

PRISONERS' ADVICE SERVICE

FINANCIAL STATEMENTS

31 MARCH 2012

Company Registration Number 3180659

Charity Number 1054495

MICHAEL JELICOE
Chartered Accountant and Registered Auditor
59 Knowle Wood Road
Dorridge
West Midlands
B93 8JP

PRISONERS' ADVICE SERVICE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2012

The trustees present their report and audited financial statements for the year ended 31 March 2012.

REFERENCE AND ADMINISTRATIVE INFORMATION

Charity name:	Prisoners' Advice Service
Charity Registration Number:	1054495
Company Registration Number:	3180659
Registered Office:	36 St Johns Lane London EC1M 4BJ

Trustees

The Trustees who served during the year and since the year-end are as follows:

Rikki Garg	(Chair)
Diane Gault	(Treasurer)
Simon Creighton	
Alan Booth	
Neil Churchill	
Martine Lignon	(joined May 2012)
Stephanie Harvey	(joined May 2012)
Selina Haines	(joined May 2012)
Lucy Rhodes	(joined May 2012)
Sara Down	(resigned from the committee during the year)
Lee Humphries	(resigned from the committee during the year)

Staff Members

Matthew Evans	Managing Solicitor
Nicki Rensten	Legal Caseworker
Lubia Begum-Rob	Race Discrimination Caseworker (returned from maternity leave as of August 2012)
Owen Greenhall	Locum Race Discrimination Caseworker (until August 2011)
Laura Orger	Community Care Caseworker (on maternity leave, June 2012)
Nicola Gregory	Locum Community Care Caseworker (from June 2012)
Deborah Russo	Women Prisoners' Caseworker (on maternity leave, June 2011)
Camilla Pandolfini	Locum Women Prisoners' Caseworker (from June 2011)
Ben Blackwell	Administrator / Telephone Worker
Hywel Probert	Development Manager

Volunteers

PAS would like to thank all those who have given their time to volunteer for the organisation over the past year. As ever, without their help our work would have been many times more difficult.

Bookkeeper	Anne Craig
Independent Examiner	Michael Jellicoe Chartered Accountant 59 Knowle Wood Road Dorridge West Midlands, B93 8JP

Banks	CAF Bank 25 Kings Hill Avenue West Malling Kent ME19 4JQ
	HSBC Holborn Circus 31 Holborn London EC1N 2HR

PRISONERS' ADVICE SERVICE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2012 (cont'd)

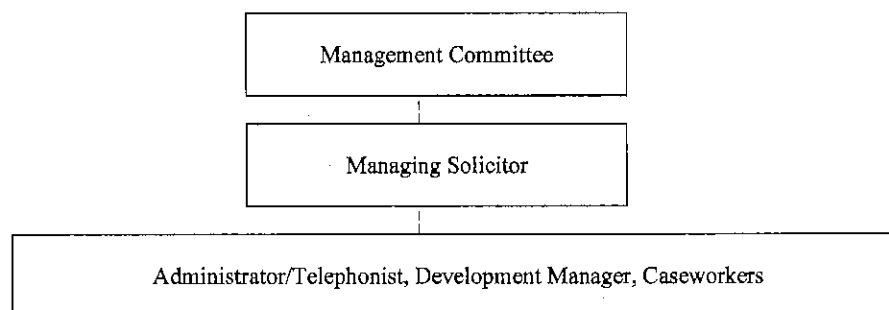
STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Prisoners' Advice Service (PAS) is a charity and company limited by guarantee. PAS was founded by and has the support of the Prison Reform Trust, Liberty, Justice, Nacro, Inquest and The Howard League for Penal Reform. Formally launched as an independent charity in May 1991 it became a company limited by guarantee in April 1996. The organisation was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed by its Articles of Association.

Recruitment, Appointment, Induction and Training of Management Committee and Organisational Structure

The Management Committee comprises the trustees, who are directors of the company under company law. Members are recruited via recommendation from existing Management Committee members, staff members, and associates of PAS. All prospective members are expected to have an interest in Prison Law. New Management Committee members have an induction whereby they spend a day shadowing PAS staff members to gain experience of the day-to-day running of the organisation. The basic management structure of PAS is therefore:-



The Management Committee has delegated certain powers to the Managing Solicitor including the day-to-day management of PAS. The Management Committee are Directors of the Company in whom all power is vested by virtue of Articles of Association. This includes the power to recruit staff to run the Company on a day-to-day basis. They are therefore employers of the staff. As such they are responsible for staff recruitment. Among other things, they are also responsible for ensuring actions taken are in the best interest of PAS. This includes matters of finance. In this capacity they liaise with the Managing Solicitor and Development Manager at Management Committee meetings to discuss finances among other matters. They rely on information to be brought to them by staff, upon which decisions can be made.

The Management Committee currently meets once a quarter. The Committee can vary the frequency, as it feels appropriate. Its responsibilities includes:

- (i) recruitment of staff;
- (ii) receiving regular reports from staff;
- (iii) informing development work;
- (iv) making decisions where any other unit i.e. the staff group, need direction;
- (v) making any other decisions considered appropriate by the committee.

The present officers as at 31 March 2012 are:

Chair	-	Rikki Garg
Treasurer	-	Diane Gault
Secretary	-	Hywel Probert (staff member)

PRISONERS' ADVICE SERVICE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2012 (cont'd)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk Review

The Managing Solicitor and Management Committee members are responsible for implementing and ensuring compliance with the risk management strategy. The risk management strategy aims to ensure that appropriate action is taken where a case falls outside acceptable risk levels. Other risks to PAS are considered at the annual review of the business plan, when strengths and weaknesses are considered.

OBJECTIVES AND ACTIVITIES

The charitable aims of PAS as set out in its Memorandum of Association are:

- (i) To relieve and rehabilitate persons held in penal establishments in the United Kingdom.
- (ii) To advance education and relieve poverty among the aforesaid persons and the families of dependants of such persons particularly by the provision of a free service of legal and other advice.
- (iii) The advancement of education of the public and in particular members of the legal profession, in relation to the law relating to the rights of prisoners (which expression shall mean persons who are suffering or have suffered a legal restriction on their liberty in any penal or correctional establishment or through any means whatsoever) and mentally disordered patients within the scope of Part III of the Mental Health Act 1983 and the rights of their families and dependants.
- (iv) The relief of persons in the United Kingdom who are in a condition of need, hardship and distress.

The main activity of PAS is to provide free legal advice and information to prisoners in England and Wales regarding their rights, particularly concerning the application of the Prison Rules and the conditions of imprisonment. PAS also advises and provides training for other organisations and those advising prisoners. PAS takes up prisoners' complaints about their treatment within the prison system on an individual and confidential basis, taking legal action where appropriate.

We have had due regard to the guidance published by the Charities Commission on public benefit when reviewing our aims and intended impact.

Volunteers play a vital role in the day-to-day running of PAS. A maximum of 15 volunteers can be accommodated at PAS in any given week. Their main purpose is to assist with casework and answer general letters to help ensure the smooth running of the office. Volunteers are asked to commit to a minimum of one day a week over a three-month period and to contribute in the following ways:

- (i) To review and re-organise as necessary current manual filing systems of external resources.
- (ii) To send general information to clients and other prisoners as directed by the legal caseworkers or Managing Solicitor.
- (iii) To write to clients with information about their specific cases as directed by the Managing Solicitor or legal caseworkers.
- (iv) To respond to general letters from prisoners under supervision of the Managing Solicitor or legal caseworkers.

PRISONERS' ADVICE SERVICE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2012 (cont'd)

ACHIEVEMENTS AND PERFORMANCE

As PAS is accessible by phone or letter, and it also has the resource of volunteers, it is able to do investigative work before a claim is issued. This is something that 'normal' prison law firms will not do. More vitally, PAS is able to take on cases on a pro bono basis, due to its charitable funding – again, something that a regular solicitors' firm will not do. PAS receives many referrals from solicitors in this manner, for non-litigious discrimination complaints and non-casework contribution that does not bring in an income to the organisation.

A very important point to make, that may otherwise be overlooked, is that the process of advising prisoners as to the merits of their complaints is *in and of itself* a useful service. When advised in such a way, prisoners feel that the proper procedures have been followed, a sense of justice that the prison service's complaints system, left to itself, does not offer.

Managing Solicitor

The Managing Solicitor, Matthew Evans, is responsible for managing PAS's relationship and contract with the Legal Services Commission (LSC), for the day-to-day running of the organisation on behalf of the Management Committee, and for supervising the work of the caseworkers and other solicitors. He also manages his own caseload. On the legal side, Matthew is personally supervised by Simon Creighton, a solicitor with Bhatt Murphy, an expert in prison law who is currently a trustee of PAS, and who was formerly PAS's first solicitor. More general areas are supervised by Rikki Garg, the Chair of PAS's Management Committee.

Matthew is responsible for the production of annual and longer-term organisational plans for approval by the trustees. He has recently worked with a consultant from the Cass Business School on establishing a medium-term strategy for PAS, particularly in the area of governance. Matthew has also improved PAS's media profile over the past year. He has written numerous articles in Criminal Law and Justice Weekly, in the Legal Action Group magazine, and other publications, notably a pair of articles analysing the protection the European Convention on Human Rights has given to prisoners' rights in Britain, with special attention to Article 8, safeguarding the right to a family life. He has also written various blogs for The Justice Gap website (which presents key legal issues in lay language).

Matthew is on the board of the Criminal Justice Alliance (CJA), strengthening PAS's voice within the sector. The CJA has recently submitted briefings/responses on the Legal Aid, Sentencing and Punishment of Offenders Bill, and to the Home Office Consultation on 'More Effective Responses to Anti-Social Behaviour'. Matthew also sits on the Parole Board Users' Group, particularly important at a time when there is a record number of oral hearing cases in prisons, but also a growing backlog of cases. The Users' Group has been instrumental in seeking to resolve the issues behind this situation, and in organising training for prison lawyers on issues such as disclosure.

Matthew takes on his own prison law caseload, as well as giving telephone advice to many more prisoners on PAS's three-day-a-week advice line. Per year he also responds to around 250 one-off, complex letters from prisoners around advice and information.

Race Discrimination Caseworker

Lubia Begum-Rob is the Race Discrimination Caseworker at PAS. The Race Discrimination role is focussed upon civil litigation and non-litigious complaints regarding racial and religious discrimination. The post also involves general prison law work (parole, adjudications, transfers etc), responding to general queries from prisoners and prison law practitioners, and helping to run the Prisoners' Advice Service advice line.

The Prison Service policy on race discrimination is comprehensive - PSO (Prison Service Order) 2800 dictates that prison decisions that affect prisoners are made impartially, to allow equal access to accommodation, work, training and education. However, in practice it is not enforced rigorously, and the Race Discrimination Caseworker's role is successful insofar as she is able to close this gap between law and reality. She has frequently made claims under the Race Relations Act to this end.

Discrimination at various levels is endemic within prisons, exacerbated inevitably by the imbalance of power that exists between prison authorities and prisoners. The most frequent impression one gains is that the rehabilitative aspect of prison is subsumed almost totally by a sense of retributive justice, a mindset that results in treating prisoners as if they themselves do not have rights that need to be upheld. This sense is exacerbated when the client faces another form of discrimination, based upon their race or their religion.

PRISONERS' ADVICE SERVICE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2012 (cont'd)

ACHIEVEMENTS AND PERFORMANCE (continued)

Race Discrimination Caseworker (continued)

In total, the Caseworker has helped around 200 prisoners this past year, through both telephone and written advice, and of course by taking on legal cases. Only around 30 cases are closed each year, as cases involving racial and religious discrimination continue to be longer than many other cases - many take between nine and eighteen months to be resolved, and some cases can take even longer to reach resolution.

An example case during the year involved one of PAS's clients, D, who had been given an IEPS (Incentives and Earned Privileges Scheme) warning due to prison staff alleging that he was about to use violence; D felt that this allegation was clearly based upon a racially discriminatory interpretation of his conduct.

D submitted a Discrimination Incident Reporting Form to his Diversity Manager, but astonishingly did not receive a reply for three months, until PAS intervened on his behalf. The prison eventually accepted the appeal against the IEPS ruling, and restored his enhanced status. Eventually D was able to be moved to Category C, as the original decision not to recategorise him was ruled to have been based upon the unlawful downgrade in his IEPS status. This recategorisation decision will be crucial for his eventual progress through the prison system to open conditions.

Women Prisoners' Caseworker

The locum Women Prisoners' Caseworker, Camilla Pandolfini, has over the year given a huge range of legal advice, information and representation to uphold the rights of women prisoners, on issues from categorisation to contact with their children, from parole board hearings to protecting their earnings to facilitate rehabilitation (the Prisoners' Earnings Act tries to impose a 40% tax on such earnings).

Camilla has run four regular outreach sessions during the year, taking place either every month or every six weeks. These clinics are at HMP Downview, HMP East Sutton Park, HMP Holloway and HMP Send. These sessions are unique, and at least ten women can be seen at each session. The clinics ensure PAS's legal service can reach women who have not previously had the confidence that their problem merits a phone call or letter to PAS; the clinics are also useful for women who speak English as a second/third language. The clinic can assist to resolve issues that women might not have the confidence to otherwise approach us about, or to resolve issues that they thought of as trivial but are actually a significant breach of important human rights.

The Caseworker regularly helps to maintain contact between women prisoners and their children. Around two thirds of women prisoners have dependent children; women are often imprisoned hundreds of miles away as the number of women's prisons is few.

In particular, the Caseworker recently acted for two women prisoners in a Judicial Review case in which they successfully challenged a refusal by the prison to grant them Childcare Resettlement Leave (CRL). This refusal was placed upon a complete misinterpretation of the law. Both prisoners are the sole carers for children under the age of 16, and the decision can only benefit their rehabilitation and the lives of their children. The PAS Caseworker was protecting these women's Article 8 rights to family life under the European Convention of Human Rights.

Evidently there are a huge number of other issues for which women prisoners frequently seek advice, including recategorisation, transfers, home detention curfews, immigration, debts/ repossession, applications for release on temporary licence for work reasons, early release parole and appealing convictions. Many other issues arise when prisoners are close to release, including pre-release child care assessments, resettlement and housing questions.

Since 2004, PAS Outreach Caseworker, Nicki Rensten, has delivered legal education outreach sessions to male prisoners at a number of prisons across England and Wales. Since 2011, these have included monthly sessions at HMP Pentonville and HMP Wandsworth. All in all Nicki has conducted 23 sessions during the year.

Prisoners sign up to attend outreach sessions, and are able there to address queries about prison law issues that they are unable to find the answer to anywhere else. Advice can be also given to prisoners confidentially if they prefer. PAS's legal outreach service is unique - no comparable service exists elsewhere.

This success of outreach is reflected in the feedback given by prisoners who attend the sessions; several prisons have also asked directly for outreach sessions to be set up at their particular establishments.

PRISONERS' ADVICE SERVICE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2012 (cont'd)

ACHIEVEMENTS AND PERFORMANCE (continued)

Outreach Caseworker

As well as providing information around prison law issues, Nicki also takes on cases as a result of outreach and advocates on behalf of prisoners, both informally through letter writing and telephone calls, and formally through taking on case under our Legal Aid contract from the Legal Services Commission. She is skilled in working with and delivering legal information to prisoners face to face and in an environment and format they are comfortable with.

An example case is that of a prisoner (F), who had attended an outreach session with another prisoner as interpreter, as his level of English was low. F had been a model prisoner, had completed all the set Offending Behaviour Courses, and was assessed as low risk. He had become eligible for Home Detention Curfew (HDC), and was looking forward to caring for his four young children at home after release.

F attended the Board for HDC alone and without an interpreter. As a result of language difficulties the HDC Board misunderstood F and his explanation of his offence, and said he should do further behaviour work even though this had not previously been suggested by the prison service. They therefore denied his application.

PAS sent a letter to the prison immediately, explaining why the decision had infringed the following of F's human rights under the European Convention (ECHR): Article 6, guaranteeing the right to a fair trial/hearing; Article 8, guaranteeing the right to a family life; Article 14, which guarantees the right not to be discriminated against (in this case, due to the fact that F was not fluent in English).

After two further letters to the prison chasing this up, F's offender manager agreed to provide a offender behaviour programme in F's first language, following which a new decision was then made to grant HDC. F was very clear that he would simply have served the rest of his sentence in prison had he not been represented by PAS.

Community Care Caseworker

The Community Care Caseworker, Laura Orger, confronts the issue that local authorities, prisons and probation services frequently fail to acknowledge the legal duties that they hold towards vulnerable prisoners (who often have physical and/or mental health issues) prior to release and upon release. Prisons and probation services also frequently dispute their responsibilities towards prisoners with physical and mental disabilities both during their time in prison, and when they are due for release.

The bureaucracy of the prison system can be hugely problematic during community care casework - even straightforward matters are frequently elongated considerably, through withholding of information, extensive delays, and other obstructions of the legal process, all of which can have an unnecessarily negative impact upon the prisoner involved, and upon the passage of justice.

Community care outreach has also continued apace over the past year, assisting around 200 clients with legal advice and representation. Sessions have taken place at HMP Pentonville and at HMP Wandsworth on a monthly basis.

As well as assisting prisoners on the cusp of leaving custody, Laura has frequently worked to force prisons to obey the law (and a basic moral code) in carrying out various reasonable adjustments for prisoners with severe physical and mental health issues. These adjustments, as well as being potentially life-changing in themselves, act as a precursor to ensuring comprehensive treatment is secured for these prisoners upon their release. Apart from the obvious benefits to these prisoners' conditions, this is a major factor in reducing the exclusion that such prisoners frequently feel.

The successes over the past year include a client who wished to be released with appropriate community care provisions into the area in which his family lives. He is wheelchair-bound, and was eventually released with the legally appropriate provisions of accommodation and community support. This kind of case is highly typical, and illustrates the huge long-term difference that legal support can make to highly vulnerable prisoners due for release.

Laura also represented a prisoner who suffered from dementia, who required urgent medical intervention at a time just six weeks before his scheduled release. PAS was able to secure these medical community care entitlements for him upon his release, as well as accommodation for the prisoner. However, the sheer difficulty of attaining these results (PAS had to threaten Judicial Review proceedings before the prison was willing to undertake its legal duty) showed was a clear demonstration of the intransigence that vulnerable prisoners face in gaining access to their legal rights, and the difference that high quality and energetic legal representation can make in such cases.

PRISONERS' ADVICE SERVICE**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2012 (cont'd)****ACHIEVEMENTS AND PERFORMANCE (continued)****Development**

The income received from Trusts and Foundations was £221,920 in 2011/2012, down from £227,709 in 2010/2011. Economic circumstances have been particularly tough over the past year, and we are indebted to the continued support of those organisations that have continued to fund the work of the Prisoners' Advice Service. Competition for those funds that are available has increased significantly over the past year.

PAS hosted its second annual lecture in May 2012, on the issue of conditions in prison. It is hoped that the lecture will be as successful as the inaugural lecture in 2011, in making better known both the everyday issues that exist within prisons and the work that PAS is doing to alleviate these on behalf of prisoners.

PAS has been working with the Cass Business School throughout the year, on issues of Achieving Sustainability and Broad-Based Income Generation. This work has kindly been funded by the Pilgrim Trust.

FINANCIAL REVIEW

Free reserves held on 31 March 2012 were £59,000, representing under two months' operating costs. The Management Committee deems three months of reserves as the minimum realistic level of reserves which would allow staff time to recover from a temporary shortfall of income – a prime objective of the coming year is to restore this level of reserves.

Funding Sources

Funding sources for the period 2011/2012 included income of £163,434 from the Legal Services Commission and other legal fees. There was also income arising from restricted and unrestricted donations and grants, as well as gifts-in-kind, from the following individuals, companies, and Trusts and Foundations:

The 29th May 1961 Charitable Trust
 The A B Charitable Trust
 The Allen & Overy London Foundation
 The Barrow Cadbury Trust
 The City Bridge Trust
 The Coutts Charitable Trust
 Doughty Street Chambers
 The Esmée Fairbairn Foundation
 The Evan Cornish Foundation
 Garden Court North Chambers
 The Hadley Trust
 The Jill Franklin Trust
 The Lankelly Chase Foundation
 The Law Society
 Lloyds TSB Foundation
 The London Legal Support Trust
 The Monatrea Charitable Trust
 The Norda Trust
 The Oakdale Trust
 The P&C Hickinbottom Charitable Trust
 The Paristamen Foundation
 The Pilgrim Trust
 The Rayne Foundation
 The Rowan Charitable Trust
 The Swan Mountain Trust
 The Tudor Trust
 The William Allen Young Charitable Trust
 The William and Katherine Longman Charitable Trust

PRISONERS' ADVICE SERVICE**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2012 (cont'd)****PLANS FOR FUTURE PERIODS**

The Management Committee has set the following ongoing objectives for PAS:-

- (i) To continue to provide, increase and improve a free, high quality, accessible legal advice and information service to prisoners in England and Wales and their legal advisers.
- (ii) To maintain and expand publicly-funded casework.
- (iii) To increase awareness of PAS as the main provider of information about prison law.
- (iv) To identify the unmet needs of prisoners not currently taken up by PAS's service and expand the range of service to provide to meet those needs.
- (v) To have a minimum of three months' operating costs in reserve at any one time.

RESPONSIBILITIES OF THE TRUSTEES

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Principal Office:

36 St Johns Lane
London
EC1M 4DJ

Signed on behalf of the Board of Trustees

.....
Rikki Garg

Approved by the members of the committee on 3 December 2012

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF PRISONERS' ADVICE SERVICE

I report on the accounts for the year ended 31 March 2012 which are set out on pages 10 to 19.

Respective Responsibilities of Directors and Reporting Accountants

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The Trustees consider an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to an audit under company law and is eligible for independent examination, it is my responsibility to:-

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the 2011 Act); and
- state whether particular matters have come to my attention.

Basis of Independent Examiner's Statement

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:-

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements:-
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities;

have not been met, or:-
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

M. Jellicoe

Michael Jellicoe
Chartered Accountant
59 Knowle Wood Road
Dorridge
Solihull
West Midlands
B93 8JP

3 December 2012

PRISONERS' ADVICE SERVICE

STATEMENT OF FINANCIAL ACTIVITIES (incorporating THE INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2012

	Note	Year ended 31.3.2012			Year ended
		Restricted	Unrestricted	Total	31.3.2011
		£	£	£	£
Incoming resources					
Incoming resources from generated funds:					
Voluntary income	2	8,000	76,408	84,408	83,778
Activities for generating funds		-	3,554	3,554	2,293
Interest receivable		-	119	119	140
Incoming resources from charitable activities:					
Advice and information	3	138,420	164,974	303,394	313,625
Sundry operating income		-	-	-	1,134
Total incoming resources		£146,420	£245,055	£391,475	£400,970
Resources expended	5,6,7				
Costs of generating funds:					
Costs of generating voluntary income		2,880	8,175	11,055	10,492
Charitable activities:					
Advice and information		138,665	282,156	420,821	399,875
Governance costs		4,875	10,636	15,511	15,905
Total resources expended		£146,420	£300,967	£447,387	£426,272
Net (expenditure)/income for the year			(55,912)	(55,912)	(25,302)
Total funds brought forward		-	116,588	116,588	141,890
Total funds carried forward		£ -	£60,676	£60,676	£116,588

Movements in restricted funds are shown in note 15 to the financial statements.

All incoming resources and resources expended derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 12 to 19 form part of these financial statements.

PRISONERS' ADVICE SERVICE**BALANCE SHEET AS AT 31 MARCH 2012**

	Note	<u>2012</u>		<u>2011</u>	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	10		1,283		2,060
CURRENT ASSETS					
Debtors	11	125,319		145,571	
Cash at bank and in hand		51,775		129,602	
		177,094		275,173	
CREDITORS: amounts falling due within one year	12	(117,701)		(160,645)	
NET CURRENT ASSETS			59,393		114,528
TOTAL ASSETS LESS CURRENT LIABILITIES			£60,676		£116,588
CAPITAL AND RESERVES	15				
Restricted funds			-		-
Unrestricted funds			60,676		116,588
			£60,676		£116,588

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved and authorised for issue by the Trustees on 3 December 2012 and are signed on their behalf by:

.....
R Garg

Company Registration Number 3180659

The notes on pages 12 to 19 form part of these financial statements.

PRISONERS' ADVICE SERVICE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

1. ACCOUNTING POLICIES

(a) Basis of Accounting

These accounts have been prepared under the historical cost accounting convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), The Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2005) issued in March 2005.

(b) Incoming Resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:-

- Voluntary income is received by way of grants that provide core funding or income of a general nature, such as donations and gifts, and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Incoming resources from charitable activity are accounted for when earned.
- In respect of contracts for ongoing services, fees for legal services represents the value of work done in the year including estimates of amounts not invoiced.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.
- Incoming resources from grants where related to strongly implied time periods in which the expenditure can take place is accounted for on the basis of the time period included in these financial statements. Grant income is deferred where expenditure is expected to take place in a future accounting period.

(c) Resources Expended

Expenditure is recognised on an accruals basis as a liability is incurred. Irrecoverable VAT is reported as part of the expenditure to which it relates:-

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis, eg staff time or estimated usage as set out in Note 5.

PRISONERS' ADVICE SERVICE**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012 (cont'd)****1. ACCOUNTING POLICIES (continued)****(d) Fund Accounting**

Funds held by the Charity are either:-

- (i) Unrestricted general funds – these are funds without specified purpose and are available as general funds.
- (ii) Designated funds – these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.
- (iii) Restricted funds – these are funds which can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Transfers between funds are made to cover deficits on individual restricted funds and to recognise fixed assets acquired with restricted income, but with no further restriction on use, within unrestricted funds

(e) Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Office fixture and equipment- 20% straight line basis

Fixed assets are not capitalised unless their cost is more than £200.

(f) Operating Leases

Rentals are charged to the income and expenditure account in equal annual instalments over the period of the lease.

(g) Pension costs

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the Statement of Financial Activities.

2. VOLUNTARY INCOME

	<u>2012</u> £	<u>2011</u> £
Donations	10,908	3,778
Core funding grants (note 4)	73,500	80,000
	<u>£84,408</u>	<u>£83,778</u>

PRISONERS' ADVICE SERVICE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012 (cont'd)

3. ADVICE AND INFORMATION

	<u>2012</u>	<u>2011</u>
	£	£
Grants funding activities (see note 4)	138,420	147,709
Legal Services Commission fees and other legal fees	163,434	163,482
Prisoners' Legal Rights Group	1,540	2,434
	<u>£303,394</u>	<u>£313,625</u>

4. GRANTS RECEIVABLE DURING THE YEAR AND MOVEMENT ON DEFERRED INCOME

<u>Source</u>	<u>Purpose</u>	<u>2012</u>	<u>2011</u>
		£	£
29 May 1961 Trust	Core funding	5,000	-
Allen and Overy	Core funding	2,500	-
The AB Charitable Trust	Core funding	7,500	5,000
The Hadley Trust	Core funding	50,000	50,000
The Marchday Charitable Trust	Core funding	-	10,000
The Norda Trust	Core funding	5,000	5,000
Other	Core funding	3,500	10,000
Total Core Funding Grants		<u>£73,500</u>	<u>£80,000</u>
The Esmee Fairbairn Foundation	Costs relating to Managing Solicitor	25,000	25,000
J Paul Getty Charitable Trust	Outreach Service	-	5,000
The Tudor Trust	Development Manager	18,750	25,000
The City Bridge Trust	Community Care Service	20,000	20,000
The Lankelly Chase Foundation	Caseworker for racial discrimination	15,000	13,750
The Barrow Cadbury Trust	Advice Line	16,000	-
Lloyds TSB Foundation	Discrimination Caseworker	15,000	-
The Law Society	Managing Solicitor	5,000	1,250
The London Legal Support Trust	Community Care Service	2,500	5,000
The Evan Cornish Foundation	Outreach Service	10,000	4,375
The Rayne Foundation	Community Care Service	5,000	5,000
The Triangle Trust	Community Care Service	-	4,167
The Pilgrim Trust	Outreach Service	5,000	25,000
The Mercers Charitable Trust	Women's Caseworker	-	6,667
Others		1,170	7,500
Total Grants Funding Activities		<u>£138,420</u>	<u>£147,709</u>
Total Grants received in Year		<u>£221,920</u>	<u>£227,709</u>

	<u>2012</u>	<u>2011</u>
	£	£
Deferred grants at 1.4.2011	62,583	44,792
Grants received in the year	102,170	165,500
Deferred grants at 31.3.2012	(26,333)	(62,583)
Grants released to income	<u>£138,420</u>	<u>£147,709</u>

PRISONERS' ADVICE SERVICE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012 (cont'd)

5. TOTAL RESOURCES EXPENDED

	Basis of Allocation	Voluntary Income	Advice and Information	Governance	Total	2011
Costs directly allocated to activities:						
Staff costs	Direct	5,786	202,019	8,752	216,557	207,259
Legal and casework costs	Direct	-	97,627	-	97,627	95,636
Independent examiner's fees	Direct	-	-	1,490	1,490	2,530
Support costs allocated to activities:						
Staff costs	Staff time	2,418	55,610	2,418	60,446	54,022
Office costs	Usage	1,972	45,349	1,972	49,293	44,344
Premises costs	Usage	879	20,216	879	21,974	22,481
Total resources expended		<u>£11,055</u>	<u>£420,821</u>	<u>£15,511</u>	<u>£447,387</u>	<u>£426,272</u>
2011		<u>£10,492</u>	<u>£399,875</u>	<u>£15,905</u>	<u>£426,272</u>	

PRISONERS' ADVICE SERVICE**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012 (cont'd)****6. TOTAL RESOURCES EXPENDED****Salary Costs**

	<u>2012</u>	<u>2011</u>
	£	£
Gross	237,632	224,539
Employer's NIC	25,791	23,610
Pension contributions	10,540	9,729
	<u>£273,963</u>	<u>£257,878</u>

No employee earned more than £60,000 (2011: none).

The average number of full time staff employed during the year was:-

	<u>2012</u>	<u>2011</u>
	£	£
Legal Staff	7	7
Administration	1	1
	<u>8</u>	<u>8</u>

None of the trustees received any remuneration during the year (2011: £nil).

None of the trustees received any reimbursement of expenses during the year (2011: £nil).

7. NET INCOME/(EXPENDITURE) FOR THE YEAR

	<u>2012</u>	<u>2011</u>
	£	£
Net income/(expenditure) for the year is after charging:-		
Depreciation	1,127	1,899
Independent examiner's remuneration	1,490	2,530
Rentals under operating lease:		
Land and buildings	17,500	17,500
Other assets	3,356	3,150
	<u>£23,473</u>	<u>£25,079</u>

8. TAXATION

The company is a registered charity and it is considered that its activities are such that no taxation liability will arise.

9. PENSIONS

The charity made contributions totalling £10,540 (2011: £9,729) to a defined contribution scheme during the year of which £nil (2011: £1,290) was outstanding at year end.

PRISONERS' ADVICE SERVICE**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012 (cont'd)****10. TANGIBLE FIXED ASSETS**Office Fixtures and EquipmentCost:

<i>At 1 April 2011</i>	<i>18,400</i>
Additions	350
Disposals	(504)
	<hr/>
At 31 March 2012	<u>£18,246</u>

Depreciation:

<i>At 1 April 2011</i>	<i>16,340</i>
Charge for year	1,127
Disposals	(504)
	<hr/>
At 31 March 2012	<u>£16,963</u>

Net Book Value

At 31 March 2012	<u>£1,283</u>
<i>At 31 March 2011</i>	<u>£2,060</u>

11. DEBTORS

	<u>2012</u>	<u>2011</u>
	£	£
Trade debtors	6,241	-
Amounts recoverable under contracts	106,330	135,291
Other debtors	3,688	3,688
Prepayments	9,060	6,592
	<hr/>	<hr/>
	<u>£125,319</u>	<u>£145,571</u>

12. CREDITORS: amounts falling due within one year

	<u>2012</u>	<u>2011</u>
	£	£
Taxation and social security	1,587	6,310
Other creditors	10,000	1,292
Accruals	79,781	90,460
Deferred grant income (see note 4)	26,333	62,583
	<hr/>	<hr/>
	<u>£117,701</u>	<u>£160,645</u>

13. CAPITAL

The company has no share capital being limited by guarantee. All trustees are members of the company and each has undertaken to contribute £1 in the event of the company being wound up.

PRISONERS' ADVICE SERVICE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012 (cont'd)

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<u>Restricted Funds</u>	<u>Unrestricted Funds</u>	<u>Total Funds</u>
	£	£	£
Fixed assets	-	1,283	1,283
Current assets	26,333	150,761	177,094
Current liabilities	(26,333)	(91,368)	(117,701)
	<u>£ Nil</u>	<u>£60,676</u>	<u>£60,676</u>

15. RESTRICTED FUNDS

	<u>At 1 April 2011</u>	<u>Incoming Resources</u>	<u>Outgoing Resources</u>	<u>At 31 March 2012</u>
	£	£	£	£
Advice Line	-	16,000	(16,000)	-
Racial discrimination	-	30,000	(30,000)	-
Women	-	13,000	(13,000)	-
Outreach	-	10,000	(10,000)	-
Development	-	18,750	(18,750)	-
Managing solicitor	-	30,000	(30,000)	-
Community care	-	27,500	(27,500)	-
Other	-	1,170	(1,170)	-
	<u>-</u>	<u>146,420</u>	<u>(146,420)</u>	<u>-</u>
Unrestricted funds	116,588	245,055	(300,967)	60,676
Total Funds	<u>£116,588</u>	<u>£391,475</u>	<u>£(447,387)</u>	<u>£60,676</u>

Purposes of restricted funds:

Advice Line:	This fund was used to meet some of the costs of running the Advice Line.
Racial Discrimination:	This fund was used to meet the salary cost of the caseworker for racial discrimination.
Women:	This fund was used to meet the salary cost of the caseworker for women prisoners.
Outreach:	This fund was used to meet the salary cost of the caseworker for the charity's outreach service.
Development:	This fund was used to meet the salary cost of the development manager.
Managing Solicitor:	This fund was used to meet the salary cost of the managing solicitor.
Community Care:	This fund was used to meet the salary cost of the Community Care Caseworker.
Other:	This fund was used to cover costs associated with the quarterly newsletter.

In the opinion of the trustees, there are sufficient resources held to enable each fund to be applied in accordance with the restrictions imposed by the donors.

PRISONERS' ADVICE SERVICE**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012 (cont'd)****16. RELATED PARTIES**

There were no transactions with related parties during the year (2011: none) that are required to be disclosed in these accounts.

17. OPERATING LEASE COMMITMENTS

At 31 March 2012 the charity had the following commitments under non-cancellable operating leases:-

	<u>Land and Buildings</u>	<u>Other</u>
	£	£
Expiring within one year	£17,500	£ Nil
Expiring within two to five years	£ Nil	£2,984
	<u>=====</u>	<u>=====</u>