

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

**REPORT AND FINANCIAL STATEMENTS YEAR**

**ENDED 31 DECEMBER 2021**

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**PRISONERS' EDUCATION TRUST**

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

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**REPORT AND FINANCIAL STATEMENTS**

For the year ended 31 December 2021

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**CONTENTS**

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	Page
<b>Legal and administrative information</b>	1
<b>Trustees' report</b>	3
<b>Auditors' report</b>	20
<b>Statement of financial activities</b>	23
<b>Balance sheet</b>	24
<b>Statement of cash flows</b>	25
<b>Notes to the financial statements</b>	27

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## PRISONERS' EDUCATION TRUST

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

For the year ended 31 December 2021

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**President:** His Honour John Samuels QC (to 31 December 2021)

**Patrons:**

Michael Smyth CBE QC (Hon)  
The Rt Hon. the Lord Woolf  
Lord Ramsbotham GCB CBE

**Trustees:**

Hilary Cross – Deputy Chair  
Catherine Dawkins - Honorary Treasurer  
Elisabeth Davies - Chair  
Patrick Diamond (to 24 November 2021)  
Judith Feline (from 1 April 2022)  
Emily Giles  
James Killen  
Ken Merry (from 1 April 2022)  
Vicki Morris  
Mandeep Mahil  
Lewis Owens (from 1 April 2022)  
Dr Paul Phillips CBE  
John Richard Ward OBE  
Mark Welsh (to 30 March 2022)

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

**Company Secretary and**

**Chief Executive:** Rod Clark (to 31 March 2021)  
Jon Collins (from 1 April 2021)

**Company reg. no:** 04132595

**Charity reg. no:** 1084718

**PRISONERS' EDUCATION TRUST**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY,  
ITS TRUSTEES AND ADVISERS  
For the year ended 31 December 2021 (continued)**

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**Registered office:** The Foundry  
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SE11 5RR

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Website: [www.prisonerseducation.org.uk](http://www.prisonerseducation.org.uk)

**Auditors:** Price Bailey LLP  
Chartered Accountants and Tax Advisors  
3<sup>rd</sup> Floor, 24 Old Bond Street  
Mayfair, London, W1S 4AP

**Bankers:** Barclays Bank  
2 Victoria Street  
London  
SW1H 0ND

Unity Trust Bank  
9 Brindley Place  
Birmingham  
B1 2HB

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

**TRUSTEES' ANNUAL REPORT, (incorporating the Directors' report)  
for the year ended 31 December 2021**

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The Trustees (who are also the directors for the purposes of company law) present their report and the audited financial statements for the year ended 31 December 2021.

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

**OBJECTS, ACTIVITIES, AND STRATEGY**

*Objects*

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

*Vision, mission and values*

PET's **vision** is:

*Prisoners' lives transformed through learning*

This is supported by our **mission**:

*Every prisoner a learner, every prison a place to learn*

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

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

*Strategy*

PET published our strategy for 2018-2020 early in 2018. A new strategy for 2022-2026 was published during 2021 (see below, p.13). During 2021 we therefore continued to work under the auspices of our previous strategy.

This original strategy set out our work across three spheres of influence:

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

To succeed in affecting change in these spheres of influence, PET also needs to have robust foundations.

## PRISONERS' EDUCATION TRUST

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The sections on achievements and performance below use these headings to review our achievements in 2021, a year in which PET, the prison system and the country as a whole continued to be severely affected by the Covid-19 pandemic.

### *Public benefit*

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

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

### *Grant making policy*

Any individual aged 18 or over who has been sentenced, is currently serving a custodial sentence in England, Wales, the Channel Islands or the Isle of Man, and has six months or more left to serve on their sentence, is eligible to apply to PET to fund them to take part in an educational distance learning course. Grants are awarded based on an application form, which is designed to gather evidence on a prisoner's readiness and motivation to participate in a distance learning course. This application form needs to be endorsed by an authorised member of staff at the prison. Applications are then scored against transparent criteria. Information, advice and guidance (IAG) is provided to prisoners and prison staff throughout the application process. Our process for awarding course funding is overseen by a Quality Assurance Panel, a Committee of the Board of Trustees. The application and scoring process was redesigned in 2019 and is now well-established.

## ACHIEVEMENTS, PERFORMANCE AND PLANS FOR FUTURE PERIODS

### Achievements and performance for 2021

During 2021, the work of PET and of the prison system as a whole continued to be severely affected by the Covid-19 pandemic. For substantial periods of the year people in prison were locked in their cells for up to 23 hours a day and access to prison education departments was limited.

Throughout this challenging period, PET did whatever we could to support prison learners. We have maintained our new Advice Line (launched in 2020 in response to the pandemic), carried out virtual prison visits, and responded to hundreds of letters from people in prison. The number of applications that we have received has slowly recovered and we were able to fund 1,437 distance learning courses over the year.

This has also been an important year in PET's development. We published a new five-year strategy, setting out our plans for the future of the organisation. We also appointed a new Chief Executive, Jon Collins, who joined PET in April.

#### PET in 2021 in numbers

Number of times information, advice and guidance given: 4,516  
Number of calls to PET's Advice Line: 1,499  
Number of different prisons from which prisoners have called PET's Advice Line: 92  
Number of applications for funding from people in prison: 2,315  
Number of distance learning courses funded for people in prison: 1,437  
Income: £1.3m  
Prisoner Learning Alliance members: 274  
Number of Twitter followers for PET: 19,974

### 1) *The learner at the centre*

#### a) *Access to learning*

In 2021 PET continued, through our Access to Learning programme, to be the leading organisation funding and supporting distance learning in prisons in England and Wales. This is the largest area of our charitable expenditure. Despite the considerable challenges presented by the Covid-19 pandemic, 2021 saw a recovery in the number of applications that we received and the number of courses that we were able to fund, although not yet to pre-pandemic levels.

	2021	2020	2019
<b>Applications</b>	2,315	1,798	2,678
<b>Awards</b>	1,437	1,046	1,703

The three courses that were the most applied for in 2021 were the National Examination Board in Occupational Safety and Health (NEBOSH) Level 2 Award in Health and Safety and Work (which provides a general understanding of health and safety principles and is key for employability in many jobs); the People, Work and Society Open University Access module; and the Science, Technology and Maths Open University Access module. Looking at successful applications, the three courses that we were able to support most often were the NEBOSH Level 2 Award in Health and Safety and Work; the Bookkeeping Certificate; and the People, Work and Society Open University Access module.

Thanks to the support of the Garfield Weston Foundation and the Open University Students' Educational Trust, we were also able to continue to support prisoners to take their initial module towards a full degree without relying on a student loan. This was initially a three-year programme but due to lower than anticipated take-up, caused by the Covid-19 pandemic, we were able to extend it and during 2021 we supported 13 further people in prison through this project (2020: 43).

PET also continued to work in partnership with the Longford Trust to administer the Frank Awards, offering grants to people in prison to cover the cost of individual modules towards degrees at the Open University (OU). During 2021, we were able to support 17 prisoners (2020: 7).

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

While 2021 was our first full year of data accumulated from our new application process, we are already using the EDI data to inform our work and IAG provision. For example, when comparing our learner data to the broader prison population, we identified that we support a smaller proportion of people from Gypsy, Roma and Traveller communities. As a result we have built relationships with organisations working with these groups, contributed to a briefing by the Traveller Movement about education in prison, and spoken at the launch event for this briefing.

### *b) Providing advice and support*

The provision of information, advice and guidance (IAG) to people in prison is central to PET's work. During 2021, we delivered IAG 4,520 times in total, via a range of mediums. We have also reviewed our IAG practices, looking at where we could make improvements, and explored how to capture the activity on our database system, Salesforce, while continuing to comply with the UK General Data Protection Regulation (GDPR). This work has helped us to monitor our engagement and see the real picture of someone's journey with PET.

Following the outbreak of the Covid-19 pandemic in 2020, and the introduction of severely restricted prison regimes that followed, PET launched a new Advice Line to enable people in prison to contact us directly for advice and support. This Advice Line continued to develop and grow during 2021, becoming an indispensable part of our offer to people in prison and their families.

During 2021 we received nearly 1,500 calls to our Advice Line from 548 unique callers, providing a mixture of IAG, support, and signposting to other services. The top subjects discussed on calls included requests for updates regarding the caller's application to PET, course choices and how to apply, and assistance with courses that they were studying. More than half of calls (55%) required follow-up.

As well as providing a way for learners and applicants to make direct contact with PET, the Advice Line gives those people who are unable or unsure how to access the prison education department the opportunity to find out about PET and distance learning, and to speak to PET advice staff directly. Timely contact with PET also helps to improve the quality of the applications that we receive, ensuring that PET staff time is spent where it can have the greatest impact and reducing delays for people in prison. Many callers contacted the Advice Line more than once, demonstrating the way that the Advice Line enables PET to develop relationships directly with individual learners, supporting them as they choose a course, apply, complete their course and then consider their next steps.

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

The positive feedback that we have received demonstrates the value of the Advice Line to people in prison, while the nature of the queries raised has informed our advice materials. Direct contact from learners across the prison estate also gives PET a prisoner's perspective, helping us to better understand the experiences of learners as the prison estate continues to be affected by measures intended to prevent the spread of Covid-19. It also helps us to understand where there may be issues in specific prisons or with particular course suppliers, which we can then look to address to improve the experience of distance learning in prison.



### *c) Promoting what we offer*

During 2021, we published a new PET Course Prospectus. Its development was informed by feedback from people in prison and from prison education staff, as well as a thorough review of the courses that we provide. This resulted in a significant refresh of what we are able to offer to learners. We brought on board a range of new courses, ensuring that they were high quality, up-to-date and fully accessible to people in prison. Some of our new courses include An Introduction to Warehousing and Logistics (reflecting a significant increase in job opportunities in this sector) and Understanding Coaching and Mentoring. We now also offer a number of health and social care courses, as well as several focusing on project management.

Overall the new prospectus includes over 120 approved courses, including short courses, GCSEs and A-levels, Open University Access Modules and professional courses. As well as step-by-step guides, help and support throughout, each course area now has outline summaries, course levels and durations. In addition, the prospectus has an online version, incorporating an interactive contents page and course index. The new prospectus was distributed to every prison in England and Wales for staff to share with learners and is available on our website at: [prisonerseducation.org.uk/get-support/prison-staff/our-courses/](https://prisonerseducation.org.uk/get-support/prison-staff/our-courses/).

The new prospectus has received very positive feedback. As one member of prison staff wrote: "It looks good, feels good and has an extensive choice of courses with an index that is clear and concise. I am sure it will inspire many."

During 2021, we also improved the Prison Staff Portal on PET's website. We asked prison staff for feedback on how to make the portal clearer and more accessible and used that feedback to make improvements. We then held online meetings with prison staff to demonstrate the new layout and resources and to make sure it worked for them. We now have more than 350 prison staff users signed up to the portal and this development work has been successful in reducing the number of emails and calls from prison staff, resulting in our team having more capacity to support our learners.

We have also continued to contribute to each edition of Inside Time, the national newspaper for people in prison. This is an important way to communicate directly with people in prison about the courses that PET offers and developments at PET, such as the launch of our new prospectus and new strategy. In March 2021 we launched a three-month campaign with National Prison Radio, reminding prisoners how to get in touch with PET and what we can offer to people in prison.

We have updated our posters and leaflets, which are used to promote PET and what we can offer within the prison estate. They have been disseminated to prisons and are also available to be downloaded from the Prison Staff Portal on PET's website for the first time.

### *d) Improving monitoring and data collection*

A further priority in 2021 has been improving our monitoring and feedback processes for learners, prison staff and suppliers, ensuring all three align so we can undertake high quality data analysis. This included integrating our approach into our Salesforce database for ongoing impact analysis.

Our feedback and monitoring processes now include requesting information from course suppliers and prison staff every three months to find out whether students are still studying or have completed their courses, helping us to keep track of the progress made by our learners. We also send learners our new start of course and end of course monitoring forms. Taken together these forms will help to demonstrate the impact that participating in distance learning has had on prisoners and their motivations for studying. In addition, we send our learners feedback postcards, which ask how their course is benefitting them.

We are also piloting digital prison monitoring. Until now, monitoring has been a paper-based exercise but using our Salesforce functionality we have created an online form which is hosted in the Prison Staff Portal of our website. Prison staff can therefore log in and submit their form quickly and easily. This will not only provide PET with up-to-date information, but will also enable prison staff to see a list of the current distance learners in their prison at any one time. This approach should ease the burden of the administrative work that prison staff have to do, giving them more time to support their learners.

### *e) Engaging with learners and alumni*

It is important to PET that people with lived experience of the prison system, and of prison education, contribute to and inform our work. We continue to run the Alumni Network, which is open to anyone with experience of serving time in prison. The Network keeps its members up-to-date with services and opportunities from different organisations and provides a supportive environment for people who have been in prison.

We also run an Alumni Advisory Group, which influences PET practice and policy and informs our work. During 2021, members of the Alumni Advisory Group contributed to the development of PET's new organisational strategy as members of the Strategy Development Group and a member of the group sits on our Quality Assurance Panel, which oversees our application process. Members of the Alumni Advisory Group also supported the recruitment of new members – late in 2021 four new alumni were recruited to the group. Alumni also sit on the Steering Group of the Prisoner Learning Alliance (PLA) and contribute to working groups that the PLA has set up.

As part of the development of the new organisational strategy we also surveyed people in prison on their views of PET and our future priorities, using Inside Time to promote the survey within the prison system.

### Evidence of impact

In January 2021, the Ministry of Justice published research demonstrating the impact of PET's work. Analysis by the Justice Data Lab (JDL) – a team of statisticians at the Ministry of Justice – showed that people supported by PET:

- Are more likely to get a job within one year than prisoners PET does not support.
- Even if they do not get a job, they are less likely to reoffend within that year than other prisoners who do not get jobs.
- And if they do get jobs, they are even less likely to reoffend than other prisoners who find employment.

Based on the employment and reoffending records of over 9,000 people supported by PET to study distance learning courses in prison, this research showed that overall 18% of those who received grants for distance learning through PET reoffended during the one-year period after release, significantly less than the comparison group (23%).

This new analysis confirms the results of earlier JDL research, which showed that people supported by PET reoffended less in the year after release from prison than a matched comparison group of prisoners and that those supported by PET also secured employment more often than the matched comparison group.

While this data is essential in showing the impact that our work has, it is also important to hear directly from learners what difference our support can make. The monitoring processes that we have in place, as well as informal feedback through the Advice Line, shows us time and again that the work that we do can transform lives, as these testimonials from two of our learners demonstrate:

“PET is an amazing resource for people looking to learn new skills and rebuild your life ahead of release. It has allowed me to regain my confidence and focus once again on what is really important and that is providing for my family.”

And:

“It has given me something to focus on during lockdown and to cope with my mental health. It has also provided me with valuable information and skills to use to progress positively in life when released from prison. With no current rehabilitation in place, it has been a lifeline.”

The scholarship programme supported by the Garfield Weston Foundation, which covered the cost of the first OU Level 1 module for learners, was also evaluated, with a report published in April 2021. Although the period of time covered by this programme was severely impacted by Covid-19, the findings of the evaluation were very positive. Key findings included:

- Funding is essential for most students to access OU Level 1 modules, without which students may not continue.
- Studying has shown significant benefits to most students in terms of increased self-confidence and self-belief, motivation and a purpose to their life beyond prison.
- Most students who were currently studying on a Level 1 module indicated that they intended to continue their studies with the OU.

This showed that there are financial barriers to participating in degree-level education that may deter some people in prison, but where they can be overcome learners benefit significantly from participating and, once they are engaged in degree level education, will look to continue studying.

This evaluation also provided further individual examples of the difference that participating in education in prison can make. As one participant put it:

“I left school with nothing. Studying with the OU has opened my eyes to how capable I am and helped me believe in myself.”

## **2) Prisons and communities**

### *a) The Welsh Prisons Project*

PET's Welsh Prisons Pilot Project was established in 2015. Phase 2 started in 2017, aiming to create and deliver a new way of working for PET in Wales that was based on the available evidence and drew on the learning from the first phase pilot.

In February 2021, the Welsh Prisons Project (WPP) team published a report on the achievements of the project between 2017 and the end of 2020, including developing new courses and trialling a number of digital projects, as well as the ways in which what we learned in the WPP had informed subsequent developments in PET's ways of working. To complement the report, and working together with prison learners, the WPP team made an animation about the successes and achievements of people studying in prison.

In 2021, the third and final phase of the WPP aimed to develop further digital education opportunities in prisons across Wales, based on the learning from the previous phases of the WPP and influenced by the PET and PLA Theory of Change model. This included developing digital routes to providing IAG to people in prison, finding ways to enable people in prison to apply to PET digitally for learning opportunities, and enabling prison staff to keep in touch with PET digitally.

After spending the early part of 2021 conducting detailed research into the digital platforms available in the Welsh prisons and scoping out delivery opportunities, during the latter half of the year we began work to reformat one of our PET free short courses for use on the new Virtual Campus 2, the intranet for prisons. This will be an opportunity to introduce people in prison to PET and interest them in pursuing further educational opportunities with us.

We have also continued our work with independent providers of digital devices in prisons in order to make our short courses more widely available and to consider the potential to provide PET application forms digitally.

In addition, the WPP team continued to offer enhanced IAG across the Welsh estate, supporting learners and staff. We also produced a video, providing an introduction to distance learning for prospective learners, which was uploaded on a number of prison TV channels (including on WayOut TV in the East of England prisons).

2021 was the last year of the WPP, and we held a virtual celebration event for staff from the Welsh prisons in early December. With the publication of PET's new organisational strategy in 2021 seeing many areas of the WPP's work mainstreamed into the organisation as a whole, and the generous support of the Welsh grant-making organisation that has funded the WPP coming to an end, it seemed an appropriate time to close the WPP, with the WPP team moving into new roles within PET to continue their work across England as well as Wales.

### *b) Prison-University Partnerships*

PET supports universities and further education colleges in developing partnerships with local prisons to enhance the educational experience for both prisoners and students from the community.

The terrorist attack at an event organised by Learning Together, a group of prison-university partnerships, at Fishmongers' Hall in late 2019 prompted HM Prison and Probation Service (HMPPS) to pause Learning Together activities in prisons. Despite this, and the ongoing pandemic, PET published five new blogposts related to this area of work on our website and worked in partnership with the University of Edinburgh on their 'Life Beyond' project, which brings the thrill of space exploration to prison learners through in-cell study. A four-module full course was produced, as well as a pack of shorter activities.

### Evidence of impact

Overall, despite the impact of lockdown restrictions in 2020 and 2021, Phase 2 of the WPP saw the award of 567 distance learning courses to people in the Welsh prisons and the provision of 733 individual advice sessions. During Phase 3, we received 218 applications from people in Welsh prisons and awarded 151 distance learning courses. We provided 125 individual advice sessions to learners in Welsh prisons.

The blogposts related to prison-university partnerships have been viewed 1,265 times.

The resources created through the 'Life Beyond' project are now available to people in prison on the laptops provided by Coracle Inside (a company that provides secure laptops to people in prison preloaded with resources).

### **3) The wider system**

#### *a) Informing prison education policy*

During 2021, PET worked to influence both the response of the prison system to the Covid-19 pandemic and the longer-term development of policy on prison education.

PET's Chief Executive contributed to an expert panel convened by the Ministry of Justice to help inform the development of the planned Prison Education Service and improvements to prison education more broadly. This panel met five times during 2021 and then reported key findings to the then prisons minister, Alex Chalk MP.

PET also contributed to a ministerial roundtable with the new prisons minister Victoria Atkins MP on the Ministry of Justice's Prisons Strategy White Paper, ahead of its publication in December 2021, and to a voluntary sector roundtable hosted by Phil Copple, Director General – Prisons at HMPPS, to discuss future prison strategy. PET continued to contribute to the Ministry of Justice's Higher Education Working Group.

The Education Select Committee's inquiry into prison education, which was announced in 2020, continued throughout 2021, with active engagement with PET throughout. PET submitted comprehensive written evidence to the inquiry and PET's former Chief Executive, Rod Clark, gave oral evidence in April. PET then helped the Committee to bring together a group of former prison learners to give evidence, enabling the Committee to hear first-hand from people with lived experience of the system.

## PRISONERS' EDUCATION TRUST

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PET also submitted written evidence to the Justice Select Committee's inquiry on women in prison, and PET's Head of Policy gave oral evidence to this inquiry. As part of our work to track and inform the prison system's recovery from the Covid-19 pandemic, we published a blog series about how prisons are recovering from the pandemic and what this means for prison learners.

PET was pleased to see HM Inspectorate of Prisons and Ofsted launch a joint review of prison education. Alongside the Education Select Committee's inquiry, the increased interest in and scrutiny of prison education is an opportunity to see real improvements introduced. We are awaiting the reports of these initiatives with interest.

### *b) PET in the media*

During 2021, PET featured widely in the media, including in The Guardian, The Times, The i Paper, the Evening Standard, the New Statesman, Left Foot Forward, Tes, FE News, FE Week, Civil Society, The Justice Gap, Russell Webster's blog and Influence (the magazine of The Chartered Institute of Public Relations). PET's social media presence also continued to grow. Our Twitter following increased from just under 19,000 at the start of the year to more than 19,950 by the year end, helping our efforts to keep prison education on the public agenda.

We have also continued to share first-hand accounts from prison learners, along with the charity's latest news and developments, through our monthly e-newsletter. December's edition was sent to 1,856 recipients and opened by 651, up 24% from December 2020 (525 people).

### The Prisoner Learning Alliance

PET has continued to convene and provide the secretariat for the Prisoner Learning Alliance (PLA), a sector-wide alliance of members from the charitable and educational sectors committed to improving policy and practice in prison education. It is the key umbrella organisation through which PET promotes prison education to a wider audience and engages with the government and policy makers.

The PLA's work during 2021 continued to be constrained by the Covid-19 pandemic. Nonetheless, the PLA carried out a range of activities.

The PLA published 'Hidden voices: The experience of teachers working in prisons', a report based on the findings of a joint UCU/PLA survey of prison educators. Over 400 prison educators completed the survey and the report highlighted their experiences and the changes that they would like to see. The report was very positively received and was covered extensively in Tes.

The PLA gave written and oral evidence to the Education Select Committee's inquiry on prison education. Written evidence was also submitted to the Justice Select Committee's inquiries on mental health and on women, to the House of Lords Youth Unemployment Committee inquiry on youth unemployment, and to the Commission on Young Lives about the provision of education for children in prison.

Due to the Covid-19 pandemic, the PLA again ran its annual conference online, with a mixture of plenary sessions and workshops. The keynote speech was delivered by Charlie Taylor, HM Chief Inspector of Prison. The event was very successful, with more than 200 people registered and positive engagement throughout. The PLA also continued to run its popular Wednesday webinars series, holding nine webinars during 2021, and held a roundtable event on employability and real-world training.

The PLA has set up working groups to look at the curriculum and to explore the issue of qualifications for prison teachers. They will report in 2022. During 2021 the PLA also worked with the charity Safe Ground to provide monthly reflective spaces for prison educators.

At the end of 2021 the PLA had 59 (2020: 55) organisational (full) members, 187 (2020: 127) individual associate members and 28 (2020: 19) members with lived experience of the prison system.

### Evidence of impact

During 2021, PET and the PLA have continued to be regarded as important and influential voices on prison education issues. We are regularly invited to contribute to work by the Ministry of Justice and HMPPS, for example on increasing the availability of higher education in prison and on the design of the new Prisoner Education Service, enabling us to directly influence policy development. We have been regularly cited in meetings as one of the leading voices promoting in-cell technology.

We have also continued to work closely with the Education Select Committee to support their important inquiry into prison education, which we hope will lead to recommendations for improvements when their report is published in 2022.

### **4) Robust foundations**

#### *a) Publication of a new organisational strategy*

During 2021 PET published a new organisational strategy for the next five years, 2022-2026. The development of this new strategy was guided by a PET Strategy Development Group (made up of staff and alumni) and a Trustee Strategy Development Group and involved extensive consultation with a wide range of PET stakeholders including learners in prison. We are very grateful to all those who contributed. The content of the new strategy is discussed below. It was launched in October 2021 and distributed to PET's stakeholders.

#### *b) Appointment of a new Chief Executive*

PET's longstanding Chief Executive, Rod Clark, retired in 2021 after eight years in the role. After a comprehensive recruitment process, outlined in last year's Trustees' Report, Jon Collins was appointed as his successor. Jon joined PET in April, having previously been Chief Executive of the Magistrates Association. Prior to that, Jon was Chief Executive of the Restorative Justice Council and he has previously worked at the Police Foundation, the Criminal Justice Alliance, the Fawcett Society and Nacro.

#### *c) Fundraising*

Effective fundraising is essential to enabling PET to fulfil our objectives as a charity and the fundraising environment in 2021 remained challenging, with Covid-19 curtailing our activities and putting additional pressure on our funders.

Nonetheless, 2021 was a successful year for our fundraising team. Total income for the year was £1,324,112, exceeding our fundraising target and comparable to that in 2020. While that remains well below the levels of income achieved pre-pandemic, this reflects the challenges presented by Covid-19 and was a significant achievement in the circumstances.

We are, as always, immensely grateful for the generosity of our existing funders who continued to support us and to the significant number of new funders who supported us for the first time in 2021. We could not do what we do, providing educational opportunities to people in prison, without their support. A list of our major supporters can be found in Notes 2 to 3 of the accounts.

A decision was taken during 2021 to increase the size of the fundraising team by recruiting an Individual Giving Manager. This will enable PET to grow our income from individuals in order to meet our fundraising targets for 2022 and beyond. This new post will be filled during the first half of 2022.

### *d) Events and supporter engagement*

For a second year Covid-19 restrictions sadly prevented us from running the events for supporters that we would normally host – we were not able to hold our annual carol concert nor any other face-to-face events. We did, however, hold an online event for supporters, introducing PET staff and explaining in more detail what we do. More than 100 supporters signed up for this event and it was very well-received. We hope to run further online events in 2022. The event helped to promote annual participation in the Big Give Christmas Challenge, and we were delighted to again exceed our target and raise £30,060 from 142 donations.

### *e) Staffing*

For much of 2021 the staff team continued to work from home. Although staff have adapted extremely well to this setup and ensured that PET continued to provide a high-quality service to our beneficiaries, the lack of face-to-face contact and in-person meetings with colleagues over this prolonged period had an inevitable impact on staff wellbeing. PET worked hard to address this, providing support to staff in a range of ways, and surveys of the team showed that staff largely felt very well supported by PET.

As work from home restrictions eased in England in the autumn, PET began trialling a hybrid working model in our London office. This saw staff working in the office between one and three days per week, and the remainder of the time at home. While this showed promise as a more flexible approach for PET in the future, the ongoing impact of Covid-19 meant that it never fully got up and running, and the emergence of the Omicron variant led to a return to fulltime home-working for all staff before the end of the year.

The Trustees continued to be immensely impressed by the dedication and commitment of PET's staff in working together to tackle the considerable challenges caused by Covid-19. In line with PET's staff remuneration policy (see page 16 for more details), a full review of staff pay was carried out by an external expert and staff salaries were adjusted accordingly.

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

### *f) Equality, diversity and inclusion*

PET is committed to embedding equality, diversity and inclusion (EDI) into every aspect of our work. Throughout 2021, we have continued to scrutinise our own practice to ensure that we are as inclusive and diverse as we can be in the opportunities that we offer.

This has included using the EDI data collected through our new application process to explore where specific communities may be underrepresented in people applying to PET for support and in the courses that we fund. This will help to shape our future work to extend our reach across the prison system.

We have also continued to work to improve the inclusivity of our recruitment processes, trialling a new recruitment process aimed at increasing accessibility and eliminating unconscious bias. In addition, we carried out a review of our website and made changes to improve accessibility.

### *g) Information technology*

During 2021 we continued to develop our use of our Salesforce service delivery database, ensuring that we were able to use it to collect the information that we need and report on it quickly and accurately. While improvements continue to be made, systems are now in place to enable us to monitor our activities effectively and make decisions based on full and comprehensive data.

We also completed the process of moving from our previous supporter relationship management system (which was no longer fit for purpose) to a new platform, Beacon. This will save staff time, increasing capacity for fundraising activity.

### *h) Data protection*

In 2021 PET reviewed our Data Audit to ensure that we continue to be compliant with the UK GDPR.

### **Our plans for 2022**

During 2021, we published a new organisational strategy for 2022-26. It set out the following four aims for the next five years:

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

To enable us to carry out this work effectively and in line with our values, the strategy sets out how we will:

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

2022 will see PET begin to implement this new strategy and in future years the Trustees will use these priorities as the basis for reporting on the work of the organisation.

Raising funding and using those funds to support people in prison to access distance learning remains at the heart of what we do and we will continue at all times to carry out this important work. During 2022 we will therefore continue to fund courses that enable people in prison to participate in distance learning. We will continue to provide IAG to people in prison, via the Advice Line, the Email a Prisoner service and the post.

In 2022, we will also start our work to extend our reach and the support that we offer by analysing the current situation in terms of demand, primarily using PET data and existing data on the prison system and the prison population. We will then use the outcomes of this work to form the basis of a project to help us understand the reasons for current barriers to access, working with current and former prisoners, staff and partners. We will also use PET data to establish which learners do not complete their courses and carry out further work to better understand the reasons for this and how to address them.

We will also continue work to develop a PET presence on the Virtual Campus and on digital devices provided by other providers, building on learning from the WPP. To complement this we will identify and agree a trial site for a digital application route to PET for prison learners and develop a full understanding of the technical requirements.

PET will also continue to play a prominent role in the policy debate around prison education. Late in 2021, the Ministry of Justice published a Prisons Strategy White Paper, which contained a range of proposals on, or related to, prison education. PET will respond to this White Paper early in 2022 and continue to work with the Ministry of Justice and HMPPS as these proposals develop.

In addition, the Education Select Committee is due to publish the report of its inquiry into prison education in Spring 2022, while the review of prison education by HM Inspectorate of Prisons and Ofsted will publish at least its initial findings during 2022. PET will examine the findings and recommendations of these inquiries and consider how we can contribute to work to ensure the implementation of those that we support.



## PRISONERS' EDUCATION TRUST

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All of this work will take place within the context of a prison system still severely affected by the Covid-19 pandemic, with the emergence of the Omicron variant in late 2021 seeing increased restrictions reintroduced into the prison estate. PET will continue to do all that we can to ensure that people in prison are able to contact us for advice, apply to us for support to begin distance learning courses, and continue with and complete courses that they have already started. We will also continue to highlight the importance of restoring full access to education departments as soon as it is safe to do so.

To support this we will work to ensure that PET is a well-run, effective and financially sustainable organisation. When guidance intended to slow the spread of Covid-19 allows, we will continue to trial a hybrid working approach, looking to provide a flexible and dynamic work environment for the staff team. We will continue to invest in our staff team, with a particular focus on improving wellbeing and providing training opportunities to support development. We will also invest in our fundraising capacity, with a particular focus on increasing income from individual donors.

### FINANCIAL REVIEW

The results of the year's operations are set out in the attached financial statements. The total retained reserves at 31 December 2021 amounted to £1,065,156 (2020: £1,393,386), of which £787,301 (2020: £937,459) were unrestricted.

Income for the year ended 31 December 2021 totalled £1,324,112 compared with £1,344,097 for 2020. As noted above on page 12, the Trustees are satisfied with the level of income raised in 2021 given the challenging fundraising environment.

In 2021 PET received £725,323 from charitable trusts and corporate institutions (2020 - £691,488); £426,627 from government sources (2020 - £411,325); £128,811 from individuals, including Gift Aid and legacies (2020 - £201,839); £1,074 from fundraising events due to the constraints of Covid-19 (2020 - £206); £1,728 from investment income and other income (2020 - £1,774); and £NIL income from donated goods and services (2020 - £NIL).

PET spent £1,653,934 in 2021, an increase of £142,280 from £1,511,654 in 2020. Overall there was a net deficit on unrestricted funds of £150,158 decreasing unrestricted funds from £937,459 to £787,301. Restricted funds decreased from £455,927 to £277,855 as funds secured in prior years were spent down.

The Trustees have considered and agreed that it is appropriate to prepare these annual financial statements on a going concern basis. They are confident that sufficient funds will be available to enable operations to continue at a sustainable level for a period of at least 12 months from the date of approval. The established pattern of the charity's fundraising activities is such that voluntary income will be available from a diverse range of trusts and individual donors at stepped intervals throughout the next 12 months, enabling the charity to manage cashflow effectively.

The Trustees consider PET well-placed to further continue and develop its activities as a going concern through its fundraising efforts and close liaison with significant funders such as the Ministry of Justice (MoJ). The current MoJ multi-year agreement comes to an end in March 2023 and PET will be applying for a further cycle of funding. The Trustees are also confident that sensitivity analysis demonstrates that PET will continue to be able to support a satisfactory number of learners even if income from grant-making trusts and individuals is adversely affected by difficult economic conditions in 2022 or other factors such as non-renewal of the grant funding from the MoJ.

### Reserves policy

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

## PRISONERS' EDUCATION TRUST

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

Given that most of PET's income is dependent upon successful fundraising activity and is therefore subject to unpredictable fluctuation, and given the uncertain fundraising environment all charities face during the Covid-19 pandemic, the Trustees concluded that, as in 2021, a higher level of free reserves will be required to support activities in 2022. This will be particularly important as PET begins to implement its new strategy for 2022-26. The Board anticipates that it will need to invest approximately £175,000 in building the capacity of the fundraising and service delivery teams, and also in developing new, especially digital, methods of course and service delivery.

On the basis of this policy, our free reserves requirement at 31 December 2021 was calculated as £620,000 (2020: £620,000). As at 31 December 2021 PET had free reserves available for use of £693,657 (2020: £832,124). Free reserves are calculated as unrestricted funds of £787,301 less £58,763 tied up in fixed assets, and £34,880 in non-cancellable lease commitments.

The Trustees expect to reduce their free reserves target as at 31 December 2022 once the initial investment in the new strategy has been made and if the fundraising environment improves. This assumption will be kept under review during the year.

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

### **Fundraising**

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

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

We protect vulnerable donors through our Vulnerable Donors Policy. This involves upholding robust data protection controls over our supporter data; avoiding intrusive forms of fundraising such as telephone and door-to-door approaches; limiting our postal and email correspondence; and noting and adhering to supporter contact preferences. In 2021, three minor complaints were received regarding fundraising and responded to (2020: 5).

### Staff remuneration policy

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

### Risk management

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

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

- Ongoing Covid-19 related restrictions in prisons continue to prevent access to education departments for many prisoners.
- The impact of Covid-19 on prisons continues to limit the number of people who apply to PET for support to access distance learning.
- Urgent calls on charitable funding due to Covid-19 and its economic impact reduce availability of charitable funding for PET.
- PET fails to meet the ambitious fundraising targets set for 2022, using up more of our reserves than planned.
- PET fails to secure a further grant from HMPPS, or secures a grant at a lower level, when our current grant ends in 2023.
- Staff stress levels are unacceptably high, affecting productivity and wellbeing.

The risk register identifies the key management actions to mitigate these risks. It remains the case, however, that the future direction of the Covid-19 pandemic remains uncertain. The response of the Government and the Prison Service will have a significant impact on many, if not all, of these risks.

### STRUCTURE

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

During the year, the Trustees reviewed and revised the charitable company's governing documents, the Memorandum and Articles of Association, to ensure that they were up-to-date and conform with current best practice regarding good governance. The most significant changes were to revise the terms of membership so that the only members of the charitable company are the Trustees, and to amend the arrangements for the retirement and re-appointment of Trustees. These changes are in line with the best practice guidance in NCVO's Charity Governance Code. The revised Articles of Association were adopted by a special resolution approved by the membership of the charitable company at an Extraordinary General Meeting (EGM) on 14 July 2021.

## **PRISONERS' EDUCATION TRUST**

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### **GOVERNANCE AND MANAGEMENT**

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

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

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

The Board has continued to have regard to the Charity Governance Code (as applied to larger charities). At the end of 2021 no serving Trustee had exceeded the recommended maximum in the Code of nine years.

The Board considers it important to maintain a balance of skills in its membership and has established a Nominations Committee to undertake Trustee recruitment and induction. The Committee led a rigorous and open process of Trustee recruitment in 2021, aiming to attract candidates with skills and experience needed to make a contribution to the Board of Trustees and with particular regard to diversity and the value of the voice of those with lived experience of the justice system.

The Committee published a comprehensive application pack and the vacancies were widely advertised, resulting in 18 applications. Nine candidates were interviewed and four new Trustees were recommended to the Board of Trustees for appointment. Their appointments were agreed by the board in November 2021 and they will join the board during 2022. In addition, one candidate was invited to join PET's Trustee Development Programme, which provides people with lived experience of the justice system with the opportunity to gain the necessary experience to become a Trustee in the future.

Alongside the Nominations Committee, the Board currently has four further committees: Fundraising; Remuneration; Equality, Diversity and Inclusion; and the Quality Assurance Panel. All continued to meet as needed in 2021.

PET is hugely grateful for the significant contribution made by Patrick Diamond, who stood down as a Trustee in 2021. Patrick provided invaluable insight to the Board over seven years and played an important role in the change programme that has transformed over the last three years how PET manages applications for support.

As part of a review of our patrons and other ambassadorial roles, which is ongoing, PET's Board of Trustees took the decision that PET should not continue to have a President. As a result of this decision, PET's President, HH John Samuels QC, retired from the role at the end of 2021. John is a former Trustee and chair of PET who was appointed President in 2012. The Trustees would like to thank John for his immense contribution to our work.

### **Relationship to the Prisoner Learning Alliance**

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

**RESPONSIBILITIES STATEMENT OF THE TRUSTEES**

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

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

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

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

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

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

**Preparation of the report**

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

**Auditors**

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

This report was approved and authorised for issue by the Board of Trustees on 20 June 2022 and signed on its behalf by:

.....  
Elisabeth Davies  
Chair of Trustees

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

#### Opinion

We have audited the financial statements of The Prisoners Education Trust (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities incorporating the Income and Expenditure account, the Charitable Company Balance Sheet, the Statement of Cash Flows and the related notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

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

#### Other information

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

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of trustees**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

We gained an understanding of the legal and regulatory framework applicable to the Charitable Company and the sector in which it operates, and considered the risk of the Charitable Company not complying with the applicable laws and regulations including fraud in particular those regulations directly related to the financial statements, including financial reporting, and tax legislation. In relation to the operations of the Charitable Company this included compliance with the Companies Act 2006, Charities Act 2011 and SORP 2019,

GDPR, employment law, safeguarding and health and safety.

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

Reviewing minutes of Board meetings, reviewing any correspondence with the Charity Commission, agreeing the financial statement disclosures to underlying supporting documentation, and made enquiries of management and officers of the Charitable Company. The procedures in place for the reporting of any incidents to the Trustee Board including serious incident reporting of these matters as necessary with the Charity Commission and a review of the risk register and legal fees during the period.

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

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

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

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

This description forms part of our auditor's report.

### **Use of our report**

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

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

for and on behalf of

**Price Bailey LLP**

Chartered Accountants

Statutory Auditors

24 Old Bond Street

London

W1S 4AP

Date: 27 June 2022



PRISONERS' EDUCATION TRUST

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(Incorporating Income and Expenditure Account)**  
**For the year ended 31 December 2021**

	<i>Note</i>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds</b>	<b>Total Funds</b>
		£	£	2021 £	2020 £
<b>INCOME:</b>					
Donations and Legacies	2	410,254	368,969	779,223	815,657
<b>Charitable Activities:</b>					
Access to Learning: Government Grant	3	-	426,627	426,627	411,335
Access to Learning: Garfield Weston Foundation	3	-	-	-	-
Policy and Research	3	-	5,650	5,650	77,669
Welsh Prisons Project	3	-	69,260	69,260	-
Other Trading activities	4	1,074	-	1,074	206
Investments		136	-	136	2,015
Furlough- HMRC		1,148	-	1,148	7,247
Prison Contributions		-	40,994	40,994	29,968
<b>TOTAL INCOME</b>		<b>412,612</b>	<b>911,500</b>	<b>1,324,112</b>	<b>1,344,097</b>
<b>EXPENDITURE:</b>					
Raising funds		<b>265,546</b>	-	<b>265,546</b>	<b>251,197</b>
<b>Charitable Activities:</b>					
Access to Learning		145,413	911,757	1,057,170	870,270
Policy and Research		102,767	56,676	159,443	191,051
Welsh Prisons Project		63,606	108,169	171,775	199,136
ICT Project		-	-	-	-
Charitable Activities		<b>311,786</b>	<b>1,076,602</b>	<b>1,388,388</b>	<b>1,260,457</b>
<b>TOTAL EXPENDITURE</b>	5	<b>577,332</b>	<b>1,076,602</b>	<b>1,653,934</b>	<b>1,511,654</b>
Net Income/(Expenditure)		(164,720)	(165,102)	(329,822)	(167,557)
Gain/(Losses) on Investment		1,592	-	1,592	(241)
Transfers between Funds		12,970	(12,970)	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>(150,158)</b>	<b>(178,072)</b>	<b>(328,230)</b>	<b>(167,798)</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total Funds Brought Forward		937,459	455,927	1,393,386	1,561,184
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>787,301</b>	<b>277,855</b>	<b>1,065,156</b>	<b>1,393,386</b>

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

The annexed notes form part of these financial statements.

## PRISONERS' EDUCATION TRUST

### BALANCE SHEET

As at 31 December 2021

	<b>Notes</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
<b>FIXED ASSETS</b>			
Intangible fixed assets	<i>8a</i>	40,840	51,847
Tangible fixed assets	<i>8b</i>	17,923	18,606
Investments	<i>9a</i>	22,415	20,823
		<b>81,178</b>	<b>91,276</b>
<b>CURRENT ASSETS</b>			
Debtors	<i>9b</i>	326,616	185,404
Cash at bank and in hand		787,239	1,314,349
		<b>1,113,855</b>	<b>1,499,753</b>
<b>LIABILITIES</b>			
Creditors: amounts falling due within one year	<i>10</i>	(129,877)	(197,643)
<b>NET CURRENT ASSETS / (LIABILITIES)</b>		<b>983,978</b>	<b>1,302,110</b>
<b>TOTAL NET ASSETS</b>		<b>1,065,156</b>	<b>1,393,386</b>
<b>TOTAL FUNDS OF THE CHARITY:</b>			
Restricted funds	<i>11</i>	277,855	455,927
Unrestricted funds	<i>11</i>	787,301	937,459
		<b>1,065,156</b>	<b>1,393,386</b>

The annexed notes form part of these financial statements.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies. They were approved and authorised for issue by the Trustees on 20 June 2022 and signed on their behalf by:

.....  
Elisabeth Davies  
Chair of Trustees

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

PRISONERS' EDUCATION TRUST

**STATEMENT OF CASH FLOWS**  
For the year ended 31 December 2021

	2021	2020
	£	£
<b>Cash flows from operating activities:</b>		
Net cash provided by / (used in) operating activities (see below)	(520,346)	43,355
<b>Cash flows from investing activities:</b>		
Interest income	136	2,015
Investment income	1,592	(241)
Purchase of property, plant and equipment	(8,492)	(9,999)
<b>Net cash provided by / (used in) investing activities</b>	<b>(6,764)</b>	<b>(8,225)</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>(527,110)</b>	<b>35,130</b>
Cash and cash equivalents at the beginning of the reporting period	1,314,349	1,279,219
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>787,239</b>	<b>1,314,349</b>

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

	2021	2020
	£	£
<b>Net income / (expenditure) for the reporting period (as per the SOFA)</b>	<b>(329,822)</b>	<b>(167,557)</b>
<b>Adjustments for:</b>		
Depreciation and amortisation charges	20,182	19,052
Interest income	(136)	(2,015)
Investment (gains)/losses	(1,592)	241
Decrease / (increase) in debtors	(141,212)	163,738
Increase / (decrease) in creditors	(67,766)	29,896
<b>Net cash provided by / (used in) operating activities (see above)</b>	<b>(520,346)</b>	<b>43,355</b>

**ANALYSIS OF CASH AND CASH EQUIVALENT**

	2021	2020
	£	£
Cash in hand	50,655	377,873
Notice deposits (less than 3 months)	736,584	936,476
	<b>787,239</b>	<b>1,314,349</b>

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

The annexed notes form part of these financial statements.

**PRISONERS' EDUCATION TRUST**

**STATEMENT OF CASH FLOWS**

**For the year ended 31 December 2021**

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**Analysis of change in net debt**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Cash & cash equivalent as at 01/01/2021	1,314,349	1,279,219
Cashflows	(527,110)	35,130
Other non-cash changes	-	-
Cash & cash equivalent as at 31/12/2021	<b>787,239</b>	<b>1,314,349</b>

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2021**

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**1. ACCOUNTING POLICIES**

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

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

**Basis of preparation of financial statements**

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

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

The effects of events relating to the year ended 31 December 2021 which occurred before the date of approval of the financial statements by the Trustees have been included in the financial statements to the extent required to show a true and fair view of the state of affairs at 31 December 2021 and the results for the year ended on that date. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

**Going concern**

The Trustees have assessed the charity's requirements for the foreseeable future and are confident that sufficient funds will be available to enable operations to continue at a sustainable level for a period of at least 12 months from the date of approval of these financial statements. HMPPS have renewed their major grant until 31 March 2023 and, although the charity anticipates some continuing challenges in the fundraising environment in 2022, the Trustees are satisfied that the planned expansion of the fundraising team in 2022 will help develop a sufficiently strong income pipeline, reinforced by the current level of free reserves, for the charity to rebuild activity levels and embark on its new strategy for 2022–2026. The Trustees are also confident that sensitivity analysis demonstrates that PET will continue to be able to support a satisfactory number of learners even if the MoJ grant ceases unexpectedly. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

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

**Income**

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2021**

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**Income (continued)**

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

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

**Expenditure**

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

**Fund accounting**

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

**Fixed assets, depreciation and amortisation**

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

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

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

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

Website	-	5 years
Database	-	5 years

**Cash**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2021**

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**Pensions**

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

**Financial instruments**

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

**Taxation**

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

**Key judgements and estimation policy**

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

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

## PRISONERS' EDUCATION TRUST

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021

#### 2 INCOME FROM DONATION AND LEGACIES

Donated services include venue use, catering for meetings and events, and research services.

See also note 14 for the contribution of volunteers.

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
<b>Institutions who granted or donated £5,000 or more:</b>						
A B Charitable Trust	-	-	-	10,000	-	10,000
Adrian Swire Charitable Trust	20,000	-	20,000	30,000	-	30,000
Aurum Charitable Trust	-	-	-	-	13,000	13,000
Beatrice Laing Trust	-	5,000	5,000	-	-	-
Colyer-Fergusson Charitable Trust	-	8,000	8,000	-	-	-
Edward Cadbury Charitable Trust	-	5,000	5,000	-	-	-
Esmée Fairbairn Foundation	-	-	-	30,000	-	30,000
Evan Cornish Foundation	-	9,684	9,684	-	-	-
Inner London Magistrates' Courts' Poor Box & Feeder Charity	-	-	-	-	10,000	10,000
Jill Franklin Trust	-	9,600	9,600	-	8,800	8,800
John Armitage Charitable Trust	60,000	-	60,000	35,000	-	35,000
Liz & Terry Bramall Foundation	-	-	-	-	5,000	5,000
Peter Stebbings Memorial Charity	-	-	-	-	5,000	5,000
Police and Crime Commissioner for South Yorkshire	-	5,380	5,380	-	-	-
Schroder Charity Trust	-	5,000	5,000	-	-	-
Society of the Holy Child Jesus	25,000	-	25,000	-	-	-
Susanna Peake Charitable Trust	-	5,000	5,000	-	-	-
The 29th May 1961 Charitable Trust	12,000	-	12,000	10,000	-	10,000
The Bromley Trust	20,000	-	20,000	15,000	-	15,000
The Brook Trust	-	20,000	20,000	-	-	-
The Carr-Gregory Trust	10,000	-	10,000	7,500	-	7,500
The Constance Travis Charitable Trust	50,000	-	50,000	50,000	-	50,000
The Dulverton Trust	-	-	-	40,000	-	40,000
The Goldsmiths' Company Charity	30,000	-	30,000	-	-	-
The Hadley Trust	35,000	-	35,000	35,000	-	35,000
The Hobson Charity	-	-	-	-	5,261	5,261
The Horlock Educational Trust	-	10,000	10,000	-	-	-
The Julia and Hans Rausing Trust	-	-	-	-	6,725	6,725
The Lord Belstead Charitable Trust	-	5,000	5,000	-	-	-
The Monday Charitable Trust	-	7,194	7,194	-	-	-
The Peacock Charitable Trust	8,000	-	8,000	8,000	-	8,000
The Portal Trust	-	5,380	5,380	-	-	-
The Shears Foundation	-	5,000	5,000	-	-	-
The Singer Foundation	-	10,760	10,760	-	-	-
The Taylor Family Foundation	-	20,000	20,000	-	20,000	20,000
The Vandervell Foundation	5,000	-	5,000	5,000	-	5,000
The Veterans' Foundation	-	-	-	-	16,140	16,140
The Violet & Milo Cripps Charitable Trust	-	-	-	5,000	-	5,000
The John R Murray Charitable Trust	-	-	-	15,000	-	15,000
Van Neste Foundation	-	10,000	10,000	-	-	-
William Harding's Charity	-	5,380	5,380	-	-	-
Other donations from institutions	41,134	182,900	224,034	41,251	187,141	228,392
<b>Individuals who donated £5,000 or more:</b>						
Other donations from individuals	86,707	34,691	121,398	79,121	37,972	117,093
<b>Legacies donated of £5,000 or more:</b>						
From the estate of the late Geoffrey David Arthur Catchpole	-	-	-	5,000	-	5,000
From the estate of the Late Mr Michael Wright	-	-	-	14,346	-	14,346
Other legacy income	7,412	-	7,412	65,400	-	65,400
	<b>410,254</b>	<b>368,969</b>	<b>779,223</b>	<b>500,618</b>	<b>315,039</b>	<b>815,657</b>



**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2021

**3 INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2021 £	2021 £	2021 £	2020 £
<b>Access to Learning Grants:</b>				
Ministry of Justice	-	403,481	403,481	396,629
Welsh Assembly Government	-	23,146	23,146	14,706
	-	<b>426,627</b>	<b>426,627</b>	<b>411,335</b>
<b>Policy and Research grants:</b>				
Barrow Cadbury Trust	-	700	700	10,800
Esmée Fairbairn Foundation	-	-	-	60,000
Other Donors	-	4,950	4,950	6,869
	-	<b>5,650</b>	<b>5,650</b>	<b>77,669</b>
<b>Welsh Prisons Project</b>				
Moondance Foundation	-	69,260	69,260	-
	-	<b>501,537</b>	<b>501,537</b>	<b>489,004</b>

All funds received in 2021 were restricted (2020: all restricted). Included within Income from Charitable Activities are total government grants of £426,627 (2020 - £411,335). The total value of the grant received has been recognised in year.

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

There are no unfulfilled conditions or contingencies attaching to the grants which have been recognised as income, and no other material sources of government assistance were received (2020 - the same).

A £69,260 grant towards supporting the Welsh Prisons Project (2020: £Nil) was recognised as income in this year.

**4. INCOME FROM OTHER TRADING ACTIVITIES**

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2021 £	2021 £	2021 £	2020 £
Fundraising events	1,074	-	1,074	206
	<b>1,074</b>	-	<b>1,074</b>	<b>206</b>

In 2021 all income from other trading activities was unrestricted (2020: all unrestricted).

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2021

**5. EXPENDITURE**

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

	<b>Grant funding of activities</b>	<b>Staff costs</b>	<b>Activities undertaken directly</b>	<b>Support costs</b>	<b>Total</b>	<b>Total</b>
	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Access to Learning Grants:</b>						
Access to Learning	507,891	378,842	13,408	157,029	1,057,170	870,270
Policy and Research	-	118,476	4,015	36,952	159,443	191,051
Welsh Prisons Project	3,054	144,329	12,086	12,306	171,775	199,136
ICT Project	-	-	-	-	-	-
Total expenditure on charitable activities	<b>510,945</b>	<b>641,647</b>	<b>29,509</b>	<b>206,287</b>	<b>1,388,388</b>	<b>1,260,457</b>
Raising funds	-	180,656	11,795	73,095	265,546	251,197
Support and governance		120,175	159,207	(279,382)	-	-
	<b>510,945</b>	<b>942,478</b>	<b>200,511</b>	<b>-</b>	<b>1,653,934</b>	<b>1,511,654</b>

Prior Year

	<b>Grant funding of activities</b>	<b>Staff costs</b>	<b>Activities undertaken directly</b>	<b>Support costs</b>	<b>Total</b>
	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Access to Learning Grants:</b>					
Access to Learning	366,126	356,526	9,765	137,853	870,270
Policy and Research	-	135,980	13,195	41,876	191,051
Welsh Prisons Project	21,298	142,919	25,153	9,766	199,136
ICT Project	-	-	-	-	-
Total expenditure on charitable activities	<b>387,424</b>	<b>635,425</b>	<b>48,113</b>	<b>189,495</b>	<b>1,260,457</b>
Raising funds	-	168,780	12,202	70,215	251,197
Support and governance		119,581	140,129	(259,710)	-
	<b>387,424</b>	<b>923,786</b>	<b>200,444</b>	<b>-</b>	<b>1,511,654</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2021**

	<b>Total 2021 £</b>	<b>Total 2020 £</b>
Support staff costs	99,236	98,784
Rent, service charge and rates	72,794	70,340
Other premises costs	759	142
Insurance	3,482	3,594
Computer and IT costs	30,819	20,678
Bank charges	1,398	1,126
Postage, photocopier and telephone	8,156	7,835
Printing and stationery	2,732	2,312
Legal and advice costs	-	-
Depreciation	20,182	19,052
Other support costs	6,809	5,300
Governance staff costs	20,939	20,797
Other governance costs	12,076	9,750
	<u>33,015</u>	<u>30,547</u>
	<u>279,382</u>	<u>259,710</u>

Expenditure includes:

	<b>2021 £</b>	<b>2020 £</b>
Auditors remuneration:		
Audit fee excluding VAT	7,350	7,500
Irrecoverable VAT on audit fee	1,470	1,500
Operating lease rentals - Land and buildings	57,175	57,175
- Plant and equipment	2,479	1,741
Depreciation on owned assets	<u>20,182</u>	<u>19,052</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:

	<b>2021 £</b>	<b>2020 £</b>
Open University courses	120,604	163,274
General education courses, arts & hobby materials	390,341	224,150
	<u>510,945</u>	<u>387,424</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2021

**6. STAFF NUMBERS AND COSTS**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	806,627	780,421
Social security costs	79,972	77,726
Defined contribution pension costs	40,417	39,362
Other staff costs	4,751	2,316
Agency staff and consultants	10,711	23,962
	<b>942,478</b>	<b>923,787</b>

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

	<b>2021</b>	<b>2020</b>
	<b>FTE</b>	<b>FTE</b>
Raising funds	7.9	4.7
Access to Learning	10.4	8.6
Policy and Research	3.6	3.1
Welsh Prisons Project	3.5	3.2
Governance	0.3	0.3
Support	1.8	1.8
	<b>27.5</b>	<b>21.7</b>

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

	<b>2021</b>	<b>2020</b>
	<b>AHC</b>	<b>AHC</b>
Raising funds	5.9	4.9
Access to Learning	12.2	8.8
Policy and Research	5.6	3.7
Welsh Prisons Project	4.1	3.4
Governance	0.3	0.3
Support	1.8	1.8
	<b>29.9</b>	<b>22.9</b>

One employee, the Chief Executive, received a gross salary in the range of £80,000 - £90,000; employers' pension contributions of 5% of total earnings were also payable (2020 - same). The key management personnel of PET received earnings and benefits (including employer pension contributions of 5% of total earnings) totalling £353,041 (2020 - £342,643). The number of key management personnel was 5 (2020- 5) being the Chief Executive, and four Heads of Departments; the FTE number of key management personnel staff members was 5 (2020 - 5).

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2021**

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**6. STAFF NUMBERS AND COSTS (continued)**

**Pensions – defined contribution scheme**

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £40,417 (2020 £39,362). Contributions totalling £nil (2020: £28) were payable to the fund at the balance sheet date and are included in creditors.

**7. TRUSTEE TRANSACTIONS AND RELATED PARTIES**

During the year, no trustee received any remuneration (2020 - £NIL). One trustee received reimbursement of travel expenses to attend trustee meetings of £105 (2020 – 1 trustees, £185). The Charity received £3,575 in donations on usual terms from its trustees, key management personnel, their close family members and entities over which they have significant interest or effective control during the period (2020- £5,773). Total expenses incurred by the Trustees in the furtherance of their duties but not reclaimed from the Charity were immaterial in 2021 and 2020. There is no ultimate controlling party. There were no other related party transactions.

## PRISONERS' EDUCATION TRUST

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021

#### 8a. INTANGIBLE FIXED ASSETS

	Website £	Database £	Total 2021 £	Total 2020 £
<b>COST</b>				
Opening balance 1 January 2020	36,048	35,106	71,154	68,416
Additions	-	3,620	3,620	2,738
At 31 December 2020	<b>36,048</b>	<b>38,726</b>	<b>74,774</b>	<b>71,154</b>
<b>Amortisation</b>				
Opening balance 1 January 2020	12,423	6,884	19,307	5,213
Charge for the period	7,210	7,417	14,627	14,094
At 31 December 2020	<b>19,633</b>	<b>14,301</b>	<b>33,934</b>	<b>19,307</b>
<b>NET BOOK VALUE</b>				
At 31 December 2020	23,625	28,222	51,847	63,203
At 31 December 2021	<b>16,415</b>	<b>24,425</b>	<b>40,840</b>	<b>51,847</b>

#### 8b. TANGIBLE FIXED ASSETS

	Furniture & Fittings £	Office & IT Equipment £	Total 2021 £	Total 2020 £
<b>COST</b>				
Opening balance 1 January 2020	23,138	19,007	42,145	34,883
Additions	70	4,802	4,872	7,262
At 31 December 2021	<b>23,208</b>	<b>23,809</b>	<b>47,017</b>	<b>42,145</b>
<b>DEPRECIATION</b>				
Opening balance 1 January 2020	13,740	9,799	23,539	18,581
Charge for the period	2,626	2,929	5,555	4,958
At 31 December 2021	<b>16,366</b>	<b>12,728</b>	<b>29,094</b>	<b>23,539</b>
<b>NET BOOK VALUE</b>				
At 31 December 2020	9,398	9,208	18,606	16,302
At 31 December 2021	<b>6,842</b>	<b>11,081</b>	<b>17,923</b>	<b>18,606</b>

## PRISONERS' EDUCATION TRUST

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### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

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#### 9. INVESTMENTS

	2021 £	2020 £
<b>Aviva Investment Bond:</b>		
Market value brought forward	20,823	21,064
Additions		
Distributions reinvested	1,592	-
Unrealised gain/(loss)	-	(241)
Market value carried forward	<u>22,415</u>	<u>20,823</u>
Historical cost	<u>21,064</u>	<u>21,064</u>

#### 10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade Debtors	2,772	4,072
Net prison contributions due	13,949	14,937
Grants receivable	288,656	126,769
Donations receivable	7,660	28,940
Prepayments	2,747	5,791
Other accrued income	5,937	-
Lease deposit	4,895	4,895
	<u>326,616</u>	<u>185,404</u>

**PRISONERS' EDUCATION TRUST**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2021**

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**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade creditors	35,123	4,056
Taxation and social security costs	21,467	21,343
Grants committed but not yet paid (see below)	47,904	76,256
Accruals	17,872	10,420
Deferred Income	-	69,260
Other creditors	7,511	16,304
	<b>129,877</b>	<b>197,639</b>

**Grants committed but not yet paid analysis**

At start of year	76,256	111,963
Grants committed in the year	507,178	406,250
Grant commitments fulfilled	(535,530)	(441,957)
	<b>47,904</b>	<b>76,256</b>

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

**Deferred income analysis:**

At start of year	69,260	-
Amounts added in the year	-	69,260
Amount released to income from previous years	(69,260)	-
	-	-
At end of year	<b>-</b>	<b>69,260</b>

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



**PRISONERS' EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2021**

**12a. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds 2021 £</b>	<b>Total Funds 2020 £</b>
Intangible Fixed Assets	40,840	-	40,840	51,847
Tangible fixed assets	17,923	-	17,923	18,606
Investments	22,415	-	22,415	20,823
Current Assets	746,482	367,373	1,113,855	1,499,753
Current Liabilities	(40,359)	(89,518)	(129,877)	(197,643)
	<b>787,302</b>	<b>277,855</b>	<b>1,065,156</b>	<b>1,393,386</b>

Prior Year Comparative Figures

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds 2020 £</b>
Intangible Fixed Assets	51,847	-	51,847
Tangible fixed assets	18,606	0	18,606
Investment	20,823	-	20,823
Current Assets	883,977	615,776	1,499,753
Current Liabilities	(37,794)	(159,849)	(197,643)
	<b>937,459</b>	<b>455,927</b>	<b>1,393,386</b>

**PRISONERS' EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2021**

**12b. FUNDS OF THE CHARITY**

	Brought Forward 01/01/2021 £	Income £	Expenditure £	Transfers £	Carried Forward 31/12/2021 £
<b>RESTRICTED FUNDS</b>					
Policy and Research	44,476	24,398	(56,676)	-	12,198
Governance	-	-	-	-	-
<b>Access to Learning</b>					
General	166,444	135,440	(215,805)	(12,970)	73,109
Womens prisoners	2,160	45,144	(38,224)	(451)	8,629
Younger prisoners	4,919	40,064	(45,110)	451	322
Older prisoners	-	-	-	-	-
Army veterans	32,860	2,000	(28,549)	-	6,311
HMPPS England	18,298	403,481	(394,089)	-	27,690
Hmpps Wales	-	23,145	(23,145)	-	-
Geographically restricted	40,620	108,224	(93,809)	-	55,035
Course subject restricted	49,522	-	(9,298)	-	40,224
Course Development	-	-	-	-	-
Advice Line	11,072	18,836	(20,908)	-	9,000
Small Grants	2,202	-	(1,000)	-	1,202
Prison & Prisoners' contribution	4,466	41,508	(41,819)	-	4,155
<b>Awards</b>	724	-	-	-	724
<b>Welsh Prisons Project</b>	78,164	69,260	(108,169)	-	39,255
	<b>455,927</b>	<b>911,500</b>	<b>(1,076,602)</b>	<b>(12,970)</b>	<b>277,855</b>
<b>UNRESTRICTED FUNDS</b>					
	<b>937,459</b>	<b>414,204</b>	<b>(577,332)</b>	<b>12,970</b>	<b>787,301</b>
<b>TOTAL FUNDS</b>	<b>1,393,386</b>	<b>1,325,703</b>	<b>(1,653,934)</b>	<b>-</b>	<b>1,065,156</b>

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

**PRISONERS' EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2021**

Prior year comparative figures:

	Brought Forward 01/01/2020 £	Income £	Expenditure and net losses £	Transfers £	Carried Forward 31/12/2020 £
<b>RESTRICTED FUNDS</b>					
<b>Policy and Research</b>	77,744	95,961	(129,229)	-	44,476
<b>Governance</b>	-	-	-	-	-
<b>Access to Learning</b>					
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
<b>Awards</b>	4,892	-	(4,168)	-	724
<b>Welsh Prisons Project</b>	357,700	-	(199,136)	(80,400)	78,164
	<b>882,272</b>	<b>834,011</b>	<b>(1,083,558)</b>	<b>(176,798)</b>	<b>455,927</b>
<b>UNRESTRICTED FUNDS</b>					
	<b>678,912</b>	<b>510,086</b>	<b>(428,337)</b>	<b>176,798</b>	<b>937,459</b>
<b>TOTAL FUNDS</b>	<b>1,561,184</b>	<b>1,344,097</b>	<b>(1,511,895)</b>	<b>-</b>	<b>1,393,386</b>

## PRISONERS' EDUCATION TRUST

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### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

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#### Restricted funds

##### **Policy & Research**

For research, policy, advocacy and alumni development work, including support of the PLA. Major funders in 2021 include: Esmée Fairbairn Foundation, Barrow Cadbury Trust and some other organisations.

##### **Access to Learning:**

General	For distance learning courses and advice. Major funders in 2021 include: The Big Give Christmas Challenge (Various donors including The Monday Charitable Trust), Beatrice Laing Trust, Jill Franklin Charitable Trust, The Van Neste Foundation and various other trusts. As well as general support for distance learning, The Roddick Foundation also provided support for older prisoners.
Women prisoners	For distance learning courses and advice to women in prison; major funders in 2021 include: The Brook Trust and various other trusts.
Younger prisoners	For distance learning courses and advice to younger prisoners under 30. Major funders in 2021 include: Evan Cornish Foundation, The Horlock Educational Trust, The Portal Trust, The Taylor Family Foundation and various other trusts.
Ex-armed forces	For distance learning courses to ex-service personnel; major funders in 2021 include: ABF The Soldiers' Charity, The Veterans' Foundation and various other trusts.
HMPPS England	Funding granted for distance learning courses, including Open University Access courses and a range of accredited and unaccredited further education courses, as well as an Advice and Information service for serving prisoners and their families.
HMPPS Wales	Funds granted by the Welsh Assembly Government, through NOMS in Wales for prisoners who are ordinarily resident in Wales to study Open University and other accredited and unaccredited further education courses.
Geographically restricted	Funds granted for distance learning courses and advice with specific geographical restrictions. Major funders in 2021 include: Colyer-Fergusson Charitable Trust, Edward Cadbury Charitable Trust, Guernsey Community Foundation, The Lord Belstead Charitable Trust, Police and Crime Commissioner for South Yorkshire, The Samworth Foundation, The Shears Foundation, The Singer Foundation, Susanna Peake Charitable Trust, William Harding's Charity and various other charities.

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**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2021**

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**Restricted funds (continued)**

Course subject restricted & Course development	Funds granted for distance learning courses with specific subject restrictions and course development. Major funders for course subject restriction in 2021 include: The Garfield Weston Foundation and various other charities.
Welsh Prisons Project	Funds restricted to strengthen and extend our support for Welsh prisoners, building learning communities to support our students to achieve their educational and vocational goals, whilst in custody and upon release. Moondance Foundation is the main contributor for this project.
Advice Line	Schroder Charity Trust, Taylor Family Foundation, and some other organisations and individuals contributed funds to support this work.

### **13. OTHER FINANCIAL COMMITMENTS**

At 31 December 2021 the Charity had an operating lease for its London office premises with a remaining term of less than 5 years. There is a rolling 6-month break clause, and therefore the commitment by the charity at any given point is 6 months' rent and service charge. As at 31 December 2021, this amounted to £34,458 (2020 - £34,458). The Charity also had a non-cancellable operating lease commitment of £423 (2020 - £423) for equipment falling due within one year.

In October 2015 the charity signed an operating licence for an office space in Cardiff with an initial 18 month term and a rolling one month break clause. The commitment of the charity at any one time is rent and service charges of £625. There are no other non-cancellable operating licence commitments falling due within one year or in more than one year (2020 - the same).

### **14. CONTRIBUTION OF VOLUNTEERS**

We are very grateful for the vital contributions to our work made by volunteers in 2021 in many different capacities. A number of our alumni that we had helped while in prison and are now in the community gave their time to speak at events or to journalists to promote our work. Some of our high profile supporters also gave their time to speak at events on our behalf. We were given valuable help with administrative and office tasks by 1 volunteer gaining temporary work experience or helping with one off tasks (2020 - 5). No individuals helped us out on a voluntary basis with fundraising events organised either directly through PET or via our South London supporters' group (2020 - 7). A number of professional and academic experts contributed their advice and expertise to our project and research work on a pro bono basis; and our President and all our Patrons and Trustees gave their time most generously and free of charge to act as ambassadors for PET and to provide robust and effective governance.

### **15. LIMITATION OF LIABILITY**

Prisoners' Education Trust is a charitable company limited by guarantee. Liability is limited to £10 per member. As at 31 December 2021, there were 10 members (2020: 29).