

PRISONERS EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE DIRECTORS
AND
ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2009

Registered charity No. 1084718

Company registration No. 4132595 England and Wales

Prisoners Education Trust
(A Company Limited by Guarantee)

Who's who at the Trust

Patrons

Lady Andrew
Heather Ewart
Paul Maxlow-Tomlinson
Lord Ramsbotham
Baroness Stern
Lord Windlesham
Lord Woolf

Trustees

His Honour John E A Samuels QC	Chairman
Dr Peter J Honey	Vice-Chairman
Graham A Ziegler FCA	Hon. Treasurer
Dr Lynn J Bindman	
Roger V J Chadder	
Philip W Deer	
Rodney C J East	until 20 May 2009
Dr Heather A Forland	
Norman A J Franklin	
Rachel L Griffin	
Peter J Honour	
His Honour Timothy Lawrence	until 3 February 2010
Hugh Lenon	from 23 September 2009
June D Marriott	
Charlotte L Rendle	
Rosie Slater	from 23 September 2009
Geoffrey M Wolfson	

Current staff

Pat Jones	Director and Company Secretary
Stephanie Crespin	Peer mentoring manager – S E England
Siobhan Clohessy	Senior administrative officer
Catherine Gilmartin	Senior fundraiser
Cos Michael	LM project manager
Suzan Nabbanja	Office manager and awards coordinator (maternity leave)
Gertrude Najjowmbe	Administrative assistant
Andrea Pullen	Peer mentoring – Central England
Melanie Rowlands	Development officer
Denise Whitelocke	Finance officer

Bankers

Barclays Bank plc, 2 Victoria Street, London SW1H 0ND

Auditors

Hartley Fowler LLP, Chartered Accountants, 27-37 St George's Road, Wimbledon, London SW19 4EU

Registered office Wandle House, Riverside Drive, Mitcham, Surrey CR4 4BU
Telephone: 020 8648 7760 **Fax:** 020 8648 7762

E-mail: info@prisonerseducation.org.uk **Website:** www.prisonerseducation.org.uk

Registered charity No. 1084718 **Company No.** 4132595

Annual Report incorporating the Directors Report

Introduction

The directors present their annual report and the financial statements for the year ended 31 December 2009. Throughout this report the Directors are collectively referred to as the Trustees as they are such for the purposes of charity law; Prisoners Education Trust is referred to as 'the Trust' or 'the Company' as the context suggests.

The current directors and company secretary are listed on page 1.

The accounts are prepared in accordance with the Charities Statement of Recommended Practice 2005 ('SORP 2005') and with relevant company law and standard accounting practice.

Principal activities

The Company is a charitable company, incorporated on 29 December 2000; it acquired the assets and undertaking, subject to liabilities, of Prisoners Education Trust, a charitable trust, with effect from 1 January 2001. That trust, which had been established by a deed dated 19 April 1989, was formally wound up in 2003.

Our mission is:

- ❖ *to offer prisoners access to, and support for, the widest range of education and training opportunities.*
- ❖ *to promote to policy makers and the public the importance of offender education.*

The principal activity of the Trust continues to be the provision of grants for prisoners in England and Wales to enable them to take educational courses, mainly through distance learning, and to provide educational support, advice and guidance, or to develop their creative talents. Current projects undertaken to enhance the effectiveness of the Trust include: Learning Matters ('LM'), which champions offender learning through gathering and disseminating accurate information, promoting policies which reflect the needs of offender learners and working to promote the need for more research; and Peer Mentoring, which aims to provide accredited training courses for prisoners to equip them to mentor other prisoners interested or engaged in learning. Prisoners who then provide peer mentoring support for other prisoner learners both help increase the chances of course completion and learning success and acquire additional qualifications which will assist with their own resettlement.

Organisation and governance

The strategic direction of the Trust is determined by the Board of Trustees which meets six times a year. Sub-committees of Trustees, which report to the main Board, have responsibility for a) Scrutiny, being the approval of grants; b) Development, including fund raising; c) LM management.

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Day to day operation of the Trust is the responsibility of the Director, Pat Jones, who is also the Company Secretary; she reports to the Chairman of the Board. She is assisted by two full time and seven part time employees. Applications for grants are reviewed by the Director and proposed to the Scrutiny committee of the Trustees on a monthly basis for their approval.

Potential trustees are interviewed by the Chairman and, as appropriate, the Director and another Trustee and attend a Board meeting prior to consideration for election to the Board. Trustees are selected to enhance the overall composition of the Board by bringing to it a range of suitable skills, having due regard for the need for diversity; all Trustees are provided with an induction programme.

An audit of trustees' skills has been undertaken; and a board self-appraisal based on the Code of Governance for the Voluntary Sector was completed and a resulting action plan taken forward.

Policy

The Trust's policy is to provide grants, principally for distance learning courses, in accordance with the Memorandum and Articles of Association with a view to improving the prospects for prisoners both whilst they are serving their sentences and after their release. This is supported by specific projects to enhance the completion of courses within prison and for follow-up on resettlement. The Trust continues to advocate for wider provision of education for offenders and for research into the impact of education on prisoners' resettlement and re-offending rates.

Strategy

The Trust reviews its strategic progress annually. Matters kept under review include the Trust's aims and objectives and the outcomes achieved, as well as its internal organisation and governance. A review in 2009 examined our policy on grant making and confirmed the medium term plan for 2009/11.

The strategic framework for 2009/11 includes the following strategic directions:

- ❖ The Trust will make a greater impact on offender learning and education, both by funding and supporting prisoners to take courses and learn new skills; and by championing the importance and effectiveness of education as a crucial part of successful rehabilitation and resettlement.
- ❖ We will work in closer partnership with prison education staff, peer agencies and statutory agencies, seeking to extend the education available and increase learning success.
- ❖ We will ensure that distance learning and e-learning are recognised as crucial components of education and skills provision for offenders.

Risks

The Trustees keep under review the risks to which the Company is exposed. The principal risk to the scale of the Trust's operations is the degree of its dependence on government funding which has been deliberately accepted with a view better to achieve its aims. The new Skills Funding Agency will change the

arrangements for the Offender Learning and Skills Service (OLASS), and the recent new OLASS provider contracts are introducing further changes to prison education as a whole. These changes may create challenges for the Trust if the level of capacity to support distance learning in prisons is reduced. Whilst our new three-year Funding Agreement with the Department for Business Innovation and Skills (BIS) relating to OU and other course grants is welcome, the current economic climate and uncertainty about future government spending do pose a significant threat to a small charity with a lean administration, albeit one which offers a service to all prisons in England and Wales.

The current economic climate also has implications for our income from other funders, whose own income and grants programmes may be adversely affected by the recession.

Systems have been established to manage those operational risks which have been identified and risk factors are reviewed annually.

Reserve policy

As most of the Trust's income is dependent upon successful appeal and fund-raising activity and is therefore subject to unpredictable fluctuation, the Trust has a policy of maintaining a reserve of not less than four months' recurring expenditure in addition to holding the funds required to pay out grants already approved. In the light of continuing changes and uncertainties in government policy and its implementation the Trustees have considered it prudent to increase this level of reserve in order better to ensure the preservation of the work of the Trust for the long term.

Review and financial results

Income at £ 817,869 increased by 8.6% compared with 2008 (£ 752,786). This was a result of increased donations from individuals, higher grants for Open University courses and an increase in donations from grant making trusts to restricted funds.

Overall incoming resources exceeded resources expended by £ 34,538 (2008: £ 21,385).

Our first peer mentoring support project for offender learners has been implemented successfully in 8 prisons in the South East of England. This post is funded by the Wates Foundation who provided £17,000 for two years, ending in summer 2010. The experience which this provided has proved invaluable in the development of our second peer mentoring project for adult prisoners in prisons in Central England. This is funded by the J Paul Getty Jnr Foundation who provided £20,000 for 2 years until 2011.

The LM project has now run for two years achieving a wide circulation of our e-news, the creation of a report on prisoner learning '*Brain Cells*' and running three conferences. It was established for 3 years until autumn 2010 with funding aggregating £190,000 provided by Esmée Fairbairn Foundation, The Monument Trust, The Paul Hamlyn Foundation and The Bromley Trust. During

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2010, the Trustees will be discussing with potential funders how to continue this successful project into a second phase.

During the year grants awarded numbered 2,251 some 174 more than in 2008. Open University courses accounted for 829 of these (2008: 723).

The average cost of courses purchased from third-party suppliers was £ 214 (2008: £ 206). The average total cost of courses including the Trust's own costs of managing and arranging the process of awarding, ordering and monitoring grants was £ 266 compared with £ 263 in the previous year. The support cost per course thus reduced slightly.

84% of Open University applications, funded by the BIS and its predecessor the Department for Innovation, Universities & Skills, resulted in grants being made (2008: 96%). However, as a result of its own limited financial resources, the Trust was able to satisfy 63% of applications for other grants, an improvement compared with 61% in 2008; all applications counted for this purpose have already been approved by prison education staff and vetted by Trust staff and are therefore on the whole deserving of funding.

The Trust has made over 19,000 grants since its establishment in 1989.

Events organised during the year include:

- ❖ In January 2009 "An Evening with Jonathan Aitken" plus Erwin James and other ex-offender speakers, chaired by the Bishop of Southwark, the Rt Rev Tom Butler;
- ❖ In April "Does prison work?" – hosted by the Mayor of Guildford with Lady Rachel Billington, Governor Peter Dawson, and Judge Christopher Critchlow, the Dean of Guildford, Lady Toulson and others;
- ❖ "A Life of Crime" a talk by Anthony Leonard, QC, organised by the South London Supporters of the Trust;
- ❖ "Crime and the Camera" - with Rex Bloomstein and Martyn Lewis CBE;
- ❖ the Annual Lecture in November "Why can't we halve the prison population?" by Prof. Ian Loader;
- ❖ various seminars for prison education staff and others on the 'virtual campus', PET's research and other issues;
- ❖ our annual Carol Concert in St Paul's Church Covent Garden in December.

The Trust continued its programme of monitoring and evaluation, using two principal tools. A twice-yearly monitoring exercise is undertaken with prisons to track the progress of each prisoner funded and records completions, transfers etc. Separately, an annual effectiveness survey is undertaken, using a questionnaire developed in 2005, for a sample of prisoners who have received a distance learning course. Prisoners are asked various questions regarding the quality of the course, the degree to which it met their expectations and on administrative matters. The response rate has been consistently high and prisoners indicated a high degree of satisfaction both with their courses and with the Trust's administration.

Prospects

BIS have entered into a new Funding Agreement with us to administer the Open University award programme for the year 2009/10 as well as for general courses

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for prisoners which include both accredited and unaccredited courses. These contracts are significant in relation to our activities.

The demand for distance learning cannot be satisfied from the funds at the Trust's disposal. The Trust has been successful in attracting money from new sources in the past year, especially from groups which recognise that help to prisoners of the kind which the Trust provides is best channelled through an organisation which links into all prisons. Our Fundraiser maintains a steady and increasing rate of applications to grant-making trusts and we are hopeful of a good outcome in the next year despite the effects of the economic downturn restricting available funds.

Public Benefit Statement

The Trustees come under a new statutory reporting duty this year – to illustrate how in practice the activities of the Trust meet the public benefit requirement. In this respect the Trustees have noted and paid due regard to all the Charity Commission's statutory guidance that is relevant to the Trust's activities and highlight below examples of our activities:

- ❖ we grant to individual prisoners throughout England and Wales, irrespective of race or religion, access to distance learning courses not otherwise available within the prison system, and which we believe to have a positive impact on their chance of avoiding future re-offending, which benefits the individuals, their families, and wider society;
- ❖ we deliver peer mentoring, where our funds allow, to assist prisoners to complete their courses and gain maximum benefit from successful study; and,
- ❖ we promote debate about offender learning and make the case for the benefits to society of investment in this area.

Statement of Trustees' Responsibilities for the Financial Statements

Company law requires the Trustees to prepare financial statements which give a true and fair view of the state of affairs of the Company at the end of the financial year and of its surplus or deficit for the financial year. In doing so the Trustees are required to:

- ❖ select suitable accounting policies and then apply them consistently;
- ❖ make judgments and estimates that are reasonable and prudent; and
- ❖ 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to appoint Messrs Hartley Fowler LLP, Chartered Accountants, for the ensuing year will be proposed at the forthcoming AGM.

On behalf of the Board

Graham A Ziegler FCA
Hon. Treasurer

23 March 2010

Statement of Financial Activities for the year ended 31 December 2009

<u>INCOME AND EXPENDITURE ACCOUNT</u>	Note	Unrestricted Funds £	Restricted Funds Note 8 £	Total Funds 2009 £	Total Funds 2008 £
INCOMING RESOURCES					
from generated funds					
Donations, grants and contract fees	7/8	239,705	253,105	492,810	441,098
Activities for generating funds		17,272		17,272	22,203
Government Grants for Open University courses	7	229,109		229,109	197,600
Government Grants for other courses		74,644		74,644	75,000
Investment income		3,998	36	4,034	16,885
Total incoming resources		<u>564,728</u>	<u>253,141</u>	<u>817,869</u>	<u>752,786</u>
RESOURCES EXPENDED					
Costs of generating voluntary income		50,823	7,747	58,570	60,726
Charitable activities					
Open University courses	7	275,134		275,134	244,800
Youth Education project	7		4,001	4,001	45,709
Learning Matters	7	14,878	50,475	65,353	57,361
Peer Mentoring project	7	5,479	25,833	31,312	13,734
Resettlement	7	1,220	7,382	8,602	3,123
General education courses	7	242,031	78,592	320,623	291,036
Governance costs		19,736	0	19,736	14,912
Total resources expended	4	<u>609,301</u>	<u>174,030</u>	<u>783,331</u>	<u>731,401</u>
NET INCOMING RESOURCES		(44,573)	79,111	34,538	21,385
Transfers	8	(5,448)	5,448	0	0
Funds brought forward		205,596	154,434	360,030	338,645
FUNDS CARRIED FORWARD		<u>155,575</u>	<u>238,993</u>	<u>394,568</u>	<u>360,030</u>

There are no other unrealised gains or losses which do not appear on the SOFA. All the above results are derived from continuing activities.

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Balance Sheet as at 31 December 2009

	Note	2009	2008
ASSETS			
Current assets			
Cash and short term deposits		430,076	370,930
Government grants for Open University and other funding	6 & 7	73,904	93,743
Debtors and prepayments	5	21,548	24,074
Total assets		525,528	488,747
LIABILITIES			
Creditors	6	130,960	128,717
NET ASSETS		<u>394,568</u>	<u>360,030</u>
Represented by accumulated funds			
for general purposes		155,575	205,596
for restricted purposes	8	238,993	154,434
Total accumulated funds		<u>394,568</u>	<u>360,030</u>

The accounts were approved by the Trustees on 23 March 2010 and signed on their behalf by:

..... His Honour John Samuels QC *Chairman*

..... G A Ziegler *Honorary Treasurer*

Notes to the accounts for the year ended 31 December 2009

1 Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005), applicable accounting standards and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are as follows:

i) Incoming resources

Donations and grants and contractual receipts

Donations and grants are included in incoming resources when they are received by or on behalf of the charity. Income receivable under contract is recognised when the contractual conditions have been fulfilled.

Interest receivable

Interest is included when it is receivable.

ii) Resources expended

Grants awarded are recorded in the Statement of Financial Activities when the award has been approved by the Scrutiny Committee.

Resources expended are included in the Statement of Financial Activities on an accruals basis inclusive of any VAT, which cannot be recovered. Certain expenditure is directly attributable to specific cost categories and has been included in those categories. Other costs including support and governance costs, which are attributable to more than one type of activity, are apportioned across cost categories: staff costs are apportioned by reference to an estimate of time spent, whilst the remaining costs are apportioned by reference to estimated usage.

iii) Fixed assets

Fixed assets are written off in the financial year in which the expenditure is incurred.

iv) Fund accounting

Funds held by the charity are either:

- *Unrestricted general funds* – these are funds which may be used in accordance with the Company's objects at the discretion of the Trustees.

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- *Restricted funds* – these are funds which may be used only 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.

Funds received under contract are regarded as "*unrestricted*" for the purpose of the above distinction.

v) Taxation

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

2 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of a winding-up is limited to £ 10.

3 Staff costs and trustees' remuneration

No employee earned more than £ 60,000. The total costs were: salaries £ 188,031, pensions £ 7,923 and social security costs £ 17,380 (2008: salaries £ 193,125, pensions £ 6,377 and social security £ 18,635). The Trust employed an average of 7 full time employees (2008: 7) 3 of whom were engaged in direct charitable work.

The Trust contributes towards employees' contributions to a stakeholder pension scheme. The amount charged to the SOFA is the contribution for the year.

The Trustees did not receive any remuneration. Expenses reimbursed to the Trustees in accordance with the provisions of the Articles of Association amounted to £ 313 (2008: £ 176).

4 Outgoing resources

The following amounts were included in outgoing resources:

	2009	2008
	£	£
Auditors remuneration	3,172	3,105
Fixed assets acquired during the year	1,699	379
Indemnity insurance premium	0	394

5 Debtors

	2009	2008
	£	£
Amounts owing by HM Prisons	11,782	10,874
Other debtors and prepayments	9,766	13,200
	<u>21,548</u>	<u>24,074</u>

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Grants are granted by the Trustees on the basis that the prison contributes 10% of the cost of the course. In most cases courses are paid in full by the Trust which then collects the contribution from the prison. Open University courses funded by the government do not attract the 10% charge.

6 Creditors

	2009	2008
	£	£
Grants awaiting payment	106,644	104,552
Other creditors and accruals	24,316	24,165
	<u>130,960</u>	<u>128,717</u>

Grants awaiting payment represent grants awarded by the Scrutiny Committee but not yet paid. Experience has shown that a proportion of these grants will never be paid, in whole or in part, for a variety of reasons including: the prisoner is released before the course starts; the prisoner is transferred to another prison where it is not possible to take the course; the cost of the course is less than the amount sanctioned, etc. To the extent that the provision is not needed the funds released are made available for courses for other prisoners.

The high value of grants awaiting payment reflects numerous Open University courses the cost of which became due early in 2010. The great majority of the cost of Open University courses awarded in 2009 and 2008 is being paid for by the government (BIS) whose corresponding obligation of £ 73,904 (2008: £ 93,743) (previously by the Offender Learning and Skills Unit: OLSU) to the Trust is included under Current Assets.

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7 Charitable expenditure analysis

	2009				
	Activities undertaken directly	Grants for course costs	Allocated costs	Support costs	Totals
	£	£	£	£	£
Open University courses		229,109	35,965	10,060	275,134
Youth Education project	4,001				4,001
Learning Matters project	45,909		17,352	2,092	63,353
Peer mentoring project	25,833		4,722	757	31,312
Resettlement project	4,846	2,536	926	294	8,602
General education courses		250,479	52,806	17,338	320,623
	<u>80,589</u>	<u>482,124</u>	<u>111,771</u>	<u>30,541</u>	<u>705,025</u>
	2008 as restated				
	Activities undertaken directly	Grants for course costs	Allocated costs	Support costs	Totals
	£	£	£	£	£
Open University courses		197,600	41,327	5,873	244,800
Youth Education project	28,721	6,920	7,836	2,232	45,709
Learning Matters project	48,383		7,258	1,720	57,361
Peer mentoring project	10,485		2,070	1,179	13,734
Resettlement project	1,916	500	501	206	3,123
General education courses		227,590	47,182	16,264	291,036
	<u>89,505</u>	<u>432,610</u>	<u>106,174</u>	<u>27,474</u>	<u>655,763</u>

In order to present the costs attributable to each of the charitable activities in accordance with the Charities Statement of Recommended Practice, the Trust's expenses have been allocated between those directly attributable to each activity and those more general support costs, and accordingly the comparatives for the year ended 31 December 2008 have been restated when they were originally shown all as support costs.

The cost of Open University courses awarded to prisoners is reimbursed to the Trust by BIS who pay a fee to the Trust for the administration of this service.

The Youth Education project was funded by two charitable trusts until 2008 when the project came to an end.

Learning Matters is funded for three years from 2007 by four charitable trusts; Peer Mentoring, which commenced in 2008, is funded by one charitable trust for two years in South East England and another trust for the Midlands and the resettlement project is funded by three trusts.

The provision of general education courses, the core activity of the Trust, is funded through general income which may be restricted to particular categories of offender (see Note 8).

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8 Restricted funds

	1 January 2009	Receipts	Grants/ Costs	Trans- fers	31 December 2009
	£	£	£	£	£
Adnams Charity	2,500		848		1,652
The John Allt Award	2,941	536	450		3,027
Ajahma Charitable Trust	2,584	4,500	4,846		2,238
Aldo Trust	3,176	2,500	2,482		3,194
Archer Charitable Trust		500			500
Army Benevolent Fund		1,500			1,500
25 Bedford Row Chambers	0	4,000	3,093		907
Booth Charities		2,500	845		1,655
The Bromley Trust	8,152		8,152		0
Derek Butler Trust		1,000			1,000
Noel Buxton Trust	1,000				1,000
Sir John Cass's Foundation	0	13,710	5,987		7,723
Clothworkers' Company		10,000	7,748		2,252
The Colyer-Fergusson Charitable Trust	773		(375)		1,147
Ernest Cook Trust		2,500	2,268		232
Drapers' Consolidated Charity	7,509	10,000	9,521		7,987
Equitable Charity		15,000	1,319		13,681
Esmée Fairbairn Foundation	20,992	20,000	14,108		26,885
The Paul Hamlyn Foundation (a)	4,586		4,001		585
The Paul Hamlyn Foundation (b)	20,992	20,000	14,108		26,885
J Paul Getty Jnr Charitable Trust		20,000	10,431		9,569
The Goldsmiths' Company	3,000				3,000
The Grimmit Trust	0	3,000	2,934		66
Ironmongers' Company		3,750			3,750
The Sir James Knott Trust	725	5,000	2,672		3,053
LankellyChase Foundation		20,000			20,000
Lawrence Atwell's Charity	4,889		2,389		2,500
Leeds Educational Trust		2,250	975		1,275
The Mercers' Company	6,230		4,486		1,744
Miles Trust for Putney		500	527	27	0
The Monument Trust	20,992	20,000	14,108		26,885
JP Morgan Fleming	694				694
George A Moore Foundation	3,368		3,568	200	0
The Norton Foundation	860		831		30
The Pilgrim Trust	588		5,774	5,185	0
Pilkington General Trust		2,000			2,000
Porticus UK		25,000	6,304		18,696
Quartet Community Foundation	0		(122)		122
The Rank Foundation	135		122		13
E L Rathbone Trust	2,339		2,293		46
The Sigrid Rausing Trust	2,003				2,003
The Sir James Reckitt Charity	0		(125)		125
The Royal British Legion	21,815		11,037		10,778
St John Southworth Benevolent Trust		5,000	868		4,132
Sir Halley Stewart Trust		4,000	1,554		2,446
The Summerfield Charitable Trust	143				143
Swan Mountain Trust	1,968	5,000	3,644		3,324
The Topinambour Trust	2,154	4,500	2,943		3,711
Triangle Trust 1949 Fund		1,000			1,000
The Walter Guinness Trust	2,000		1,964		36
Wates Foundation	5,269	18,895	15,402		8,762
Wingate Trust		5,000			5,000
Other funds under £ 100	55		50		5
	<u>154,434</u>	<u>253,141</u>	<u>174,030</u>	<u>5,412</u>	<u>238,957</u>

Note: The Transfers are made to eliminate negative balances against unrestricted funds. Receipts include credit interest of £ 36 due to the John Allt Fund. The Pilgrim Trust has agreed to reimburse the Trust after the expenditure has been incurred.

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The Restrictions on the funds to be applied for specific purposes are as follows:

- Adnams Charity:** To be applied to grants in Suffolk;
- The John Allt Award:** A fund established in memory of John Allt, administered by the Trust and to be applied in awarding prizes to prisoners undertaking further or higher education;
- Ajahma Charitable Trust:** to fund a resettlement project salary;
- Aldo Trust:** to provide grants of up to £25;
- Archer Charitable Trust:** restricted to writing courses;
- Army Benevolent Fund:** for ex-soldiers;
- 25 Bedford Row Chambers:** for offenders early in their learning journey;
- Booth Charities:** for prisoners in or from the Salford area;
- The Bromley Trust:** for funding the "Learning Matters" project;
- Derek Butler Trust:** for music courses;
- Noel Buxton Trust:** for funding restricted to women
- Sir John Cass's Foundation:** for prisoners aged under 26 and in or from London; a separate part of the fund is for the purpose of bursaries for young offenders;
- Clothworkers' Company:** applied in upgrading the Trust's fund raising database system;
- The Colyer-Fergusson Charitable Trust:** a fund for offenders in prison in Kent;
- Ernest Cook Trust:** for young people;
- Drapers' Consolidated Charity:** to be applied in making grants for prisoners of British nationality;
- Esmée Fairbairn Foundation:** for funding the Learning Matters project;
- The Paul Hamlyn Foundation (a):** to fund salary and running costs of the Youth Education Project;
- The Paul Hamlyn Foundation (b):** for funding the Learning Matters project;
- J Paul Getty Jnr Charitable Trust:** funding for peer mentoring in Central England;
- The Goldsmiths' Company:** for funding courses;
- The Grimmitt Trust:** a fund for offenders in prison in West Midlands;
- Ironmongers' Company:** for young offenders;
- The Sir James Knott Trust:** for prisoners in the North East, particularly Northumberland, Durham and Tyne & Wear;
- LankellyChase Foundation:** for the Development Project;
- Lawrence Atwell's Charity:** provision of courses and bursaries to offenders under 30 with a London connection;
- Leeds Trust for Education:** for prisoners from Yorkshire;
- The Mercers' Company:** provision of grants to young men in Stoke Heath Young Offender Institution;
- Miles Trust for Putney:** for prisoners at HMP Wandsworth;
- The Monument Trust:** for funding the Learning Matters project;
- JP Morgan Fleming Educational Trust:** to be applied in making grants for female prisoners;
- George A Moore Foundation:** for prisoners in Yorkshire;
- The Norton Foundation:** for young people with a Birmingham connection;
- The Pilgrim Trust:** for women prisoners;
- Porticus UK:** for women prisoners;
- Quartet Community Foundation:** for prisoners detained in the South West of England;
- E L Rathbone Trust:** for prisoners in HMP Liverpool;
- Pilkington General Trust:** for prisoners in or from Liverpool;
- The Sigrid Rausing Trust:** to be applied in making grants for female prisoners;
- The Sir James Reckitt Charity:** for prisoners detained in East Yorkshire;
- The Royal British Legion:** to be applied in making grants for prisoners who are ex-servicemen;
- St John Southworth Benevolent Society:** for prisoners in or from London over 60 years old;
- Sir Halley Stewart Trust:** for religious studies;
- The Summerfield Charitable Trust:** to be applied in making grants for prisoners at HMP Leyhill and HMP Eastwood Park;
- Swan Mountain Trust:** a fund without restrictions as to use but for which the Trust is accountable to Swan Mountain for the application of the funds;
- The Topinambour Trust:** for courses for prisoners with few or no qualifications;
- Triangle Trust 1949 Fund:** for training services;
- The Walter Guinness Trust:** for prisoners in HMP Erlestoke;
- Wates Foundation:** for funding the peer mentoring project manager;
- Wingate Trust:** for young offenders.

9 Commitments

At the year end, annual commitments under non-cancellable operating leases were:
expiring within one year - £ 9,000 and within three years - £ 18,000 (2008: £ 9,000
within one year).

Independent Auditors' Report to the Members of Prisoners Education Trust for the year ended 31 December 2009

We have audited the financial statements of Prisoners Education Trust for the year ended 31 December 2009 which comprise the Statement of Financial Activities, the Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 495 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditors

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006.

We also report to you, if in our opinion, the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if disclosures of trustees' remuneration specified by law are not made.

We read other information contained in the Trustees Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

Basis of opinion

We conducted our audit in accordance with the International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 December 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been properly prepared in accordance with the Companies Act 2006, and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

Roger Morris
Senior Statutory Auditor
For and on behalf of Hartley Fowler LLP
Statutory Auditors

23 March 2010

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