

Registered number: 05003795
Charity number: 1102254



PRISON FELLOWSHIP

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

PRISON FELLOWSHIP
(A company limited by guarantee)

CONTENTS

	Page
Trustees' report	1 - 8
Independent auditors' report on the financial statements	9 - 12
Statement of financial activities	13
Balance sheet	14
Statement of cash flows	15
Notes to the financial statements	16 - 28

PRISON FELLOWSHIP
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

CHAIR'S REPORT

Prison Fellowship (PF) may be in the most exciting, but also uncertain and challenging time of its 43-year history. The last two years have provided exceptional new opportunities to serve those in prison, through the roll-out of new initiatives such as *Prayer Line*, weekly in-cell *Bible Studies* and regular online national prayer meetings with our volunteers. We have also been able to accelerate local and national volunteer engagement plans, through online networking platforms, at a scale that was hard to imagine before the onset of the Covid-19 crisis. The hard work of the PF team saw volunteer membership increase by 2.4% to 3,179 from 3,103. This was a remarkable achievement, given the struggles of many third sector organisations to maintain volunteer numbers in the prolonged Covid-19 crisis.

Across our main prison programmes, throughout the Covid-19 crisis, PF's pen pal programme *Letter Link* has continued to provide valuable friendship to people in prison and *Angel Tree* has flourished and delivered more Christmas presents to the children of those in prison. From a near zero base in the depths of Covid, PF was also able to make good progress in re-establishing its highly-regarded restorative justice and victim awareness programme *Sycamore Tree*.

In 2021-22, we have also been very pleased to expand our partnership with and support for other national ministries in the Prison Fellowship International (PFI) family such as PF in France, the Republic of Ireland, Scotland and Northern Ireland. All these regions are now running or are in training to run our *Sycamore Tree* programme tailored for prisons in Western Europe. Beyond the UK & Ireland, our weekly *Bible Studies* were made available to our PFI Europe and Central Asia regional partner ministries. At a time when our ministry partners in PF Ukraine and neighbouring countries have been doing such amazing work in an unimaginable context, we are pleased to be able to bring this modest support to our friends overseas.

In March 2020, the 120 prisons in England and Wales closed their doors to volunteers. During 2021-22, PF has worked very hard alongside prisons, as and when the Covid-19 crisis allows them to reopen. This ongoing process is happening at different times and in different ways in each of the prisons, which has made the role of the staff team even more challenging, but vital at this time. I am endlessly thankful for the unceasing work and support of PF's volunteers, supporters, donors and staff, who have made all this all possible at a time of national crisis.

Peter Harlock

Peter Harlock
Chair of Trustees (appointed 14th June 2022)

PRISON FELLOWSHIP
(A company limited by guarantee)

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

The Trustees present their annual report together with the audited financial statements of the Prison Fellowship for the year 1 April 2021 to 31 March 2022. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
5003795 (England and Wales)

Registered Charity number
1102254

Registered office
21-27 Lamb's Conduit Street
London
WC1N 3GS

Trustees

Ms Frances Mary Beckett OBE	Chair	Resigned 30.04.2022
Mr David Wesley Cooke		
Rev Kevin Dawkins		
Ms Patricia Molly Hodson		
Rev Joanna Honour		
Mr Andrew Roger Jordon	Treasurer	
Dr Stephen Rawlins		
Ms Maria Olukemi Shaw (nee Adeshina)		
Mr Andrew Roger Jordon	Treasurer	
Rev Kathleen Mavis Kirby		Appointed 23.06.2021
Mr Peter Harlock	Chair	Appointed 14.06.2022

Chief Executive Officer
Mr Peter Holloway

Auditors

Griffin Stone Moscrop & Co
Chartered Accountants and Statutory Auditors
21-27 Lamb's Conduit Street
London
WC1N 3GS

Bankers

HSBC Bank plc
99 High Street
CHELMSFORD
Essex
CM1 1EQ

PRISON FELLOWSHIP
(A company limited by guarantee)

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Instrument and Constitution

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Board of Trustees

During the year, the Board met for four normal meetings. In addition, a subgroup of Trustees appointed by the Board, met on a number of occasions to oversee the recruitment and appointment of the new Chair of the Trustees. The Board also met for prayer. All business is conducted through the Board and training is offered as the need arises.

Aims, Objects and Geographical Area

Prison Fellowship aims to support people in prison by coming alongside them, providing practical help through its programmes, and by supporting their plans to stop offending. We aim to offer our services throughout England and Wales to all who request them, regardless of their beliefs.

Our objectives are to provide prayer and support for people in prison by having:

1. Every prison supported by Prison Fellowship Local Groups
2. Prison Fellowship volunteers regularly active in every prison
3. Prayer support available for every individual person in prison across the estate
4. A range of programmes to allow our Local Groups and volunteers to support prisoners in all types of prisons
5. An infrastructure to

- Provide support for every volunteer and Local Group, allowing us to recruit, train and retain our volunteers and give them a high-quality experience and proficient delivery to prisons
- Offer opportunities to give financially to our work
- Increase our reach to all communities

Public benefit

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit. Earlier paragraphs of this report set out the purpose and objects of Prison Fellowship; the focus of our work and how we ensure that our work delivered our aims. The Trustees are satisfied that the aims and objectives of the charity meet the public benefit requirement; and that the charity's activities are in support of those aims.

SUMMARY OF THE YEAR

In PF's last Annual Report, we noted that the prison population in England and Wales had fallen during that year, however this year, we have seen it trend upward again, rising from 77,859 in April 2021 to 79,744 in March 2022. The prison population has risen by 70% in the last 30 years and furthermore, the Ministry of Justice has forecast that the prison population of England and Wales will grow again to circa 100k by 2026. International comparisons regularly put incarceration rates in England and Wales at the highest in Western Europe per population head and also show that there is no consistent link between rates of incarceration and crime levels.

The Covid-19 pandemic created widespread disruption to the running of prisons. Regimes were changed to reduce contact and help prevent transmission of the virus. This resulted in many of those held in prison being locked in their cells for approximately 23 hours a day - something which would normally be considered unthinkable. While this approach will have reduced the number and scale of Covid-19 outbreaks, it is also widely accepted that the continued use of this 'compartmentalisation strategy', especially into a second year, will have a detrimental impact upon mental health in prison.

Like most organisations, PF expected that, as 2021-22 was the second year of Covid-19, we would see the crisis contract to negligible levels, resulting in prison regimes returning to normal and as a result, prison gates would fully open again for family and volunteer visits. Sadly, for those in prison and their families, this was only partially achieved and while many prisons started opening their doors again, the process has been gradual and delivered

PRISON FELLOWSHIP
(A company limited by guarantee)

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

on a prison-by-prison basis across the estate. The prolonged absence from prison for PF volunteers, has required considerable work by the charity to facilitate re-entry to prison and the recommencement of our in-prison programmes and wider chaplaincy support work. Our programme data indicates that by the end of 2021-22, we had returned to delivering approximately 40% of this face-to-face work. A noteworthy achievement in this especially demanding environment.

Volunteers and engagement

As mentioned above, PF's volunteer numbers continued to grow in 2021-22 and reached 3,179 by the end of the year. Remaining relevant and attractive to volunteers during the prolonged Covid-19 closure was a task the organisation rose to, through increased communication, engagement and new programming, that was appropriate and practical in the context of the crisis.

Across the year, 21 training events were run for volunteers. With the addition of national fortnightly prayer and engagement sessions and other specific meetings, PF averaged one meeting every week across the year. Open and honest dialogue with personal access to the whole staff support team including the CEO, provided the platform of trust needed to keep supporters, volunteers and donors on Board.

Local Groups are the key structure through which PF's prison work is delivered. In 2021-22, PF had 88 such groups supporting the 120 prison establishments across England and Wales. As with our national engagement, so in this local environment, Local Groups moved to online video platforms to support fellow volunteers and plan delivery of the mission in their local prison. As Covid-19 lockdowns have abated, Local Groups have move to a mixed mode of face-to-face and online meetings. We expect and plan for this being a key part of our future ways of working.

PROGRAMMES AND ACTIVITIES

Angel Tree

Angel Tree allows people in prison to send small gifts to their children at Christmas, in person on family days, or to their mothers on Mothers' Day. It is administered by volunteers and funds are raised regionally and nationally. Family cohesion is one of the seven pathways determined by HMPPS as being critical to improving desistance. *Angel Tree* assists family cohesion.

4,624 presents were provided across 93 prisons during Christmas 2021. To provide 202 more presents during Covid-19 than during the previous year is a remarkable achievement especially when the previous year also saw a modest rise in present numbers. Other charities running similar programmes were unable to run them during the Covid-19 crisis.

804 *Angel Tree Mothers' Day* gifts were delivered, 78 more than last year.

The inability of children to visit parents in prison during much of a second year due to Covid-19, made delivering *Angel Tree* in 2021 especially important and the feedback received was very positive.

Letter Link

Letter Link allows trained, supervised volunteers to write to people in prison. It is particularly valued by those who have no friends or family who visit or with whom they can correspond. The programme also enables volunteers who may be unable to visit prison to play an active part in Prison Fellowship's support of those in prison.

During the year, *Letter Link* was promoted across the prison estate. The number of people in prison writing to volunteers increased from 275 to 281. This is a very good number, as gaining access to prisons in order to promote *Letter Link* has proved very challenging during the second year of Covid-19.

Throughout 2021-22, we were delighted to maintain our record, that every person in prison who applied to write to a volunteer was matched with a trained PF volunteer pen pal. PF is also pleased to continue taking on referrals from people writing from prison, to other organisations, who are unable to provide skilled writing partners.

PRISON FELLOWSHIP
(A company limited by guarantee)

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

Sycamore Tree

2020-21 saw the number of *Sycamore Tree* courses drop from a pre-Covid level of 137 to just 4 courses. In 2021-22 through the mammoth efforts of our staff support team and volunteers, we were able to grow our delivery of *Sycamore Tree* back to 52 courses. This challenging, prison-by-prison task was aided by regular online meetings held with *Sycamore Tree* volunteers to keep them engaged and ready for deployment when local prison conditions allowed. Demand from prisons across the estate for this highly-valued restorative justice, victim awareness programme is very high, which is a testament to the high delivery standards of those who make this 6-week programme happen through their skills, dedication and passion.

Prayer Line

In 2020, a new programme was launched in response to Covid-19 restrictions. *Prayer Line* enables any person inside the prison estate of England and Wales to call a free phone number and leave a request for prayer. For security reasons, the content of prayer requests is anonymised and then distributed to PF volunteers across our regional groups. Volunteers commit to praying for people in prison, requesting prayer during the next 24 hours and during the following month.

Through the Covid-19 crisis, *Prayer Line* has been a ray of hope for those in prison who need to know that someone cares for them. *Prayer Line* does this by letting them know that PF volunteers will spend their valuable time listening to their prayer requests and praying. As with every PF service *Prayer Line* is available to people of all religions and none.

During 2021-22, people from 95 prisons made 2,221 prayer requests. This represents an increase in calls to the line of 70% against the previous year.

Bible Studies

A large number of people in prison wish to learn more about the Bible as a part of practising their Christian faith. The Covid-19 lockdown has made this difficult and as a result, in October 2020, PF was asked to support prison Chaplains by producing weekly *Bible Studies* for those in prison. From 8 November 2020, PF produced high-quality, accessible sheets each week, that are distributed across the whole prison estate to those who wish to receive them in their cells. This was to be a temporary initiative, for a short time during the Covid-19 crisis. However, such is the popularity of the study sheets that they have continued throughout 2021-22 and were even passed to our colleagues in PFI for translation and use in other countries.

Key Partnerships and Relationships

Prison Fellowship International (PFI)

PF is a founding member of the PFI family which operates in 115 countries around the globe. The relationship enables PF to learn from international best practice, gain practical assistance, and support others in their national ministry. In 2021/22, PF was pleased to benefit from its relationship with members of the PFI family and to provide support to others. In particular PF has been able to support other national ministries in the rest of the UK, The Republic of Ireland and France in rolling out the *Sycamore Tree* programme and has also made the weekly Bible studies available for translation across the Europe and Central Asia Region.

The Welcome Directory

The vision of the Welcome Directory is to help faith communities become places where people who leave prison find acceptance. The work complements PF's in-prison mission, providing a natural destination for those leaving prison. In 2021/22 a formal partnership between the WD and PF was established, enabling both organisations to benefit from a deeper relationship.

Kintsugi Hope

Kintsugi ©golden joinery© is the Japanese art of repairing broken pottery with lacquer dusted or mixed with powdered gold, silver, or platinum. As a philosophy, it treats breakage and repair as part of the history of an object, rather than something to disguise. Kintsugi is often referred to in prison work as it recognises the whole human experience and does not try to hide brokenness.

The Kintsugi Hope organisation, founded in 2018 has developed a 12-week small group course and PF is working with them to determine whether the programme can be adapted for use in prison. This work was unable

PRISON FELLOWSHIP
(A company limited by guarantee)

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

to be progressed during 2021/22 due to the lack of consistent access to prisons in the Covid-19 crisis, required for piloting the programme in prison.

Other

PF also has important ongoing partnerships with Prisons Week and the Mothers' Union, who support PF's *Angel Tree* programme.

Fundraising

PF is most grateful for the long-term commitment of donors. Income provided from Trusts and Partner bodies increased during the year by 5% to £179,464.

PF benefits from supporters whose foresight meant that the charity benefitted from their estates during the year. Giving in this area during the year was £9,601.

Overall, PF's donation income dropped by £121,706 to £593,661.

Prison Fellowship is extremely grateful to all those who support our work financially including the following Trusts and Foundations in 2021/22:

Donations and grants giving £1,000 or more: 1772 Charity, Archer Trust, Ashburnham Thanksgiving Trust, C & K Sommer Trust, David Pickford Charitable Foundation, Dorema Charitable Trust, Eleanor Rathbone Charitable Trust, Elizabeth Bennett Charitable Trust, Forest Hill Charitable Trust, Grace Trust, Guy Fawkes Charitable Trust, Hadrian Trust, Heart of Bucks Community Foundation, Hemby Charitable Trust, Inner London Magistrates Courts Poor Box & Feeder Charity, John Horseman Trust, Kent Community Foundation, Loseley Christian Trust, Mary Brown Memorial Trust, Mizpah Trust, Music in Ministry Trust, Raymond and Blanche Lawson Charitable Trust, River Trust, Selwyn Charitable Trust, The Together Fund, We Are One, Westmount Trust and Winifred Eileen Kemp Trust.

Other donations and grants: Baron Davenport's Charity, Blakemore Foundation, Doris Field Charitable Trust, Edgar Milward Charity, Edwards Skinner Trust, Fulmer Charitable Trust, Marsh Charitable Trust, Newton Charitable Trust, Norman Evershed Trust, Oakdale Trust, Orangefield Trust, Sir Jeremiah Colman Gift Trust, Stockwell Charitable Trust, Sycamore Trust, The Moushill Trust and Torrs Charitable Trust.

Financial Results

The financial results for Prison Fellowship for the year 2021/22 reported net expenditure of £60,853 (2020/21 net income £127,882).

Breakdown of total income:

<u>Source</u>	<u>2021/22</u>	<u>2020/21</u>	<u>%age of total</u>	<u>%age prior year</u>
Donations	403,677	496,007	67%	68%
Legacies	9,601	27,730	2%	4%
Grants from charitable trusts & partner bodies	179,464	170,507	30%	23%
Police Crime Commissioners	919	21,123	-%	3%
Income from charitable activities, investment income and other	8,996	17,089	1%	2%
Total	602,657	732,456	100%	100%

As can be seen from the table above, there was a drop in donation income and legacy income. Other sources of income - namely charitable trusts donations - grew in the period under review.

PRISON FELLOWSHIP
(A company limited by guarantee)

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

Income excluding legacy income and income from charitable activities and investment income was down by £103,577 or 15%.

Overall expenditure increased by 20%.

Breakdown of total expenditure:

Source	2021/22	2020/21	%age prior year
Raising funds	90,460	92,883	-3%
Operational expenditure	556,974	511,637	9%
Conference costs	576	54	-
Grants payable to partner organisation	15,500	-	-
Total	663,510	604,574	10%

Reserves

The Trustees' policy is to hold reserves to enable Prison Fellowship to plan and execute its important work over the medium term. This takes account of its commitments to prisons and staff as well as volatility in income. PF's unrestricted reserves at the year-end were £567,700 (2020/21 £643,806) a 12.0% decrease over the prior year. The absolute minimum monthly amount required to meet its financial obligations in insolvency is estimated at £90,000 (2020/21 £90,000).

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Company and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRISON FELLOWSHIP
(A company limited by guarantee)

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

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Griffin Stone Moscrop & Co, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Peter Harlock

.....
Mr Peter Harlock
(Chair of Trustees)
Date: 12 December 2022

PRISON FELLOWSHIP
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRISON FELLOWSHIP

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

PRISON FELLOWSHIP
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRISON FELLOWSHIP (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' 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.

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- 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 our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which 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 Trustees' 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.

PRISON FELLOWSHIP
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRISON FELLOWSHIP (CONTINUED)

Auditors' 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 Auditors' 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:

- carrying out substantive checking to supporting documents on a sample basis of individual transactions within income and expenditure to give comfort that on a sample basis the SOFA does not contain any irregular items;
- carrying out walk-through testing to verify that the charity's accounting systems and controls are being implemented as designed; and
- verifying that material balances within the Balance Sheet are supported by third party evidence to confirm the existence and valuation of these balances at the balance sheet date.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PRISON FELLOWSHIP
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRISON FELLOWSHIP (CONTINUED)

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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Smith (Senior statutory auditor)

for and on behalf of
Griffin Stone Moscrop & Co

Chartered Accountants
Statutory Auditors

21-27 Lamb's Conduit Street

London

WC1N 3GS

Date: 16/12/2022

PRISON FELLOWSHIP
(A company limited by guarantee)

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

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	3	221,540	372,121	593,661	715,367
Charitable activities	4	-	7,294	7,294	16,616
Investments	5	-	1,639	1,639	473
Other income		-	63	63	-
Total income		221,540	381,117	602,657	732,456
Expenditure on:					
Raising funds	6	-	90,460	90,460	92,883
Charitable activities	7	195,584	377,466	573,050	511,691
Total expenditure		195,584	467,926	663,510	604,574
Net income/(expenditure)		25,956	(86,809)	(60,853)	127,882
Transfers between funds	16	(10,703)	10,703	-	-
Net movement in funds		15,253	(76,106)	(60,853)	127,882
Reconciliation of funds:					
Total funds brought forward		191,287	643,806	835,093	707,211
Net movement in funds		15,253	(76,106)	(60,853)	127,882
Total funds carried forward		206,540	567,700	774,240	835,093

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 16 to 28 form part of these financial statements.

PRISON FELLOWSHIP
(A company limited by guarantee)
REGISTERED NUMBER: 05003795

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	5,990	10,340
		<u>5,990</u>	<u>10,340</u>
Current assets			
Debtors	13	15,281	18,682
Cash at bank and in hand		824,054	859,245
		<u>839,335</u>	<u>877,927</u>
Creditors: amounts falling due within one year	14	(71,085)	(53,174)
		<u>768,250</u>	<u>824,753</u>
Net current assets		<u>768,250</u>	<u>824,753</u>
Total assets less current liabilities		<u>774,240</u>	<u>835,093</u>
Net assets excluding pension asset		<u>774,240</u>	<u>835,093</u>
Total net assets		<u><u>774,240</u></u>	<u><u>835,093</u></u>
Charity funds			
Restricted funds	16	206,540	191,287
Unrestricted funds	16	567,700	643,806
		<u>774,240</u>	<u>835,093</u>
Total funds		<u><u>774,240</u></u>	<u><u>835,093</u></u>

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

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

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

Peter Harlock

.....
Mr Peter Harlock
 (Chair of Trustees)
 Date: 12 December 2022

Andrew Jordon

.....
Mr Andrew Roger Jordon
 Treasurer

The notes on pages 16 to 28 form part of these financial statements.

PRISON FELLOWSHIP
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Cash flows from operating activities		
Net cash used in operating activities	(35,666)	111,788
Cash flows from investing activities		
Dividends, interests and rents from investments	1,639	473
Purchase of tangible fixed assets	(1,164)	(3,709)
Net cash provided by/(used in) investing activities	475	(3,236)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	(35,191)	108,552
Cash and cash equivalents at the beginning of the year	859,245	750,693
Cash and cash equivalents at the end of the year	824,054	859,245

The notes on pages 16 to 28 form part of these financial statements

PRISON FELLOWSHIP
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. General Information

Prison Fellowship is a registered charity with the Charity Commission for England & Wales (charity number: 1102254) and a private company limited by guarantee, incorporated in England and Wales (company number: 05003795). The principal place of business can be found on the reference and administrative details page.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Prison Fellowship meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Income

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

Donations, together with any associated income tax recovery, are recognised when the donation is received. Legacies are included when the charity is entitled to the funds. Where valuation of legacies cannot be readily determined at the year end, in the case of unsold property or shares, the facts are disclosed as a note to the accounts and the income recognised when the valuation becomes available.

2.3 Expenditure

Expenditure on operational programmes is recognised in the period in which it is incurred. Grants payable to partner organisations for projects are included in the Statement of Financial Activities when approved by the Trustees.

Expenditure on raising funds includes the salaries and related on-costs of the staff who promote fund-raising; and direct expenditure on fund-raising initiatives.

All expenditure is inclusive of irrecoverable VAT.

2.4 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

PRISON FELLOWSHIP
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	25%
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2.6 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.7 Cash at bank and in hand

Cash at bank and 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.

2.8 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.9 Financial Instruments

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

2.10 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

PRISON FELLOWSHIP
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.11 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company 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 the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Income from donations and legacies

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Donations	133,498	270,179	403,677
Legacies	5,000	4,601	9,601
Grants from charitable trustees & partner bodies	82,823	96,641	179,464
Police Crime Commissioner	219	700	919
Total 2022	221,540	372,121	593,661

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Donations	188,262	307,745	496,007
Legacies	-	27,730	27,730
Grants from charitable trustees & partner bodies	68,352	102,155	170,507
Police Crime Commissioner	18,523	2,600	21,123
Total 2021	275,137	440,230	715,367

PRISON FELLOWSHIP
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

4. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £
Other income	7,294	7,294
Total 2022	<u>7,294</u>	<u>7,294</u>

	Unrestricted funds 2021 £	Total funds 2021 £
Other income	16,616	16,616
Total 2021	<u>16,616</u>	<u>16,616</u>

5. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £
Deposit account interest	1,639	1,639
Total 2022	<u>1,639</u>	<u>1,639</u>

	Unrestricted funds 2021 £	Total funds 2021 £
Deposit account interest	473	473
Total 2021	<u>473</u>	<u>473</u>

PRISON FELLOWSHIP
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

6. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2022 £	Total funds 2022 £
Staff costs	67,678	67,678
Other direct costs	22,782	22,782
Total 2022	90,460	90,460
	Unrestricted funds 2021 £	Total funds 2021 £
Staff costs	66,192	66,192
Other direct costs	26,691	26,691
Total 2021	92,883	92,883

7. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Operational Programmes	195,584	361,390	556,974
Conference	-	576	576
Grants payable to partner organisation	-	15,500	15,500
Total 2022	195,584	377,466	573,050

PRISON FELLOWSHIP
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

7. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Operational Programmes	249,524	262,113	511,637
Conference	-	54	54
Total 2021	249,524	262,167	511,691

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Operational Programmes	551,754	5,220	556,974
Conference	576	-	576
Grants payable to partner organisation	15,500	-	15,500
Total 2022	567,830	5,220	573,050

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Operational Programmes	506,922	4,715	511,637
Conference	54	-	54
Total 2021	506,976	4,715	511,691

PRISON FELLOWSHIP
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

9. Auditors' remuneration

	2022 £	2021 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<u>4,500</u>	<u>4,500</u>

10. Staff costs

	2022 £	2021 £
Wages and salaries	346,299	337,104
Social security costs	28,759	27,757
Contribution to defined contribution pension schemes	8,965	8,853
	<u>384,023</u>	<u>373,714</u>

The average number of persons employed by the Company during the year was as follows:

	2022 No.	2021 No.
Employees	<u>13</u>	<u>13</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022 No.	2021 No.
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-

The key management of personnel of the charity, comprise the trustees and the CEO. The total employee benefits of the key management of the charity were £87,000 (2020: £80,000).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 March 2022, no Trustee expenses have been incurred (2021 - £NIL).

PRISON FELLOWSHIP
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

12. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 April 2021	75,762
Additions	1,164
At 31 March 2022	<u>76,926</u>
Depreciation	
At 1 April 2021	65,421
Charge for the year	5,515
At 31 March 2022	<u>70,936</u>
Net book value	
At 31 March 2022	<u><u>5,990</u></u>
At 31 March 2021	<u><u>10,340</u></u>

13. Debtors

	2022 £	2021 £
Due within one year		
Other debtors and prepayments	13,037	15,108
Tax recoverable	2,244	3,574
	<u><u>15,281</u></u>	<u><u>18,682</u></u>

PRISON FELLOWSHIP
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

14. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	2,565	18,941
Other taxation and social security	8,558	8,177
Other creditors	45,028	21,486
Accruals and deferred income	14,934	4,570
	<u>71,085</u>	<u>53,174</u>

15. Financial Instruments

	2022 £	2021 £
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>824,054</u>	<u>859,245</u>

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

PRISON FELLOWSHIP
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers In/out £	Balance at 31 March 2022 £
Unrestricted funds					
General Funds	643,806	381,117	(467,926)	10,703	567,700
Restricted funds					
Angel Tree, held centrally	56,891	132,078	(106,186)	-	82,783
Sycamore Tree courses generally, held centrally	-	26,183	(26,183)	-	-
Sycamore Tree courses at specific prisons, held centrally	23,990	6,894	(4,381)	-	26,503
Volunteer Development	13,898	11,555	(11,555)	(13,898)	-
Other groups funds, held regional groups	52,471	13,882	(10,875)	(1,317)	54,161
Angel Tree, held by regional groups	44,037	30,948	(36,404)	4,512	43,093
	191,287	221,540	(195,584)	(10,703)	206,540
Total of funds	835,093	602,657	(663,510)	-	774,240

PRISON FELLOWSHIP
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

16. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Balance at 31 March 2021 £
Unrestricted funds				
General Funds	541,538	457,319	(355,051)	643,806
Restricted funds				
Angel Tree, held centrally	42,897	137,494	(123,500)	56,891
Sycamore Tree courses generally, held centrally	-	9,063	(9,063)	-
Sycamore Tree courses at specific prisons, held centrally	6,788	32,192	(14,990)	23,990
Volunteer Development	13,898	9,063	(9,063)	13,898
Other groups funds, held regional groups	55,306	20,744	(21,369)	54,681
Angel Tree, held by regional groups	46,785	52,037	(56,995)	41,827
	165,674	260,593	(234,980)	191,287
Total of funds	707,212	717,912	(590,031)	835,093

Angel Tree - *Angel Tree* provides Christmas presents for the children of prisoners, thus helping family links to be maintained.

Angel Tree funds held centrally - This fund represents *Angel Tree* monies held by PF central office.

Angel Tree funds held by locally - This fund represents *Angel Tree* monies held by PF local groups.

Sycamore Tree courses - *Sycamore Tree* courses are accredited programmes for prisoners on victim awareness and restorative justice. These funds represent donations that have been provided specifically to fund these courses; either across the sector, or in specific prisons or groups of prisons.

Other funds held by Local Groups - This represents balances held by local Prison Fellowship groups operating throughout England and Wales, for local Prison Fellowship related activities.

PRISON FELLOWSHIP
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	5,990	5,990
Current assets	206,540	632,795	839,335
Creditors due within one year	-	(71,085)	(71,085)
Total	206,540	567,700	774,240

Analysis of net assets between funds - prior year

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	10,340	10,340
Current assets	191,287	686,640	877,927
Creditors due within one year	-	(53,174)	(53,174)
Total	191,287	643,806	835,093

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(60,853)	127,882
Adjustments for:		
Depreciation charges	5,515	5,535
Dividends, interests and rents from investments	(1,639)	(473)
Decrease in debtors	3,401	2,693
Increase/(decrease) in creditors	17,910	(23,849)
Net cash provided by/(used in) operating activities	(35,666)	111,788

PRISON FELLOWSHIP
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

19. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	824,054	859,245
Total cash and cash equivalents	824,054	859,245

20. Analysis of changes in net debt

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	859,245	(35,191)	824,054
	859,245	(35,191)	824,054

21. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £8,965 (2021 - £8,853). No amounts were payable to the fund at the balance sheet date.

22. Operating lease commitments

At 31 March 2022 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	18,306	18,240
Later than 1 year and not later than 5 years	6,083	12,160
	24,389	30,400

23. Related party transactions

The charity received total donations of £3,705 (2021 - £nil) from the trustees during the year.