

PRISONERS' ADVICE SERVICE

FINANCIAL STATEMENTS

31 MARCH 2013

Company Registration Number 3180659

Charity Number 1054495

MICHAEL JELLICOE
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 2013

The trustees present their report and audited financial statements for the year ended 31 March 2013.

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)
Bipasha Raha	(Treasurer) (joined July 2013)
Diane Gault	(Treasurer to July 2013)
Simon Creighton	(resigned July 2013)
Alan Booth	(resigned July 2013)
Neil Churchill	
Martine Lignon	(joined May 2012)
Stephanie Harvey	(joined May 2012)
Selina Haines	(joined May 2012)
Lucy Rhodes	(joined May 2012)

Staff Members

Matthew Evans	Managing Solicitor
Nicki Rensten:	Legal Caseworker
Lubia Begum-Rob:	Race Discrimination Caseworker
Laura Orger:	Community Care Caseworker (returned from maternity leave August 2013)
Nicola Gregory:	Locum Community Care Caseworker (from June 2012-August 2013)
Deborah Russo:	Women Prisoners' Caseworker
Ben Blackwell:	Administrator / Telephone Worker
Hywel Probert:	Development Manager (to April 2013 and from October 2013)
Swazi Rodgers:	Development Manager (April 2013 to October 2013)

Volunteers

PAS would like to thank all the volunteers who have given up their time to assist PAS over the past year. For a charity with limited resources such as PAS, volunteers' work is vital to allow us to deliver a quality service to our clients.

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 2013 (cont'd)

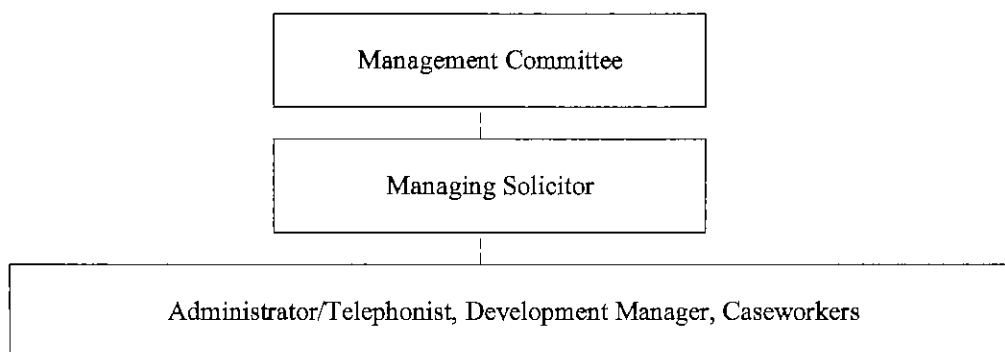
STRUCTURE, GOVERNANCE AND MANAGEMENT

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 officers as at 31 March 2013 are:

Chair	-	Rikki Garg
Treasurer	-	Diane Gault to July 2013
Treasurer	-	Bipasha Raha since July 2013
Secretary	-	Hywel Probert (staff member)

PRISONERS' ADVICE SERVICE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2013 (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 2013 (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 Aid Agency (LAA), 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 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. PAS was honoured to have been awarded the Longford prize in November 2012 and Matthew gave an acceptance speech at the annual Longford lecture. He has responded to a variety of government consultations on behalf of PAS around for instance community sentences. He has written numerous letters and articles in the Guardian, the Criminal Law and Justice Weekly, the Law Society Gazette and in the Legal Action Group magazine, around the proposed cuts to legal aid, as well as an article analysing the protection accorded to prisoners with mental health and disability issues under both domestic and European legislation. He continues to blog for The Justice Gap website (which presents key legal issues in lay language).

Beyond PAS, 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 restorative justice, and reducing the use of imprisonment and what lessons can be learned from Europe. Matthew 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. In 2012 he was appointed for a four year term as a member of the Criminal Rule Procedure Committee which is responsible for modernising court procedure and practice and making the Criminal Procedure Rules. Finally he continues to be a member of Public Lawyers in Non- Government Organisations which responds to issues within the NGO legal sector such as the consultation on Alternative Business Structures (ABS)

Matthew edits the Prisoner Legal Rights Group bulletin (PLRG) which provides quarterly updates on case law, policy and legislative changes in the area of prisoner rights.

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. Matthew has successfully represented a number of prisoners at parole and disciplinary hearings, categorisation appeals, and on resettlement/rehabilitation issues to do with licence conditions and community care services. A Judicial Review challenge to a prisons refusal to take into consideration a prisoners right to family life under Article 8 of the European Convention and his children's rights under the UN Convention when considering a transfer request, resulted in the Government settling and agreeing to pay our legal costs. A Judicial Review challenge, on behalf of a former prisoner, around the notification requirements of the Sex Offenders register, was issued and thought to be the first such challenge since the change in law in 2011. Per year he also responds to around 250 one-off, complex letters from prisoners around advice and information.

PRISONERS' ADVICE SERVICE**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2013 (cont'd)****ACHIEVEMENTS AND PERFORMANCE (continued)****Race Discrimination Caseworker**

Lubia Begum-Rob is the Race/Religious Discrimination Caseworker at PAS. The 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, categorisations 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 - PSI (Prison Service Instruction) 32/2011 entitled 'Ensuring Equality' replaced the old policy of 'Race Equality' in order to harmonise policies within the Prison Service in line with the Equality Act 2010. The main purpose of this instruction is to promote equality within prisons. It sets out a uniform framework for anti-discrimination policies relating to the eight protected characteristics in the Equality Act. Unlawful discrimination by prison staff on the basis of colour, race, nationality or religion is prohibited, as is any racially abusive or insulting language or behaviour. Prisons are under a positive duty to take steps to actively eliminate discrimination.

However, in practice there is a gap between the Prison Service's policy on equality and the reality of many prisoners' lives. The role of the Race/Religious Discrimination Caseworker is to try and close this gap where prisoners' raise complaints about prison failures to implement their own policy.

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.

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 was placed on report for defending himself against an attack by a fellow prisoner who racially abused him before and during the attack. D complained that he should never have been placed on report in the first place when the reporting officer witnessed the entire incident. He also complained that the prison failed to take appropriate action against the perpetrator of the racist attack by finding him guilty of assaulting him, but dismissing the charge of racist conduct. The prison thought it was sufficient that the perpetrator's conduct would form a part of his prison records, when in actual fact it was important to signal to the perpetrator that his attack was racially motivated and as such a far more serious offence than an assault alone; this would also indicate that the prison understood the severity of the perpetrator's actions. By the time the complaint was concluded there was no avenue for the perpetrator to be charged again, though the prison agreed to review its position.

Women Prisoners' Caseworker

The Women Prisoners' Caseworker role is now a job shared by Deborah Russo and Naomi Lumsdaine. Over the past year, both caseworkers have given a huge range of legal advice, information and representation to women prisoners, to uphold and promote their rights.

Deborah and Naomi run four regular outreach sessions providing free legal advice to women at HMP Downview, HMP East Sutton Park, HMP Holloway and HMP Send. The clinics take place at four to six week intervals, and at least ten women can be seen at each session. Women are generally less likely to use the prison complaints procedure or seek legal advice compared to their male counterparts, even with problems that amount to a significant breach of their human rights. The clinics ensure PAS's legal service can reach women who have not previously had the confidence to contact PAS, or the ability to seek help due to language barriers, learning disabilities, or mental/physical health problems.

PRISONERS' ADVICE SERVICE**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2013 (cont'd)****ACHIEVEMENTS AND PERFORMANCE (continued)****Women Prisoners' Caseworker (continued)**

Around two thirds of women prisoners have dependent children. The two caseworkers regularly intervene to help women maintain contact with their children and ensure the prison complies with its legal obligation to make the children's best interests a primary consideration in any decision they make that affects them. PAS successfully brought a challenge in the High Court concerning Childcare Resettlement Leave (CRL) in 2012, where the Court held that the child's best interests should always be taken into account in cases concerning CRL. A great proportion of Deborah and Naomi's cases continue to involve women prisoners' applications for CRL and the two caseworkers continue to ensure the guidelines are regularly applied correctly.

A recent case involved a female prisoner who upon being released from prison was prohibited from living with her son and husband. Although the female prisoner and her husband had been co-defendants, PAS argued that the circumstances of their offence precluded the possibility of future offending. The argument was successfully won and the two were allowed to live together with their son.

The broad range of issues for which women prisoners frequently seek advice include re-categorisation, transfers, home detention curfew, applications for release on temporary licence for work or childcare purposes, release on parole, appeals against sentence/conviction, pre-release child care assessments, resettlement and housing. The two caseworkers have developed links to key workers in a network of specialist organisations so that women can be effectively referred for assistance on issues which fall outside of PAS's legal expertise and remit.

Outreach Caseworker

Since 2004, PAS Outreach Caseworker, Nicki Rensten, has delivered legal education and outreach sessions to male prisoners at a number of prisons across England and Wales.

Two different models are employed for these sessions. In one a small group of prisoners spend two hours learning about the legal framework for prison law and discussing how it applies to them and other prisoners and their queries and complaints about prison life. These sessions are usually, although not always, organised via a partner agency, such as the St Giles Trust, which delivers an NVQ course in advice and guidance to prisoners who are employed as peer advisers and other advice related roles within the establishment. The participants are already in a position where they provide advice and information to other prisoners, and consequently are often those most likely to be approached by someone with a query about an issue such as their categorisation review, temporary licence application or home detention curfew eligibility.

In the other model, general advice is provided in the prison library. Prisoners sign up to attend these sessions, which are often conducted together with the Community Care Caseworker. All kinds of issues crop up at them, from simple but vital questions about missing items of property to complex questions relating to recall procedures and sentence calculation.

The 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.

As well as providing advice and information on prison law via outreach sessions, Nicki is responsible for co-ordinating and providing responses to the email inquiries PAS receives via our website. She 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 cases under our Legal Aid contract from the Legal Aid Agency. In 2012 she successfully settled a case against the Ministry of Justice which resulted in life sentence prisoners who had been accepted for a move to open prisons but who were waiting to move being able to begin having periods of temporary release prior to their transfers.

PRISONERS' ADVICE SERVICE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2013 (cont'd)

ACHIEVEMENTS AND PERFORMANCE (continued)

Community Care Caseworker

The Community Care Caseworker, Laura Orger offers advice and assistance to and takes on cases for prisoners prior to their release and upon release. Prisons, local authorities and probation services often dispute their responsibilities towards prisoners with physical and mental disabilities both during their time in prison and when they are due for release. Laura liaises with and ultimately issues judicial review claims against prison/probation services and local authorities when they refuse to meet their legal duties towards vulnerable adult prisoners.

Legal advice sessions at outreach sessions take place at HMP Pentonville and at HMP Wandsworth on a monthly basis. Since returning from maternity leave Laura is in the process of arranging a new Outreach Clinic with the new librarian at HMP Thameside. He has arranged for other charities to attend the library there and he potentially has funding to pay for PAS' time/expenses. Laura recommended a list of legal texts to be purchased for the library and has emailed over PAS information sheets to be kept and copied for prisoners at HMP Thameside.

Laura regularly induces prisons to accept their legal duties towards prisoners with physical and or mental health difficulties. This is most often done by suggesting and ensuring the prison makes specific 'reasonable adjustments' for the prisoner's disability. These adjustments, as well as potentially improving the prisoner's day to day life and access to justice, can act as a precursor to ensuring comprehensive support or treatment is secured for these prisoners upon their release. Apart from the improvements to these prisoners' conditions, this is a major factor in reducing the feeling of exclusion and the deterioration of their physical and mental health that such prisoners often experience in custody.

The successes over the past year include a client who was initially refused for release on parole after 33 years in and out of prison. Every professional involved had recommended his release but Probation failed to put in place the necessary risk management plan (RMP) and supportive hostel place necessary. Laura appealed the decision, reminding probation and the panel of their legal duties, requesting new directions from the panel ordering probation to produce a risk management plan and a supportive hostel place. She further requested a fresh decision. A fresh decision was made and release was directed in light of professionals' views, the robust RMP and a hostel place.

Laura also represented a wheelchair user in custody who was not provided with a disabled cell. This meant he was tipped out of his wheelchair whilst an officer or other prisoner jammed his wheelchair through the too small cell door. He had to drag himself along the floor to use the bathroom and suffered frequent urine infections because of this. He was not able to access showers adequately and was not offered adequate pain relief or antibiotics or provided with sufficient clean catheters. PAS sought urgent injunctive relief from the Administrative court and this was granted. The client's urgent and immediate medical needs were met and he was also provided with psychiatric support. Eventually a transfer to a prison offering a specially modified disabled cell was obtained. The difficulty in obtaining these results (PAS had to threaten Judicial Review proceedings before the prison would respond to concerns raised or even recognise their legal duties) is a sad demonstration of the constant difficulties that many disabled prisoners face simply in obtaining basic rights.

Development

The income received from Trusts and Foundations was £273,090 in 2012/2013, up from £211,920 in 2011/2012. 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 few years.

Recent proposed changes to Legal Aid will have a significant impact on how PAS operates in the future.

The Ministry of Justice says that legal aid will be cut for all prisoner 'complaints' relating to their treatment or the conditions of their confinement. Legal advice, assistance and representation from private Solicitors in all but a few areas of prison law will effectively disappear overnight as the government says it will introduce these proposals at the end of the year by way of statutory instrument, obviating the need for legislature or parliamentary scrutiny.

PRISONERS' ADVICE SERVICE**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2013 (cont'd)****ACHIEVEMENTS AND PERFORMANCE (continued)****Development (continued)**

If these proposals do go through, then from the end of this year only a tiny number of prison law matters will remain eligible for legal advice and assistance under legal aid.

- Parole proceedings where release can be directed;
- Disciplinary cases before the Independent Adjudicator (where there is a possibility of added days being given to a prisoners' sentence) or in front of prison governors where the governors have themselves authorised legal representation;
- Some sentence calculation matters but only where all internal remedies have been exhausted;

Everything else relating to prisoner rights is now to be excluded, ranging from:-

- Category A reviews and categorisation appeals;
- Parole reviews where only a recommendation (which can ultimately be rejected by the Secretary of State anyway) can be made for open conditions by the Parole Board rather than release;
- Removal from open conditions;
- All internal disciplinary measures including governor's adjudications and segregation;
- The separation of mothers and babies in the specialist mother and baby units;
- Rehabilitation issues relating to resettlement and licence conditions.

There are to be no exemptions for children or vulnerable prisoners, such as those with learning disabilities or mental health issues.

PAS however remains committed to continue to provide legal advice and information to prisoners on any matters they require assistance and representation on, irrespective of these legal aid proposals, and as it has done over the last 20 years.

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.

The continued support for our work is appreciated and needed now more than ever.

Thank you.

FINANCIAL REVIEW

Free reserves held on 31 March 2013 were £65,574, 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.

The Statement of Financial activities shows an unrestricted surplus of £6,471 (2012: loss of £55,912).

Expenditure was maintained at a similar level to the previous year except for legal and casework costs which are affected by the timing of settlement of a few high value cases.

Further details of the charity performance can be found in the Statement of Financial Activities on page 12 and the Balance Sheet on page 13.

PRISONERS' ADVICE SERVICE**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2013 (cont'd)****FINANCIAL REVIEW (continued)**

Funding sources for the period 2012/2013 included income of £102,746 (2012: £163,434) from the Legal Services Commission and other legal fees. There was also income arising from restricted and unrestricted grants, as well as gifts-in-kind, from the following individuals, companies, and Trusts and Foundations:

Funding Sources

The AB Charitable Trust
 The Albert Hunt Trust
 The Barrow Cadbury Trust
 The Big Lottery
 C Russell
 Charles Irving Trust
 The Cole Trust
 Doughty Street Chambers
 The Esmée Fairbairn Foundation
 The Evan Cornish Foundation
 Garden Court
 Garden Court North Chambers
 Garfield Weston Foundation
 Goldsmiths
 The Hadley Trust
 Hickinbotham
 Hillcote Trust
 The Jill Franklin Trust
 J Paul Getty Jnr Charitable Trust
 The LankellyChase Foundation
 The Law Society
 The Leigh Trust
 The Lloyds TSB Foundation
 The London Legal Support Trust
 Longman Charitable Trust
 Lord Faringdon Trust
 Tudor Trust
 The Marsh Trust
 The Monatrea Charitable Trust
 The Norda Trust
 The Oakdale Trust
 The Odin Trust
 The P&C Hickinbotham Charitable Trust
 The Paristamen Foundation
 Peter Stebbings Memorial Charity
 The Pilgrim Trust
 Rathbone Trust
 The Rayne Foundation
 The Rhiannon Trust
 The Rowan Charitable Trust
 The Souter Trust
 The Swan Mountain Trust
 Trusthouse Char 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 2013 (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.

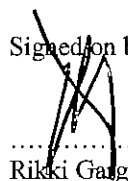
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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 15 October 2013

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

I report on the accounts for the year ended 31 March 2013 which are set out on pages 12 to 21.

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

28 October 2013

PRISONERS' ADVICE SERVICE

STATEMENT OF FINANCIAL ACTIVITIES (incorporating THE INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2013

	Note	Year ended 31.3.2013			Year ended
		Restricted	Unrestricted	Total	31.3.2012
		£	£	£	£
Incoming resources					
Incoming resources from generated funds:					
Voluntary income	2	-	169,709	169,709	84,408
Activities for generating funds		-	1,801	1,801	3,554
Interest receivable		-	72	72	119
Incoming resources from charitable activities:					
Advice and information	3	109,990	103,921	213,911	303,394
Sundry operating income		-	1,608	1,608	-
Total incoming resources		<u>£109,990</u>	<u>£277,111</u>	<u>£387,101</u>	<u>£391,475</u>
Resources expended	5,6,7				
Costs of generating funds:					
Costs of generating voluntary income		-	16,608	16,608	11,055
Charitable activities:					
Advice and information		107,190	240,808	347,998	420,821
Governance costs		2,800	13,224	16,024	15,511
Total resources expended		<u>£109,990</u>	<u>£270,640</u>	<u>£380,630</u>	<u>£447,387</u>
Net income/(expenditure) for the year		-	6,471	6,471	(55,912)
Total funds brought forward		-	60,676	60,676	116,588
Total funds carried forward		<u>£Nil</u>	<u>£67,147</u>	<u>£67,147</u>	<u>£60,676</u>

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 14 to 21 form part of these financial statements.

PRISONERS' ADVICE SERVICE**BALANCE SHEET AS AT 31 MARCH 2013**

	<u>Note</u>	<u>2013</u>		<u>2012</u>	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	10		1,573		1,283
CURRENT ASSETS					
Debtors	11	86,172		125,319	
Cash at bank and in hand		69,747		51,775	
		-----		-----	
		155,919		177,094	
CREDITORS: amounts falling due within one year	12	(90,345)		(117,701)	
		-----		-----	
NET CURRENT ASSETS			66,574		59,393
TOTAL ASSETS LESS CURRENT LIABILITIES			-----		-----
			£67,147		£60,676
CAPITAL AND RESERVES	15				
Restricted funds			-		-
Unrestricted funds			67,147		60,676
			-----		-----
			£67,147		£60,676
			=====		=====


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 15 October 2013 and are signed on their behalf by:



.....
R Garg

Company Registration Number 3180659

The notes on pages 14 to 21 form part of these financial statements.

PRISONERS' ADVICE SERVICE**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2013****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 2013 (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>2013</u> £	<u>2012</u> £
Donations	6,609	10,908
Core funding grants (note 4)	163,100	73,500
	<u>£169,709</u>	<u>£84,408</u>

3. ADVICE AND INFORMATION

	<u>2013</u> £	<u>2012</u> £
Grants funding activities (see note 4)	109,990	138,420
Legal Services Commission fees and other legal fees	102,746	163,434
Prisoners' Legal Rights Group	1,175	1,540
	<u>£213,911</u>	<u>£303,394</u>

PRISONERS' ADVICE SERVICE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2013 (cont'd)

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

<u>Source</u>	<u>Purpose</u>	<u>2013</u> £	<u>2012</u> £
29 May 1961 Trust	Core funding	5,000	5,000
Allen and Overy	Core funding	2,500	2,500
The AB Charitable Trust	Core funding	7,500	7,500
Garfield Weston Foundation	Core funding	10,000	-
The Goldsmiths Company	Core funding	2,000	-
The Hadley Trust	Core funding	110,000	50,000
The Leigh Trust	Core funding	2,500	-
The London Legal Support Trust	Core funding	5,000	-
The Norda Trust	Core funding	-	5,000
The Odin Trust	Core funding	2,000	-
The Rhiannon Trust	Core funding	2,000	-
The Trusthouse Charitable Foundation	Core funding	2,000	-
Other	Core funding	12,600	3,500
Total Core Funding Grants		£163,100	£73,500
Big Lottery	Advice line	14,157	-
The Esmee Fairbairn Foundation	Costs relating to Managing Solicitor	23,000	25,000
J Paul Getty Charitable Trust	Outreach Service	15,000	-
The Tudor Trust	Development Manager	-	18,750
The City Bridge Trust	Community Care Service	-	20,000
The Lankelly Chase Foundation	Caseworker for racial discrimination	3,750	15,000
The Barrow Cadbury Trust	Advice Line	16,000	16,000
Lloyds TSB Foundation	Discrimination Caseworker	11,250	15,000
The Law Society	Managing Solicitor	5,000	5,000
The London Legal Support Trust	Community Care Service	-	2,500
The Evan Cornish Foundation	Outreach Service	7,500	10,000
The Rayne Foundation	Community Care Service	3,333	5,000
The Triangle Trust	Community Care Service	-	-
The Pilgrim Trust	Women's Caseworker	10,000	5,000
The Mercers Charitable Trust	Women's Caseworker	-	-
Others		1,000	1,170
Total Grants Funding Activities		£109,990	£138,420
Total Grants receivable in Year		£273,090	£211,920
		<u>2013</u> £	<u>2012</u> £
Deferred grants at 1.4.2012		26,333	62,583
Grants received in the year		96,488	102,170
Deferred grants at 31.3.2013		(12,831)	(26,333)
Grants released to income		£109,990	£138,420

PRISONERS' ADVICE SERVICE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2013 (cont'd)

5. TOTAL RESOURCES EXPENDED

	<u>Basis of Allocation</u>	<u>Voluntary Income</u>	<u>Advice and Information</u>	<u>Governance</u>	<u>Total</u>	<u>2012</u>
Costs directly allocated to activities:						
Staff costs	Direct	-	203,314	-	203,314	216,557
Legal and casework costs	Direct	-	29,581	-	29,581	97,627
Independent examiner's fees	Direct	-	-	2,215	2,215	1,490
Support costs allocated to activities:						
Staff costs	Staff time	11,671	50,589	8,872	71,132	60,446
Office costs	Usage	3,957	41,980	3,957	49,894	49,293
Premises costs	Usage	980	22,534	980	24,494	21,974
Total resources expended		<u>£16,608</u>	<u>£347,998</u>	<u>£16,024</u>	<u>£380,630</u>	<u>£447,387</u>
<i>2012</i>		<u><i>£11,055</i></u>	<u><i>£420,821</i></u>	<u><i>£15,511</i></u>	<u><i>£447,387</i></u>	

PRISONERS' ADVICE SERVICE**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2013 (cont'd)****6. TOTAL RESOURCES EXPENDED****Salary Costs**

	<u>2013</u> £	<u>2012</u> £
Gross	236,272	237,632
Employer's NIC	25,557	25,791
Pension contributions	10,182	10,540
	<u>£272,011</u>	<u>£273,963</u>

No employee earned more than £60,000 (2012: none).

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

	<u>2013</u> £	<u>2012</u> £
Legal Staff	7	7
Administration	1	1
	<u>8</u>	<u>8</u>

None of the trustees received any remuneration during the year (2012: £nil).

None of the trustees received any reimbursement of expenses during the year (2012: £nil).

7. NET INCOME/(EXPENDITURE) FOR THE YEAR

	<u>2013</u> £	<u>2012</u> £
Net income/(expenditure) for the year is after charging:-		
Depreciation	1,110	1,127
Independent examiner's remuneration	2,215	1,490
Rentals under operating lease:		
Land and buildings	17,500	17,500
Other assets	3,059	3,356
	<u>£23,884</u>	<u>£23,473</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 £10,182 (2012: £10,540) to a defined contribution scheme during the year of which £nil (2012: £nil) was outstanding at year end.

PRISONERS' ADVICE SERVICE**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2013 (cont'd)****10. TANGIBLE FIXED ASSETS**Office Fixtures and EquipmentCost:

<i>At 1 April 2012</i>	<i>18,246</i>
Additions	1,400
Disposals	(12,053)

At 31 March 2013	<u><u>£7,593</u></u>

Depreciation:

<i>At 1 April 2012</i>	<i>16,963</i>
Charge for year	1,110
Disposals	(12,053)

At 31 March 2013	<u><u>£6,020</u></u>

Net Book Value

At 31 March 2013	<u><u>£1,573</u></u>
<i>At 31 March 2012</i>	<u><u>£1,283</u></u>

11. DEBTORS

	<u>2013</u>	<u>2012</u>
	£	£
Trade debtors	5,839	6,241
Amounts recoverable under contracts	67,044	106,330
Other debtors	3,808	3,688
Prepayments	9,481	9,060
	-----	-----
	<u><u>£86,172</u></u>	<u><u>£125,319</u></u>

12. CREDITORS: amounts falling due within one year

	<u>2013</u>	<u>2012</u>
	£	£
Taxation and social security	624	1,587
Other creditors	30,000	10,000
Accruals	46,890	79,781
Deferred grant income (see note 4)	12,831	26,333
	-----	-----
	<u><u>£90,345</u></u>	<u><u>£117,701</u></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 2013 (cont'd)****14. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<u>Restricted Funds</u>	<u>Unrestricted Funds</u>	<u>Total Funds</u>
	£	£	£
Fixed assets	-	1,573	1,573
Current assets	42,831	113,088	155,919
Current liabilities	(42,831)	(47,514)	(90,345)
	-----	-----	-----
	£Nil	£67,147	£67,147
	=====	=====	=====

15. RESTRICTED FUNDS

	<u>At 1 April 2012</u>	<u>Incoming Resources</u>	<u>Outgoing Resources</u>	<u>At 31 March 2013</u>
	£	£	£	£
Advice Line	-	30,157	(30,157)	-
Racial discrimination	-	15,000	(15,000)	-
Women	-	10,000	(10,000)	-
Outreach	-	22,500	(22,500)	-
Managing solicitor	-	28,000	(28,000)	-
Community care	-	4,333	(4,333)	-
	-----	-----	-----	-----
	-	109,990	(109,990)	-
Unrestricted funds	60,676	277,111	(270,640)	67,147
	-----	-----	-----	-----
Total Funds	£60,676	£387,101	£380,630	£67,147
	=====	=====	=====	=====

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.
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.

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 2013 (cont'd)****16. RELATED PARTIES**

There were no transactions with related parties during the year (2012: none) that are required to be disclosed in these accounts.

17. OPERATING LEASE COMMITMENTS

At 31 March 2013 the charity had the following commitments under non-cancellable operating leases:-

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