

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

REPORT AND FINANCIAL STATEMENTS YEAR

ENDED 31 DECEMBER 2020

PRISONERS' EDUCATION TRUST

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REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2020

CONTENTS

	Page
Legal and administrative information	1
Trustees' report	3
Auditors' report	21
Statement of financial activities	24
Balance sheet	25
Statement of cash flows	26
Notes to the financial statements	28

PRISONERS' EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS For the year ended 31 December 2020

President: His Honour John Samuels QC

Patrons:

Sir Christopher Ball	Michael Smyth CBE QC (Hon)
Susan Hill CBE	Baroness Stern CBE
Baroness Linklater of Butterstone	The Rt Hon. the Lord Woolf
Paul Maxlow-Tomlinson	
Lord Ramsbotham GCB CBE	

Trustees:

Hilary Cross – Deputy Chair
Catherine Dawkins - Honorary Treasurer
Elisabeth Davies - Chair
Patrick Diamond
Emily Giles
James Killen
Vicki Morris
Mandeep Mahil (appointed 29 January 2020)
Dr Paul Phillips CBE
Emily Thomas (resigned 25 March 2020)
John Richard Ward OBE
Mark Welsh

Although PET does not currently set term limits for trustees, the Board are mindful of the recommendations within Charity Commission's Code of Governance regarding periods of trusteeship longer than 9 years.

**Company Secretary and
Chief Executive:** Rod Clark

Company reg. no: 04132595

Charity reg. no: 1084718

PRISONERS' EDUCATION TRUST

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

For the year ended 31 December 2020 (continued)

Registered office: The Foundry
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SW1H 0ND

Unity Trust Bank
Nine Brindley Place
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B1 2HB

CCLA
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**TRUSTEES' ANNUAL REPORT, (incorporating the Directors' report)
for the year ended 31 December 2020**

The Trustees (who are also the directors for the purposes of company law) present their report and the audited financial statements for the year ended 31st December 2020.

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

OBJECTS, ACTIVITIES, AND STRATEGY

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

PET published our strategy for 2018 to 2020 early in 2018. Work is currently in progress on the development of the charity's strategy for 2021 onwards see page 15.

PET's **vision** should be expressed as:

Prisoners' lives transformed through learning

This is supported by the **mission**:

Every prisoner a learner, every prison a place to learn

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

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

PET's strategy sets out our work across three spheres of influence:

- the learner at the centre;
- prisons and communities; and
- the wider system.

To succeed in affecting change in these spheres of influence, we agree that the organisation needs to have robust foundations. The sections on achievements and performance below use these headings to review our achievements in 2020, a year in which the prison system and the entire country has been deeply affected by the Covid-19 pandemic.

Public benefit

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

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

Grant making policy

Any individual who has been sentenced and is currently serving a custodial sentence in England, Wales, the Channel Islands or the Isle of Man is eligible to apply to PET to fund them to partake in an educational distance-learning course. During 2020, grants were awarded based on an application form to gather evidence on a prisoner's readiness and motivation to gain from a distance learning course together with an endorsement from an authorised member of staff at the prison. Applications were then scored against transparent criteria. Our grant approval criteria and Information, advice and guidance (IAG) were provided to prisoners and prison staff throughout the application process. Our process for awarding course funding was overseen by a Quality Assurance (QA) Panel that is a Committee of the Board of Trustees. The application process was redesigned in 2019 and 2020 was its first full year of operation. More details of the revised process can be found below.

ACHIEVEMENTS, PERFORMANCE AND PLANS FOR FUTURE PERIODS

2020 was a year of major challenge for PET, as it was for prison learners, the prison system and indeed the world as a whole as it grappled with the consequences of the Covid-19 pandemic. PET needed to respond rapidly and flexibly to mitigate the consequences of a national lockdown which saw prisoners confined to their cells for up to 23 hours a day and prison education staff essentially excluded from the prisons.

PET in 2020 in numbers

Number of calls to PET's new Freephone prisoner advice line implemented in response to the pandemic in April 2020: 1,087
Number of days from start of the lockdown to implement the advice line: 37 (23 March to 28 April)
Number of different prisons from which prisoners have called the PET advice line: 92
Number of distance learning courses funded for prisoners: 1,046
Most popular courses: People, Work & Society and Science, Technology & Maths Open University Access Modules and Business Start-Up
Number of staff: 22
Income: £1.3 m
Value of funding raised or redirected in response to the lockdown: £127k
Prisoner Learning Alliance members: 190
Number of Twitter followers for PET and PLA: over 20,000
Number of times the PLA's in cell activities hub has been accessed to source free in cell learning: 3,500

The learner at the centre

Achievements and performance in 2020

Support for distance learning courses

In 2020 PET continued to be the leading organisation funding and supporting distance learning in prisons in England and Wales through our Access to Learning programme. This is the largest area of our charitable expenditure. We have now funded prisoners to study courses or for arts and hobby materials over 43,000 times since our foundation in 1989.

In 2020 PET fully introduced a new, more transparent and rigorous process for deciding which prisoners to fund. Until 2020, ever since our inception as a charity in 1989, we had essentially followed the same fundamental process for prisoner funding applications: asking the prisoner to write us a letter setting out their motivation and case for funding, backed by an endorsement from staff in the prison. Although tried and tested, feedback showed that this approach was not as clear for learners as it might be in specifying what information PET needed and how it would be used in funding decisions. In 2019 we had developed and piloted a new process, which PET fully applied throughout 2020. The new process consists of an application form broken down into specific questions to help determine an individual's readiness and motivation to benefit from a course of learning. These answers are then scored using a decision matrix to assess the overall strength of the application. To ensure internal rigour of each stage of this new process PET established a Quality Assurance panel made up of trustees, PET staff, and an Alumni member. In 2020 this panel met monthly initially to review the new process in its early stages.

Funded by a generous, dedicated grant the implementation of this process was supported by an Implementation Manager and an Officer with expertise in the Salesforce software platform.

A key design principle for the development of our new processes has been to involve serving or former prisoners with lived experience in coproduction. We have drawn extensively on the insight of our Alumni Advisory Group. During 2020 the Alumni Advisory Group has contributed to:

- PET's Quality Assurance Panel,
- the development of PET's new strategy,
- taking part in sector webinars, and
- the recruitment of the new Chief Executive.

PET support for individual prisoner course applications over lockdown

An essential feature of the new process – with a view to moving to a fully digital, paperless, process in the future – was that it was designed to move away from a reliance on hard copy paper applications at the earliest possible stage. Ideally PET encouraged prisons to send us (via a secure e-mail address) scanned copies of handwritten applications but, if prisons still found it more convenient to send us hard copy, the process involved scanning those applications on receipt and storing them in digital form on the system for subsequent processing. This feature of the process proved invaluable when the Covid-19 lockdown started at the end of March 2020 requiring staff to work from home wherever possible. This was because staff were able to carry out all the later stages of the process securely from computers at home by accessing PET's secure remote desktop. This meant that the only requirement for staff to use our office in the Foundry in Vauxhall for the purposes of our application process was once or twice a week to receive and open the post and scan applications into the system. This was done by single individual volunteers working alone who could walk to the office with therefore a minimal risk of contracting or transmitting the disease. Fortunately our suppliers were also largely able to continue working to provide materials to learners and remote tutor support.

When Covid-19 struck, HMPPS needed to take urgent action to reduce and control the movement of prisoners in custody to reduce the risk of transmission. As a result, many were locked in cell for 23 hours a day. On the face of it, this should have been an ideal time for prisoners to turn to distance learning study so that they could continue to use their time constructively and support their mental wellbeing. Unfortunately, HMPPS management also decided that they needed to close education departments and prevent risk of infection by

PRISONERS' EDUCATION TRUST

excluding education and library staff from the prison. That meant prisoners were no longer in contact with the members of staff who work to support distance learning through managing the application process to PET and who support learners in other ways.

The effect was a dramatic reduction in the number of applications reaching us from the prisons. In the first three months of 2020 before lockdown, we received an average of 216 applications a month (a level of demand that would have been sufficient to meet our intention of funding at least 1,600 awards in the year and possibly exceed our 2019 total). In May, June and July, the peak of the first lockdown the average fell to 64 a month – a drop of over 70%. And although numbers did recover in the last four months of the year to 175 a month, this still represented a reduction of almost 20% on the first quarter. Nevertheless, despite the extreme difficulties, PET was still able to provide 1,046 courses tailored to meet specific requests from individual prisoner learners.

PET also published a 45-page Distance Learning Handbook, produced to support prison staff navigate our application process. It was produced in collaboration with people in prison and prison staff. The guide outlines studying with PET step-by-step – including how to make a successful application, ways to create a positive learning environment, and information about the support available from PET. This turned out to be particularly helpful to staff who were new to distance learning and to officers supporting people locked down in cells.

Courses only	2020 Actual	2019 Actual
Applications	1,798	2,678
Awards	1,046	1,703

As in previous years, PET supported a wide range of courses in 2020 including Open University Access Modules, and courses in business start-up, fitness training, creative writing, plumbing, understanding substance misuse, construction and health and safety certificates as amongst the most popular. Thanks to the generous support of the Garfield Weston Foundation and the Open University Students' Educational Trust, we have been able to continue to support prisoners to take their initial module towards a full degree without relying on a student loan. We were able to support 43 prisoners to start their degree level study over 2020 (2019: 116). Despite the problems of lockdown, PET also worked in partnership with the Longford Trust to administer and award funding known as Frank Awards to 7 prisoners for degree level study (2019: 10).

Response to lockdown: Launch of a Freephone PET advice line for prisoners

Providing more direct telephone based advice to prisoners had long been part of our aspirations for service delivery. But it soon became apparent following the first National lockdown that prisoners would be confined to their cells for 23 hours a day, that education staff would not be allowed into establishments and that prisoner learners would not be able to see the staff who generally provided support for their distance learning.

However information issued by HMPPS suggested that 60% of prisoners now had access to in cell telephony and that prompted us to set up the service as a matter of urgency to provide some means of advice and support for learners that would otherwise have none. The work included sourcing telephony solutions that would enable staff to provide the service from home, ensuring that the Freephone number was available on all prisoner phones without them needing to submit a special request, putting in place proper procedures for safeguarding staff and callers and providing appropriate staff training. Every PET team played a part in that, fundraising to make it possible, developing communications, finance setting up the telephony, policy drawing on knowledge and experience of other helpline services and the service delivery team themselves who developed the Salesforce database support and staffed it. It is a credit to the willingness of PET staff to do what they could to help prisoners in such difficult circumstances that the line was launched on 28 April only 37 days after the start of lockdown and just three weeks after we took the decision and started work on the implementation.

Overall in 2020 the advice line received 1,059 calls from prisoners in 92 different prisons. In the absence of their normal education contacts, it provided a vital source of advice, support and communication. PET staff were able to resolve large numbers of difficulties for learners and help them with the application process. 62% of calls required follow-up. Staff have also been able to adopt the "e-mail a prisoner" service to speed up and facilitate remote communication to resolve issues. This paid for scheme allows an email to be sent in to a prison where it is printed and then included in the prison post distribution. If the prisoner wishes to reply (and if

PRISONERS' EDUCATION TRUST

the reply facility is enabled in their prison), they hand write a response which is passed back to a member of prison staff who then scans and emails it to PET. It has complemented the advice line in a valuable way and enabled PET to respond swiftly to questions and queries raised through the advice line – closing the gap between PET and our learners. The advice line has also improved PET's ability to collect the views of learners and proved a new, positive means of engagement for PET which we hope to embed as a vital and continuing part of our service delivery.

Response to lockdown: Providing free material in cell for prisoners in lockdown

Prisoners confined to cell for 23 hours a day desperately needed material to provide worthwhile purposeful activity and support their learning and development. PET realised that our normal application process to meet specific learning needs could not operate effectively under the new circumstances so worked rapidly to source and provide material that could be widely distributed for free within the prison system, supporting the efforts of the prison education providers. This included making our new short taster courses widely and freely available and working with members of the Prisoner Learning Alliance (PLA) to provide free material. Both of these initiatives are described more fully below.

Enterprise awards

Thanks to the generous support of the Topinambour Trust, PET was able to offer Enterprise Awards again in May 2020, enabling PET-funded applicants to receive one-off grants up to the value of £1,000 to help them find work or start a business after prison. Despite the lockdown, we received 53 applications for the awards - up from 36 applications in 2018.

There were seven winners in total, including applicants planning to work as a gas safe engineer, personal trainer, barber, and footwear designer. Their funding will go towards start-up equipment and training courses. The awards have given us the opportunity to support our funded learners through the gate and have created another avenue for contacting alumni.

Evidence of impact

It has been particularly poignant to receive messages from prisoners about the importance to them of the help PET has provided over the period of the pandemic.

"The education has taken my mind outside of this lockdown which has helped a great deal [...] I thank the PET for everything they have done to keep me feeling like a normal person not just a number."

"The course is helping me to cope with being locked up for 23hrs a day. Both with my mental health and giving me a positive way to use my time. Thank you all at PET."

The redesigned application form has increased the amount and quality of data PET now receives on the protected characteristics of applicants. Our data management processes have matured in parallel to ensure we are GDPR compliant with this new, more sensitive data. Having real time, accessible dashboard data allows us to monitor the origin of applications and then give targeted support to particular prisons. We use the case management function of the database to track and monitor each contact with learners, increasing the quality of our support – any member of the team can pick up the case and support the learner.

During 2020, 137 prison and education staff signed up to the staff page on the PET website allowing them to access self-serve information. This brought the total number of users to 353.

A focussed piece of work with suppliers introduced Service Level Agreements and a targeted piece of monitoring (which will become part of our monitoring schedule in 2021) helped us identify successes and challenges from a supplier's perspective.

Evaluation of awards of funding for Level 1 Open University modules from The Garfield Weston Foundation

The Garfield Weston Foundation have generously funded Open University (OU) Level 1 modules for prisoners. The programme provided funding toward scholarships for students and ran for a period of three years. Eligible students received a scholarship to cover the cost of their first Level 1 module. A team from the OU is continuing to gather evaluation evidence on this programme. However, their initial findings include that:

- Studying has shown significant benefits to most students in terms of increased self-confidence and self-belief, motivation and a purpose to their life beyond prison. Comments left by students revealed that for some studying with OU exceeded their expectations and helped them realise their potential and skills.
- Students also specifically mentioned how the course content, materials and tutor interaction played a role and contributed to their positive experience of the OU.
- However, Covid-19 has had significant impact on student's studying. Continued support from prison and OU staff is especially important during these times as a result of loss of computer access, video and audio learning materials.

“Studying with the OU has completely changed my life...In the past I never used to plan my life ahead of time but now I have set myself a 10-year plan with a number of goals to achieve”
Prisoner learner response to evaluation survey

Evidence of impact from the Justice Data Lab

The Justice Data Lab is a team of statisticians in the Ministry of Justice (MoJ) who are able to take records of prisoners who have received help from PET in the past and then follow what happens to them after release on the Police National Computer (for evidence of confirmed reoffending) and DWP and HMRC records (for evidence of employment). By selecting a statistically similar set of prisoners who did not receive PET support and analysing their activity post-release too, the Justice Data Lab is able to provide a detailed, statistically significant assessment of the impact of PET-funded learning. In 2019 PET had submitted records of past learners for analysis in this way, providing a larger data set (over 9,000) with more recent cohorts of learners than had been available from previous analyses. The analysis was much delayed by the lockdown restrictions on the statistical team but results were finally published on 21 January 2021¹.

The JDL analysis confirms the results (all of which are statistically significant) from earlier studies that PET participants after release from prison:

- reoffended less than a matched comparison group of prisoners who didn't participate in the programme and
- got employment more than the matched comparison group.

The analysis also shows these effects to be statistically significant for each of the different types of course examined (Open University, academic or other vocational).

This latest analysis also went on to show that:

- Even if they didn't get a job, PET participants went on to reoffend less than a matched comparison group who also didn't get a job
- And those PET participants that did get employment went on to reoffend even less than matched prisoners who also got jobs.

This evidence strongly supports the PLA's theory of change about the positive impact of education (<https://www.prisonerseducation.org.uk/wp-content/uploads/2019/04/Theory-of-Change-Report.pdf>).

Education in prison helps people to gain employment after release and that is known from other research to be linked to lower levels of reoffending. But education has benefits in other ways to do with wellbeing, developing personal and social capital and sense of identity and hope. And those other benefits are also likely to help someone lead a fulfilling life away from crime.

¹ [Employment and reoffending behaviour after support from Prisoners' Education Trust \(PET\) -4th Analysis \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

These latest statistical analyses can't throw light on the precise factors at work. But they do show that it is not simply getting a job that is important in reducing reoffending (important though that is). PET participants who don't get jobs reoffend less than other prisoners who don't get jobs. And if PET participants do get jobs, their rate of reoffending is even lower than other prisoners who gain employment. This evidence powerfully strengthens even further the case for prison education.

A further report based on Justice Data Lab results was published by Pro Bono Economics in July 2020. The report – [Assessing the economic benefits from improved employment outcomes for Prisoners' Education Trust beneficiaries](#)² – showed the positive economic cost benefit from PET's programme based purely on the employment impact (which is additional to the benefits from reduced reoffending which was the subject of an earlier report by Pro Bono Economics).

Looking forward

The start of 2021 will remain dominated by the impact of measures to contain the spread of Covid-19. With the introduction of further lockdown restrictions at the end of 2020 it seems highly likely that prisons will continue to operate emergency regimes at least until the spring. Those are likely to continue to restrict prisoners from making as much use of PET's service as we would wish. But vaccine availability and roll-out means there are good prospects of regimes becoming more flexible as the year progresses. PET will look to continue to support prisoners as actively as it can through this period and will continue to develop the effectiveness of our advice and strengthen the quality of the courses we recommend for study in custody. PET will maintain and adapt our Advice Line service as the demand from prisoners shifts with the lifting of regime restrictions. And we will continue to develop our offer in line with the emphasis that our new strategy will place on the development of digital learning in prisons.

Prisons and communities

Achievements and performance in 2020

The Welsh Prisons Project

PET's Welsh Prisons Pilot Project was established in 2015 with funding from a Welsh grant-making organisation. They generously provided funding for a phase 2 from 2017 with the objective to create and deliver an evidence-based, regionally-centred operational model – based on the learning from the first phase pilot, building on digital opportunities and influenced by the PET and PLA's Theory of Change model.

Notable achievements in 2020 included finalising with a partner learning provider a distance learning course tailored for the development of peer mentors in a prison context. PET is now able to offer this course throughout England and Wales. The NHS Trust working in HMP Swaleside in Sheppey recently bought a number for their own volunteers and PET hopes that the course will also prove helpful in developing peer mentors to support distance learning once regimes return to operating more normally. The project has continued to work to develop collaborations with regional partners and has been particularly effective in building strong links with officials leading on prison education for the Welsh Government through regular 'Offender Learning and Employability Stakeholder' meetings.

Prisons in Wales were of course affected by the lockdown. The project's advice officer was not able to continue her programme of face-to-face advice sessions and has moved to providing support remotely. She has found that convening remote meetings of prison education staff supporting distance learning has proved a powerful means of support that in some respects is more effective than face-to-face meetings.

With the support of a volunteer, the project developed two short distance learning courses designed specifically to engage a range of prisoner learners, help them experience distance learning as an activity, and develop some key study skills. The aim was to develop courses that could be distributed free – to give prisoners a taster of distance learning and equip them to apply with more confidence for the more demanding and longer courses that we typically offer. As it happened, the first two of these courses (around sport &

² <https://www.prisonerseducation.org.uk/wp-content/uploads/2020/07/Assessing-the-economic-benefits-from-improved-employment-outcomes-for-Prisoners-Education-Trust-beneficiaries.pdf>

PRISONERS' EDUCATION TRUST

nutrition and construction) had been developed and were being piloted when the lockdown happened and we were rapidly able to make them available throughout the prison system. The project team were then able to produce two further courses and, through developing contacts with the education staff at HMP Berwyn in North Wales, to pilot delivering those courses via the in-cell digital system which operates in that prison. The courses were accessed by over 300 learners with 210 successful completions. The experience fully demonstrated both the popularity and feasibility of providing digital learning to prisoners during lockdown. PET will be looking to develop further the collaboration with HMP Berwyn to prepare and trial a fully digital distance learning process during 2021.

As a celebration of the achievements of phase 2 of the Welsh Prisons Project, the team are collaborating with a number of prisoners and also a former prisoner and PET alumna who is working to illustrate an animation telling the story.

Prison-University Partnerships

PET supports Universities and Further Education (FE) colleges in developing links with local prisons to promote partnerships to enhance the educational experience for both prisoner and students from the community. PET expressed its solidarity and deep shock and sympathy for those who were killed and injured in the terrorist attack at the Learning Together event at Fishmongers' Hall towards the end of 2019. The atrocity prompted HMPPS to pause and review such events and the Covid-19 lockdown coming in March provided a further barrier to external partners entering prison establishments.

In the face of this, PET continued to provide support for the network through an active blog showcasing a range of voices and topics relating to partnerships between prisons and further-education institutes. PET has also been able to meet partnerships remotely and to host some virtual events including a seminar where three prison university partnerships came together to discuss the impact of COVID-19 on their role in prisons, and what the future may hold for their work. This was attended by around 60 people, mainly from university backgrounds, to learn about how they might be able to adapt the partnerships which they lead.

The policy team has also supported the University of Edinburgh to develop course materials for in-cell study based on the science and imaginative potential of establishing human settlement beyond this planet. They have also continued to support an Open University project on the history of Prison education.

Evidence of impact

The Wales team have prepared a report evaluating the phase 2 of the Welsh Prisons Project from September 2017 to the end of 2020: <https://www.prisonerseducation.org.uk/wp-content/uploads/2021/03/Welsh-Prisons-Project-2017-2020.pdf>

This highlights its achievements in: expanding the scope of coverage to include HMP Eastwood Park, which houses many female Welsh prisoners, and the new HMP Berwyn in North Wales; trialling digital projects for delivering prison education; providing lessons and innovation to inform PET's transformation of its service delivery processes; playing a leading role in reviewing PET's distance learning offer ensuring that courses are fit for purpose and fulfil learners' needs; and developing a new course specifically for prisoner learners in peer mentoring as well as a suite of study skills courses.

Overall, phase 2 saw the award of 567 distance learning courses to prisoners in the Welsh prisons and 733 individual advice sessions – and this was despite the impact of lockdown restrictions in 2020.

<p>“Thank you for the email, it really made our day here at Parc. We couldn't have done it without you. The men here are thankful for the opportunity of gaining Further & Higher Education courses & qualifications. With your guidance and professionalism we are able to offer this provision.” Staff member in HMP Parc in Bridgend</p>

Looking forward

Thanks to further generous funding, the Welsh Prisons Project will be entering a phase 3 in 2021. This will continue to build on the relationships with the Welsh prisons developed over the first two phases. And in particular, it will develop and further explore options for delivering learning in custody digitally. This will involve taking further the excellent collaboration with HMP Berwyn using their in-cell digital devices. And the project will also be able to build on the plans of HMP Parc in Bridgend to implement a blended learning model using in-cell digital access. The learning from these developments is likely to prove central to the implementation of PET's new strategy which will have digital delivery as a key element.

PET will also continue to work with educational and prison institutions as they emerge from lockdown to promote prison-university partnerships and pipelines into education on release.

The wider system

Achievements and performance in 2020

Policy and practice in the delivery of prison education through Covid-19

2019 had seen the introduction of major new arrangements for commissioning prison education across most prisons in England – through the Prison Education Framework (PEF) contract for mainstream education providers, supplemented by access to a range of other providers through the Prison Education Dynamic Purchasing System (PEDPS). PET was continuing to monitor and influence these arrangements and in January was pleased to welcome the extension of the minimum period for contracts under the PEDPS from one to two years. Extending this period had been a prominent suggestion put to the Justice Select Committee.

However, from late March 2020 all these arrangements had to respond almost overnight to the major challenge presented by the Covid-19 lockdown. Staff delivering education in prison were all asked to work from home and support remote learning without any face-to-face delivery. Although understandable as an immediate reaction to the threat, the framework for managing recovery from lockdown meant that in the vast majority of prisons, this closure of normal education has continued for all the months since. In every other sector the Government prioritised a return to education delivery. This has not been the case for prison education. And that contrast is further exacerbated by the way in which other sectors have been able to use digital devices as the tool to enable effective remote learning. With very few exceptions this has simply not been an option in the UK prison system.

The Prisoner Learning Alliance (PLA)

PET has continued to convene and provide the secretariat for the PLA, a sector-wide alliance of members from the charitable and educational sectors committed to improving policy and practice in prison education. It is the key umbrella organisation through which PET promotes prison education to a wider audience and engages with Government and policy makers. At the end of 2020 the PLA had 55 (2019: 52) organisation (full) members, 127 (2019: 69) individual associate members and 19 (2019:16) members with lived experience of the prison system.

Early in the year the PLA was pleased (with the generous support of the Further Education Trust for Leadership) to publish a major piece of research into the leadership of the implementation of the changes to the education contracts. Based on extensive interviews by researcher Angela Sanders, the report gave ample evidence of the pressure on leaders and managers in the system in coping with the changes.

The operations of the PLA were then fundamentally affected by the national lockdown. The programme of face-to-face events and meetings became impossible overnight while the need of people within the sector for contact and support was greater than ever. One urgent and important response was for the PLA to establish an online In-Cell Activity Hub to collect and make freely available materials from PLA members that prisons could use to generate in-cell activity materials for prisoners. The site rapidly collected a large library of more than 160 individual resources materials and was visited on over 3,500 occasions.

PRISONERS' EDUCATION TRUST

Unable to offer PLA members physical events, the PLA organised a highly successful series of Wednesday webinar events. These proved hugely successful for many individuals looking to maintain their interest and professional development in prison education while working from home. The ability to participate virtually from almost anywhere (in the UK or beyond) meant that attendance was much broader (typically around 60 per webinar) than would normally be possible for a physical event tied to a single location. Overall in 2020 the PLA hosted 17 webinars with presentations ranging from Chris Atkins talking about his new book to lived experience leadership and how digital technology can support people with learning difficulties in prison.

In previous years, the PLA has held an annual conference and awards in the autumn. For 2020 it shifted to an online event. The PLA conference, *New Directions: The future of prison education*, was held on 8 September using virtual meeting technology – involving plenary sessions, breakout sessions and separate workshops – which the policy team managed extremely smoothly. The format encouraged excellent attendance and engagement of just over 160 participants.

Sadly, the lockdown and closure of the education departments meant that it was simply not practical to organise prisoner nominations for the PLA awards which have been such a highlight of previous conferences. However the panels featured good representation of former prisoner speakers and by one serving prisoner speaker joining virtually from an open establishment.

The main focus of the conference was around emerging from lockdown and the lessons from it. The main message coming from contributor after contributor was that the lack of digital access for prisoner learners had massively reduced the ability to maintain education effectively through the lockdown and that it needed to be in place for the future.

“Crises are often catalysts for that kind of innovation. I think it’s important we now examine where changes to our usual ways of working, but particularly ones driven by technology, can better support service users”

Sarah Fitzgerald, HMPPS Keynote PLA conference speaker

Event on the Lammy Review three years on

September also saw another major digital event focussing on the anniversary of the publication of the hugely important Lammy Review into racial disproportionalities in the criminal justice system. The policy team used Zoom webinar technology to run the event smoothly for almost 300 attendees. The event sought to bring an education focus to the wider issue and was chaired by former PET trustee Dr Angela Herbert. It included a powerful and inspiring contribution from Rt Hon David Lammy MP himself and thoughtful and challenging contributions from a panel of Dr Karen Graham, Dr Anthony Gunter and Raheel Mohammed of Maslaha. The audience was engaged and enthused from the feedback via chat and social media.

Education Select Committee inquiry into prison education

In 2020 PET’s Head of Policy met the secretariat to the Commons’ Education Select Committee to give informal evidence. This was followed by a decision by the Committee to launch an inquiry into prison education – the first in 15 years. Both PET and the PLA submitted extensive responses to that inquiry early in 2021. This was a major opportunity to draw parliamentarians’ attention to prison education issues and to do so via an education rather than criminal justice lens.

PET in the media

2020 saw our work and our views about prison education covered in publications including *The Metro*, *The Big Issue*, *FE Week*, *TES*, *InTuition* (the Society for Education and Training Journal) and *The Independent Monitor* (the newsletter for the Independent Monitoring Boards). We also supported one of our alumni to give an inspiring interview on BBC Radio London and in a podcast series alongside our Head of Service Delivery for Wales Adult Learners’ Week. Our social media presence continued to grow, in particular on Twitter where our following increased from 17,500 to nearly 19,000 by the year end, helping our efforts to keep prison education on the public agenda.

PRISONERS' EDUCATION TRUST

We have also continued to share first-hand accounts from prison students, along with the charity's latest news and developments, through our monthly e-newsletter. December's edition was sent to 1,793 recipients, up 10% from December 2019 (1,625 recipients).

We have continued to maintain communication directly to prisoners through a regular section in the monthly prison newspaper *Inside Time*. Over 60,000 copies of each issue are distributed free of charge to all prisons and special hospitals plus many secure units and hostels throughout the UK. This has proved an excellent way to continue to promote our learning offer and raise issues of policy directly with prisoners.

We were also delighted to find out that the commemorative book we produced in partnership with the Creative Arts and Art students at HMP Pentonville won a Highly Commended Award at this year's Koestler Awards.

Evidence of impact

In 2020 PET and the PLA via PET have continued to be sought as key voluntary sector stakeholders for the education teams in HMPPS and MoJ headquarters. Our engagement with the Justice Select Committee had contributed to the MoJ adopting in January 2020 a key recommendation to extend the maximum period of contracts under the Dynamic Purchasing System. And PET's intervention with the Education Select Committee has been important in influencing that Committee to launch their inquiry into prison education. We are optimistic that this inquiry too will lead to positive improvements for education provision for prisoner learners.

Looking forward

The manifesto for the Conservative Government elected in December 2019 included a commitment to establish a "Prison Education Service". The Government and officials have been drawn to focus on other priorities during 2020 and the planned Spending Review was also truncated by Covid-19 to cover only the 2021/22 financial year. However it seems clear that the Government intend putting substance to this commitment over 2021 and would in any case need to take a decision that year whether to re-compete or amend the Prison Education Framework contracts at the earliest opportunity. PET and the PLA will be able to play a significant part in the development of that thinking. The recommendations from the Education Select Committee's inquiry into prison education could provide a key focus for that. However that works out, PET and the PLA will want to continue to press ministers and officials to take full advantage of the education opportunities offered by digital learning.

Robust foundations

Achievements and performance in 2020

Fundraising

Effective fundraising is essential to enable PET to help prisoner learners. In 2020 our fundraising effort was also deeply affected by the impact of the lockdown and the effect that it had on our service delivery activities.

Our service delivery needed to flex from funding high volumes of individual courses to supporting prisoner learners through our telephony and other communications, making free learning material available and developing our relationships with our suppliers and our understanding of their courses. Yet a high proportion of our funding from grant-making trusts and foundations was restricted to the costs of courses and their administration.

The fundraising team needed to contact funders to explore varying or removing restrictions so that their generous funding could be applied to the new needs in response to the pandemic situation. It is excellent to report that our wonderful funders responded magnificently. Altogether, funders agreed to remove or vary restrictions on £96,398 of existing funding and an appeal specifically to raise funding for the advice line responding to the lockdown crisis raised a further £31,030. Funders were also generous in agreeing to PET carrying over funding for courses beyond the period that had previously been envisaged when they had awarded it.

Total income for the year was £1,343,856. Although this represents a 28% decrease from £1,869,792 in 2019, the Trustees regard this as a significant achievement by the fundraising team given the challenges they have

PRISONERS' EDUCATION TRUST

faced. As well as submitting a large number of high quality applications and reports to grant-making trusts and foundations, the fundraising team also invested considerable time in keeping existing funders well-informed

about PET's adaptations to lockdown conditions in order to utilise their funds in accordance with their original intentions or revised restrictions. We are immensely grateful for the continuing generosity of both previous funders and a significant number of new supporters. We are delighted that they share our belief in the power of education and skills training to transform prisoners' lives. A list of our major supporters can be found in Notes 2 to 4 of the accounts and we are, above all, immensely grateful to the individuals who bequeathed legacies to PET this year.

Events and supporter engagement

Sadly Covid-19 restrictions have prevented PET from holding the events for supporters that would normally have been in the calendar. For many years we have held an annual Carol Concert in St Paul's Church, Covent Garden which has been a hugely heart-warming conclusion to the year. That was clearly not possible and as a virtual alternative, and with the generous help of a volunteer, PET compiled a short film recording some of the amazing achievements of such a difficult year and thanking our wonderful supporters. Thanks to their support and to the generous matched funding from charitable trusts, we were also able again to take advantage of Big Give Christmas Challenge to exceed our target and raise £28,128.

Staffing and Human Resources (HR)

The lockdown of 2020 created huge pressures for employees. Staff were required to work from home for long periods without direct support and social engagement of work colleagues. There were additional anxieties for personal safety and that of family members. Staff with school-age children had the extra burden of managing home schooling. PET is extremely fortunate in the quality and commitment of its staff and both the Board and the leadership team gave close attention to supporting staff through these challenges. It was important to talk openly about mental health and wellbeing: frequent and especially informal communication using different digital platforms was essential for ensuring that people felt supported and engaged by their colleagues. We launched a programme to train mental health first aiders and also further enhanced the Employee Assistance Programme we had in place, reminding staff of its availability for family as well as staff members themselves. Managers reviewed the IT and other equipment available to staff working at home to ensure that their health and safety was adequately covered.

PET made some limited use of the Government's furlough scheme over the spring and early summer when the sharp drop in workload meant that for a time PET did not require all the planned resources. One member of staff returning from a career break was asked to remain on furlough for a period before taking up duties again and another member of staff also went on furlough for a three-week period. Although Government subsidy only offered 80% funding PET decided that it would be proper to pay both staff in full for the periods concerned.

The Trustees were immensely impressed with the dedication and commitment of PET's staff in working together to tackle the immense challenges of 2020 so successfully. In line with PET's remuneration policy, the Board considered a general increase in pay in 2020. Taking account of the financial uncertainty but also having regard to the performance of the team and the movement in prices, the Board decided to give a general uplift in salaries of 1.5%.

PET is also extremely grateful for the important contribution of volunteers to our work as set out in note 14, albeit that volunteering opportunities were much more constrained than in previous years due to Covid-19 restrictions.

Equality, Diversity and Inclusion (EDI)

PET is committed to embedding EDI into every aspect of the way we work. And in 2020 the killing of George Floyd in the United States and responding protests further highlighted the issue of racial injustice. It prompted PET to look again at whether we were doing enough to address the racial disparities in the UK criminal justice system.

The Board agreed to review PET's policy on EDI to give clearer recognition to the context of those

PRISONERS' EDUCATION TRUST

disproportionalities and PET's commitment to challenging them. PET was also proud to host the event to mark the three year anniversary of the ground-breaking report on this issue by David Lammy. And we have continued to scrutinise our own practice to ensure that we are as inclusive and diverse in the opportunities we offer as we can be.

Our new course application process and the more useful analytical capability of the database that underpins it have put us in a much stronger position to analyse our own processes on how they treat people with protected characteristics. The embedded questions on diversity have achieved a much better rate of completion than our previous process and the database tools will help us to review in detail the rigour of the decision-making process. The possible distortions from the 2020 lockdown and the reduced volume of applications have so far limited the ability of the Board's QA Panel and EDI Committee to probe this area properly but we are well placed to do so as more data becomes available.

PET has also worked to improve the inclusivity of our recruitment processes. For many years we have included text in job advertisements inviting diversity of candidates including those with experience of the prison system. In 2020, we successfully trialled a new recruitment process aimed at increasing accessibility and eliminating unconscious bias. We further scrutinised the language of the advertisement to avoid gendered and inaccessible language. We invited candidates to answer three questions about themselves to avoid relying on CVs and cover letters that might unduly benefit candidates from more advantaged backgrounds better able to take up intern and volunteering opportunities. Names were then removed and the individual questions were double scored separately in random orders. For those selected for interview we gave a short period of advance warning of the questions. Our evaluation of the pilot was positive and we are applying this process in our next recruitment.

Appointment of Jon Collins as new Chief Executive

Having led PET for approaching eight years, PET's longstanding Chief Executive Rod Clark decided to retire and pass the role of developing the next stage of PET's strategic development to new hands. He formally submitted his resignation in July. The Board is extremely grateful for the contribution he made to the growth and development of PET and its work for prisoner learners over his tenure.

The Board's Nominations Committee led the process of recruiting a successor. It decided that it would be best to use the services of a search company to achieve the highest quality of candidates. EDI was a major consideration throughout the process including the selection of a search company, the monitoring of protected characteristics of candidates at each stage of selection, and the diverse composition of the interview panel, including members who had lived experience of the prison system. The recruitment process also allowed shortlisted candidates an informal opportunity to meet virtually with the Chair, with the Senior Management Team and with a group of staff and alumni.

The Committee considered over 90 applications for the post and Trustees were delighted to appoint Jon Collins to the role. Jon comes to PET from being Chief Executive of the Magistrates Association and has an extensive experience of leadership in the voluntary sector in the criminal justice system, having also previously led the Criminal Justice Alliance and the Restorative Justice Council. The Board is confident that Jon will prove an excellent leader for the next stage in PET's journey and a champion for PET's values for the future.

Jon formally took up his post on 1 April 2021 and the Board is very grateful to Rod Clark for agreeing to stay in post until that date and work with Jon for an orderly handover.

Systems and Information Technology

The experience of lockdown further highlighted the importance for PET of operating as far as possible digitally and maintaining and enhancing the platforms to enable us to do so. PET worked throughout 2020 to continue to develop the key service delivery database using Salesforce including expanding it to support the advice line processes. Other enhancements to systems included a platform to manage advice line calls remotely by staff working at home, enhanced telephony and moving to cloud-based platforms for financial processing, including the introduction of electronic payslips. At the end of the year, the fundraising team began the process of moving from our previous supporter Customer Relationship Management system (which was no longer adequately supported) to a new platform, Beacon.

PRISONERS' EDUCATION TRUST

Data Protection

In 2020 PET reviewed its Data Audit for the purposes of ensuring that it continued fully to meet Data Protection requirements. This included adjustments and enhancements to the text of a number of privacy notices for different groups of data subjects.

Looking forward

During 2020 the PET Board and senior leadership launched a programme to chart a new strategic direction (the period of our existing strategy extended only to 2020). The strategy development group – consisting of senior leadership, staff and alumni – carried out an extensive exercise to gather the views of prisoners, partners and supporters of the key focus of PET's future direction for the next three to five years. This involved a survey to which PET received 340 responses, 27 structured interviews with key stakeholders, and a review of horizon-scanning material. The outcome was reviewed by the group and by the Board at a half day awayday.

The clear message was that the strategy needed to be about operating in a world of digital learning and extending the reach of PET's support to more prisons and prisoners. During 2021 and under the leadership of its new Chief Executive, PET will develop that very broad sense of direction into specific options to be tested and agree a clear strategy. Agreement of strategic direction and the leadership of a new Chief Executive will give renewed impetus and aspiration to all aspects of the organisation including our fundraising efforts as we enter a year in which the impact of Covid-19 on the prison system and on the economy remains highly uncertain.

FINANCIAL REVIEW

The results of the year's operations are set out in the attached financial statements. The total retained reserves at 31 December 2020 amounted to £1,393,386 (2019: £1,561,184), of which £937,459 (2019: £678,912) were unrestricted.

Income for the year ended 31 December 2020 totalled £1,344,097 compared with £1,869,792 for 2019. The high level of income in 2019 reflected some large one-off grants including £160,000 dedicated to implementation work and £293,097 supporting the Welsh Prisons Project. As noted above on page 13, the Trustees are satisfied with the level of income raised in 2020 given the challenging fundraising environment in 2020 as well as some multi-year grants coming to an end.

In 2020 PET received £691,488 from charitable trusts and corporate institutions (2019 - £1,211,249); £418,582 from government sources (2019 - £419,079); £201,839 from individuals, including Gift Aid and legacies (2019 - £171,117); £206 from fundraising events due to the constraints of Covid-19 (2019 - £11,618); £1,774 from investment income and other income (2019 - £7,443); and £Nil income from donated goods and services (2019 - £6,064).

PET spent £1,511,654 in 2020, a decrease of £303,720 from £1,815,384 in 2019. Overall there was a net surplus on unrestricted funds of £258,547 increasing unrestricted funds from £678,912 to £937,459. Restricted funds decreased from £882,272 to £455,927 as funds secured in prior years were spent down.

The Trustees have considered and agreed that it is appropriate to prepare these annual financial statements on a going concern basis. They are confident that sufficient funds will be available to enable operations to continue at a sustainable level for a period of at least 12 months from the date of approval. The established pattern of the charity's fundraising activities is such that voluntary income will be available from a diverse range of trusts and individual donors at stepped intervals throughout the next 12 months, enabling the charity to manage cashflow effectively. The Trustees consider PET well-placed to further continue and develop its activities as a going concern through its fundraising efforts and close liaison with significant funders such as the Ministry of Justice (MoJ). In 2020, the MoJ converted their grant (previously renewed annually) to a multi-year agreement ending in March 2023. The Trustees are also confident that sensitivity analysis demonstrates that PET will continue to be able to support a satisfactory number of learners even if income from grant-making trusts and individuals is adversely affected by difficult economic conditions in 2021.

PRISONERS' EDUCATION TRUST

Reserves policy

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

the charity's needs. The calculation takes account of: the minimum funds we would need for an orderly wind-up if the charity was required to cease operating at short notice; the working capital we would require to continue our charitable delivery in the event of a significant gap or drop in income, or reduction in levels of unrestricted funding; and our need to hold some funds to invest in new streams of charitable delivery before we are able to fundraise for their full costs.

Most of PET's income is dependent upon successful fundraising and appeal activity and is therefore subject to unpredictable fluctuation. In recent years PET therefore adopted a policy of maintaining free reserves of not less than four months' expenditure at future budgeted expenditure levels. This excludes direct expenditure to support prisoners from restricted funding.

Given the uncertain fundraising environment all charities face and the specific challenges PET will encounter delivering its charitable services in 2021, the Trustees have concluded that a higher level of free reserves will be required to support activities in 2021 and during 2020 increased the target level to a minimum level of approximately £620,000 (2019: £409,737). This comprises the charity's best estimate of the costs of an orderly wind-up plus a reserve to sustain charitable activities at something approaching a pre-COVID level while the prison service and our funders deal with the next phase of the crisis. It is likely that PET will need to pilot more flexible methods of service delivery to reach our learners during 2021, but that many funders will, quite rightly, be focussed on emergency support for charities even worse affected by the events of the past year.

The Board has agreed a budget for 2021 on prudent assumptions which include a deficit on unrestricted funds of approximately £221,000. This would reduce the level of free reserves at the end of 2021 to just below the target stated in our reserves policy.

As at 31 December 2020 PET had free reserves available for use of £832,124 (2019:£564,555). Free reserves are calculated as unrestricted funds of £937,458 less £70,453 tied up in fixed assets, and £34,881 in non-cancellable lease commitments. As set out below in the section on risk, uncertainty over the path of the COVID-19 pandemic increases the planning uncertainty for 2021. The Board therefore considers it helpful under the circumstances to have reserves at the end of 2020 which exceed our current policy.

The Board has also agreed to continue the close monthly monitoring and review of the forecast free reserves position which has been in place since 2019. This involves the Chair and Honorary Treasurer informing the Board if at any point outside of Board meetings factors are identified that might cause free reserves to drop below £350,000, as this could mean that the charity is left with insufficient funds to manage an orderly wind-up of its activities.

Fundraising

The Board takes a best practice approach to fundraising. The Head of Fundraising provides an update on fundraising performance, strategy, legal and best practice developments at every board meeting. The Board's Fundraising Committee meets with the Head of Fundraising, Chief Executive, and Head of Finance six times per year. At these meetings, the Committee reviews the fundraising business plan to provide further assurance over the appropriateness and effectiveness of our fundraising practices. The Head of Fundraising is responsible for keeping up-to-date with best practice, ensuring the training and support of the team, and complying with fundraising regulations. The Board also undertakes formal and informal fundraising training on an ad hoc basis to ensure that staff and volunteers are sufficiently trained and informed of their legal responsibilities.

PET is registered with the Fundraising Regulator and adheres to its Code of Fundraising Practice, undertaking at least an annual review of the Code (sometimes more if new standards are introduced or revised). PET is also registered with the Fundraising Preference Service. PET has a policy of not engaging agencies, fundraising consultants or commercial organisations.

We protect vulnerable donors through our Vulnerable Donors Policy. This involves upholding robust data

PRISONERS' EDUCATION TRUST

protection controls over our supporter data; avoiding intrusive forms of fundraising such as telephone and door-to-door approaches; limiting our postal and email correspondence; and noting and adhering to supporter contact preferences. In 2020, 5 minor complaints were received regarding fundraising (2019: 2). These all related to issues with the functionality of the donation processing platform on our website, which is now under review

Staff remuneration policy

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

Risk management

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

PET's risk register compiled at the start of 2020 did not identify a pandemic as a major risk. Perhaps it is hard to see in retrospect what effective mitigation it might have proposed if it had. However, the emergence of Covid-19 is now clearly affecting PET's assessment of risks going forward. The Board and executive team have collectively assessed the principal risks to which the charity is exposed (based on their combined probability and impact) as that:

- Lockdown restrictions on education staff access to prisons severely restricts education opportunities available to prisoners adversely affecting their life chances in consequence
- Exclusion of many distance learning coordinator staff from prisons reduces the support available to prisoners to apply for and pursue PET supported distance learning
- Covid-19 urgent calls on charitable funding and economic impact of the Covid-19 recession reduce availability of charitable funding for PET
- Providers progressively withdraw from offering paper based distance learning
- Staff risk Covid-19 infection through working at PET
- Staff wellbeing deteriorates during home working during lockdown
- Alumni may be vulnerable individuals for whom PET has safeguarding responsibilities and there is a risk of a failure of care both to them and staff working with them.

The risk register identifies the key management actions to mitigate these risks. However it remains the case that the impact of these risks will be hugely influenced by the course of the Covid-19 pandemic and the Government's control measures that are largely beyond PET's control.

STRUCTURE

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

PRISONERS' EDUCATION TRUST

GOVERNANCE AND MANAGEMENT

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

Trustees are subject to retirement by rotation; every year one third of Trustees eligible must retire. Trustees subject to retirement are those who have served the longest time in office. All Trustees who retire by rotation may stand for re-election. The election of members to the Board takes place at the Annual General Meeting. Details of those serving on the Board during the year and those serving currently are shown on page 1.

The Board meets six times a year, in addition to its annual Away Day. The Chair also conducts annual review meetings with all Trustees collating the key themes to share back with Trustees, inform Board development priorities and indeed their own performance. The Deputy Chair also carries out an annual appraisal of the Chair, actively seeking input from Trustees to inform this.

The Board has continued to have regard to the Charity Governance Code (as applied to larger charities). At the end of 2020 no serving Trustee had exceeded the recommended maximum in the Code of 9 years.

The Board considers it important to maintain a balance of skills in its membership and has established a Nominations Committee to undertake Trustee recruitment and induction. Following a rigorous appointment process in 2019, but which failed to satisfy the Committee that it had achieved sufficient diversity, it led a further process specifically aimed at increasing the diversity of the Board with regard to racial background and service user experience and welcomed a new member of the Board in January 2020. The Board has also continued to run a small Trustee development programme to enable a candidate with lived experience and with real potential the opportunity to attend Board meetings with support from the Chair to develop their understanding and experience to be better equipped to be a Trustee in future.

As a result, at the end of 2020 and looking at the Board and the Trustee development programme taken together (12 individuals in total) PET had 2 members from a BAME background and 3 with lived experience. More than half of our members are under the age of 50 and indeed over a third are under the age of 40 – which compares with a national average age of a Trustee of 61 years of age.

In addition to the Nominations Committee, the Board has three long-standing Committees: Fundraising; Remuneration; and Equality, Diversity and Inclusion. In 2020 the Board also established a QA Panel with responsibility for reviewing and providing oversight of the effectiveness of its business process for funding applications for distance learning courses.

PET is hugely grateful for the immense contribution made by Emily Thomas who stood down as a Trustee in 2020. Emily provided invaluable insight to the Board over eight years informed by her capacity as a Prison Governor. PET colleagues also noted with great sadness the death in 2020 of PET's Patron and former Chair Paul Maxlow-Tomlinson. He will be much missed.

Relationship to the PLA

PET provides the secretariat and secures funding to convene the PLA, of which it is also a member.

Following the 2017 review of its structure and effectiveness, the PLA agreed various changes to its constitution which came into effect in 2018. These changes extended the categories of membership, put in place a modest membership fee and elected a steering committee of which the Chief Executive of PET is an ex-officio member. The PLA, however, remains an informal grouping of organisations with no separate legal identity.

PRISONERS' EDUCATION TRUST

RESPONSIBILITIES STATEMENT OF THE TRUSTEES

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Preparation of the report

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

Auditors

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

This report was approved and authorised for issue by the Trustees on 14 May 2021, signed on its behalf by:

Signature:

Elisabeth Davies
Chair of Trustees

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

Opinion

We have audited the financial statements of Prisoners' Education Trust for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees annual report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

PRISONERS' EDUCATION TRUST

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We gained an understanding of the legal and regulatory framework applicable to the Charitable Company and the sector in which it operates and considered the risk of the Charitable Company not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements, including financial reporting which could have a material impact on the financial statements. In relation to the operations of the Charitable Company this included compliance with the Charities Act and SORP 2019, GDPR, employment law and health & safety.

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

- Review of legal fees incurred;
- Reviewing minutes of Trustee Board meetings
- Agreeing the financial statement disclosures to underlying supporting documentation;
- Enquiring of management including those charged with governance;
- Reviewing the key accounting policies and estimates

To address the risk of management override of controls we reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluated the business rationale of significant transactions to identify large or unusual transactions. We reviewed key authorisation procedures and decision making processes for any unusual or one-off transactions. We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates

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

Use of our report

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

Michael Cooper-Davis FCCA ACA (Senior Statutory Auditor)

For and on behalf of
Price Bailey LLP,
Chartered Accountants
Statutory Auditors
24 Old Bond Street
London
W1S 4AP
18 May 2021

PRISONERS' EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)
For the year ended 31 December 2020

Note	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds	
	£	£	2020	2019	
			£	£	
INCOME:					
Donations and Legacies	2	500,618	315,039	815,657	961,439
Charitable Activities:					
Access to Learning: Government Grant	3	-	411,335	411,335	419,079
Policy and Research	3	-	77,669	77,669	127,840
Welsh Prisons Project	3	-	-	-	293,087
Other Trading activities	4	206	-	206	11,618
Investments		2,015	-	2,015	7,443
Furlough- HMRC		7,247	-	7,247	
Prison & Prisoners' Contribution			29,968	29,968	49,286
TOTAL INCOME		510,086	834,011	1,344,097	1,869,792
EXPENDITURE:					
Raising funds		251,197	-	251,197	270,357
Charitable Activities:					
Access to Learning		115,077	755,193	870,270	1,094,958
Policy and Research		61,822	129,229	191,051	226,700
Welsh Prisons Project		-	199,136	199,136	221,469
ICT Project		-	-	-	1,900
Total Charitable Activities		176,899	1,083,558	1,260,457	1,545,027
TOTAL EXPENDITURE	5	428,096	1,083,558	1,511,654	1,815,384
Net Income/(Expenditure) before investment losses		81,990	(249,547)	(167,557)	54,408
(Losses) on investments		(241)		(241)	-
Net Income/(Expenditure)		81,749	(249,547)	(167,798)	54,408
Transfers between Funds		176,798	(176,798)	-	-
NET MOVEMENT IN FUNDS		258,547	(426,345)	(167,798)	54,408
RECONCILIATION OF FUNDS:					
Total Funds Brought Forward		678,912	882,272	1,561,184	1,506,776
TOTAL FUNDS CARRIED FORWARD		937,459	455,927	1,393,386	1,561,184

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

The annexed notes form part of these financial statements.

PRISONERS' EDUCATION TRUST

BALANCE SHEET

As at 31 December 2020

	Notes	2020	2019
		£	£
FIXED ASSETS			
Intangible fixed assets	8a	51,847	63,202
Tangible fixed assets	8b	18,606	16,302
Investments	9	20,823	21,064
		91,276	100,568
CURRENT ASSETS			
Debtors	10	185,404	349,142
Cash at bank and in hand		1,314,349	1,279,219
		1,499,753	1,628,361
LIABILITIES			
Creditors: amounts falling due within one year	11	(197,643)	(167,745)
NET CURRENT ASSETS		1,302,110	1,460,616
TOTAL NET ASSETS		1,393,386	1,561,184
TOTAL FUNDS OF THE CHARITY:			
Restricted funds	12	455,927	882,272
Unrestricted funds	12	937,459	678,912
		1,393,386	1,561,184

The annexed notes form part of these financial statements.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies. They were approved and authorised for issue by the Trustees on 14 May 2021 and signed on their behalf by

_____ ELISABETH DAVIES, Chair

_____ CATHERINE DAWKINS, Hon. Treasurer

STATEMENT OF CASH FLOWS
For the year ended 31 December 2020

	2020	2019
	£	£
Cash flows from operating activities:		
Net cash provided by / (used in) operating activities (see below)	43,357	(191,786)
Cash flows from investing activities:		
Interest income	2,015	7,443
Investment Income	(241)	-
Purchase of property, plant and equipment	(9,999)	(72,502)
Net cash / (used in) investing activities	(8,225)	(65,059)
Change in cash and cash equivalents in the reporting period	35,132	(256,845)
Cash and cash equivalents at the beginning of the reporting period	1,279,219	1,536,064
Cash and cash equivalents at the end of the reporting period	<u>1,314,351</u>	<u>1,279,219</u>

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

	2020	2019
	£	£
Net income / (expenditure) for the reporting period (as per the SOFA)	(167,557)	54,408
Adjustments for (expenditure) /income :		
Depreciation/amortisation charges	19,052	9,545
Interest income	(2,015)	(7,443)
Investment	241	(21,064)
Decrease / (increase) in debtors	163,738	(133,704)
Increase / (decrease) in creditors	29,898	(93,528)
Net cash provided by / (used in) operating activities (see above)	<u>43,357</u>	<u>(191,786)</u>

ANALYSIS OF CASH AND CASH EQUIVALENT

	2020	2019
	£	£
Cash in hand	377,873	345,198
Notice deposits (less than 3 months)	936,476	934,021
	<u>1,314,349</u>	<u>1,279,219</u>

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

The annexed notes form part of these financial statements.

STATEMENT OF CASH FLOWS
For the year ended 31 December 2020

	2020	2019
	£	£
Analysis of change in net debt		
Cash and cash equivalent as at 01/01/2020	1,279,219	1,536,064
Cashflows	35,132	(256,845)
Other non-cash changes	-	-
Cash and cash equivalent as at 31/12/2020	1,314,351	1,279,219

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. ACCOUNTING POLICIES

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

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

Basis of preparation of financial statements

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

The financial statements are prepared in Sterling, which is the functional currency of the Charity.

The effects of events relating to the year ended 31 December 2020 which occurred before the date of approval of the financial statements by the Trustees have been included in the financial statements to the extent required to show a true and fair view of the state of affairs at 31 December 2020 and the results for the year ended on that date. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Going concern

The trustees have assessed the charity's requirements for the foreseeable future and are confident that sufficient funds will be available to enable operations to continue at a sustainable level for a period of at least 12 months from the date of approval of these financial statements. HMPPS have renewed their major grant until 31 March 2023 and, although the charity anticipates more difficult fundraising conditions in 2021, the Trustees are satisfied that a sufficiently strong income pipeline exists in combination with the current level of free reserves for the charity to rebuild activities towards pre-pandemic levels through 2021 and into 2022. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

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

Income

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

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

Expenditure

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

Fund accounting

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

Fixed assets, depreciation and amortisation

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

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

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

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

Website	-	5 years
Database	-	5 years

Development of the database was functionally complete part-way through December 2019. Amortisation commenced in 2020.

Cash

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

Pensions

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

Financial instruments

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

Taxation

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

Key judgements and estimation policy

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

2 INCOME FROM DONATION AND LEGACIES

Donated services include venue use, catering for meetings and events, and research services.
 See also note 14 for the contribution of volunteers.

Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
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Institutions who granted or donated £5,000 or more:

ABF The Soldiers' Charity	-	-	-	20,124	20,124
A B Charitable Trust	10,000	-	10,000	-	10,000
Aurum Charitable Trust	-	13,000	13,000	-	-
Beatrice Laing Trust	-	-	-	5,000	5,000
Buckinghamshire Association for the Care of Offenders	-	-	-	5,000	5,000
Charles Hayward Foundation	-	-	-	15,000	15,000
Essex Community Foundation	-	-	-	4,250	4,250
Esmée Fairbairn Foundation	30,000	-	30,000	-	-
Evan Cornish Foundation	-	-	-	8,500	8,500
Guernsey Community Foundation	-	-	-	10,200	10,200
The Hobson Charity	-	5,261	5,261	-	-
Inner London Magistrates' Courts' Poor Box & Feeder Charity	-	10,000	10,000	-	10,000
Jill Franklin Trust	-	8,800	8,800	-	9,600
John Armitage Charitable Trust	35,000	-	35,000	35,000	35,000
Lawrence Atwell's Charity	-	-	-	15,000	15,000
Liz & Terry Bramall Foundation	-	5,000	5,000	-	-
Peter Stebbings Memorial Charity	-	5,000	5,000	-	-
Sir John Cass's Foundation	-	-	-	15,725	15,725
The 29th May 1961 Charitable Trust	10,000	-	10,000	10,000	10,000
The Adrian Swire Charitable Trust	30,000	-	30,000	30,000	30,000
The Bromley Trust	15,000	-	15,000	15,000	15,000
The Brook Trust	-	-	-	18,030	18,030
The Carr-Gregory Trust	7,500	-	7,500	7,500	7,500
The Drapers' Company	-	-	-	25,000	25,000
The Dulverton Trust	40,000	-	40,000	40,000	40,000
The Hadley Trust	35,000	-	35,000	30,000	30,000
The Julia and Hans Rausing Trust	-	6,725	6,725	-	-
The Peacock Charitable Trust	8,000	-	8,000	8,000	8,000
The Samworth Foundation	-	-	-	35,000	35,000
The Taylor Family Foundation	-	20,000	20,000	-	20,000
The Vandervell Foundation	5,000	-	5,000	5,000	5,000
The Veterans' Foundation	-	-	-	-	-
The Violet & Milo Cripps Charitable Trust	5,000	-	5,000	-	-
The John R Murray Charitable Trust	15,000	-	15,000	-	-
William Harding's Charity	-	-	-	6,375	6,375
Other donations from institutions	91,251	203,281	294,532	101,022	275,996

Individuals who donated £5,000 or more:

Other donations from individuals	79,121	37,972	117,093	127,934	27,713	155,647
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Legacies donated of £5,000 or more:

From the estate of the late Geoffrey David Arthur Catchpole	5,000	-	5,000	-	-	-
From the estate of the Late Mr Michael Wright	14,346	-	14,346	-	-	-
Other legacy income	65,400	-	65,400	15,470	-	15,470

500,618	315,039	815,657	459,926	501,513	961,439
500,618	315,039	815,657	459,926	501,513	961,439

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

3 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2020 £	2020 £	2020 £	2019 £
Access to Learning Grants:				
Ministry of Justice	-	396,629	396,629	402,458
Welsh Assembly Government	-	14,706	14,706	16,621
	-	411,335	411,335	419,079
Policy and Research grants:				
Barrow Cadbury Trust	-	10,800	10,800	14,100
Esmée Fairbairn Foundation	-	60,000	60,000	60,729
Erasmus+ Programme	-	-	-	8,226
Further Education Trust for Leadership	-	-	-	15,000
St Sarkis Charity Trust	-	-	-	7,500
Other Donors	-	6,870	6,870	22,285
	-	77,670	77,670	127,840
Welsh Prisons Project				
Moondance Foundation	-	-	-	293,087
	-	489,005	489,005	840,006

All funds received in 2020 were restricted. Included within Income from Charitable Activities are total government grants of £411,335 (2019 - £419,079). The total value of the grant received has been recognised in year.

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

There are no unfulfilled conditions or contingencies attaching to the grants which have been recognised as income, and no other material sources of government assistance were received (2019 - the same).

No grant towards supporting the Welsh Prisons Project (2019: £293,087) was recognised as income in this year. Although a further amount of £69,260 was received in 2020, this is restricted to project work in 2021 and so was included in deferred income as at 31 December 2020.

4. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2020 £	2020 £	2020 £	2019 £
Fundraising events	206	-	206	11,618
	206	-	206	11,618

In 2020 all income from other trading activities was unrestricted.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

5. EXPENDITURE

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

Grant funding of activities	Staff costs	Activities undertaken directly	Support costs	Total	Total
2020	2020	2020	2020	2020	2019
£	£	£	£	£	£
Access to Learning Grants:					
Access to Learning	366,126	356,526	9,765	137,853	1,094,958
Policy and Research	-	135,980	13,195	41,876	226,700
Welsh Prisons Project	21,298	142,919	25,153	9,766	221,469
ICT Project	-	-	-	-	1,900
Total expenditure on charitable activities	387,424	635,425	48,113	189,495	1,545,027
Raising funds	-	168,780	12,202	70,215	270,357
Support and governance	-	119,581	140,129	(259,710)	-
	387,424	923,786	200,444	-	1,511,654
				1,511,654	1,815,384

Prior Year

Grant funding of activities	Staff costs	Activities undertaken directly	Support costs	Total	
2019	2019	2019	2019	2019	
£	£	£	£	£	
Access to Learning Grants:					
Access to Learning	682,236	295,936	6,356	110,430	1,094,958
Policy and Research	-	131,239	38,734	56,727	226,700
Welsh Prisons Project	33,690	137,446	23,757	26,576	221,469
ICT Project	-	-	1,900	-	1,900
Total expenditure on charitable activities	715,926	564,621	70,747	193,733	1,545,027
Raising funds	-	191,702	18,532	60,123	270,357
Support and governance	-	113,239	140,617	(253,856)	-
	715,926	869,562	229,896	-	1,815,384
				1,815,384	

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

Analysis of support costs:

	Total 2020 £	Total 2019 £
Support staff costs	98,784	93,303
Rent, service charge and rates	70,340	71,583
Other premises costs	142	2,738
Insurance	3,594	3,631
Computer and IT costs	20,678	19,034
Bank charges	1,126	1,270
Postage, photocopier and telephone	7,835	8,690
Printing and stationery	2,312	4,302
Depreciation and amortisation	19,052	9,107
Other support costs	5,300	11,327
Governance staff costs	20,797	19,936
Other governance costs	9,750	8,935
	<u>30,547</u>	<u>28,871</u>
	<u>259,710</u>	<u>253,856</u>

Expenditure includes:

	2020 £	2019 £
Auditors remuneration:		
Audit fee excluding VAT	7,500	8,700
Irrecoverable VAT on audit fee	1,500	1,740
Operating lease rentals - Land and buildings	57,175	55,526
- Plant and equipment	1,741	2,007
Depreciation and amortisation on owned assets	<u>19,052</u>	<u>9,545</u>

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

	2020 £	2019 £
Open University courses	163,274	395,435
General education courses, arts & hobby materials	224,150	320,491
	<u>387,424</u>	<u>715,926</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

6. STAFF NUMBERS AND COSTS

	2020	2019
	£	£
Wages and salaries	780,421	746,510
Social security costs	77,726	74,303
Defined contribution pension costs	39,362	36,945
Other staff costs	2,316	11,802
Recruitment and related costs	23,962	-
	923,787	869,560

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

	2020	2019
	FTE	FTE
Raising funds	4.7	4.8
Access to Learning	8.6	7.0
Policy and Research	3.1	2.8
Welsh Prisons Project	3.2	3.1
Governance	0.3	0.3
Support	1.8	1.7
	21.7	19.7

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

	2020	2019
	AHC	AHC
Raising funds	4.9	4.8
Access to Learning	8.8	7.0
Policy and Research	3.7	2.9
Welsh Prisons Project	3.4	3.3
Governance	0.3	0.3
Support	1.8	1.7
	22.9	20.0

One employee, the Chief Executive, received a gross salary in the range of £80,000 - £90,000; employers' pension contributions of 5% of total earnings were also payable (2019 - same). The key management personnel of PET received earnings and benefits (including employer pension contributions of 5% of total earnings) totalling £341,170 (2019 - £334,533). The number of key management personnel was 5 (2019- 5) being the Chief Executive, and 4 Heads of Departments; the FTE number of key management personnel staff members was 5 (2019 - 5).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

6. STAFF NUMBERS AND COSTS (continued)

Pensions – defined contribution scheme

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £39,362 (2019 £36,945). Contributions totalling £28 (2019: £nil) were payable to the fund at the balance sheet date and are included in creditors.

7. TRUSTEE TRANSACTIONS AND RELATED PARTIES

During the year, no trustee received any remuneration (2019 - £NIL). One trustee received reimbursement of travel expenses to attend trustee meetings of £185 (2019 – 2 trustees, £345). The Charity received £5,773 in donations on usual terms from its trustees, key management personnel, their close family members and entities over which they have significant interest or effective control during the period (2019- £5,537). Total expenses incurred by the Trustees in the furtherance of their duties but not reclaimed from the Charity were immaterial in 2020 and 2019. There is no ultimate controlling party. There were no other related party transactions.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

8a. INTANGIBLE FIXED ASSETS

	Website £	Database £	Total 2020 £	Total 2019 £
COST				
Opening balance 1 January 2020	36,048	32,368	68,416	-
Additions	-	2,738	2,738	68,416
At 31 December 2020	36,048	35,106	71,154	68,416
Amortisation				
Opening balance 1 January 2020	5,213	-	5,213	-
Charge for the period	7,210	6,884	14,094	5,213
At 31 December 2020	12,423	6,884	19,307	5,213
NET BOOK VALUE				
At 31 December 2019	30,835	32,368	63,203	-
At 31 December 2020	23,625	28,222	51,847	63,203

8b. TANGIBLE FIXED ASSETS

	Furniture & Fittings £	Office & IT Equipment £	Total 2020 £	Total 2019 £
COST				
Opening balance 1 January 2019	22,723	12,160	34,883	30,794
Additions	415	6,847	7,262	4,089
At 31 December 2020	23,138	19,007	42,145	34,883
DEPRECIATION				
Opening balance 1 January 2019	11,187	7,394	18,581	14,249
Charge for the period	2,553	2,405	4,958	4,332
At 31 December 2020	13,740	9,799	23,539	18,581
NET BOOK VALUE				
At 31 December 2019	11,536	4,766	16,302	16,545
At 31 December 2020	9,398	9,208	18,606	16,302

PRISONERS' EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

9. INVESTMENTS

	2020	2019
	£	£
Aviva Investment Bond:		
Market value brought forward	21,064	-
Additions	-	20,871
Distributions reinvested		193
Unrealised (loss)	(241)	-
Market value carried forward	<u>20,823</u>	<u>21,064</u>
Historical cost	<u>21,064</u>	<u>21,064</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade Debtors	4,072	874
Net prison contributions due	14,937	12,376
Grants receivable	126,769	267,096
Donations receivable	28,940	58,605
Prepayments	5,791	5,296
Lease deposit	4,895	4,895
	<u>185,404</u>	<u>349,142</u>

PRISONERS' EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	4,056	12,672
Taxation and social security costs	21,343	20,631
Grants committed but not yet paid (see below)	76,256	111,963
Accruals	10,420	8,700
Deferred Income	69,260	-
Other creditors	16,304	13,779
	197,639	167,745

Grants committed but not yet paid analysis

At start of year	111,963	112,611
Grants committed in the year	406,250	761,565
Grant commitments fulfilled	(441,957)	(762,213)
	76,256	111,963

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

Deferred income analysis

At start of year	-	-
Amounts added in the year	69,260	-
Amount released to income from previous years	-	-
	69,260	-

Deferred income comprises grant monies received during the period subject to donor-imposed conditions specifying the time period over which the expenditure of resources can take place (received in 2020, but intended by the donor for the year ending 31 December 2021). This grant will be deferred as a liability until the time period in which the income should be recognised.

PRISONERS' EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

12a. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Intangible Fixed Assets	51,847	-	51,847	63,202
Tangible fixed assets	18,606	-	18,606	16,302
Investments	20,823	-	20,823	21,064
Current Assets	883,977	615,776	1,499,753	1,628,361
Current Liabilities	(37,794)	(159,849)	(197,643)	(167,745)
	937,459	455,927	1,393,386	1,561,184

Prior Year Comparative Figures

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Intangible Fixed Assets	63,202	-	63,202
Tangible fixed assets	13,880	2,422	16,302
Investment	21,064	-	21,064
Current Assets	625,955	1,002,406	1,628,361
Current Liabilities	(45,189)	(122,556)	(167,745)
	678,912	882,272	1,561,184

PRISONERS' EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

12b. FUNDS OF THE CHARITY

	Brought Forward 01/01/2020 £	Income £	Expenditure and net losses £	Transfers £	Carried Forward 31/12/2020 £
RESTRICTED FUNDS					
Policy and Research	77,744	95,961	(129,229)	-	44,476
Governance	-	-	-	-	-
Access to Learning					
General	148,466	166,341	(77,920)	(70,443)	166,444
Womens prisoners	66,030	-	(38,870)	(25,000)	2,160
Younger prisoners	27,616	19,675	(36,417)	(5,955)	4,919
Older prisoners	1,818	-	(1,818)	-	-
Army veterans	18,680	30,401	(16,221)	-	32,860
HMPPS England	2,428	396,629	(380,759)	-	18,298
Hmpps Wales	-	14,706	(14,706)	-	-
Geographically restricted	61,003	44,669	(50,760)	(14,292)	40,620
Course subject restricted	109,038	3,766	(68,282)	5,000	49,522
Course Development	-	-	-	-	-
Advice Line	-	31,030	(34,250)	14,292	11,072
Small Grants	3,202	-	(1,000)	-	2,202
Prison & Prisoners' contribution	3,655	30,833	(30,022)	-	4,466
Awards	4,892	-	(4,168)	-	724
Welsh Prisons Project	357,700	-	(199,136)	(80,400)	78,164
	882,272	834,011	(1,083,558)	(176,798)	455,927
UNRESTRICTED FUNDS	678,912	510,086	(428,337)	176,798	937,459
TOTAL FUNDS	1,561,184	1,344,097	(1,511,895)	-	1,393,386

During the year, a number of trusts and other donors kindly agreed that PET could transfer their restricted grants and donations to unrestricted funds to enable the charity to adapt more flexibly to the challenges generated by the COVID-19 pandemic.

PRISONERS' EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

Prior year comparative figures:

	Brought Forward 01/01/2019 £	Income £	Expenditure £	Transfers £	Carried Forward 31/12/2019 £
RESTRICTED FUNDS					
Policy and Research	80,215	127,838	(125,309)	(5,000)	77,744
Governance	-	-	-	-	-
Access to Learning					
General	16,799	190,259	(58,592)	-	148,466
Womens prisoners	49,420	91,652	(75,042)	-	66,030
Younger prisoners	19,642	50,725	(42,751)	-	27,616
Older prisoners	2,625	2,975	(3,782)	-	1,818
Army veterans	17,326	25,124	(23,770)	-	18,680
HMPs England	16,349	402,458	(416,379)	-	2,428
Hmpps Wales	-	16,621	(16,621)	-	-
Geographically restricted	78,878	131,131	(149,006)	-	61,003
Course subject restricted	285,165	7,650	(183,777)	-	109,038
Course Development	1,900		(1,900)	-	-
Advice Line					
Small Grants	6,174	2,000	(4,972)	-	3,202
Prison & Prisoners' contribution	3,269	49,286	(48,900)	-	3,655
Awards	4,902	-	(10)	-	4,892
Welsh Prisons Project	323,451	293,086	(221,469)	(37,368)	357,700
	906,115	1,390,805	(1,372,280)	(42,368)	882,272
UNRESTRICTED FUNDS	600,661	478,987	(443,104)	42,368	678,912
TOTAL FUNDS	1,506,776	1,869,792	(1,815,384)	-	1,561,184

PRISONERS' EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

Restricted funds

Policy & Research

For research, policy, advocacy and alumni development work, including support of the PLA. Major funders in 2019 include: Esmée Fairbairn Foundation, Barrow Cadbury Trust (supporting EDI project) and some other organisations.

Access to Learning:

General	For distance learning courses and advice. Major funders in 2020 include: The Big give appeal (Various donors), The Joseph Strong Frazer Trust and John Thaw Foundation.
Women prisoners	For distance learning courses and advice to women in prison; major funders in 2020 include: The Brook Trust, Charles Hayward Foundation and Evan Cornish Foundation.
Younger prisoners	For distance learning courses and advice to younger prisoners under 30. Major funders in 2020 include: Lawrence Atwell's Charity, Sir John Cass's Foundation.
Older prisoners	For distance learning courses and advice to prisoners aged 50 and above. The major funder in 2020 was Ernest Hecht Charitable Foundation and The Roddick Foundation.
Ex-armed forces	For distance learning courses to ex-service personnel; major funders in 2020 include: ABF The Soldiers' Charity, Princess Anne's Charities and The Veterans' Foundation.
Ministry of Justice	Funding granted for distance learning courses, including Open University Access courses and a range of accredited and unaccredited further education courses, as well as an Advice and Information service for serving prisoners and their families.
Welsh Assembly Government	Funds granted by the Welsh Assembly Government, through NOMS in Wales for prisoners who are ordinarily resident in Wales to study Open University and other accredited and unaccredited further education courses
Geographically restricted	Funds granted for distance learning courses and advice with specific geographical restrictions. Major funders in 2020 include: Amelia Chadwick Charitable Trust, Buckinghamshire Association for the Care of Offenders, Essex Community Foundation, Guernsey Community Foundation, The Elizabeth L Rathbone Charitable Trust, Hodge Foundation, Inner London Magistrates' Courts' Poor Box & Feeder Charity, Liz & Terry Bramall Foundation, Michael Marsh Charitable Trust, Open Gate Trust, Peter Stebbings Memorial Charity, PH Holt Foundation, The Sir James Reckitt Charity, Sir John Fisher Foundation, The Samworth Foundation, Susanna Peake Charitable Trust The William Harding's Charity The Summerfield Charitable Trust and The Walter Guinness Charitable Trust.

PRISONERS' EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

Restricted funds (continued)

Course subject restricted & Course development	Funds granted for distance learning courses with specific subject restrictions and course development. Major funders for course subject restriction in 2020 include: Garfield Weston and The Savoy Educational Trust
Enterprise Awards	A fund granted by the Topinambour Trust and administered by PET to be applied in awarding prizes to prisoners undertaking further or higher education.
Welsh Prisons Project	Funds restricted to strengthen and extend our support for Welsh prisoners, building learning communities to support our students to achieve their educational and vocational goals, whilst in custody and upon release. Moondance Foundation is the main contributor for this project.
Advice Line	Jill Franklin Trust, The Coral Samuel Charitable Trust, Taylor Family Foundation, The Samworth Foundation and some other organisations and individuals contributed to this.

13. OTHER FINANCIAL COMMITMENTS

At 31 December 2020 the Charity had an operating lease for its London office premises with a remaining term of less than 5 years. There is a rolling 6-month break clause, and therefore the commitment by the charity at any given point is 6 months' rent and service charge. As at 31 December 2020, this amounted to £34,458 (2019 - £34,458). The Charity also had a non-cancellable operating lease commitment of £423 (2019 - £392) for equipment falling due within one year.

In October 2015 the charity signed an operating licence for an office space in Cardiff with an initial 18 month term and a rolling one month break clause. The commitment of the charity at any one time is rent and service charges of £625. There are no other non-cancellable operating licence commitments falling due within one year or in more than one year (2019 - the same).

14. CONTRIBUTION OF VOLUNTEERS

We are very grateful for the vital contributions to our work made by volunteers in 2020 in many different capacities. A number of our alumni that we had helped while in prison and are now in the community gave their time to speak at events or to journalists to promote our work. Some of our high profile supporters also gave their time to speak at events on our behalf. We were given valuable help with administrative and office tasks by 5 volunteers gaining temporary work experience or helping with one off tasks (2019 - 9). 7 individuals helped us out on a voluntary basis with fundraising events organised either directly through PET or via our South London supporters' group (2019 - 21). A number of professional and academic experts contributed their advice and expertise to our project and research work on a pro bono basis; and our President and all our Patrons and Trustees gave their time most generously and free of charge to act as ambassadors for PET and to provide robust and effective governance.

15. LIMITATION OF LIABILITY

Prisoners' Education Trust is a charitable company limited by guarantee. Liability is limited to £10 per member. As at 31 December 2020, there were 29 members (2019: 28).