime.

¹ [Employment and reoffending behaviour after support from Prisoners' Education Trust \(PET\) -4th Analysis \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

These latest statistical analyses can't throw light on the precise factors at work. But they do show that it is not simply getting a job that is important in reducing reoffending (important though that is). PET participants who don't get jobs reoffend less than other prisoners who don't get jobs. And if PET participants do get jobs, their rate of reoffending is even lower than other prisoners who gain employment. This evidence powerfully strengthens even further the case for prison education.

A further report based on Justice Data Lab results was published by Pro Bono Economics in July 2020. The report – [Assessing the economic benefits from improved employment outcomes for Prisoners' Education Trust beneficiaries](https://www.prisonerseducation.org.uk/wp-content/uploads/2020/07/Assessing-the-economic-benefits-from-improved-employment-outcomes-for-Prisoners-Education-Trust-beneficiaries.pdf)² – showed the positive economic cost benefit from PET's programme based purely on the employment impact (which is additional to the benefits from reduced reoffending which was the subject of an earlier report by Pro Bono Economics).

Looking forward

The start of 2021 will remain dominated by the impact of measures to contain the spread of Covid-19. With the introduction of further lockdown restrictions at the end of 2020 it seems highly likely that prisons will continue to operate emergency regimes at least until the spring. Those are likely to continue to restrict prisoners from making as much use of PET's service as we would wish. But vaccine availability and roll-out means there are good prospects of regimes becoming more flexible as the year progresses. PET will look to continue to support prisoners as actively as it can through this period and will continue to develop the effectiveness of our advice and strengthen the quality of the courses we recommend for study in custody. PET will maintain and adapt our Advice Line service as the demand from prisoners shifts with the lifting of regime restrictions. And we will continue to develop our offer in line with the emphasis that our new strategy will place on the development of digital learning in prisons.

Prisons and communities

Achievements and performance in 2020

The Welsh Prisons Project

PET's Welsh Prisons Pilot Project was established in 2015 with funding from a Welsh grant-making organisation. They generously provided funding for a phase 2 from 2017 with the objective to create and deliver an evidence-based, regionally-centred operational model – based on the learning from the first phase pilot, building on digital opportunities and influenced by the PET and PLA's Theory of Change model.

Notable achievements in 2020 included finalising with a partner learning provider a distance learning course tailored for the development of peer mentors in a prison context. PET is now able to offer this course throughout England and Wales. The NHS Trust working in HMP Swaleside in Sheppey recently bought a number for their own volunteers and PET hopes that the course will also prove helpful in developing peer mentors to support distance learning once regimes return to operating more normally. The project has continued to work to develop collaborations with regional partners and has been particularly effective in building strong links with officials leading on prison education for the Welsh Government through regular 'Offender Learning and Employability Stakeholder' meetings.

Prisons in Wales were of course affected by the lockdown. The project's advice officer was not able to continue her programme of face-to-face advice sessions and has moved to providing support remotely. She has found that convening remote meetings of prison education staff supporting distance learning has proved a powerful means of support that in some respects is more effective than face-to-face meetings.

With the support of a volunteer, the project developed two short distance learning courses designed specifically to engage a range of prisoner learners, help them experience distance learning as an activity, and develop some key study skills. The aim was to develop courses that could be distributed free – to give prisoners a taster of distance learning and equip them to apply with more confidence for the more demanding and longer courses that we typically offer. As it happened, the first two of these courses (around sport &

² <https://www.prisonerseducation.org.uk/wp-content/uploads/2020/07/Assessing-the-economic-benefits-from-improved-employment-outcomes-for-Prisoners-Education-Trust-beneficiaries.pdf>

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nutrition and construction) had been developed and were being piloted when the lockdown happened and we were rapidly able to make them available throughout the prison system. The project team were then able to produce two further courses and, through developing contacts with the education staff at HMP Berwyn in North Wales, to pilot delivering those courses via the in-cell digital system which operates in that prison. The courses were accessed by over 300 learners with 210 successful completions. The experience fully demonstrated both the popularity and feasibility of providing digital learning to prisoners during lockdown. PET will be looking to develop further the collaboration with HMP Berwyn to prepare and trial a fully digital distance learning process during 2021.

As a celebration of the achievements of phase 2 of the Welsh Prisons Project, the team are collaborating with a number of prisoners and also a former prisoner and PET alumna who is working to illustrate an animation telling the story.

Prison-University Partnerships

PET supports Universities and Further Education (FE) colleges in developing links with local prisons to promote partnerships to enhance the educational experience for both prisoner and students from the community. PET expressed its solidarity and deep shock and sympathy for those who were killed and injured in the terrorist attack at the Learning Together event at Fishmongers' Hall towards the end of 2019. The atrocity prompted HMPPS to pause and review such events and the Covid-19 lockdown coming in March provided a further barrier to external partners entering prison establishments.

In the face of this, PET continued to provide support for the network through an active blog showcasing a range of voices and topics relating to partnerships between prisons and further-education institutes. PET has also been able to meet partnerships remotely and to host some virtual events including a seminar where three prison university partnerships came together to discuss the impact of COVID-19 on their role in prisons, and what the future may hold for their work. This was attended by around 60 people, mainly from university backgrounds, to learn about how they might be able to adapt the partnerships which they lead.

The policy team has also supported the University of Edinburgh to develop course materials for in-cell study based on the science and imaginative potential of establishing human settlement beyond this planet. They have also continued to support an Open University project on the history of Prison education.

Evidence of impact

The Wales team have prepared a report evaluating the phase 2 of the Welsh Prisons Project from September 2017 to the end of 2020: <https://www.prisonerseducation.org.uk/wp-content/uploads/2021/03/Welsh-Prisons-Project-2017-2020.pdf>

This highlights its achievements in: expanding the scope of coverage to include HMP Eastwood Park, which houses many female Welsh prisoners, and the new HMP Berwyn in North Wales; trialling digital projects for delivering prison education; providing lessons and innovation to inform PET's transformation of its service delivery processes; playing a leading role in reviewing PET's distance learning offer ensuring that courses are fit for purpose and fulfil learners' needs; and developing a new course specifically for prisoner learners in peer mentoring as well as a suite of study skills courses.

Overall, phase 2 saw the award of 567 distance learning courses to prisoners in the Welsh prisons and 733 individual advice sessions – and this was despite the impact of lockdown restrictions in 2020.

"Thank you for the email, it really made our day here at Parc. We couldn't have done it without you. The men here are thankful for the opportunity of gaining Further & Higher Education courses & qualifications. With your guidance and professionalism we are able to offer this provision."

Staff member in HMP Parc in Bridgend

Looking forward

Thanks to further generous funding, the Welsh Prisons Project will be entering a phase 3 in 2021. This will continue to build on the relationships with the Welsh prisons developed over the first two phases. And in particular, it will develop and further explore options for delivering learning in custody digitally. This will involve taking further the excellent collaboration with HMP Berwyn using their in-cell digital devices. And the project will also be able to build on the plans of HMP Parc in Bridgend to implement a blended learning model using in-cell digital access. The learning from these developments is likely to prove central to the implementation of PET's new strategy which will have digital delivery as a key element.

PET will also continue to work with educational and prison institutions as they emerge from lockdown to promote prison-university partnerships and pipelines into education on release.

The wider system

Achievements and performance in 2020

Policy and practice in the delivery of prison education through Covid-19

2019 had seen the introduction of major new arrangements for commissioning prison education across most prisons in England – through the Prison Education Framework (PEF) contract for mainstream education providers, supplemented by access to a range of other providers through the Prison Education Dynamic Purchasing System (PEDPS). PET was continuing to monitor and influence these arrangements and in January was pleased to welcome the extension of the minimum period for contracts under the PEDPS from one to two years. Extending this period had been a prominent suggestion put to the Justice Select Committee.

However, from late March 2020 all these arrangements had to respond almost overnight to the major challenge presented by the Covid-19 lockdown. Staff delivering education in prison were all asked to work from home and support remote learning without any face-to-face delivery. Although understandable as an immediate reaction to the threat, the framework for managing recovery from lockdown meant that in the vast majority of prisons, this closure of normal education has continued for all the months since. In every other sector the Government prioritised a return to education delivery. This has not been the case for prison education. And that contrast is further exacerbated by the way in which other sectors have been able to use digital devices as the tool to enable effective remote learning. With very few exceptions this has simply not been an option in the UK prison system.

The Prisoner Learning Alliance (PLA)

PET has continued to convene and provide the secretariat for the PLA, a sector-wide alliance of members from the charitable and educational sectors committed to improving policy and practice in prison education. It is the key umbrella organisation through which PET promotes prison education to a wider audience and engages with Government and policy makers. At the end of 2020 the PLA had 55 (2019: 52) organisation (full) members, 127 (2019: 69) individual associate members and 19 (2019:16) members with lived experience of the prison system.

Early in the year the PLA was pleased (with the generous support of the Further Education Trust for Leadership) to publish a major piece of research into the leadership of the implementation of the changes to the education contracts. Based on extensive interviews by researcher Angela Sanders, the report gave ample evidence of the pressure on leaders and managers in the system in coping with the changes.

The operations of the PLA were then fundamentally affected by the national lockdown. The programme of face-to-face events and meetings became impossible overnight while the need of people within the sector for contact and support was greater than ever. One urgent and important response was for the PLA to establish an online In-Cell Activity Hub to collect and make freely available materials from PLA members that prisons could use to generate in-cell activity materials for prisoners. The site rapidly collected a large library of more than 160 individual resources materials and was visited on over 3,500 occasions.

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Unable to offer PLA members physical events, the PLA organised a highly successful series of Wednesday webinar events. These proved hugely successful for many individuals looking to maintain their interest and professional development in prison education while working from home. The ability to participate virtually from almost anywhere (in the UK or beyond) meant that attendance was much broader (typically around 60 per webinar) than would normally be possible for a physical event tied to a single location. Overall in 2020 the PLA hosted 17 webinars with presentations ranging from Chris Atkins talking about his new book to lived experience leadership and how digital technology can support people with learning difficulties in prison.

In previous years, the PLA has held an annual conference and awards in the autumn. For 2020 it shifted to an online event. The PLA conference, *New Directions: The future of prison education*, was held on 8 September using virtual meeting technology – involving plenary sessions, breakout sessions and separate workshops – which the policy team managed extremely smoothly. The format encouraged excellent attendance and engagement of just over 160 participants.

Sadly, the lockdown and closure of the education departments meant that it was simply not practical to organise prisoner nominations for the PLA awards which have been such a highlight of previous conferences. However the panels featured good representation of former prisoner speakers and by one serving prisoner speaker joining virtually from an open establishment.

The main focus of the conference was around emerging from lockdown and the lessons from it. The main message coming from contributor after contributor was that the lack of digital access for prisoner learners had massively reduced the ability to maintain education effectively through the lockdown and that it needed to be in place for the future.

“Crises are often catalysts for that kind of innovation. I think it’s important we now examine where changes to our usual ways of working, but particularly ones driven by technology, can better support service users”

Sarah Fitzgerald, HMPPS Keynote PLA conference speaker

Event on the Lammy Review three years on

September also saw another major digital event focussing on the anniversary of the publication of the hugely important Lammy Review into racial disproportionalities in the criminal justice system. The policy team used Zoom webinar technology to run the event smoothly for almost 300 attendees. The event sought to bring an education focus to the wider issue and was chaired by former PET trustee Dr Angela Herbert. It included a powerful and inspiring contribution from Rt Hon David Lammy MP himself and thoughtful and challenging contributions from a panel of Dr Karen Graham, Dr Anthony Gunter and Raheel Mohammed of Maslaha. The audience was engaged and enthused from the feedback via chat and social media.

Education Select Committee inquiry into prison education

In 2020 PET’s Head of Policy met the secretariat to the Commons’ Education Select Committee to give informal evidence. This was followed by a decision by the Committee to launch an inquiry into prison education – the first in 15 years. Both PET and the PLA submitted extensive responses to that inquiry early in 2021. This was a major opportunity to draw parliamentarians’ attention to prison education issues and to do so via an education rather than criminal justice lens.

PET in the media

2020 saw our work and our views about prison education covered in publications including *The Metro*, *The Big Issue*, *FE Week*, *TES*, *InTuition* (the Society for Education and Training Journal) and *The Independent Monitor* (the newsletter for the Independent Monitoring Boards). We also supported one of our alumni to give an inspiring interview on BBC Radio London and in a podcast series alongside our Head of Service Delivery for Wales Adult Learners’ Week. Our social media presence continued to grow, in particular on Twitter where our following increased from 17,500 to nearly 19,000 by the year end, helping our efforts to keep prison education on the public agenda.

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We have also continued to share first-hand accounts from prison students, along with the charity's latest news and developments, through our monthly e-newsletter. December's edition was sent to 1,793 recipients, up 10% from December 2019 (1,625 recipients).

We have continued to maintain communication directly to prisoners through a regular section in the monthly prison newspaper *Inside Time*. Over 60,000 copies of each issue are distributed free of charge to all prisons and special hospitals plus many secure units and hostels throughout the UK. This has proved an excellent way to continue to promote our learning offer and raise issues of policy directly with prisoners.

We were also delighted to find out that the commemorative book we produced in partnership with the Creative Arts and Art students at HMP Pentonville won a Highly Commended Award at this year's Koestler Awards.

Evidence of impact

In 2020 PET and the PLA via PET have continued to be sought as key voluntary sector stakeholders for the education teams in HMPPS and MoJ headquarters. Our engagement with the Justice Select Committee had contributed to the MoJ adopting in January 2020 a key recommendation to extend the maximum period of contracts under the Dynamic Purchasing System. And PET's intervention with the Education Select Committee has been important in influencing that Committee to launch their inquiry into prison education. We are optimistic that this inquiry too will lead to positive improvements for education provision for prisoner learners.

Looking forward

The manifesto for the Conservative Government elected in December 2019 included a commitment to establish a "Prison Education Service". The Government and officials have been drawn to focus on other priorities during 2020 and the planned Spending Review was also truncated by Covid-19 to cover only the 2021/22 financial year. However it seems clear that the Government intend putting substance to this commitment over 2021 and would in any case need to take a decision that year whether to re-compete or amend the Prison Education Framework contracts at the earliest opportunity. PET and the PLA will be able to play a significant part in the development of that thinking. The recommendations from the Education Select Committee's inquiry into prison education could provide a key focus for that. However that works out, PET and the PLA will want to continue to press ministers and officials to take full advantage of the education opportunities offered by digital learning.

Robust foundations

Achievements and performance in 2020

Fundraising

Effective fundraising is essential to enable PET to help prisoner learners. In 2020 our fundraising effort was also deeply affected by the impact of the lockdown and the effect that it had on our service delivery activities.

Our service delivery needed to flex from funding high volumes of individual courses to supporting prisoner learners through our telephony and other communications, making free learning material available and developing our relationships with our suppliers and our understanding of their courses. Yet a high proportion of our funding from grant-making trusts and foundations was restricted to the costs of courses and their administration.

The fundraising team needed to contact funders to explore varying or removing restrictions so that their generous funding could be applied to the new needs in response to the pandemic situation. It is excellent to report that our wonderful funders responded magnificently. Altogether, funders agreed to remove or vary restrictions on £96,398 of existing funding and an appeal specifically to raise funding for the advice line responding to the lockdown crisis raised a further £31,030. Funders were also generous in agreeing to PET carrying over funding for courses beyond the period that had previously been envisaged when they had awarded it.

Total income for the year was £1,343,856. Although this represents a 28% decrease from £1,869,792 in 2019, the Trustees regard this as a significant achievement by the fundraising team given the challenges they have

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faced. As well as submitting a large number of high quality applications and reports to grant-making trusts and foundations, the fundraising team also invested considerable time in keeping existing funders well-informed

about PET's adaptations to lockdown conditions in order to utilise their funds in accordance with their original intentions or revised restrictions. We are immensely grateful for the continuing generosity of both previous funders and a significant number of new supporters. We are delighted that they share our belief in the power of education and skills training to transform prisoners' lives. A list of our major supporters can be found in Notes 2 to 4 of the accounts and we are, above all, immensely grateful to the individuals who bequeathed legacies to PET this year.

Events and supporter engagement

Sadly Covid-19 restrictions have prevented PET from holding the events for supporters that would normally have been in the calendar. For many years we have held an annual Carol Concert in St Paul's Church, Covent Garden which has been a hugely heart-warming conclusion to the year. That was clearly not possible and as a virtual alternative, and with the generous help of a volunteer, PET compiled a short film recording some of the amazing achievements of such a difficult year and thanking our wonderful supporters. Thanks to their support and to the generous matched funding from charitable trusts, we were also able again to take advantage of Big Give Christmas Challenge to exceed our target and raise £28,128.

Staffing and Human Resources (HR)

The lockdown of 2020 created huge pressures for employees. Staff were required to work from home for long periods without direct support and social engagement of work colleagues. There were additional anxieties for personal safety and that of family members. Staff with school-age children had the extra burden of managing home schooling. PET is extremely fortunate in the quality and commitment of its staff and both the Board and the leadership team gave close attention to supporting staff through these challenges. It was important to talk openly about mental health and wellbeing: frequent and especially informal communication using different digital platforms was essential for ensuring that people felt supported and engaged by their colleagues. We launched a programme to train mental health first aiders and also further enhanced the Employee Assistance Programme we had in place, reminding staff of its availability for family as well as staff members themselves. Managers reviewed the IT and other equipment available to staff working at home to ensure that their health and safety was adequately covered.

PET made some limited use of the Government's furlough scheme over the spring and early summer when the sharp drop in workload meant that for a time PET did not require all the planned resources. One member of staff returning from a career break was asked to remain on furlough for a period before taking up duties again and another member of staff also went on furlough for a three-week period. Although Government subsidy only offered 80% funding PET decided that it would be proper to pay both staff in full for the periods concerned.

The Trustees were immensely impressed with the dedication and commitment of PET's staff in working together to tackle the immense challenges of 2020 so successfully. In line with PET's remuneration policy, the Board considered a general increase in pay in 2020. Taking account of the financial uncertainty but also having regard to the performance of the team and the movement in prices, the Board decided to give a general uplift in salaries of 1.5%.

PET is also extremely grateful for the important contribution of volunteers to our work as set out in note 14, albeit that volunteering opportunities were much more constrained than in previous years due to Covid-19 restrictions.

Equality, Diversity and Inclusion (EDI)

PET is committed to embedding EDI into every aspect of the way we work. And in 2020 the killing of George Floyd in the United States and responding protests further highlighted the issue of racial injustice. It prompted PET to look again at whether we were doing enough to address the racial disparities in the UK criminal justice system.

The Board agreed to review PET's policy on EDI to give clearer recognition to the context of those

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disproportionalities and PET's commitment to challenging them. PET was also proud to host the event to mark the three year anniversary of the ground-breaking report on this issue by David Lammy. And we have continued to scrutinise our own practice to ensure that we are as inclusive and diverse in the opportunities we offer as we can be.

Our new course application process and the more useful analytical capability of the database that underpins it have put us in a much stronger position to analyse our own processes on how they treat people with protected characteristics. The embedded questions on diversity have achieved a much better rate of completion than our previous process and the database tools will help us to review in detail the rigour of the decision-making process. The possible distortions from the 2020 lockdown and the reduced volume of applications have so far limited the ability of the Board's QA Panel and EDI Committee to probe this area properly but we are well placed to do so as more data becomes available.

PET has also worked to improve the inclusivity of our recruitment processes. For many years we have included text in job advertisements inviting diversity of candidates including those with experience of the prison system. In 2020, we successfully trialled a new recruitment process aimed at increasing accessibility and eliminating unconscious bias. We further scrutinised the language of the advertisement to avoid gendered and inaccessible language. We invited candidates to answer three questions about themselves to avoid relying on CVs and cover letters that might unduly benefit candidates from more advantaged backgrounds better able to take up intern and volunteering opportunities. Names were then removed and the individual questions were double scored separately in random orders. For those selected for interview we gave a short period of advance warning of the questions. Our evaluation of the pilot was positive and we are applying this process in our next recruitment.

Appointment of Jon Collins as new Chief Executive

Having led PET for approaching eight years, PET's longstanding Chief Executive Rod Clark decided to retire and pass the role of developing the next stage of PET's strategic development to new hands. He formally submitted his resignation in July. The Board is extremely grateful for the contribution he made to the growth and development of PET and its work for prisoner learners over his tenure.

The Board's Nominations Committee led the process of recruiting a successor. It decided that it would be best to use the services of a search company to achieve the highest quality of candidates. EDI was a major consideration throughout the process including the selection of a search company, the monitoring of protected characteristics of candidates at each stage of selection, and the diverse composition of the interview panel, including members who had lived experience of the prison system. The recruitment process also allowed shortlisted candidates an informal opportunity to meet virtually with the Chair, with the Senior Management Team and with a group of staff and alumni.

The Committee considered over 90 applications for the post and Trustees were delighted to appoint Jon Collins to the role. Jon comes to PET from being Chief Executive of the Magistrates Association and has an extensive experience of leadership in the voluntary sector in the criminal justice system, having also previously led the Criminal Justice Alliance and the Restorative Justice Council. The Board is confident that Jon will prove an excellent leader for the next stage in PET's journey and a champion for PET's values for the future.

Jon formally took up his post on 1 April 2021 and the Board is very grateful to Rod Clark for agreeing to stay in post until that date and work with Jon for an orderly handover.

Systems and Information Technology

The experience of lockdown further highlighted the importance for PET of operating as far as possible digitally and maintaining and enhancing the platforms to enable us to do so. PET worked throughout 2020 to continue to develop the key service delivery database using Salesforce including expanding it to support the advice line processes. Other enhancements to systems included a platform to manage advice line calls remotely by staff working at home, enhanced telephony and moving to cloud-based platforms for financial processing, including the introduction of electronic payslips. At the end of the year, the fundraising team began the process of moving from our previous supporter Customer Relationship Management system (which was no longer adequately supported) to a new platform, Beacon.

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Data Protection

In 2020 PET reviewed its Data Audit for the purposes of ensuring that it continued fully to meet Data

Protection requirements. This included adjustments and enhancements to the text of a number of privacy notices for different groups of data subjects.

Looking forward

During 2020 the PET Board and senior leadership launched a programme to chart a new strategic direction (the period of our existing strategy extended only to 2020). The strategy development group – consisting of senior leadership, staff and alumni – carried out an extensive exercise to gather the views of prisoners, partners and supporters of the key focus of PET's future direction for the next three to five years. This involved a survey to which PET received 340 responses, 27 structured interviews with key stakeholders, and a review of horizon-scanning material. The outcome was reviewed by the group and by the Board at a half day awayday.

The clear message was that the strategy needed to be about operating in a world of digital learning and extending the reach of PET's support to more prisons and prisoners. During 2021 and under the leadership of its new Chief Executive, PET will develop that very broad sense of direction into specific options to be tested and agree a clear strategy. Agreement of strategic direction and the leadership of a new Chief Executive will give renewed impetus and aspiration to all aspects of the organisation including our fundraising efforts as we enter a year in which the impact of Covid-19 on the prison system and on the economy remains highly uncertain.

FINANCIAL REVIEW

The results of the year's operations are set out in the attached financial statements. The total retained reserves at 31 December 2020 amounted to £1,393,386 (2019: £1,561,184), of which £937,459 (2019: £678,912) were unrestricted.

Income for the year ended 31 December 2020 totalled £1,344,097 compared with £1,869,792 for 2019. The high level of income in 2019 reflected some large one-off grants including £160,000 dedicated to implementation work and £293,097 supporting the Welsh Prisons Project. As noted above on page 13, the Trustees are satisfied with the level of income raised in 2020 given the challenging fundraising environment in 2020 as well as some multi-year grants coming to an end.

In 2020 PET received £691,488 from charitable trusts and corporate institutions (2019 - £1,211,249); £418,582 from government sources (2019 - £419,079); £201,839 from individuals, including Gift Aid and legacies (2019 - £171,117); £206 from fundraising events due to the constraints of Covid-19 (2019 - £11,618); £1,774 from investment income and other income (2019 - £7,443); and £Nil income from donated goods and services (2019 - £6,064).

PET spent £1,511,654 in 2020, a decrease of £303,720 from £1,815,384 in 2019. Overall there was a net surplus on unrestricted funds of £258,547 increasing unrestricted funds from £678,912 to £937,459. Restricted funds decreased from £882,272 to £455,927 as funds secured in prior years were spent down.

The Trustees have considered and agreed that it is appropriate to prepare these annual financial statements on a going concern basis. They are confident that sufficient funds will be available to enable operations to continue at a sustainable level for a period of at least 12 months from the date of approval. The established pattern of the charity's fundraising activities is such that voluntary income will be available from a diverse range of trusts and individual donors at stepped intervals throughout the next 12 months, enabling the charity to manage cashflow effectively. The Trustees consider PET well-placed to further continue and develop its activities as a going concern through its fundraising efforts and close liaison with significant funders such as the Ministry of Justice (MoJ). In 2020, the MoJ converted their grant (previously renewed annually) to a multi-year agreement ending in March 2023. The Trustees are also confident that sensitivity analysis demonstrates that PET will continue to be able to support a satisfactory number of learners even if income from grant-making trusts and individuals is adversely affected by difficult economic conditions in 2021.

Reserves policy

The trustees review the level of free reserves at every Board meeting. In addition to this, at least twice each year the Trustees review the free reserves requirement and reserves policy to ensure it is adequate to meet

the charity's needs. The calculation takes account of: the minimum funds we would need for an orderly wind-up if the charity was required to cease operating at short notice; the working capital we would require to continue our charitable delivery in the event of a significant gap or drop in income, or reduction in levels of unrestricted funding; and our need to hold some funds to invest in new streams of charitable delivery before we are able to fundraise for their full costs.

Most of PET's income is dependent upon successful fundraising and appeal activity and is therefore subject to unpredictable fluctuation. In recent years PET therefore adopted a policy of maintaining free reserves of not less than four months' expenditure at future budgeted expenditure levels. This excludes direct expenditure to support prisoners from restricted funding.

Given the uncertain fundraising environment all charities face and the specific challenges PET will encounter delivering its charitable services in 2021, the Trustees have concluded that a higher level of free reserves will be required to support activities in 2021 and during 2020 increased the target level to a minimum level of approximately £620,000 (2019: £409,737). This comprises the charity's best estimate of the costs of an orderly wind-up plus a reserve to sustain charitable activities at something approaching a pre-COVID level while the prison service and our funders deal with the next phase of the crisis. It is likely that PET will need to pilot more flexible methods of service delivery to reach our learners during 2021, but that many funders will, quite rightly, be focussed on emergency support for charities even worse affected by the events of the past year.

The Board has agreed a budget for 2021 on prudent assumptions which include a deficit on unrestricted funds of approximately £221,000. This would reduce the level of free reserves at the end of 2021 to just below the target stated in our reserves policy.

As at 31 December 2020 PET had free reserves available for use of £832,124 (2019: £564,555). Free reserves are calculated as unrestricted funds of £937,458 less £70,453 tied up in fixed assets, and £34,881 in non-cancellable lease commitments. As set out below in the section on risk, uncertainty over the path of the COVID-19 pandemic increases the planning uncertainty for 2021. The Board therefore considers it helpful under the circumstances to have reserves at the end of 2020 which exceed our current policy.

The Board has also agreed to continue the close monthly monitoring and review of the forecast free reserves position which has been in place since 2019. This involves the Chair and Honorary Treasurer informing the Board if at any point outside of Board meetings factors are identified that might cause free reserves to drop below £350,000, as this could mean that the charity is left with insufficient funds to manage an orderly wind-up of its activities.

Fundraising

The Board takes a best practice approach to fundraising. The Head of Fundraising provides an update on fundraising performance, strategy, legal and best practice developments at every board meeting. The Board's Fundraising Committee meets with the Head of Fundraising, Chief Executive, and Head of Finance six times per year. At these meetings, the Committee reviews the fundraising business plan to provide further assurance over the appropriateness and effectiveness of our fundraising practices. The Head of Fundraising is responsible for keeping up-to-date with best practice, ensuring the training and support of the team, and complying with fundraising regulations. The Board also undertakes formal and informal fundraising training on an ad hoc basis to ensure that staff and volunteers are sufficiently trained and informed of their legal responsibilities.

PET is registered with the Fundraising Regulator and adheres to its Code of Fundraising Practice, undertaking at least an annual review of the Code (sometimes more if new standards are introduced or revised). PET is also registered with the Fundraising Preference Service. PET has a policy of not engaging agencies, fundraising consultants or commercial organisations.

We protect vulnerable donors through our Vulnerable Donors Policy. This involves upholding robust data

PRISONERS' EDUCATION TRUST

protection controls over our supporter data; avoiding intrusive forms of fundraising such as telephone and door-to-door approaches; limiting our postal and email correspondence; and noting and adhering to supporter contact preferences. In 2020, 5 minor complaints were received regarding fundraising (2019: 2). These all related to issues with the functionality of the donation processing platform on our website, which is now under review

Staff remuneration policy

PET is hugely grateful for the commitment and enthusiasm of our staff. We believe that it is essential to attract and retain staff with the appropriate skills and capabilities, and reward them fairly for delivering PET's important work. It is therefore important to pay staff properly, while also having prudent regard to the use of charitable resources. In order to do this, PET reviews our salaries and overall rewards packages (including those of our key management personnel) on a bi-annual basis using a professional job evaluation methodology to consider salaries in relation to the charity sector for the job levels concerned. Additionally, between salary reviews, the Trustees may complete discretionary annual reviews, taking account of (while not being constrained by) the movement of pay and prices and other relevant factors. In this they are supported by a formal Remuneration Committee.

Risk management

The Trustees regularly review, assess and ensure the implementation of systems to manage the major risks to which PET is exposed, in particular operational and financial risks. They review any material changes in the risks to which PET is exposed at each Board meeting, with the assistance of the Chief Executive. They also complete an annual risk review as part of the approval of PET's plans for the forthcoming year. This is to ensure that adequate plans and procedures are in place to mitigate the key risks to which PET is exposed. Internal control risks are minimised by the implementation of procedures in respect of authorisation of expenditure and grant commitments.

PET's risk register compiled at the start of 2020 did not identify a pandemic as a major risk. Perhaps it is hard to see in retrospect what effective mitigation it might have proposed if it had. However, the emergence of Covid-19 is now clearly affecting PET's assessment of risks going forward. The Board and executive team have collectively assessed the principal risks to which the charity is exposed (based on their combined probability and impact) as that:

- Lockdown restrictions on education staff access to prisons severely restricts education opportunities available to prisoners adversely affecting their life chances in consequence
- Exclusion of many distance learning coordinator staff from prisons reduces the support available to prisoners to apply for and pursue PET supported distance learning
- Covid-19 urgent calls on charitable funding and economic impact of the Covid-19 recession reduce availability of charitable funding for PET
- Providers progressively withdraw from offering paper based distance learning
- Staff risk Covid-19 infection through working at PET
- Staff wellbeing deteriorates during home working during lockdown
- Alumni may be vulnerable individuals for whom PET has safeguarding responsibilities and there is a risk of a failure of care both to them and staff working with them.

The risk register identifies the key management actions to mitigate these risks. However it remains the case that the impact of these risks will be hugely influenced by the course of the Covid-19 pandemic and the Government's control measures that are largely beyond PET's control.

STRUCTURE

PET is a charitable company, incorporated on 29th December 2000. It acquired the assets and undertaking, subject to liabilities, of Prisoners' Education Trust, a charitable trust, with effect from 1st January 2001. That trust, which had been established by a deed dated 19th April 1989, was formally wound up in 2003. PET is registered as a charitable company limited by guarantee and is governed by its memorandum and articles of association. PET has no share capital or debentures. In the event of PET being wound up each member is required to contribute an amount not exceeding £10.

GOVERNANCE AND MANAGEMENT

PET is governed by a Board of Trustees. The Board is responsible for establishing the strategic direction of PET. The Board delegates responsibility to the senior management team, through the Chief Executive, to execute the day-to-day operations of PET in accordance with the policies, procedures and budgets approved by the Board.

Trustees are subject to retirement by rotation; every year one third of Trustees eligible must retire. Trustees subject to retirement are those who have served the longest time in office. All Trustees who retire by rotation may stand for re-election. The election of members to the Board takes place at the Annual General Meeting. Details of those serving on the Board during the year and those serving currently are shown on page 1.

The Board meets six times a year, in addition to its annual Away Day. The Chair also conducts annual review meetings with all Trustees collating the key themes to share back with Trustees, inform Board development priorities and indeed their own performance. The Deputy Chair also carries out an annual appraisal of the Chair, actively seeking input from Trustees to inform this.

The Board has continued to have regard to the Charity Governance Code (as applied to larger charities). At the end of 2020 no serving Trustee had exceeded the recommended maximum in the Code of 9 years.

The Board considers it important to maintain a balance of skills in its membership and has established a Nominations Committee to undertake Trustee recruitment and induction. Following a rigorous appointment process in 2019, but which failed to satisfy the Committee that it had achieved sufficient diversity, it led a further process specifically aimed at increasing the diversity of the Board with regard to racial background and service user experience and welcomed a new member of the Board in January 2020. The Board has also continued to run a small Trustee development programme to enable a candidate with lived experience and with real potential the opportunity to attend Board meetings with support from the Chair to develop their understanding and experience to be better equipped to be a Trustee in future.

As a result, at the end of 2020 and looking at the Board and the Trustee development programme taken together (12 individuals in total) PET had 2 members from a BAME background and 3 with lived experience. More than half of our members are under the age of 50 and indeed over a third are under the age of 40 – which compares with a national average age of a Trustee of 61 years of age.

In addition to the Nominations Committee, the Board has three long-standing Committees: Fundraising; Remuneration; and Equality, Diversity and Inclusion. In 2020 the Board also established a QA Panel with responsibility for reviewing and providing oversight of the effectiveness of its business process for funding applications for distance learning courses.

PET is hugely grateful for the immense contribution made by Emily Thomas who stood down as a Trustee in 2020. Emily provided invaluable insight to the Board over eight years informed by her capacity as a Prison Governor. PET colleagues also noted with great sadness the death in 2020 of PET's Patron and former Chair Paul Maxlow-Tomlinson. He will be much missed.

Relationship to the PLA

PET provides the secretariat and secures funding to convene the PLA, of which it is also a member.

Following the 2017 review of its structure and effectiveness, the PLA agreed various changes to its constitution which came into effect in 2018. These changes extended the categories of membership, put in place a modest membership fee and elected a steering committee of which the Chief Executive of PET is an ex-officio member. The PLA, however, remains an informal grouping of organisations with no separate legal identity.

RESPONSIBILITIES STATEMENT OF THE TRUSTEES

The trustees (who are also directors of Prisoners' Education Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Preparation of the report

This report has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

Auditors

The auditors, Price Bailey LLP, have been newly appointed under Section 485 of the Companies Act 2006.

This report was approved and authorised for issue by the Trustees on 14 May 2021, signed on its behalf by:

Signature:

Elisabeth Davies
Chair of Trustees

Independent auditor's report to the members of Prisoners' Education Trust

Opinion

We have audited the financial statements of Prisoners' Education Trust for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Independent auditor's report to the members of Prisoners' Education Trust (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees annual report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Charitable Company and the sector in which it operates and considered the risk of the Charitable Company not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements, including financial reporting which could have a material impact on the financial statements. In relation to the operations of the Charitable Company this included compliance with the Charities Act and SORP 2019, GDPR, employment law and health & safety.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- Review of legal fees incurred;
- Reviewing minutes of Trustee Board meetings
- Agreeing the financial statement disclosures to underlying supporting documentation;
- Enquiring of management including those charged with governance;
- Reviewing the key accounting policies and estimates

To address the risk of management override of controls we reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluated the business rationale of significant transactions to identify large or unusual transactions. We reviewed key authorisation procedures and decision making processes for any unusual or one-off transactions. We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Use of our report

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

Michael Cooper-Davis FCCA ACA (Senior Statutory Auditor)

For and on behalf of
Price Bailey LLP,
Chartered Accountants
Statutory Auditors
24 Old Bond Street
London
W1S 4AP
18 May 2021

PRISONERS' EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)
For the year ended 31 December 2020

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
		£	£	£	£
INCOME:					
Donations and Legacies	2	500,618	315,039	815,657	961,439
Charitable Activities:					
Access to Learning: Government Grant	3	-	411,335	411,335	419,079
Policy and Research	3	-	77,669	77,669	127,840
Welsh Prisons Project	3	-	-	-	293,087
Other Trading activities	4	206	-	206	11,618
Investments		2,015	-	2,015	7,443
Furlough- HMRC		7,247	-	7,247	
Prison & Prisoners' Contribution			29,968	29,968	49,286
TOTAL INCOME		510,086	834,011	1,344,097	1,869,792
EXPENDITURE:					
Raising funds		251,197	-	251,197	270,357
Charitable Activities:					
Access to Learning		115,077	755,193	870,270	1,094,958
Policy and Research		61,822	129,229	191,051	226,700
Welsh Prisons Project		-	199,136	199,136	221,469
ICT Project		-	-	-	1,900
Total Charitable Activities		176,899	1,083,558	1,260,457	1,545,027
TOTAL EXPENDITURE	5	428,096	1,083,558	1,511,654	1,815,384
Net Income/(Expenditure) before investment losses		81,990	(249,547)	(167,557)	54,408
(Losses) on investments		(241)		(241)	-
Net Income/(Expenditure)		81,749	(249,547)	(167,798)	54,408
Transfers between Funds		176,798	(176,798)	-	-
NET MOVEMENT IN FUNDS		258,547	(426,345)	(167,798)	54,408
RECONCILIATION OF FUNDS:					
Total Funds Brought Forward		678,912	882,272	1,561,184	1,506,776
TOTAL FUNDS CARRIED FORWARD		937,459	455,927	1,393,386	1,561,184

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure relates to continuing activities.

The annexed notes form part of these financial statements.

PRISONERS' EDUCATION TRUST

BALANCE SHEET
As at 31 December 2020

	Notes	2020	2019
		£	£
FIXED ASSETS			
Intangible fixed assets	8a	51,847	63,202
Tangible fixed assets	8b	18,606	16,302
Investments	9	20,823	21,064
		91,276	100,568
CURRENT ASSETS			
Debtors	10	185,404	349,142
Cash at bank and in hand		1,314,349	1,279,219
		1,499,753	1,628,361
LIABILITIES			
Creditors: amounts falling due within one year	11	(197,643)	(167,745)
NET CURRENT ASSETS		1,302,110	1,460,616
TOTAL NET ASSETS		1,393,386	1,561,184
TOTAL FUNDS OF THE CHARITY:			
Restricted funds	12	455,927	882,272
Unrestricted funds	12	937,459	678,912
		1,393,386	1,561,184

The annexed notes form part of these financial statements.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies. They were approved and authorised for issue by the Trustees on 14 May 2021 and signed on their behalf by

_____ ELISABETH DAVIES, Chair

_____ CATHERINE DAWKINS, Hon. Treasurer

STATEMENT OF CASH FLOWS
For the year ended 31 December 2020

	2020	2019
	£	£
Cash flows from operating activities:		
Net cash provided by / (used in) operating activities (see below)	43,357	(191,786)
Cash flows from investing activities:		
Interest income	2,015	7,443
Investment Income	(241)	-
Purchase of property, plant and equipment	(9,999)	(72,502)
Net cash / (used in) investing activities	(8,225)	(65,059)
Change in cash and cash equivalents in the reporting period	35,132	(256,845)
Cash and cash equivalents at the beginning of the reporting period	1,279,219	1,536,064
Cash and cash equivalents at the end of the reporting period	<u>1,314,351</u>	<u>1,279,219</u>

RECONCILIATION OF NET INCOME/ (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020	2019
	£	£
Net income / (expenditure) for the reporting period (as per the SOFA)	(167,557)	54,408
Adjustments for (expenditure) /income :		
Depreciation/amortisation charges	19,052	9,545
Interest income	(2,015)	(7,443)
Investment	241	(21,064)
Decrease / (increase) in debtors	163,738	(133,704)
Increase / (decrease) in creditors	29,898	(93,528)
Net cash provided by / (used in) operating activities (see above)	<u>43,357</u>	<u>(191,786)</u>

ANALYSIS OF CASH AND CASH EQUIVALENT

	2020	2019
	£	£
Cash in hand	377,873	345,198
Notice deposits (less than 3 months)	936,476	934,021
	<u>1,314,349</u>	<u>1,279,219</u>

The statement of cash flows includes the movement in cash balances of unrestricted funds and restricted funds. The Charity does not hold any endowment funds.

The annexed notes form part of these financial statements.

STATEMENT OF CASH FLOWS
For the year ended 31 December 2020

	2020	2019
	£	£
Analysis of change in net debt		
Cash and cash equivalent as at 01/01/2020	1,279,219	1,536,064
Cashflows	35,132	(256,845)
Other non-cash changes	-	-
Cash and cash equivalent as at 31/12/2020	1,314,351	1,279,219

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. ACCOUNTING POLICIES

PET is a charitable company limited by guarantee and incorporated in England and Wales. The Charity's registered office is The Foundry, 17 Oval Way, London SE11 5RR.

The principal accounting policies adopted, judgements and estimates made in the preparation of the financial statements are as follows:

Basis of preparation of financial statements

PET meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition - effective from January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Companies Act 2006. As there are no material uncertainties about the charity's ability to continue operating, the accounts have been prepared on a going concern basis.

The financial statements are prepared in Sterling, which is the functional currency of the Charity.

The effects of events relating to the year ended 31 December 2020 which occurred before the date of approval of the financial statements by the Trustees have been included in the financial statements to the extent required to show a true and fair view of the state of affairs at 31 December 2020 and the results for the year ended on that date. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Going concern

The trustees have assessed the charity's requirements for the foreseeable future and are confident that sufficient funds will be available to enable operations to continue at a sustainable level for a period of at least 12 months from the date of approval of these financial statements. HMPPS have renewed their major grant until 31 March 2023 and, although the charity anticipates more difficult fundraising conditions in 2021, the Trustees are satisfied that a sufficiently strong income pipeline exists in combination with the current level of free reserves for the charity to rebuild activities towards pre-pandemic levels through 2021 and into 2022. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern as a result of not being able to raise further funds

Income

Income is included in the Statement of Financial Activities when PET is legally entitled to the income, it is probable that the income will be received, and the amount can be measured reliably. Grants are accounted for in the period specified for their use by donors or, where there is no time restriction, when conditions have been met and entitlement has been gained. Where the charity receives government grants, it recognises the income only where there is reasonable assurance that the charity will comply with the conditions attaching to the grants, and that they will be received.

Legacy income is recognised when it is probable that a legacy will be received (when probate has been granted, the executors have confirmed that there are sufficient assets to make a distribution, and there are no other conditions preventing a distribution), and the amount receivable can be reliably measured. Income tax recoverable in relation to investment income or Gift Aid donations is recognised at the time the relevant income is receivable.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

Facilities and services donated for PET's use, where the benefit is quantifiable, are recognised in the financial statements as both income and expenditure, at the value the charity would have paid in the open market for an equivalent economic benefit in the period in which they are received. Donated goods for distribution are recognised as income (or stock if not yet distributed) and expenditure at fair value, or if fair value is not practicably obtained, at the cost to the donor. Ticketed fundraising event income is recognised when the event has taken place and entitlement has thus been gained. All other income is accounted for on the accruals basis.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Expenditure on raising funds comprises the costs associated with generating income. Support and governance costs, which cannot be directly attributed to particular activities, have been apportioned proportionately based on the activity levels of different charitable activities, and their relative demands on central resources. Grants awarded are recorded as liabilities and expenditure recognised in the Statement of Financial Activities when the award has been approved, as a constructive obligation has been formed. Irrecoverable VAT is charged against the category of expenditure for which it was incurred. Rentals applicable to operating leases are charged to the Statement of Financial Activities over the period in which the cost is incurred.

Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objects of PET and which have not been designated for other purposes. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by PET for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is detailed in Note 12.

Fixed assets, depreciation and amortisation

All individual assets costing more than £500 are capitalised. Individual assets costing below £500 are capitalised where they form part of a packaged asset with a total value over £500.

Tangible assets are depreciated over their expected useful lives on the following bases:

Furniture/fittings	-	10 years
Office & IT equipment	-	5 years

Intangible assets are amortised over their expected useful lives on the following bases:

Website	-	5 years
Database	-	5 years

Development of the database was functionally complete part-way through December 2019. Amortisation commenced in 2020.

Cash

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Pensions

PET contributes employer contributions towards a Pensions Auto-enrolment compliant group personal pension scheme. Contributions are charged to the Statement of Financial Activities as they become payable.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

Financial instruments

The charity only has basic financial instruments; they are initially recognised at transaction value and subsequently measured at their settlement value. Cash and deposits are measured at the cash value held at the reporting date. All debtors and creditors are initially measured at the settlement amount after any discounts (under normal credit terms) have been applied; if settlement is due in more than one year, the value is included at discounted net present value.

Taxation

PET has charitable status and is thus exempt from taxation on its income under various exemptions available in the Taxes Acts.

Key judgements and estimation policy

No significant judgments (apart from those involving estimates) have been made in the process of applying the above accounting policies.

The Trustees made estimates and assumptions concerning the future based on their knowledge of the company and the environment in which it operates. The resulting accounting estimates and assumptions will, by definition, seldom equal the related outcome.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

2 INCOME FROM DONATION AND LEGACIES

Donated services include venue use, catering for meetings and events, and research services.
See also note 14 for the contribution of volunteers.

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Institutions who granted or donated £5,000 or more:						
ABF The Soldiers' Charity	-	-	-	-	20,124	20,124
A B Charitable Trust	10,000	-	10,000	10,000	-	10,000
Aurum Charitable Trust	-	13,000	13,000	-	-	-
Beatrice Laing Trust	-	-	-	-	5,000	5,000
Buckinghamshire Association for the Care of Offenders	-	-	-	-	5,000	5,000
Charles Hayward Foundation	-	-	-	-	15,000	15,000
Essex Community Foundation	-	-	-	-	4,250	4,250
Esmée Fairbairn Foundation	30,000	-	30,000	-	-	-
Evan Cornish Foundation	-	-	-	-	8,500	8,500
Guernsey Community Foundation	-	-	-	-	10,200	10,200
The Hobson Charity	-	5,261	5,261	-	-	-
Inner London Magistrates' Courts' Poor Box & Feeder Charity	-	10,000	10,000	-	10,000	10,000
Jill Franklin Trust	-	8,800	8,800	-	9,600	9,600
John Armitage Charitable Trust	35,000	-	35,000	35,000	-	35,000
Lawrence Atwell's Charity	-	-	-	-	15,000	15,000
Liz & Terry Bramall Foundation	-	5,000	5,000	-	-	-
Peter Stebbings Memorial Charity	-	5,000	5,000	-	-	-
Sir John Cass's Foundation	-	-	-	-	15,725	15,725
The 29th May 1961 Charitable Trust	10,000	-	10,000	10,000	-	10,000
The Adrian Swire Charitable Trust	30,000	-	30,000	30,000	-	30,000
The Bromley Trust	15,000	-	15,000	15,000	-	15,000
The Brook Trust	-	-	-	-	18,030	18,030
The Carr-Gregory Trust	7,500	-	7,500	7,500	-	7,500
The Drapers' Company	-	-	-	25,000	-	25,000
The Dulverton Trust	40,000	-	40,000	40,000	-	40,000
The Hadley Trust	35,000	-	35,000	30,000	-	30,000
The Julia and Hans Rausing Trust	-	6,725	6,725	-	-	-
The Peacock Charitable Trust	8,000	-	8,000	8,000	-	8,000
The Samworth Foundation	-	-	-	-	35,000	35,000
The Taylor Family Foundation	-	20,000	20,000	-	20,000	20,000
The Vandervell Foundation	5,000	-	5,000	5,000	-	5,000
The Veterans' Foundation	-	-	-	-	-	-
The Violet & Milo Cripps Charitable Trust	5,000	-	5,000	-	-	-
The John R Murray Charitable Trust	15,000	-	15,000	-	-	-
William Harding's Charity	-	-	-	-	6,375	6,375
Other donations from institutions	91,251	203,281	294,532	101,022	275,996	377,018
Individuals who donated £5,000 or more:						
Other donations from individuals	79,121	37,972	117,093	127,934	27,713	155,647
Legacies donated of £5,000 or more:						
From the estate of the late Geoffrey David Arthur Catchpole	5,000	-	5,000	-	-	-
From the estate of the Late Mr Michael Wright	14,346	-	14,346	-	-	-
Other legacy income	65,400	-	65,400	15,470	-	15,470
	500,618	315,039	815,657	459,926	501,513	961,439
	500,618	315,039	815,657	459,926	501,513	961,439

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

3 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2020 £	2020 £	2020 £	2019 £
Access to Learning Grants:				
Ministry of Justice	-	396,629	396,629	402,458
Welsh Assembly Government	-	14,706	14,706	16,621
	-	411,335	411,335	419,079
Policy and Research grants:				
Barrow Cadbury Trust	-	10,800	10,800	14,100
Esmée Fairbairn Foundation	-	60,000	60,000	60,729
Erasmus+ Programme	-	-	-	8,226
Further Education Trust for Leadership	-	-	-	15,000
St Sarkis Charity Trust	-	-	-	7,500
Other Donors	-	6,870	6,870	22,285
	-	77,670	77,670	127,840
Welsh Prisons Project				
Moondance Foundation	-	-	-	293,087
	-	489,005	489,005	840,006

All funds received in 2020 were restricted. Included within Income from Charitable Activities are total government grants of £411,335 (2019 - £419,079). The total value of the grant received has been recognised in year.

For a description of the nature and purpose of material government grants see Note 12.

There are no unfulfilled conditions or contingencies attaching to the grants which have been recognised as income, and no other material sources of government assistance were received (2019 - the same).

No grant towards supporting the Welsh Prisons Project (2019: £293,087) was recognised as income in this year. Although a further amount of £69,260 was received in 2020, this is restricted to project work in 2021 and so was included in deferred income as at 31 December 2020.

4. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2020 £	2020 £	2020 £	2019 £
Fundraising events	206	-	206	11,618
	206	-	206	11,618

In 2020 all income from other trading activities was unrestricted.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

5. EXPENDITURE

Support staff costs have been allocated based on an estimate of the percentage of time staff spent supporting the activity; office costs have been apportioned based on an estimate of relative usage of these central resources. Premises costs have been allocated across projects based on estimated floor space used. Support costs are analysed overleaf:

Grant funding of activities	Staff costs	Activities undertaken directly	Support costs	Total	Total
2020	2020	2020	2020	2020	2019
£	£	£	£	£	£
Access to Learning Grants:					
Access to Learning	366,126	356,526	9,765	137,853	1,094,958
Policy and Research	-	135,980	13,195	41,876	226,700
Welsh Prisons Project	21,298	142,919	25,153	9,766	221,469
ICT Project	-	-	-	-	1,900
Total expenditure on charitable activities	387,424	635,425	48,113	189,495	1,545,027
Raising funds	-	168,780	12,202	70,215	270,357
Support and governance		119,581	140,129	(259,710)	-
	387,424	923,786	200,444	-	1,815,384

Prior Year

Grant funding of activities	Staff costs	Activities undertaken directly	Support costs	Total
2019	2019	2019	2019	2019
£	£	£	£	£
Access to Learning Grants:				
Access to Learning	682,236	295,936	6,356	110,430
Policy and Research	-	131,239	38,734	56,727
Welsh Prisons Project	33,690	137,446	23,757	26,576
ICT Project	-	-	1,900	-
Total expenditure on charitable activities	715,926	564,621	70,747	193,733
Raising funds	-	191,702	18,532	60,123
Support and governance	-	113,239	140,617	(253,856)
	715,926	869,562	229,896	-

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

Analysis of support costs:

	Total 2020 £	Total 2019 £
Support staff costs	98,784	93,303
Rent, service charge and rates	70,340	71,583
Other premises costs	142	2,738
Insurance	3,594	3,631
Computer and IT costs	20,678	19,034
Bank charges	1,126	1,270
Postage, photocopier and telephone	7,835	8,690
Printing and stationery	2,312	4,302
Depreciation and amortisation	19,052	9,107
Other support costs	5,300	11,327
Governance staff costs	20,797	19,936
Other governance costs	9,750	8,935
	<u>30,547</u>	<u>28,871</u>
	<u>259,710</u>	<u>253,856</u>

Expenditure includes:

	2020 £	2019 £
Auditors remuneration:		
Audit fee excluding VAT	7,500	8,700
Irrecoverable VAT on audit fee	1,500	1,740
Operating lease rentals - Land and buildings	57,175	55,526
- Plant and equipment	1,741	2,007
Depreciation and amortisation on owned assets	<u>19,052</u>	<u>9,545</u>

Grant funding includes grants payable for Open University, other accredited and unaccredited distance learning courses, and small grants for arts, hobby and other educational materials. All grants are made to acquire courses and materials for individuals, and have been analysed below:

	2020 £	2019 £
Open University courses	163,274	395,435
General education courses, arts & hobby materials	224,150	320,491
	<u>387,424</u>	<u>715,926</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

6. STAFF NUMBERS AND COSTS

	2020 £	2019 £
Wages and salaries	780,421	746,510
Social security costs	77,726	74,303
Defined contribution pension costs	39,362	36,945
Other staff costs	2,316	11,802
Recruitment and related costs	23,962	-
	923,787	869,560

The average monthly number of employees, calculated as full time equivalents (FTE), during the period was:

	2020 FTE	2019 FTE
Raising funds	4.7	4.8
Access to Learning	8.6	7.0
Policy and Research	3.1	2.8
Welsh Prisons Project	3.2	3.1
Governance	0.3	0.3
Support	1.8	1.7
	21.7	19.7

The average monthly number of employees, calculated as average head count (AHC), during the period was:

	2020 AHC	2019 AHC
Raising funds	4.9	4.8
Access to Learning	8.8	7.0
Policy and Research	3.7	2.9
Welsh Prisons Project	3.4	3.3
Governance	0.3	0.3
Support	1.8	1.7
	22.9	20.0

One employee, the Chief Executive, received a gross salary in the range of £80,000 - £90,000; employers' pension contributions of 5% of total earnings were also payable (2019 - same). The key management personnel of PET received earnings and benefits (including employer pension contributions of 5% of total earnings) totalling £341,170 (2019 - £334,533). The number of key management personnel was 5 (2019- 5) being the Chief Executive, and 4 Heads of Departments; the FTE number of key management personnel staff members was 5 (2019 - 5).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

6. STAFF NUMBERS AND COSTS (continued)

Pensions – defined contribution scheme

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £39,362 (2019 £36,945). Contributions totalling £28 (2019: £nil) were payable to the fund at the balance sheet date and are included in creditors.

7. TRUSTEE TRANSACTIONS AND RELATED PARTIES

During the year, no trustee received any remuneration (2019 - £NIL). One trustee received reimbursement of travel expenses to attend trustee meetings of £185 (2019 – 2 trustees, £345). The Charity received £5,773 in donations on usual terms from its trustees, key management personnel, their close family members and entities over which they have significant interest or effective control during the period (2019- £5,537). Total expenses incurred by the Trustees in the furtherance of their duties but not reclaimed from the Charity were immaterial in 2020 and 2019. There is no ultimate controlling party. There were no other related party transactions.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

8a. INTANGIBLE FIXED ASSETS

	Website £	Database £	Total 2020 £	Total 2019 £
COST				
Opening balance 1 January 2020	36,048	32,368	68,416	-
Additions	-	2,738	2,738	68,416
At 31 December 2020	36,048	35,106	71,154	68,416
Amortisation				
Opening balance 1 January 2020	5,213	-	5,213	-
Charge for the period	7,210	6,884	14,094	5,213
At 31 December 2020	12,423	6,884	19,307	5,213
NET BOOK VALUE				
At 31 December 2019	30,835	32,368	63,203	-
At 31 December 2020	23,625	28,222	51,847	63,203

8b. TANGIBLE FIXED ASSETS

	Furniture & Fittings £	Office & IT Equipment £	Total 2020 £	Total 2019 £
COST				
Opening balance 1 January 2019	22,723	12,160	34,883	30,794
Additions	415	6,847	7,262	4,089
At 31 December 2020	23,138	19,007	42,145	34,883
DEPRECIATION				
Opening balance 1 January 2019	11,187	7,394	18,581	14,249
Charge for the period	2,553	2,405	4,958	4,332
At 31 December 2020	13,740	9,799	23,539	18,581
NET BOOK VALUE				
At 31 December 2019	11,536	4,766	16,302	16,545
At 31 December 2020	9,398	9,208	18,606	16,302

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

9. INVESTMENTS

	2020	2019
	£	£
Aviva Investment Bond:		
Market value brought forward	21,064	-
Additions	-	20,871
Distributions reinvested		193
Unrealised (loss)	(241)	-
Market value carried forward	<u>20,823</u>	<u>21,064</u>
Historical cost	<u>21,064</u>	<u>21,064</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade Debtors	4,072	874
Net prison contributions due	14,937	12,376
Grants receivable	126,769	267,096
Donations receivable	28,940	58,605
Prepayments	5,791	5,296
Lease deposit	4,895	4,895
	<u>185,404</u>	<u>349,142</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	4,056	12,672
Taxation and social security costs	21,343	20,631
Grants committed but not yet paid (see below)	76,256	111,963
Accruals	10,420	8,700
Deferred Income	69,260	-
Other creditors	16,304	13,779
	197,639	167,745

Grants committed but not yet paid analysis

At start of year	111,963	112,611
Grants committed in the year	406,250	761,565
Grant commitments fulfilled	(441,957)	(762,213)
	76,256	111,963

Grant commitments are recorded as liabilities on the balance sheet and as expenditure in the Statement of Financial Activities when the award has been approved, as a constructive obligation has been formed. The vast majority of grant awards are fulfilled within 12 months of the commitment.

Deferred income analysis

At start of year	-	-
Amounts added in the year	69,260	-
Amount released to income from previous years	-	-
	69,260	-

Deferred income comprises grant monies received during the period subject to donor-imposed conditions specifying the time period over which the expenditure of resources can take place (received in 2020, but intended by the donor for the year ending 31 December 2021). This grant will be deferred as a liability until the time period in which the income should be recognised.

PRISONERS' EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

12a. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Intangible Fixed Assets	51,847	-	51,847	63,202
Tangible fixed assets	18,606	-	18,606	16,302
Investments	20,823	-	20,823	21,064
Current Assets	883,977	615,776	1,499,753	1,628,361
Current Liabilities	(37,794)	(159,849)	(197,643)	(167,745)
	937,459	455,927	1,393,386	1,561,184

Prior Year Comparative Figures

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Intangible Fixed Assets	63,202	-	63,202
Tangible fixed assets	13,880	2,422	16,302
Investment	21,064	-	21,064
Current Assets	625,955	1,002,406	1,628,361
Current Liabilities	(45,189)	(122,556)	(167,745)
	678,912	882,272	1,561,184

PRISONERS' EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2020

12b. FUNDS OF THE CHARITY

	Brought Forward 01/01/2020 £	Income £	Expenditure and net losses £	Transfers £	Carried Forward 31/12/2020 £
RESTRICTED FUNDS					
Policy and Research	77,744	95,961	(129,229)	-	44,476
Governance	-	-	-	-	-
Access to Learning					
General	148,466	166,341	(77,920)	(70,443)	166,444
Womens prisoners	66,030	-	(38,870)	(25,000)	2,160
Younger prisoners	27,616	19,675	(36,417)	(5,955)	4,919
Older prisoners	1,818	-	(1,818)	-	-
Army veterans	18,680	30,401	(16,221)	-	32,860
HMPPS England	2,428	396,629	(380,759)	-	18,298
Hmpps Wales	-	14,706	(14,706)	-	-
Geographically restricted	61,003	44,669	(50,760)	(14,292)	40,620
Course subject restricted	109,038	3,766	(68,282)	5,000	49,522
Course Development	-	-	-	-	-
Advice Line	-	31,030	(34,250)	14,292	11,072
Small Grants	3,202	-	(1,000)	-	2,202
Prison & Prisoners' contribution	3,655	30,833	(30,022)	-	4,466
Awards	4,892	-	(4,168)	-	724
Welsh Prisons Project	357,700	-	(199,136)	(80,400)	78,164
	882,272	834,011	(1,083,558)	(176,798)	455,927
UNRESTRICTED FUNDS	678,912	510,086	(428,337)	176,798	937,459
TOTAL FUNDS	1,561,184	1,344,097	(1,511,895)	-	1,393,386

During the year, a number of trusts and other donors kindly agreed that PET could transfer their restricted grants and donations to unrestricted funds to enable the charity to adapt more flexibly to the challenges generated by the COVID-19 pandemic.

PRISONERS' EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2020

Prior year comparative figures:

	Brought Forward 01/01/2019 £	Income £	Expenditure £	Transfers £	Carried Forward 31/12/2019 £
RESTRICTED FUNDS					
Policy and Research	80,215	127,838	(125,309)	(5,000)	77,744
Governance	-	-	-	-	-
Access to Learning					
General	16,799	190,259	(58,592)	-	148,466
Womens prisoners	49,420	91,652	(75,042)	-	66,030
Younger prisoners	19,642	50,725	(42,751)	-	27,616
Older prisoners	2,625	2,975	(3,782)	-	1,818
Army veterans	17,326	25,124	(23,770)	-	18,680
HMPPS England	16,349	402,458	(416,379)	-	2,428
Hmpps Wales	-	16,621	(16,621)	-	-
Geographically restricted	78,878	131,131	(149,006)	-	61,003
Course subject restricted	285,165	7,650	(183,777)	-	109,038
Course Development	1,900		(1,900)	-	-
Advice Line					
Small Grants	6,174	2,000	(4,972)	-	3,202
Prison & Prisoners' contribution	3,269	49,286	(48,900)	-	3,655
Awards	4,902	-	(10)	-	4,892
Welsh Prisons Project	323,451	293,086	(221,469)	(37,368)	357,700
	906,115	1,390,805	(1,372,280)	(42,368)	882,272
UNRESTRICTED FUNDS	600,661	478,987	(443,104)	42,368	678,912
TOTAL FUNDS	1,506,776	1,869,792	(1,815,384)	-	1,561,184

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

Restricted funds

Policy & Research

For research, policy, advocacy and alumni development work, including support of the PLA. Major funders in 2019 include: Esmée Fairbairn Foundation, Barrow Cadbury Trust (supporting EDI project) and some other organisations.

Access to Learning:

General	For distance learning courses and advice. Major funders in 2020 include: The Big give appeal (Various donors), The Joseph Strong Frazer Trust and John Thaw Foundation.
Women prisoners	For distance learning courses and advice to women in prison; major funders in 2020 include: The Brook Trust, Charles Hayward Foundation and Evan Cornish Foundation.
Younger prisoners	For distance learning courses and advice to younger prisoners under 30. Major funders in 2020 include: Lawrence Atwell's Charity, Sir John Cass's Foundation.
Older prisoners	For distance learning courses and advice to prisoners aged 50 and above. The major funder in 2020 was Ernest Hecht Charitable Foundation and The Roddick Foundation.
Ex-armed forces	For distance learning courses to ex-service personnel; major funders in 2020 include: ABF The Soldiers' Charity, Princess Anne's Charities and The Veterans' Foundation.
Ministry of Justice	Funding granted for distance learning courses, including Open University Access courses and a range of accredited and unaccredited further education courses, as well as an Advice and Information service for serving prisoners and their families.
Welsh Assembly Government	Funds granted by the Welsh Assembly Government, through NOMS in Wales for prisoners who are ordinarily resident in Wales to study Open University and other accredited and unaccredited further education courses
Geographically restricted	Funds granted for distance learning courses and advice with specific geographical restrictions. Major funders in 2020 include: Amelia Chadwick Charitable Trust, Buckinghamshire Association for the Care of Offenders, Essex Community Foundation, Guernsey Community Foundation, The Elizabeth L Rathbone Charitable Trust, Hodge Foundation, Inner London Magistrates' Courts' Poor Box & Feeder Charity, Liz & Terry Bramall Foundation, Michael Marsh Charitable Trust, Open Gate Trust, Peter Stebbings Memorial Charity, PH Holt Foundation, The Sir James Reckitt Charity, Sir John Fisher Foundation, The Samworth Foundation, Susanna Peake Charitable Trust The William Harding's Charity The Summerfield Charitable Trust and The Walter Guinness Charitable Trust.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

Restricted funds (continued)

Course subject restricted & Course development	Funds granted for distance learning courses with specific subject restrictions and course development. Major funders for course subject restriction in 2020 include: Garfield Weston and The Savoy Educational Trust
Enterprise Awards	A fund granted by the Topinambour Trust and administered by PET to be applied in awarding prizes to prisoners undertaking further or higher education.
Welsh Prisons Project	Funds restricted to strengthen and extend our support for Welsh prisoners, building learning communities to support our students to achieve their educational and vocational goals, whilst in custody and upon release. Moondance Foundation is the main contributor for this project.
Advice Line	Jill Franklin Trust, The Coral Samuel Charitable Trust, Taylor Family Foundation, The Samworth Foundation and some other organisations and individuals contributed to this.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

13. OTHER FINANCIAL COMMITMENTS

At 31 December 2020 the Charity had an operating lease for its London office premises with a remaining term of less than 5 years. There is a rolling 6-month break clause, and therefore the commitment by the charity at any given point is 6 months' rent and service charge. As at 31 December 2020, this amounted to £34,458 (2019 - £34,458). The Charity also had a non-cancellable operating lease commitment of £423 (2019 - £392) for equipment falling due within one year.

In October 2015 the charity signed an operating licence for an office space in Cardiff with an initial 18 month term and a rolling one month break clause. The commitment of the charity at any one time is rent and service charges of £625. There are no other non-cancellable operating licence commitments falling due within one year or in more than one year (2019 - the same).

14. CONTRIBUTION OF VOLUNTEERS

We are very grateful for the vital contributions to our work made by volunteers in 2020 in many different capacities. A number of our alumni that we had helped while in prison and are now in the community gave their time to speak at events or to journalists to promote our work. Some of our high profile supporters also gave their time to speak at events on our behalf. We were given valuable help with administrative and office tasks by 5 volunteers gaining temporary work experience or helping with one off tasks (2019 - 9). 7 individuals helped us out on a voluntary basis with fundraising events organised either directly through PET or via our South London supporters' group (2019 - 21). A number of professional and academic experts contributed their advice and expertise to our project and research work on a pro bono basis; and our President and all our Patrons and Trustees gave their time most generously and free of charge to act as ambassadors for PET and to provide robust and effective governance.

15. LIMITATION OF LIABILITY

Prisoners' Education Trust is a charitable company limited by guarantee. Liability is limited to £10 per member. As at 31 December 2020, there were 29 members (2019: 28).