



Prison Advice and Care Trust (Pact)
Trustees' report and accounts
for the year ended 31 March 2023

A registered charity and company limited by guarantee

Charity registration number 219278

Company registration number 356443

www.prisonadvice.org.uk



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Reference and Administrative Details

President

His Eminence Cardinal Vincent Nichols

Vice President

Archbishop John Wilson

Trustees and directors

Paul Booton (resigned 12.10.2022)

Steve Bradford (appointed 12.10.2022)

Margaret Cripps (resigned 18.05.2022)

Cathy Corcoran OBE, vice chair (resigned
01.03.2023)

Alastair Gordon, honorary treasurer

Paula Harriott

Caroline Hattersley (appointed 17.05.2023)

James Horsted (appointed 06.07.2022),
appointed vice chair 17.05.2023

Tom Leman

Sarah Mann

Cleo Metcalf

Carolyn Robertson (appointed 06.07.2022)

Nick Smart (resigned 17.05.2023)

Phil Taylor OBE, chair

Chief executive and company secretary

Andrew Keen-Downs

Deputy chief executive and Pact Futures managing director

Ellen Green

Trading name

Pact

Charity number

219278

Company number

356443

Registered office

29 Peckham Road, London,
SE5 8UA

Solicitors

Bircham Dyson Bell
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Auditor

Haysmacintyre LLP Chartered
Accountants, Statutory Auditor
10 Queen Street Place, London,
EC4R 1AG

Bankers

CAF Bank
25 Kings Hill Avenue, Kings Hill,
West Malling, ME19 4JQ

Report from the CEO – looking back to 22/23

2022/23 was a year of expansion and change for Pact.

In October, the organisation grew substantially as we became the Family Services Provider in 24 new prisons. Pact is now by some distance the biggest provider in the sector, supporting families, significant others and prisoners in six out of ten public sector prisons. Our work in Probation and the CFO programme have continued to go from strength to strength. Our national services, including the HMPPS-funded Prisoners' Families Helpline and website, supported more worried families than ever before. Further, we have been commissioned to work with HMPPS Families/Safer Custody to role out a Communications Gateway for Families; providing training and resources to all prisons across England and Wales

Our innovative grant-funded projects continue to forge new pathways for people in the criminal justice system. Our flagship Routes 2 Change project in HMPs Brixton and Isis has continued to demonstrate the benefits of putting good relationships and family at the heart of prison regimes. New independent evaluation of our project to employ social workers in women's prisons highlighted their 'invaluable' impact in supporting mothers in prison. Our Dealt an ACE project in HMP Brinsford has supported over 70 men through a genuinely trauma-informed case-work approach. Our 'Journeys2Freedom' resettlement service for women in Kent and London has also continued to demonstrate great impact.

Our work to make a difference in the prison healthcare sector has continued to develop. In February, we published the *Nobody's Listening* report, which set out the many barriers that prevent families from getting involved in their loved ones' care. Using this report as a springboard, we now have a number of projects underway that seek to secure a greater role for families in helping to keep their loved ones safe and well whilst in prison.

In London, we have started a new pilot project supported by NHS England to give families and carers more of a say in how prison healthcare is delivered. We have also signed a new Memorandum of Understanding with Oxleas NHS Foundation Trust to share learning and improve the experience of patients and families in the prison system.

Our work depends entirely on the dedication and skill of our staff and our volunteers, who combine clear-eyed professionalism with humanity and compassion. This year saw the biggest ever growth in our workforce. I want to take this opportunity to thank them all for their dedication, courage and compassion. It takes a very special kind of person to work for Pact, and we are blessed with an extraordinary team.

I'd also like to thank all the partners and organisations with whom we work extremely closely, in particular, prison officers, probation practitioners, chaplains, prison healthcare teams and court officials, whose support we rely on every single day.

Finally, I want to thank everyone who makes our work possible with financial support, including HMPPS, NHS England, our generous donors, parishes and faith communities, charitable trusts and foundations, and our wonderful corporate partners. We look forward to working with you in the year ahead, to build bridges of hope and opportunity for people affected by prison.

Andy Keen-Downs, Pact CEO

Report from the Chairman – looking ahead to 23/24

These are difficult times for everyone as the cost-of-living crisis continues to bite. However, people who are affected by imprisonment – families and significant others – are being hit particularly hard as they struggle to cope with the financial and emotional impact of having a loved-one in prison.

The criminal justice system too continues to face major challenges. Instances of self-harm in prisons are near record levels; nearly one in four prisoners lives in over-crowded accommodation; rates of reoffending remain stubbornly high.

Looking ahead to 2023/24, people in prison and their families need the support of charities like Pact more than ever. Our focus remains on the needs of the people we serve, and on what we can do to offer them hope, care, and the chance of living good lives.

Our first priority will be to continue to deliver excellent levels of support to men and women in prison and to their children and families. We will develop and refine our services, based on listening to our service users, and evaluating our impact, to ensure they meet the needs of the people who rely on us to keep them in touch with family and loved-ones.

However, after last year's significant expansion, we are setting our sights on continued growth.

We have strong ambitions to extend our influence into prison healthcare. When families are involved in their loved-ones' care everyone benefits – prisoners, families, the criminal justice system and the NHS. However, our research shows that families are too often locked out of a system that fails to recognise their value as carers. We are already working with the NHS in London, but we believe that there is much broader scope for us to work alongside healthcare providers across England and Wales to address the serious challenges of health inequalities facing our service users.

A range of other opportunities will arise in the year ahead as HMPPS re-tenders a number of key contracts, including the next generation of CFO work which seeks to engage with many of the most socially excluded and marginalised people in prison.

Although times are tough, we continue to find funding to support innovative projects that pioneer new ways to support prisoners and their families. For example, a new five-year project in HMP Swansea to support the families of people caught up in the criminal justice system will get underway next year thanks to a £400,000 grant from National Lottery Wales. Equally we are hoping to share and embed the learnings from our flagship Routes 2 Change project more broadly across the prison estate.

There can be little doubt that 2023/24 will be a challenging year, not just for charitable organisations like Pact, but also for the many thousands of people who rely on our services. However, we look ahead with a real sense of optimism and excitement as we seek to continue our ambitious programme of growth.

Phil Taylor OBE, Pact Chairman

Board of Trustees' Report

The Board of Trustees (the Board) presents its report incorporating the directors' report, the Strategic Report for the purposes of the Companies Act and the audited consolidated accounts of Prison Advice and Care Trust (Pact), for the year ended 31 March 2023.

Objectives and activities

Pact's purpose

Pact's stated objectives are:

- To provide advice, information and support to people who are suffering or have suffered a legal restriction on their liberty in any penal or correctional institution.
- To provide advice, information and support to families and children of those people who are suffering or have suffered a legal restriction on their liberty in any penal or correctional institution.
- To work for the relief of poverty and sickness, and the advancement of education and training for prisoners, people with convictions, and their families and children.

What we do

Pact is a pioneering national charity that supports prisoners, people with convictions, and their children and families. We provide caring and life-changing services at every stage of the criminal justice process: in court, in prison, on release, and in the community.

Pact's vision is of a society in which justice is understood as a process of restoration and healing, in which prisons are used sparingly and as places of learning and rehabilitation, and in which the innate dignity and worth of every human being is valued. We work for the common good of Society, taking a public health based approach. We work at the intersection of criminal justice, child and family welfare, mental health, wellbeing provision and health and social care.

Our volunteers and staff can be found in courts, prisons, probation services, and in communities across England and Wales. We are a diverse, inclusive, modern, and collaborative charity. We build effective partnerships and sustainable solutions based on our well-established understanding

of the systems in which we work, and on our historic values and ethos developed through our 120+ years of service delivery.

Values and mission

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

Our values are:

- **Believe:** to respect the innate dignity and worth of every human being and believe in the possibility of their rehabilitation and redemption, no matter what they have done.
- **Listen:** to consult and involve users of our services to ensure that we remain responsive and sensitive to their needs.
- **Respect:** to respect and value diversity and promote equality of opportunity.
- **Co-operate:** to be a collaborative organisation, working cooperatively and in a spirit of partnership with Her Majesty's Prison and Probation Service (HMPPS) and organisations with whom we share objectives and where this may result in improved outcomes.
- **Learn:** to be a learning organisation, committed to developing our people, and to learning from others and from each other.
- **Excel:** to provide quality services, and to monitor and evaluate our work.
- **Involve:** to encourage and facilitate the involvement of volunteers and community and faith-based organisations to harness the goodwill, skills and energies of individuals who share our goals and values.
- **Connect:** to break down barriers between the prison system and communities.
- **Create:** to be innovative and develop models of working and best practice which may be mainstreamed by HMPPS and others.

Strategy and vision

In 2020-21, we revised our Routes to Change strategy following facilitated conversations with staff, trustees, volunteers, and those with lived experience of the criminal justice system.

Routes to Change vision

1. We will show the way forward in rehabilitation based on what it means to be a human being.

Our ambition is to change the way that rehabilitation is done in England and Wales. We will demonstrate a 'family first' approach - showing how it can be done and measuring the impact. We will build a new model of working in prison and in the community, providing a continuum of care from the court to post-release. In doing so we will enable families to survive the impact of prison and build, maintain and strengthen good relationships and relationship skills. We will put

Lord Farmer's recommendations into action and be the antidote to a justice system that so often breaks up families.

In achieving this ambition, we will have the courage to be counter-cultural and we will change the language: we will not talk about 'offenders,' we will talk about 'people.'

2. Our refreshed volunteering strategy

We have refreshed our Vision for Volunteering, drawing on our experience and learning during the pandemic. We will renew our commitment to excellence in supporting people from local communities, including faith communities, to make a positive difference to the lives of people affected by imprisonment. We will also invest in our capacity to enable more people with lived experience of prison to volunteer as peer support volunteers in custody and in the community, have recruited a dedicated management role to lead on this work. We will focus on the needs of people in prison, particularly young people, and people from minoritised communities, who have no positive family or social contact, and plan to develop our own volunteering programme to respond to this need as part of our prison-based Family and Significant Other (FaSOS) services.

3. We will be excellent at collaborative working.

We will renew our efforts to widen and strengthen our networks, partnerships and relationships and encourage a shared sense of pride in our achievements.

Our work is dependent on the good will and cooperation of HMPPS staff including prison governors. We work with chaplains, court officials, judges, police representatives and academics as well as with parliamentarians, commissioners from the public, private and voluntary sectors and the media. We work collegiately with other charities. Most importantly we work with the people we serve to support them in finding their own solutions. We will build extensive networks of support and continue to grow awareness of our brand.

4. We will work to the principle of 'not about us without us'.

We will not speak on behalf of the people we serve but instead provide opportunities for service users' voices to be heard by those with power to make change. We will support, facilitate, and equip the people we serve to speak for themselves. This will be embedded as core Pact practice.

We will continue to demonstrate our commitment to meaningful service user participation in service development and design; in reviewing our performance and in our communications with Government, the media, and people in authority. We will continue to listen to our service users and empower them to be their own advocates. We will respect the expertise of those with lived experience of the justice system. To this end, we have recruited a dedicated Service User Involvement Manager to ensure this remains at the forefront of our practice.

5. We will empower our people to achieve excellence.

We recognise that the people who work for Pact do the most difficult and demanding work in challenging environments with little public appreciation. We understand that the first principle of caring for others is to care for ourselves. We will do all we can to empower the people who work for us to deliver excellence in their work. We will enable them to develop their talents. We will hear their feedback and strive to remove the obstacles that get in their way. We will ensure Pact

workers – whether paid or voluntary – feel safe, supported, equipped and competent. We will ensure that they feel that they belong to a team and are proud to be a part of Pact.

6. We will stay true.

We will continue to ensure that we recruit and manage people based on their personal values, authenticity, and integrity as much as their competence. The core competence of every Pact worker is the capability to listen, reflect, learn, and develop.

We continually seek ways to test our actions against our mission, vision and values and we continue developing as a 'learning organisation': we will continue to listen to our service users, colleagues, partners and key stakeholders. Our service users tell us that the people we recruit should be well-informed and expert – but also genuine, caring, non-judgemental and dependable. We will ensure that the Pact brand is a guarantee of these qualities.

We will also continue to demonstrate our complete commitment to full equality of opportunity for all and ensuring our services are available to everyone who needs them. We are committed to working for a society in which the innate dignity of every person is upheld and defended regardless of faith, gender, ethnic origin, sexual orientation, disability, or other characteristics.

7. We will remember and care for our roots.

Pact is a diverse and fully inclusive modern charity which is firmly rooted in the Christian faith and inspired by Catholic Social Teaching. This is the historical and living source of our work and values.

We will continue to nurture and strengthen our roots and networks of support within the Catholic community and more widely.

Our activities

Pact provides support to prisoners, people with convictions, and their children and families at every stage of the criminal justice process: in court, in prison, on release, and in the community. Our services and activities include:

- prison-based family casework
- personalised casework support
- prison-based social work in two women's prisons
- prison family and visitors' centres
- prison- and community-based relationship and parenting education
- 'through the gate' mentoring and befriending programmes
- children's play services in prison settings
- refreshment services
- arts and educational initiatives
- managing the national Prisoners' Families Helpline under contract to HMPPS
- a free, confidential befriending service for prisoners' families
- peer support groups for prisoners' family members
- support for defendants' families in court
- discretionary welfare grants for individuals in need

We also support practitioners through providing training and advice, and we inform and advise policy and decision-makers. We continue to innovate and test out new approaches and ways of achieving the best possible outcomes.

Our work is broken down into four key areas:

- 1. Building stronger families and safer communities** by means of high-quality family services, targeted support, volunteer befrienders and partnership working, thereby reducing the risk of reoffending and intergenerational offending.
- 2. Reducing risk of harm to prisoners and their children** through the provision of family support services, particularly during the early days of custody.
- 3. Removing barriers and increasing awareness in public services** to achieve improved outcomes for our service users through supporting practitioners from the voluntary, public, and private sectors via training, resources, information, and advice.
- 4. Influencing commissioning, policy, and legislation** through our role as an advocate for the people we serve; through building the evidence base of outcomes from our work, and through constructive dialogue with commissioners and government officials.

Public benefit statement

All the activities described further Pact's purposes for the public benefit and the Trustees consider they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

Performance and achievements

2022/23 was a strong year for Pact where it exceeded its budgeted income and maintained its cash position whilst delivering significant growth.

Family and Significant Other Services

In 2022/23 Pact rebid for contracts for the Family and Significant Other Services contracts at both existing locations and new ones. Pact won contracts for 62 out of the 66 prisons we bid for. Services commissioned through this route have been expanded incorporating support for prisoners and families accessing secure video calls and to see how we can support prisoners and their families where there have been no visits. The new contracts were mobilised for a start on 1st October 2022 which, with the support of the HMPSS, are all operational and meeting key KPIs. The Service represents approximately 40% of Pact's activities.

The 2017 Family Services contracts ran until 30th September 2022. Contracts which Pact were sadly not re-awarded (Cardiff, Usk, Prescoed and Berwyn) were transferred to new providers and the staff moved across to the new employer via TUPE; although we were delighted to be able to retain and promote two of the five staff members.

As from 1st October 2022, there has been a change in how the Cafes at Prison Visits Halls are run. Whilst Pact is responsible for their running and Environmental Health registration; HMPPS are utilising their buying power so that the prisons are responsible for the purchase of stock and accounting.

Criminal Justice Healthcare

In 2022/23 Pact started to develop its offering in the Criminal Justice Health arena. This was based on a review of our current delivery and impact which highlighted the preventative role we play at the intersection between health and justice. Our staff members build trusting and supportive relationships with service users to build and support their relationship and provide emotional and practical support; helping them to reduce anxiety and self-harm and develop coping strategies. Our services actively listen to the voices of our service users; supporting them to share their views and have their voices heard. To this end Pact commissioned a report ['Nobody's Listening'](#) which was launched at a Round Table sponsored by the Kings Fund in early 2023.

This approach has resonated in the world of Criminal Justice health with Pact being commissioned for our first health contract with NHS England; delivering the first Patient and Public Voice for families and carers for prisons in partnership with the London team. Further, our staff are systems integrators bringing together HMPPS, Health, Family providers and families to support continuity of care throughout the criminal justice system with a particular focus around key transition points where there are likely to be heightened anxiety and the potential for loss of contact with key supporters; such as first night and early days in custody, court returns, transfers and release.

Recognising the strength of this work; we have signed an MoU with Oxleas NHS Trust to develop shared practice and learning between family work and healthcare and are piloting this work at HMP Wandsworth where both organisations have a strong presence

CFO

Our CFO programmes continue to go from strength to strength. We have increased the number of caseworkers so are able to support more prisoners in engaging in support and moving towards the labour market. Our mentoring programme across the South East has delivered over 50% more interventions than contracted for as take up remains high.

Within the activity hubs staff continue to provide support for people needing advice and support around their family, parenting and relationship needs as well as social integration.

We have been able to work with partners across our programmes to develop models which are service user lead and focused to achieve the best possible outcomes.

We continue to work with partners to innovate and prepare for the forthcoming tendering round for the new CFO Evolution which replaces the programmes in 2024.

Probation

Probation services continue to run well and strong relationships are in place within the supply chains in which we operate.

Whilst referral levels continue to be lower than anticipated we are able to provide a high quality service that is tailored to meet service user needs with the teams involved in the Operational Assistance and Assurance Group (OSAG) audits.

Nationally, market engagement events are starting to commence for the new rounds of contracting from 2024.

Restricted Funding

Pact runs a range of innovative programmes via Government, Corporates and Trust & Foundations grants. Particular examples include:

- Routes to Change: developing a model of good practice for different aspects of family and relationship focused programmes to support system change in the way that families are viewed.
- Prisoners Families Helpline and Communications Gateway: Pact successfully retendered for the helpline and website and has been awarded a further grant to continue to run these services and develop their capacity. In particular, we have seen the significant benefits reaped of greater publicity and visibility with over 36,000 contacts made. A busy year ahead is planned with the roll out of the pilot programme under our Communications Gateway grant to ensure this is in place for all prisons across the UK.
- Together a Chance: piloting Social Workers in two women's prisons (Eastwood Park and Send) for the first time. In June the University of Cardiff published its [Interim Evaluation report](#) setting out the impact of the project.
- Over the past 12 months funding from Awards for All Wales has allowed us to run 'Hear Our Voice' within the prison supporting Families' Forums and developing our relationship with the Courts and Schools around HMP Swansea. On the back of this we have been able to secure funding from Awards for All England to roll this out across our South Yorkshire prisons and through the Sony Music Foundation in three East Midlands prisons.

Corporate Development

Development Plan to strengthen our capacity for future growth and to ensure that we can continue to maintain standards of excellence. We created a Designated Fund for this purpose, as previously reported. During the year, we drew down the funding to strengthen our operations in Finance, HR, Health and Safety, and Data Protection. In the year, we were pleased to recruit two new colleagues to the Senior Leadership Team. Suzanne Davies joined us as our Director of Finance and IT and the Nick Mann, new Director of Communications and Engagement.

Looking to the future

We fully recognise the very serious global and economic difficulties, including the cost-of-living crisis, spiralling inflation, and the environmental challenges of global warming, which are likely to have a major impact on economies. The tragic war in Ukraine, and other wars and crises, continue to create a sense of fear and anxiety. We live in difficult times. Within our own specialist and often hidden environment, we face unprecedented challenges. In every sector within the world of criminal justice we are facing a workforce crisis, from the courts and industrial action by

Barristers, to the staffing crisis within the Prison Service, to a major shortfall of probation officers. Political changes and uncertainty, and the merry-go-round of Ministerial appointments creates a risk of inertia and anxiety within the system. While we remain clear-eyed about these many challenges, most of which are far beyond our control, our focus remains on the needs of the people we serve, and on what we can do to offer them hope, care, and the chance of living good lives.

In 2023/24, the main focus of our activities will be to:-

- Ensure the beneficiaries of the new FaSOS contracts receive an excellent level of support and we continue to work with HMPPS colleagues to develop and refine our service offer in light of identified needs.
- Expand the criminal justice healthcare contracts into new areas
- To be successful with a range of partnerships under the next generation of the CFO contracts and to ensure we continue to support those hard to reach prisoners.
- Probation contracts continue to develop, as we prepare for the new round of contracting.
- We continue to find restricted funding to support our imaginative and proactive programme to deliver better outcomes for prisoners and their families.
- We continue to use technology to strengthen our corporate operations and 2023/24 will be a year where further technology is introduced

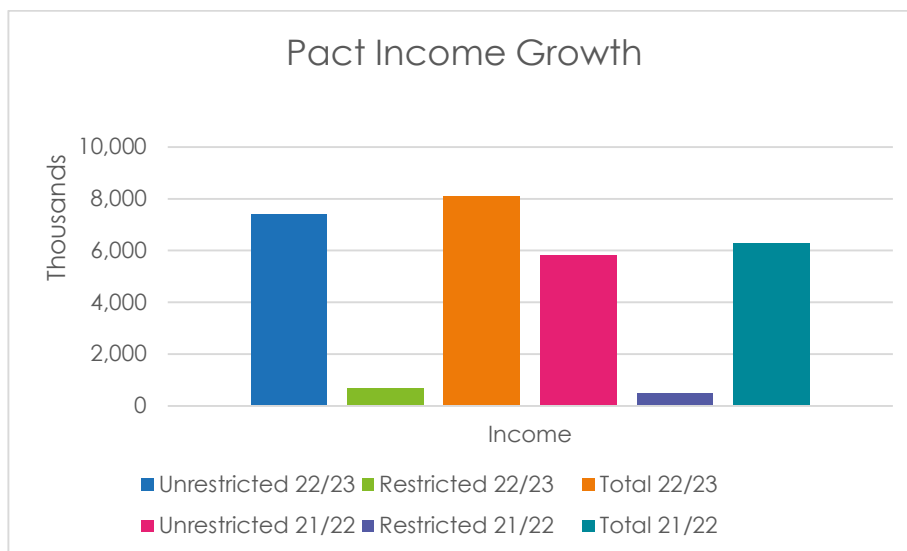
Our Supporters

We continue to enjoy fruitful relationships with philanthropic foundations, parishes, individual supporters, and corporate partners, which enable us to continue to innovate and test out new ideas, while simultaneously providing basic caring services that respond to the immediate emergencies facing people who are on the very margins of society.

We also continue to be blessed by the kindness and encouragement of the Church and of so many faith communities and people of faith who share our sense of mission, and our understanding of the Gospel call to action 'I was in prison, and you visited me.'

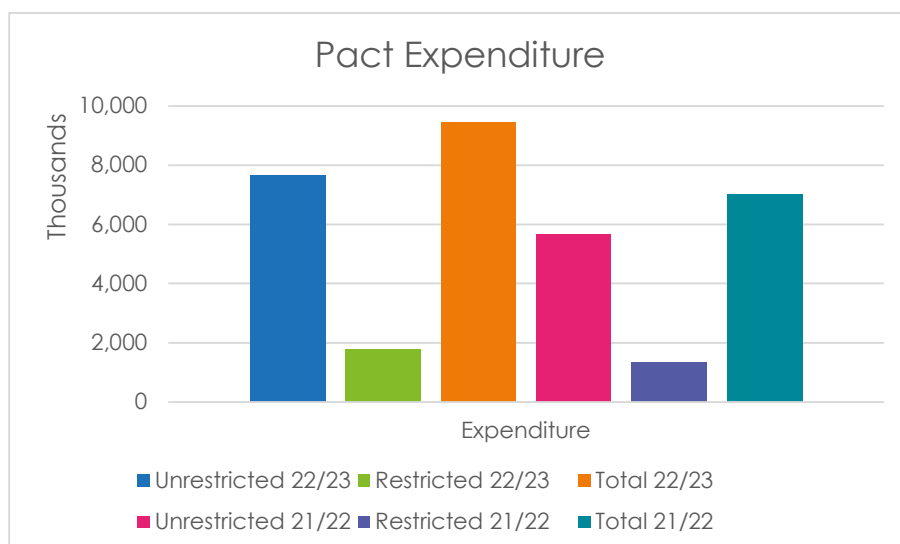
Financial Review

Income for the year totalled £8,089,000 (2022: £6,275,000), which comprised of unrestricted funds of £7,405,000 (2022: £5,797,000) and restricted funds of £684,000 (2022: £478,000). Hence, income has increased in both unrestricted and restricted categories.



Unrestricted income grew significantly as Pact was successful in bidding for Ministry of Justice contracts. Hence, from 1 October 2022, Pact operates in 65 Prisons, increasing our footprint by 24 Prisons. Restricted income consists of multi-year grants which are recognised on award for the full grant period, rather than when the grant is utilised, which is in accordance with financial regulations.

Expenditure totalled £9,462,000 (2022: £7,017,000) which comprised of unrestricted expenditure of £7,674,000 (2022: £5,673,000) and restricted of £1,788,000 (2022: £ 1,344,000). The increase in expenditure indicates our increased activity associated with the new contracts won and commenced on 1st October 2022. The growth in restricted expenditure demonstrates the growth in activity on the multi-year grants won in earlier years.



The result for the year was a deficit of £289,000 on unrestricted funds and a spend down of restricted funds £1,104,000. The unrestricted deficit represents the use of the Designated Development Fund (see note 11) and was budgeted and agreed by the Senior Leadership Team and Trustees. The Designated Development Fund is being used to develop the sustainability of Pact with the associated central infrastructure .

Although cash and short-term deposits decreased to £2,261,000 on 31 March 2023 (2022: £2,672,000), investments have increased to £503,000 (2022: £423,000) giving the charity a sound financial platform for 2023/24.

In April 2023, a financial fraud committed by a member of our Finance team against the charity was discovered by our Finance Director. Internal investigations revealed that this had occurred over a three-year period up to December 2022, at which time, Pact had introduced new processes and financial controls. The fraud was immediately reported to the CEO, who promptly notified the Board and the police. The CEO reported it as a serious incident to the Charity Commission, using the formal S.I.R. process. The Charity Commission have confirmed that the charity's trustees are managing the situation appropriately. It was also reported to relevant commissioners and funders in line with grant agreements. The method taken to defraud the charity consisted of a "fake" IT supplier being created to receive fraudulent payments, with a sophisticated set of false documents to make the payments appear legitimate. It was initiated during the period when Government Covid regulations barred staff from the charity's central office, and when it was necessary for Pact to invest heavily in new IT equipment at pace, to facilitate remote working. Over the three years the fraud amounted to £163,000. The fraud's discovery was a result of Pact's new controls and stronger financial management brought in through use of the Development Fund to enhance our central functions. The specific circumstances that surrounded the fraudulent activity have been reviewed by the Senior Leadership Team and the Trustees. We have reviewed our internal systems and processes, and our accounting and banking arrangements. Immediate steps have been taken to minimise the risk of recurrence, and a 'Lessons Learned' document has been compiled as the basis for further improvements to be made. The upcoming further technological enhancements, such as improved banking facilities and a next generation finance system, will further enhance the robustness of the organisation's anti-fraud controls. The perpetrator was dismissed on the grounds of Gross Misconduct, and following a trial, was given a suspended sentence and ordered to repay £100,000 to the charity in monthly instalments. Pact have also initiated a civil claim.

Reserves and reserves policy

The Trustees recognise that Pact needs to hold a certain level of free reserves. This is to cover areas for which it is difficult to secure funding, such as innovative research and service user participation, as well as to mitigate the risk of lower income or higher costs than expected. The main risks arise from the need to cover unfunded exit costs on projects and services coming to an end, failure to achieve expected income targets from fundraising, failure to achieve expected results on payment-by-results contracts, unexpected delays to new projects and services, unexpected reductions in value of existing projects and services, and potential legal fees and bad debts.

The Trustees have reviewed the level of reserves required to cover these eventualities. In line with good practice, they have opted to link the target level of free reserves directly to a detailed analysis of the risks, the likely impact of those risks, and the probability of them occurring. This translates to an optimum free reserves level between £946,000 and £1,090,000. The actual free reserves level on 31 March 2023 was £935,000 (2022: £957,000). The Trustees recognise the reserves are only just within the optimum level of reserves. Hence, the Trustees continue to control costs, have set a small deficit budget, and continue to pursue continued growth. They will keep the optimum free reserves level under review as Pact's activity and risk levels change.

Our reserves policy considers the commercial risks we need to manage as a charity and our target level of free reserves adjusts according to changing risks and our growth in income and costs. We continue to tightly control our expenditure, actively work with the Ministry of Justice to keep overdue debts to a minimum, set fully costed and realistic budgets, and focus on generating income from a wide range of sources, including donations and core grants as well as new contracts for services.

The use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of Pact to continue as a going concern.

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

Investment policy

Under Pact's articles of association, the Board have the power to invest in such assets as they see fit. The objective, as outlined in Pact's investment policy, is to produce the best financial return from Pact's investments at an acceptable level of risk. For short-term reserves, the aim remains to preserve the capital value with a minimum level of risk, with assets being readily available to meet unanticipated cash-flow requirements at short notice. This will be balanced by gradual investment in longer-term reserves as and when funds become available. The long-term aim is to generate an above-inflation return while generating an income to support Pact's ongoing activities. The Trustees recognise that the investment market has shown some level of volatility but are confident that the investments will be used to sustain the Charity over the medium to long term.

Pact invests as far as possible in line with its charitable aims, endeavouring to balance maximising income for our work with our wider social responsibilities as a charity operating in accordance with Catholic Social Teaching. Our preference is for investments that help to maintain wellbeing for the economic, social, and natural environments, as expressed in the appeal by Pope Francis, *Laudato Si' (On Care for our Common Home)*. We are also guided by the principle of solidarity with those who are poor and marginalised and seek social justice.

Fundraising

During the financial year to 31 March 2023, Pact raised more than **£1,300,000** to support prisoners, people with convictions, their children and families. Funds raised provided much-needed support for Pact's core services, as well as new projects.

We do not make use of any commercial third parties or agents to raise funds for the charity, nor do we pay any commission or bonuses to our staff or volunteers who work hard to raise our funds. We are registered with the Fundraising Regulator, the independent regulator of charitable fundraising in England, Wales and Northern Ireland. We abide by the Fundraising Code and Standards as set out by this body. We have received no complaints regarding our fundraising activities during the year.

We are incredibly grateful to the many trusts, foundations, companies, statutory organisations, parishes, and individuals who have been so generous in their support of Pact's work over the past year, including those listed below, as well as others who prefer to remain anonymous.

As ever, we thank them for the many ways in which they have shown their commitment to us, and for their encouragement and their shared understanding of the importance of our work.

Trusts and Foundations

1772 Charity (Debtors' Relief Funds Charity)

Albert Hunt Trust

Barrow Cadbury Trust

BBC Children In Need

Bell Foundation

Belpech Trust

Benefact Trust

Casa Stella Trust

Charles Hayward Foundation

Charlotte Marshall Charitable Trust

CHK Foundation

City Bridge Trust

Clinks & Criminal Justice Wales

Colyer-Fergusson Charitable Trust

Comic Relief

Community Foundation for Surrey

David Isaacs Fund

Drapers' Charitable Fund

Edith Bessie Gibson Trust

Edith Murphy Foundation

Edward & Dorothy Cadbury Trust

Eleanor Rathbone Charitable Trust

Esmée Fairbairn Foundation

Eveson Trust

Florence Turner Trust

Prison Advice & Care Trust (Pact)**Trustees' report and accounts for the year ended 31 March 2023**

Forest Hill Charitable Trust
Garfield Weston Foundation
Give for Good Russell Family Charitable Trust
Grantham Yorke Trust
Hadley Trust
Hanley Trust
Harold Hyam Wingate Foundation
Helen Jean Cope Charity
Inner London Magistrates Court's Poor Box Charity
Jeanne Marie Gunn Trust
Jerusalem Trust
John Lyon's Charity
Jones 1986 Charitable Trust
Lawson Trust

Leigh Trust
Liz and Terry Bramall Foundation
London Catalyst Fund
London Housing Foundation
Marsh Charitable Trust
Mary Homfray Charitable Trust
Maurice And Hilda Laing Charitable Trust
Michael Marsh Charitable Trust
Moondance Foundation
National Lottery Community Fund
Our Lady of Fatima Trust
Rayne Foundation
Redbreast Trust
Rhododendron Trust
ShareGift (Orr Mackintosh Foundation Ltd)
Sheriffs' & Recorder's Fund
Simon Gibson Charitable Trust
Simpson Foundation
Sir Halley Stewart Trust
Sir Harold Hood's Charitable Trust
Sir James Roll Charitable Trust
Sir Pierce Lacy Charity Trust
Sisters of the Holy Cross Charitable Trust
Sisters of St Joseph of Peace
Smallwood Trust
Souter Charitable Trust
Swire Charitable Trust
Sylvia Adams Charitable Trust
Vintners' Charity
Volant Charitable Trust
Westhill
White Oak Charitable Trust

Woodhaven Trust
Zochonis Charitable Trust

Corporate Supporters

Alson & Bird
BlackRock
CCLA Investment Management
Croudace Homes Group
London Stock Exchange Group
Matrix Chambers
Mind Gym
Pinsent Masons
Spectrum Community Health
Unilink Software
Voluntary Solidarity Fund

Key Risks

In 2022/23 our focus was on building back post the global pandemic across our wide range of services and supporting the expansion of our family services growth. The key three risks which we are managing are as follows:

- Staff recruitment and retention, which remains challenging, especially in areas where there is high competition for staff reflecting the cost-of-living crisis and UK shortage of labour.
- The health and safety, wellbeing and mental health of our staff, volunteers, service users, and HMPPS colleagues, within a high-pressure environment.
- The risk to data and of cyber attack where the environment and the threats are continuously becoming more sophisticated.

Additional key organisational risks which Trustees continue to monitor are:-

- Ensuring that we continue to focus on our charitable mission and stay true to our values and culture as we grow and develop within a justice sector that has become increasingly market-driven and under strain.
- Protecting our brand to ensure we continue to provide a high level of service in an environment of cost cutting.
- Ensuring Pact remains financially stable in a period of growth and expansion into new areas of activity.

Risk register

The Trustees and Senior Leadership Team (SLT) continued to work together to maintain and review a corporate risk register that identifies the principal and significant risks facing us.

As with previous years, risks were grouped against our strategic objectives with each SLT member responsible for the oversight of the risks in their area. All risks are reviewed by the SLT with key organisational risks shared with the Board.

Our risk register is a living document that is part of our strategic planning pack and is reviewed twice a year and updated by the Deputy CEO and reviewed by our SLT and Board. Our risk register also forms a central part of our ISO 27001 compliance and audit and is subject to external scrutiny.

Risks are assessed by probability and impact, and we put strategies in place to minimise the likelihood of their occurrence where possible and to mitigate their impact should they occur.

We are committed to being a learning organisation, and so the Board and SLT regularly review what can be learned from the challenges we face and how we can make things work better in the future. Lessons learned are fed into our process of reviewing our policies and procedures, training, management, and recruitment practices.

Pact Futures CIC

Our wholly owned subsidiary, Pact Futures CIC (Community Interest Company) was merged into Pact on 30th June 2023. The Boards of both Pact Futures and Pact decided that the two organisations aligned and hence were merged into one company. The activities of Pact Futures have continued within Pact.

We were delighted that Carolyn Robertson rejoined Pact's Board of Trustees and that Jim Horsted has moved across and become a Pact Trustee and now Vice Chair.

Our thanks go out to our Non-Executive Directors for all their time and effort in supporting Pact Futures CIC; in particular Adrian Masters, our Chair, and Christine Chang, Director and Finance Lead who have stepped down from their Directorships.

Structure, governance, and management

Pact is a charitable company limited by guarantee and governed by its memorandum and articles of association as amended by special resolutions dated 18 April 2000, 18 July 2012 and 17 May 2023. Pact started operating in 1898 as the Catholic Prisoners' Aid Society and was incorporated on 1 September 1939.

The Board is Pact's governing body and is responsible for establishing Pact's policies in relation to the furtherance of its charitable objectives. There are between six and 15 Trustees on the Board and new Trustees are appointed by existing Trustees from time to time, based on a process of regular review of the capabilities and expertise of the Board, and the evolving needs of the charity. Prospective Trustees are interviewed and invited to submit an application, and if this is approved at a Trustee meeting, they are initially invited to attend a Board meeting on a co-opted basis. An induction pack is provided which, together with meeting the CEO and Chairman, visits to projects and Central Office, and background reading, form a comprehensive introduction to the charity.

The Board has a clear governance role, approving the strategy and annual budgets. Trustees ensure risk is well understood and managed, and that the charity is operating legally, that we are maximising our income, and operating in full compliance with our charitable objectives, ethos, and values. The Board appoints and delegates the delivery of the strategy and management of the operation of the charity to the CEO, who in turn appoints and manages the Senior Leadership Team, advises the Board, and provides direction and leadership for the staff and volunteers. The Board and CEO work in a spirit of partnership to develop strategy, review performance, and ensure that we maximise our impact for our beneficiaries, drawing on consultation with our service users, volunteers, staff, and key stakeholders.

A sub-committee of the Board, the Remuneration Committee, is responsible for setting the CEO's pay. The Remuneration Committee takes into account the responsibilities of the role and the need to set a competitive salary compared to organisations of a similar size and scope to Pact, balanced against what is affordable for Pact. The CEO is, in turn, responsible for setting the pay of other Senior Leadership Team members (Deputy Chief Executive, Director of Services, Assistant Director of Services, Director of Human Resources and Workforce Development, and Director of Finance & ICT and Director of Communications). This involves maintaining a job evaluation system to account for the responsibilities of each role and periodically carrying out external benchmarking against similar roles, using an external consultant to assist with this process where required.

A further sub-committee of the Board, the Finance and Business Development Committee, scrutinises Pact's financial affairs including annual budgets and reforecasts, management accounts, tax matters, investment decisions, and financial and accounting policies. The committee also liaises with the auditor and reviews the performance of Pact's external investment advisers.

Trustees have adopted the practice of monitoring and recording individual Trustee attendance at general meetings. The attendance register is available on request.

During the year, the Board, with the assistance of the CEO, began to review its governance practices, and considered matters such as maximum periods and terms of office for Trustees, the method of appointment of officers of the Board and Trustee self-assessments. The Board also considered succession planning within the Board, and explored how the charity's strategic development and evolution might best be supported by the mix of talents, experience, and perspectives of the Trustee body. This work will continue into 2023/24.

Statement of Trustees' responsibilities

The Trustees, who are also the Directors of Pact for the purposes of company law, are responsible for preparing the Trustees' report and accounts in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of Pact and of the incoming resources and application of resources, including the income and expenditure, of Pact for that period.

In preparing those accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (Statement of Recommended Practice);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on a going concern basis unless it is inappropriate to assume that Pact will continue on that basis.

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

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps 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 Pact's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislations in other jurisdictions. In approving this Trustee Report, the Trustees are also approving the Strategic Report included herein in their capacity as Company Directors.

Approved by the Board of Trustees on 20th September 2023 and signed on its behalf by

Phil Taylor

Andy Keen-Downs

Phil Taylor OBE
Chair

Andrew Keen-Downs
Company Secretary

Independent Auditor's Report to the Members of Prison Advice and Care Trust

Opinion

We have audited the consolidated financial statements of Prison Care and Advice Trust for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Statements of Cash Flows, 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 group's and of the parent charitable company's affairs as at 31 March 2023 and of the group's and parent charitable company's net movement in funds, including the 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 group 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 group's

ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 (which includes the strategic report and 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 strategic report and the directors' report included within the Trustees' Report have 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 20 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 group's and the parent 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 group or the parent 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:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to employment law, health and safety regulations and safeguarding, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011 and payroll taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to recognition of income and management bias in certain accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their critical 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.

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

Use of our report

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

Lee Stokes

Lee Stokes

(Senior Statutory Auditor)

10 Queen Street Place

For and on behalf of Haysmacintyre LLP, Statutory Auditor

EC4R 1AG

London

Date: 27th September 2023

Prison Advice & Care Trust (Pact)

Consolidated statement of financial activities (including consolidated income and expenditure account) for the year ended 31 March 2023

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	<i>Total 2022 £'000</i>
Income from:					
Donations and legacies	2	425	-	425	354
Charitable activities		6,965	684	7,649	5,920
Investments		15	-	15	1
Total income		<u>7,405</u>	<u>684</u>	<u>8,089</u>	<u>6,275</u>
Expenditure on:					
Raising funds		234	-	234	228
Charitable activities:					
Building stronger families and safer communities		4,078	894	4,972	3,679
Reducing risk of harm to prisoners and their children		2,237	572	2,809	2,059
Removing barriers and increasing awareness in public services		675	197	872	633
Influencing commissioning, policy and legislation		450	125	575	418
Total expenditure	3	<u>7,674</u>	<u>1,788</u>	<u>9,462</u>	<u>7,017</u>
Net gains/(losses) on investments	8	(20)	-	(20)	8
Net (Expenditure)		(289)	(1,104)	(1,393)	(734)
Funds brought forward at 1st April 2022		1,595	2,579	4,174	4,909
Funds at 31 March 2023	13	<u>1,306</u>	<u>1,475</u>	<u>2,781</u>	<u>4,175</u>

All of the above results derive from continuing activities. All gains and losses recognised in the year are included above. Full comparative figures for the year ended 31 March 2022 are shown in note 18. Notes 1 to 18 form an integral part of these accounts.

Prison Advice & Care Trust (Pact)

Consolidated and charity balance sheets as at 31 March 2023

		Group		Charity	
	Note	2023	2022	2023	2022
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	7	7	11	7	11
Investments	8	503	423	504	514
		<u>510</u>	<u>434</u>	<u>511</u>	<u>525</u>
Current assets					
Stocks		-	13	-	13
Debtors	9	1,423	2,294	1,423	2,300
Short-term deposits		2,250	1,972	2,250	1,972
Cash at bank and in hand		11	700	11	133
		<u>3,684</u>	<u>4,979</u>	<u>3,684</u>	<u>4,418</u>
Creditors: amounts falling due within one year					
	10	<u>1,413</u>	<u>1,238</u>	<u>1,413</u>	<u>945</u>
Net current assets					
		<u>2,271</u>	<u>3,741</u>	<u>2,271</u>	<u>3,473</u>
Net assets					
		<u>2,781</u>	<u>4,175</u>	<u>2,782</u>	<u>3,998</u>
Funds					
Unrestricted general funds		1,189	1,169	1,190	1,031
Unrestricted designated funds	11	117	427	117	388
Restricted Funds	12	1,475	2,579	1,475	2,579
Total charity funds					
	13	<u>2,781</u>	<u>4,175</u>	<u>2,782</u>	<u>3,998</u>

The accounts were approved and authorised for issue by the board of trustees on 20 September 2023 and signed on its behalf by

Chair

Treasurer

Company no. 356443

The parent company alone, and including restricted, had total income of £7,815,000, total expenditure of £9,459,000, net gain on acquisition of PactFutures of £449,000, net loss on investments of £20,000, and net loss of £1,215,000. Notes 1 to 18 form an integral part of these accounts.

Prison Advice & Care Trust (Pact)

Consolidated and charity statement of cashflows for the year ended 31 March 2023

		Group		Charity	
		2023	2022	2023	2022
	Note	£'000	£'000	£'000	£'000
Cashflows from operating activities	19	(325)	217	151	141
Cashflows from investing activities					
Interest income		15	1	15	1
Purchase of fixed asset investments		(100)	(300)	(100)	(300)
Cash provided by/(used in) investing		(85)	(299)	(85)	(299)
Increase/(decrease) in cash and cash equivalents in the year		(410)	(82)	66	(158)
Cash and cash equivalents at the beginning of the year		2,671	2,753	2,104	2,262
Cash and cash equivalents at the end of the year		2,261	2,671	2,170	2,104

Notes 1 to 18 form an integral part of these accounts.

1. Accounting policies

The principal accounting policies adopted are as follows:

1.1 Basis of accounting

The accounts 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 1 January 2019) (SORP FRS 102), FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Companies Act 2006.

Pact 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 note.

During the year Pact acquired its subsidiary company Pact Futures Community Interest Company. The transactions prior to the acquisition have been consolidated on a line-by-line basis. Further details of the acquisition are laid out in Note 8.

1.2 Going concern

The trustees consider that there are no material uncertainties regarding the charity's ability to continue as a going concern.

1.3 Critical accounting judgements and estimates

In preparing these accounts, management has made judgements, estimates and assumptions that affect the application of the charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the accounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. No critical judgements were required.

1.4 Income

Income from donations, appeals and legacies is included in the income and expenditure account when received. Other income is credited to the income and expenditure accounts when it becomes receivable. Income is deferred only if Pact has to fulfil conditions before becoming entitled to it or if the donor has specified that it be expended in a future period.

1.5 Expenditure

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

1. Accounting policies (continued)

1.6 Fund accounting

Unrestricted general funds are donations, appeals, legacies and other incoming resources receivable for the objects of the charity without further specified purpose laid down by FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Companies Act 2006.

Unrestricted designated funds are amounts that have been put aside at the discretion of the trustees out of unrestricted general funds for specific future purposes or projects.

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

1.7 Tangible fixed assets and depreciation

Individual tangible fixed assets costing £1,000 or more are capitalised at cost and depreciated.

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

Leasehold Improvements	over the life of the lease
------------------------	----------------------------

Office furniture and equipment	over 4 years
--------------------------------	--------------

1.8 Stock

Stock consists of goods for resale and is valued at the lower of cost or net realisable value

1.9 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment

1.10 Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

1.11 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

1.12 Operating leases

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

1. Accounting policies (continued)

1.13 Pension costs

Pact participates in a group stakeholder defined contribution scheme with Scottish Widows. The pensions cost recognised in the accounts equals the contributions payable to the scheme.

1.14 Redundancy and termination costs

Pact recognises employee redundancy and termination costs in full on the date the redundancy or termination is confirmed.

2. Donations and legacies	2023 £'000	2022 £'000
Donations	240	223
Legacies	185	131
	425	354

3. Total Expenditure

	Direct staff costs £'000	Other direct costs £'000	Support costs £'000	Total 2023 £'000
Raising funds	182	51	1	234
Charitable activities				
Building stronger families and safer communities	3,794	842	336	4,972
Reducing risk of harm to prisoners and their children	2,136	474	199	2,809
Removing barriers and increasing awareness in public services	661	147	64	872
Influencing commissioning, policy and legislation	436	97	42	575
Total expenditure	7,209	1,611	642	9,462

3. Total expenditure (continued)

Comparative figures for the year to 31 March 2022 are as follows:

	Direct staff costs	Other direct costs	Support costs	2022 Total
	£'000	£'000	£'000	£'000
Raising funds	181	33	14	228
Charitable activities				
Building stronger families and safer communities	2,852	586	241	3,679
Reducing risk of harm to prisoners and their children	1,599	323	137	2,059
Removing barriers and increasing awareness in public services	492	98	43	633
Influencing commissioning, policy and legislation	325	65	28	418
Total expenditure	5,449	1,105	463	7,017

2023 2022
£'000 £'000

Net income/expenditure is stated after charging:

Auditor's remuneration – audit fees	22	17
Depreciation	4	4

Support costs includes governance costs of £30,000 (2022: £26,000), including staff costs of £8,000 (2022: £9,000) and audit fees of £22,000 (2022: £17,000).

4. Staff costs

	2023 £'000	2022 £'000
Salaries	6,541	5,117
Social security costs	505	240
Pension costs	162	92
	7,208	5,449

Salaries include redundancy and termination costs of £61,000 (2022: £12,000).

4. Staff costs (continued)

The average full-time equivalent number of employees was:

	Group	<i>Group</i>	Charity	<i>Charity</i>
	2023	<i>2022</i>	2023	<i>2022</i>
	No.	<i>No.</i>	No.	<i>No.</i>
Charitable and development	193	<i>181</i>	185	<i>154</i>
Administration and fundraising	25	<i>12</i>	25	<i>12</i>
	218	<i>193</i>	210	<i>166</i>

The average headcount was 294 for the group (2022: 251) and 285 for the charity (2022: 216).

The number of employees who earned over £60,000 in the following range was:

	2023	<i>2022</i>
	No.	<i>No.</i>
£90,001 - £100,000	1	<i>-</i>
£80,001 - £90,000	1	<i>1</i>
£70,001 - £80,000	2	<i>1</i>
£60,001 - £70,000	2	<i>1</i>

Pension costs of £20,000 (2022: £11,000) were incurred for these employees.

The senior leadership team over the year to 31 March 2023 had the following members:

Post	Post-holder
Chief Executive	Andrew Keen-Downs
Deputy Chief Executive and Managing Director of Pact Futures	Ellen Green
Director of Finance & ICT	Suzanne Davies from 4th April 2022
Director of Services	Tina Parker
Director of Human Resources and Workforce Development	Stephanie Stevenson
Director of Communications	Nick Mann from 26th June 2022
Assistant Director of Services	Joanne Mulcahy

Remuneration and benefits paid to the senior leadership team during the year totalled £586,000 (2022: £431,000).

5. Trustees' remuneration

No member of the board received any remuneration during the year (2022: none).

During the year, 3 trustees received reimbursement of travel expenses amounting to £615 (2022: 7 trustees received reimbursement of £1,440).

6. Taxation

All income received by Pact comes within the exemptions as set out in section 505 of the Income and Corporation Taxes Act 1988 and Pact is therefore not subject to corporation tax.

7. Tangible fixed assets

	Leasehold improve- ments £'000	Office furniture & equipment £'000	Total £'000
Group and charity			
<i>Cost</i>			
At 1 April 2022 and at 31 March 2023	40	2	42
<i>Accumulated depreciation</i>			
At 1 April 2022	29	2	31
Charge for year	4	-	4
At 31 March 2023	33	2	35
<i>Net book value</i>			
At 31 March 2023	7	-	7
<i>At 31 March 2022</i>	<i>11</i>	<i>-</i>	<i>11</i>

8. Investments

	At 1 April 2022 £'000	Additions £'000	Net gains/ (losses) £'000	Acquisition of subsidiary £'000	At 31 March 2023 £'000
Group					
Listed investments	423	100	(20)	-	503
Charity					
Acquisition of subsidiary-see note 8 cont.	91	-	-	(90)	1
Listed investments	423	100	(20)	-	503
	514	100	(20)	(90)	504

8. Investments (cont)

Pact Futures Community Interest Company (CIC) is a wholly-owned subsidiary of Pact, company number 9248698. As at 31 March 2023, Pact Futures CIC owed Pact £0 (2022: £234,000).

Balance sheet of Pact Futures CIC at 31st March

	2023	2022
	£'000	£'000
Total assets	1	795
Total liabilities	-	528
	1	267

On 30th June 2022 the activities of Pact Futures Community Interest Company (CIC) is a wholly-owned subsidiary of Pact, were merged with the Group Company Prison Advice & Care Trust.

The transaction was accounted for in accordance with merger accounting principals and the fair values have been recognised.

Included in the above were cash and bank balances of £436,000. Also included was a balance of £105,000 owed to the Prison Advice and Care Trust.

The Fair Value of the assets and liabilities as at the date of merger of Pact Futures CIC on the date of merger on 30th June 2023 were as follows:-

	2023
	£'000
Debtors	310
Cash in Bank and in Hand	436
Trade Creditors	(2)
Deferred Income	(323)
Social Security and other Taxes	(20)
Owed to group undertakings	(105)
Accruals	(23)
	273

Prison Advice & Care Trust (Pact)

Notes to the accounts for year ended 31 March 2023

9. Debtors

	Group	<i>Group</i>	Charity	<i>Charity</i>
	2023	<i>2022</i>	2023	<i>2022</i>
	£'000	<i>£'000</i>	£'000	<i>£'000</i>
Trade debtors	778	337	778	109
Owed by group undertakings	-	-	-	234
Prepayments and accrued income	645	1,957	645	1,957
	<u>1,423</u>	<u>2,294</u>	<u>1,423</u>	<u>2,300</u>

10. Creditors: amounts falling due within one year

	Group	<i>Group</i>	Charity	<i>Charity</i>
	2023	<i>2022</i>	2023	<i>2022</i>
	£'000	<i>£'000</i>	£'000	<i>£'000</i>
Unsecured loan	-	61	-	61
Trade creditors	70	111	70	111
Social security & other taxes	254	240	254	220
Other creditors	32	24	32	24
Accruals	277	182	277	164
Deferred income	780	620	780	365
	<u>1,413</u>	<u>1,238</u>	<u>1,413</u>	<u>945</u>

The movement on deferred income relates to contracts for services to be provided on or after 1 April 2023, as follows:

	2023	<i>2022</i>	2023	<i>2022</i>
	£'000	<i>£'000</i>	£'000	<i>£'000</i>
At 1 April 2022	620	627	365	555
Released during the year	(250)	(237)	(250)	(237)
Deferred during the year	410	230	665	47
At 31 March 2023	<u>780</u>	<u>620</u>	<u>780</u>	<u>365</u>

11. Unrestricted designated funds

The charity's funds include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	At 1 Apr 2022	Funds spent	Transfer (to) unrestricted general funds	At 31 Mar 2023
Group	£'000	£'000	£'000	£'000
Fixed asset reserve	11	-	(4)	7
Through the gate delivery fund	39	-	(39)	-
Development fund	377	-	(267)	110
	<u>427</u>	<u>-</u>	<u>(310)</u>	<u>117</u>
Charity				
Fixed asset reserve	11	-	(4)	7
Development fund	377	-	(267)	110
	<u>388</u>	<u>-</u>	<u>(271)</u>	<u>117</u>

The *fixed asset reserve* represents the value of reserves attributable to tangible fixed assets and has been set up to assist in identifying those funds that are not part of free reserves.

The *through the gate delivery fund* was contract income earned from services delivered which remained available to reinvest in enhancing services offered. The trustees designated this fund to allow Pact to work with more service users and to enable changes to service delivery resulting from the Covid-19 pandemic. This funding has now been fully utilised to support our welfare grants team during the transition period into new Probation contracts, to support service user participation and involvement in the development of new services, and to strengthen our groupwork and one-to-one structured interventions in light of our new Probation services.

The *development fund* was designated to invest in sustaining the quality of services delivered and providing the foundations of the next stages of Pact's growth. This is being achieved by prudently investing in infrastructure to free up frontline practitioners to do what they do best in supporting prisoners and their families, which includes increased staff support on health and safety, data protection and human resources as well as finance system improvements. The funds are expected to be fully utilised by March 2024 in line with our corporate development plan

12. Restricted funds

Group and charity	At 1 Apr 2022 £'000	Income £'000	Costs £'000	At 31 Mar 2023 £'000
Early intervention support for families (1)	35	37	34	38
Supporting families affected by imprisonment (2)	201	67	170	98
Supporting children and young people affected by imprisonment (3)	625	228	474	379
Providing groupwork and learning opportunities (4)	-	47	13	34
Supporting volunteering (5)	233	44	152	125
Furthering rehabilitation in prisons and communities (6)	1,272	177	763	686
Providing welfare grants (7)	57	74	74	57
Supporting resettlement (8)	156	10	108	58
	<u>2,579</u>	<u>684</u>	<u>1,788</u>	<u>1,475</u>

Notes

- 1 **Early intervention support for families** covers our programmes supporting prisoners' families from the first and critical stages of their involvement with the criminal justice system. During the year these included our Courts Service in Swansea funded by the Mary Homfray Charitable Trust, and our Courts service in London funded by the Inner London Magistrates Court's Poor Box Charity, Matrix Chambers, and Simmons and Simmons.
- 2 **Supporting families affected by imprisonment** covers our programmes helping families to cope practically and emotionally with the devastating impact of the arrest and imprisonment of a loved one and to increase awareness of how the criminal justice system affects lives, families and communities. These include:
 - i. *National Family Services*, a befriending, peer support and casework programme funded by the Garfield Weston Foundation, the Swire Charitable Trust and the London Stock Exchange Group (LSEG)
 - ii. *Peer Support Groups for young people affected by imprisonment*, funded by the London Stock Exchange
 - iii. *HMPPS Innovation Grant*, a strategic grant programme working with HMPPS Families and Safer Custody Team and NHS England to develop processes and a toolkit in custody to support the effective response to safer custody queries as well as upgrading the HMPPS Prisoners Families Helpline web portal to support effective triage and direction for family members
 - iv. *Voices for Change* enabling a team of Pact 'Ambassadors' to advocate for radical change to the criminal justice system, funded by the Bromley Trust
 - v. *Hear our Voice*, peer support and advocacy group for Wales funded by National Lottery Community Fund Wales

12. Restricted funds (continued)

- 3 Supporting children and young people affected by imprisonment** covers our programmes that increase awareness of, address, and mitigate the harmful effect of familial imprisonment on young lives and help break cycles of intergenerational offending. These include:
- i. *Visiting Mum* , two projects supporting children to maintain and build positive bonds with their mothers in prison: Visiting Mum at HMP Eastwood Park and HMP Styal is funded by Llywodraeth Cymru and HMPPS; Visiting Mum at HMP Downview is funded by Comic Relief
 - ii. *Together, a Chance* , piloting a new model of social work support in women's prisons, funded by the Sylvia Adams Charitable Trust
 - iii. *Time for Play* at HMP Nottingham funded by BBC Children in Need, the Sisters of St Joseph of Peace, and The Jones 1986 Charitable Trust
 - iv. *Kids' Club* at HMP Pentonville funded by BBC Children in Need
 - v. *Family Space* , creating a vibrant new prisoners', children's and families' hub inside HMP Wormwood Scrubs, funded by John Lyon's Charity
 - vi. *Playing for Real* at HMP Wormwood Scrubs, funded by the Drapers' Charitable Fund
 - vii. *Family Play* at HMP Send, funded by the Community Foundation for Surrey.
 - viii. *Dealt an Ace* at HMYOI Brinsford, piloting a specialist trauma-informed casework service for young men in custody, funded by the Barrow Cadbury Trust, Sir Halley Stewart Trust, Rayne Foundation, Eveson Trust, and others
 - ix. *Family Play* at HMP Gartree, funded by the Edith Murphy Foundation and The Florence Turner Trust
 - x. *Operation Elf*, Pact's annual campaign supporting prisoners to give a Christmas gift to their child
 - xi. *Reach Out*, a programme supporting children and young people affected by imprisonment at HMP Swansea and in South Wales, funded by the Moondance Foundation and the Masonic Charitable Foundation
- 4 Providing learning opportunities** covers our programmes offering structured, accredited education across family & relationships, social and emotional health, and more. This includes:
- i. *Building Bridges* , a project improving support and learning opportunities for prisoners that speak English as an additional language, funded by the Bell Foundation

12. Restricted funds (continued)

5 Supporting volunteering covers our programmes creating opportunities for individuals, churches and parishes to engage with volunteering opportunities at Pact and support those affected by imprisonment. These include:

- i. *Reasons to Care* , a national volunteering development project funded by Charles Hayward Foundation
- ii. *JustPeople* , a church and parish volunteering development project funded by Maurice & Hilda Laing Trust and the Jerusalem Trust, Benefact Trust and Westhill
- iii. *I Rise* , a project to embed student placements in three women's prisons to increase the provision of family support, funded by the Volant Charitable Trust
- vi. *Lived Experience Volunteering* , upskilling those with experience of custody to support others, funded by Blackrock and Clifford Chance
- v. *Annual Volunteer Awards*, funded by the Marsh Charitable Trust.

6 Furthering rehabilitation in prisons and communities covers our programmes providing personalised integrated rehabilitation and resettlement support to prisoners and their families, helping them to make a fresh start together. These include:

- i. *Routes2Change* at HMP Brixton
- ii. *Routes2Change* at HMP/YOI Isis
- iii. *Evaluation of Routes2Change* at HMP/YOI Isis
- iv. *Restore Aylesbury* , providing one-to-one restorative casework at HMP/YOI Aylesbury and funded by the CHK Foundation.
- v. *Race Equality Community Engagement Scheme for Wales* , funded by Clinks & Criminal Justice in Wales
- vi. *Prison Leavers' Project* , Pact will be working closely with the Nelson Trust, HMPPS & 8 other sector partners to support women at HMP Eastwood Park on their resettlement journey as part of the ONE Women's Centre programme funded by the Ministry of Justice's Local Leadership and Integration Fund
- vii. *Mental Health Injustice* , consultancy support to develop Pact's offer within the health & wellbeing market for those impacted by the criminal justice system, with a particular focus on women and ethnic minorities, funded by the Esmée Fairbairn Foundation
- viii. *Side by Side* , creating a plan to put family and relationships at the heart of criminal justice in Kent, funded by the Colyer-Fergusson Charitable Trust

12. Restricted funds (continued)

- 7 **Providing welfare grants** covers emergency support for prison leavers and their families to alleviate the devastating effects of poverty. This includes:
- i. *Welfare Fund for Kent* funded by the Colyer-Fergusson Charitable Trust
 - ii. *Welfare Fund for Women* funded by the Smallwood Trust and the Eleanor Rathbone Charitable Trust
 - iii. *Welfare Fund for London* funded by the David Isaacs Fund, the Vintners' Company, and the Sheriffs' & Recorder's Fund
 - iv. *Welfare Fund for Yorkshire* funded by the Liz and Terry Bramall Foundation
 - v. *National Welfare Fund* funded by the Albert Gubay Charitable Foundation, Albert Hunt Trust, the Austin & Hope Pilkington Trust, the Give for Good Russell Family Charitable Trust, and the 1772 Charity.
 - vi. *Welfare Fund for Children affected by imprisonment*, funded by donations as part of Big Give including support from the Voluntary Solidarity Fund
 - vii. *Welfare Fund for HMP Send* funded by the Woodhaven Trust
 - viii. *Welfare Fund for Wales* funded by the Simon Gibson Charitable Trust
- 8 **Supporting resettlement** covers programmes that provide holistic support to prison leavers in the critical days and months after they are released to aid their successful resettlement. This includes *Journeys to Freedom* supporting the resettlement of women leaving prison in London and Kent, funded by City Bridge Trust, the Colyer-Fergusson Charitable Trust, and London Housing Foundation.

Full comparative figures for the year ended 31 March 2022 are as follows.

Group and charity	At 1 Apr 2021 £'000	Income £'000	Costs £'000	At 31 Mar 2022 £'000
Early intervention support for families	34	49	48	35
Supporting families affected by imprisonment	487	(16)	270	201
Supporting children and young people affected by imprisonment	793	126	292	625
Supporting volunteering	227	78	72	233
Furthering rehabilitation in prisons and communities	1613	138	479	1,272
Providing welfare grants	38	103	84	57
Supporting resettlement	255	-	99	156
	<u>3,447</u>	<u>478</u>	<u>1,344</u>	<u>2,579</u>

13. Analysis of net assets between funds

Group	Unrestricted funds £'000	Restricted funds £'000	Total £'000
Fund balances at 31 March 2023 are represented by:			
Tangible fixed assets	510	-	510
Current assets	2,209	1,475	3,684
Current liabilities	(1,413)	-	(1,413)
Net assets	1,306	1,475	2,781
Comparative figures as at 31 March 2022 are as follows:			
Tangible fixed assets	434	-	434
Current assets	2,400	2,579	4,979
Current liabilities	(1,238)	-	(1,238)
Net assets	1,596	2,579	4,175

14. Financial and other commitments

As at 31 March 2023, Pact had total commitments under operating leases as follows:

	Property £'000	Other £'000	Total £'000
Due within one year	88	2	90
Due within two to five years	45	-	45
Total	133	2	135
Comparative figures as at 31 March 2022 are as follows:			
Due within one year	89	2	91
Due within two to five years	111	1	112
Total	200	3	203

15. Share capital

Pact is a company limited by guarantee and has no share capital. Every member of the company guarantees to contribute a maximum of £10 on winding up, up to one year after ceasing to be a member.

The number of members as at 31 March 2023 was 9 (2022: 10).

16. Related party transactions

There were no related party transactions during the current or preceding year apart from the merger with the subsidiary Pact Futures CIC. In the year Pact Futures CIC paid £68,000 (2022: £267,000) management charges to Pact. At 31 March 2023, Pact Futures CIC owed Pact £0k (2022: £234,000).

17. Reconciliation of net income to net cash inflow from operating activities

	Group	<i>Group</i>	Charity	<i>Charity</i>
	2023	<i>2022</i>	2023	<i>2022</i>
	£'000	<i>£'000</i>	£'000	<i>£'000</i>
Net income/(expenditure) for the year	(1,393)	<i>(734)</i>	(1,216)	<i>(534)</i>
Add back depreciation charge	4	<i>4</i>	4	<i>4</i>
(Gains)/losses on investments	20	<i>(8)</i>	20	<i>(8)</i>
Deduct interest income shown as investing activities	(15)	<i>(1)</i>	(15)	<i>(1)</i>
(Increase)/decrease in stock	13	<i>(13)</i>	13	<i>(13)</i>
(Increase)/decrease in debtors	871	<i>968</i>	877	<i>824</i>
Increase/(decrease) in creditors	175	<i>1</i>	468	<i>(131)</i>
	(325)	<i>217</i>	151	<i>141</i>

18. Comparative consolidated statement of financial activities (2022)

	<i>Unrestricted</i>	<i>Restricted</i>	Total
	<i>Funds</i>	<i>Funds</i>	
	<i>£'000</i>	<i>£'000</i>	£'000
Income from:			
Donations and legacies	354	-	354
Charitable activities	5,442	478	5,920
Investments	1	-	1
Total income	<u>5,797</u>	<u>478</u>	<u>6,275</u>
Expenditure on:			
Raising funds	228	-	228
Building stronger families and safer communities	3,007	672	3,679
Reducing risk of harm to prisoners and their children	1,629	430	2,059
Removing barriers and increasing awareness in public services	485	148	633
Influencing commissioning, policy and legislation	324	94	418
Total expenditure	<u>5,673</u>	<u>1,344</u>	<u>7,017</u>
Net gains/(losses) on investments	8	-	8
Net income/(expenditure)	132	(866)	(734)
Funds brought forward at 1 April 2021	1,463	3,446	4,909
Funds at 31 March 2022	<u>1,595</u>	<u>2,580</u>	<u>4,175</u>