Company Registered Number: 05571624

PRISON RADIO ASSOCIATION

Registered Charity No. 1114760

FINANCIAL STATEMENTS
FOR THE YEAR ENDED

31 MARCH 2020

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PRISON RADIO ASSOCIATION
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FOR THE YEAR ENDED 31 MARCH 2020

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PRISON RADIO ASSOCIATION
REFERENCE AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 MARCH 2020

Charity name	Prison Radio Association
Company registration number	05571624
Charity registration number	1114760
Registered address	10 Queen Street Place London EC4R 1BE
Board of Trustees:	
Chair of Trustees	Roma Hooper
Trustees	Mark Robinson Lawrence Galkoff Steve Orchard (Resigned 22 April 2020) Kieron Tilley (Resigned 22 April 2020) Julia Howard Ryan Wain David Franklin Raphael Rowe Debbie Ramsay (Appointed 24 June 2020) Tanya Robinson (Appointed 24 June 2020) Hilary Ineomo-Marcus (Appointed 24 June 2020) Michael Spurr (Appointed 24 June 2020)
Legal Advisers	Bates Wells and Braithwaite 10 Queen Street Place London EC4R 1BE
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Auditors	Chater Allan LLP Beech House 4A Newmarket Road Cambridge CB5 8DT

Structure, Governance and Management

Governing Document and Public Benefit

The Prison Radio Association (PRA) is a charitable company limited by guarantee, incorporated on 22nd September 2005 and registered as a charity on 20th June 2006. The company was established under a Memorandum of Association which establishes the objects and powers of the charitable company and is governed under its Articles of Association.

The objects of the charity are the education, relief and rehabilitation of offenders in custody and in the community. The charity's overall aim and where it works to support public benefit is its commitment to contributing to a reduction in re-offending.

The charity works in partnership with a number of organisations from across the voluntary, community and social enterprise (VCSE) sectors that support the HM Prison and Probation Service' (HMPPS) priorities in reducing reoffending. The charity operates mainly within prisons across England and Wales, but is increasingly supporting the development of prison radio initiatives globally.

In the event of the company being wound up members are required to contribute an amount not exceeding £10.

The charity has received a core grant from HMPPS for a number of years which has been confirmed annually in line with their financial year (April to March). A three-year grant has been awarded from April 2018.

Recruitment and Appointment of Management Committee

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as the members of the Management Committee. Under the requirements of the Memorandum and Articles of Association the members of the Management Committee are elected to serve for a period of three years.

The Management Committee seeks to ensure that the needs of prisoners are appropriately reflected through the diversity of the trustee body. Regular reviews are undertaken to ensure that the required skills to support the charity are in place.

Trustee Induction and Training

Each trustee is provided with information regarding the role and responsibilities of a trustee (via Bates Wells & Braithwaite brochure). Trustees are introduced to the work of the charity via visits to specific prison radio projects and an induction by the Chair and Chief Executive. An induction pack containing the Memorandum and Articles of Association, the charity's business plan and budgets, together with other relevant information, including minutes of trustees' meetings is provided.

In an effort to maintain the broad skill mix, a review is regularly undertaken to ensure that should a member resign, an appropriate replacement is found. All trustees are appraised by the Chair on an annual basis.

Organisational Structure

The Prison Radio Association has a Management Committee of nine members who meet bi-monthly and are responsible for the strategic direction and policy of the charity. At present the Management Committee has members from a variety of professional backgrounds relevant to the work of the charity. Day-to-day administration is delegated to the Chief Executive who is responsible for ensuring that the charity delivers the services specified.

Remuneration policy for key management personnel

The pay of the CEO and all staff are reviewed annually and normally increased to reflect a cost of living adjustment which is set based on external benchmarks. The trustees also benchmark against pay levels in other charities and consider the performance of the charity when deciding on any increases above cost of living.

Risk Management

Health and Safety: the charity ensures that all staff members attend appropriate training courses, including security and key training in line with HM Prison and Probation Service (HMPPS) policy guidelines.

Appropriate insurance policies are in place including employers' liability, public liability and professional and trustee indemnity. Due to the specialist nature of the charity's activities the charity's policies include an extension to cover libel and slander.

The trustees actively review, on a regular basis, the major risks the charity faces and where appropriate, systems and procedures have been established to manage these. The charity's Risk Register is regularly reviewed by the Chief Executive and the Management Committee. The key risks facing the charity are:

1. Lack of funding preventing the charity from fulfilling its commitments, with serious impact on the reputation and long-term viability of the charity
2. Loss of ability to broadcast due to inadequate or unsuitable technology

At the time of writing this report we are facing unprecedented times, due to Covid-19. The trustees have reviewed the risks facing the charity in light of this and have concluded that the key risks remain the same. While there will be considerable uncertainty over income projections over the next year, the charity goes into the new financial year with reserves at the required level. The impact on income will be closely monitored and activity adjusted accordingly.

Related Parties

The charity works closely with its principal partner, HM Prison and Probation Service (HMPPS) to ensure its objectives are met.

The PRA also works with a plethora of other agencies, predominantly third sector, whose principal aims are to support HMPPS' priorities in reducing reoffending.

Public benefit focus on ensuring that our activities achieve our charitable aims

The trustees review the aims, objectives and activities of the charity each year; evaluating impact and ensuring that activities remain focused on the charity's stated purposes. The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Achievements and Performance in delivery of public benefit

The main area of charitable activity for the PRA is running National Prison Radio (NPR). The world's first national radio station for prisoners, NPR supports prisoners through their sentences and aims to reduce reoffending. It also highlights the effects of crime and imprisonment on prisoners, families, victims and society as a whole. It provides vital information and support to help its audience members turn their backs on crime and rebuild their lives in preparation for release.

In addition to the above, the PRA provides support, guidance and expertise to existing prison radio projects and to prisons interested in setting up prison radio projects.

The PRA works in partnership with a range of statutory and voluntary bodies to create impactful programming for NPR. Programming signposts its audience to services supporting rehabilitation and resettlement. National Prison Radio takes the messages of partner organisations and literally amplifies them, providing prisoners with crucial information and driving up referral rates to essential services.

NPR broadcasts 24 hours a day, seven days a week, via an audio channel on in-cell television systems. As of March 2020, it can be received in 108 prisons across England and Wales, with a potential audience of more than 81,000 prisoners.

In the 12 months to 31st March 2020, a total of 198 partner organisations were featured on National Prison Radio (2019: 165).

National Prison Radio received 10,407 items of communication (letters and phone calls) from prisoners in 105 different prisons (up from 7,786 in 2019 and 6,951 in 2018).

In March 2020 the Prison Radio Association won a gold award at the ARIAS (Audio and Radio Industry Awards) for its ground-breaking use of radio to support its audience. Deputy Chief Executive Andrew Wilkie also won a gold award at the 2019 Audio Production Awards, for Best Outside Broadcast Producer. At the same ceremony, PRA staff won a bronze and a silver award, as well as being nominated in the Production Company of the Year category. The PRA continues to produce radio programmes for the BBC's national radio stations, including a documentary about the experience of women in prison (Unchained) and a drama about the founder of the charity Women in Prison, Chris Tchaikovsky (The Other Tchaikovsky) for BBC Radio 4.

Monitoring and Evaluation

Over a number of years, the Prison Radio Association has developed and refined a robust evaluation strategy. During this period research indicates that National Prison Radio consistently maintains a loyal listenership with a significant audience reach:

- 81,000 potential National Prison Radio listeners in 108 prisons
- 99% of prisoners know about National Prison Radio
- 74% of prisoners listen to National Prison Radio
- 33% of prisoners listen to National Prison Radio every day
- 10.6 average weekly listening hours

In the last 12 months:

- 10,407 communications were sent by prisoners to National Prison Radio from 105 different prisons across England, Wales and Scotland.
- 3,287 requests / messages of support were received from prisoners' friends and loved ones.
- The PRA partnered with 198 different organisations.

National Prison Radio programmes have also been made available to prisoners in HMP Wayland and HMP Berwyn 'on demand' via the pilot HMPPS Digital Hub system. Prisoners in these two establishments have in-cell laptops which can be used to access a range of content and services.

- The total population across these two prisons is approximately 3,100.
- In the 12 months to 31 March 2020, there were a total of 80,395 plays of NPR content on the Digital Hub.

Listeners' impressions of National Prison Radio (percentage of listeners who agree or strongly agree with the following statements):

- 96%: Listening to NPR has made me more aware of the service available in prison'
- 89%: 'NPR provides information I can't get elsewhere'
- 94%: 'I have heard something on NPR that has made me feel more positive about life'
- 94%: 'I trust the information I hear on NPR'
- 87%: 'I have taken action after hearing something on NPR'
- 94%: 'Listening to NPR has made me motivated to make positive changes'
- 95%: 'I would like to listen to NPR on the outside after release'
- 87%: 'I find it difficult to get relevant information after release'
- 89%: 'I feel worried about how they can get relevant information after release'

National Prison Radio's programming encourages the prisoner audience to engage with the range of advice and support services and opportunities available to them. As part of its output National Prison Radio broadcasts a number of major Social Action Campaigns throughout the year.

National Prison Radio on-air campaign highlights in the year to 31st March 2020:

Open Your Mind
In April 2019, NPR launched a programme encouraging engagement with higher education in association with Open University, Open Your Mind. Broadcast over four months, it was one of the most recognised partnerships among the NPR audience. 97% of listeners had heard of Open Your Mind, with 91% of those saying they are more likely now to study in prison.

Books Unlocked
Books Unlocked is one of NPR's most recognised programmes. It is a daily book reading programme produced in partnership with the National Literacy Trust and the Booker Prize Foundation and has been running since 2015. 93% of listeners said they had heard of Books Unlocked on NPR, with 70% of those stating that listening to the programme has encouraged them to read and write.

The Brief
The Brief is a fortnightly legal affairs and advice feature on National Prison Radio, in which questions posed by members of our audience are answered by legal experts. It was funded by the Law Society Charity. 90% of listeners recognised The Brief on National Prison Radio, with 88% of those stating that listening to the programme has given them a better understanding of legal principles that affect them in prison.

Sex Talk
Sex Talk is a programme on National Prison Radio aiming to raise awareness across the prison estate about HIV and sexual health through honest conversation on-air. It was funded by Public Health England. 85% of listeners recognised Sex Talk on National Prison Radio, with 79% of those stating it had encouraged them to seek a sexual health check-up.

PRA Productions

PRA Productions has continued to develop through the period. It is the 'commercial' stream of activity within the charity and specialises in creating audio with socially beneficial messages. It has three primary areas of business:

- To produce and broadcast radio content on behalf of organisations wanting to communicate with prisoners to help meet their objectives. This includes charities, statutory organisations and government bodies looking to support prisoners through their sentences. Content is broadcast to the prisoner audience through National Prison Radio;
- To produce audio content, such as podcasts and documentaries, and run radio production and media training for organisations in sectors parallel to criminal justice, such as addiction treatment;
- To produce documentaries for national BBC Radio Networks (BBC Radio 1, 1Xtra, 2, 4 and the BBC World Service). Through this channel, the PRA is able to reach a wider audience with programming about social issues.

Financial Review

The charity's principal funding sources in the period were HMPPS and charitable trusts and foundations and its principal expenditure was staff salaries. An increasingly important part of the PRA's income comes from commercial commissions for clients across the public, private and VCSE sectors.

Total income for the year was £830,152 (2019: £819,300). This includes £300k in grant income from HMPPS for core costs. HMPPS have confirmed the award of three years of funding (£300k per year) from April 2018. Income from contracted activity, which includes PRA Productions, totalled £197k in the year (2019: £246k).

Total expenditure for the year was £782,683 (2019: £876,169), £576k of which was staff costs (2019: £612k).

The surplus for the period was £47,469 leading to funds carried forward of £588,828 of which £113,235 is restricted.

The PRA is grateful to a number of partners who provide pro-bono support in terms of premises, evaluation and legal advice.

Investment and Reserves Policy

The Management Committee has examined the charity's requirements for reserves going forward in light of the main risks to the organisation and its three-year Business Plan, which was agreed at the beginning of 2018.

It has established a policy whereby the charity should hold sufficient unrestricted funds (not committed or invested in tangible fixed assets) required for between six to nine months of normal expenditure. While the charity is currently financially sound it relies heavily on government funding, . however, this is only a contribution to costs. The three-year agreement for funding comes to an end in March 2021 and while it is very much hoped this will be renewed, it has yet to be confirmed. In light of this and the uncertainty of securing fundraising over the coming year due to Covid-19, in the committee meeting held in June 2020 it was agreed to increase the reserves requirements to six to twelve months. The Management Committee would like to ensure that they can cover the costs for any period which may occur where further funding needs to be secured. It has also considered the extent to which existing activities and expenditure could be curtailed, should such circumstances arise that necessitate this action.

The charity held £439k in free reserves as at 31st March 2020 which is in line with the level of required free reserves of between £400k and £800k.

Future Plans

The charity is entering the final year of a three-year business plan (2018–2021). The main aims stated in this business plan are:

- **To develop Straightline into the go-to online channel for people experiencing disadvantage.**
  NPR content is influential, trusted and popular with people in prison. A proven factor in reducing a person's likelihood of committing crime after release from prison is having the support of a network of family, friends and loved-ones on the outside. National Prison Radio is developing content targeted at those networks, starting with the extremely popular Family and Friends Request Show. We have made it easy for people to contact National Prison Radio to request songs for their loved-ones in prison, and these programmes are made available both to people behind bars and those able to listen outside online. We are aiming to grow this audience outside prison, and to increase its interaction with National Prison Radio.

- **To maximise the impact of our content on the National Prison Radio audience.**
  National Prison Radio's content is designed to support people in prison – it's therefore vital that audiences trust what they hear, and act upon it. The PRA will ensure that content is delivered in formats which are accessible, engaging and entertaining. The charity aims to build National Prison Radio's audience, keeping listeners tuned in for longer, and encouraging people in prison to act upon the messages contained in the broadcasts.

- **To realise a variety of sustainable income streams for investment in our work.**
  This development phase brings opportunities to refresh fundraising and diversify income, through increasing the number of partners we work with, developing our reputation and position of trust and respect within the broader criminal justice sector, and seeking new ways to support the broader sector through smart, targeted use of media, both through programming on National Prison Radio and through other productions such as podcasts.

The Impact of Covid-19 on the PRA

The outbreak of Covid-19 led to severe restrictions being imposed on prison regimes from mid-March 2020. This effectively placed the vast majority of prisoners in isolation within prison cells, sometimes for 23 hours a day, and reportedly longer in some cases.

Daily activities such as education, training, work, religious services and other support interventions have been dramatically curtailed, leaving a population of prisoners across the country with very little to do other than sit in their prison cells.

At the time of writing, National Prison Radio is one of the only interventions that is available to prisoners, at scale, within their cells. This has therefore placed a significant responsibility on PRA staff to modify and enhance the service they deliver through National Prison Radio.

In response to these challenges, the PRA has:

- Developed stronger links with the HMPPS communications team to ensure timely, accurate information is reaching NPR's listeners.
- Broadcast interviews with senior leaders in the Ministry of Justice and the wider criminal justice sector including:
  - Lord Chancellor and Secretary of State for Justice, Robert Buckland QC;
  - Chief Executive of HMPPS, Jo Farrar;
  - Chief Probation Officer, Sonia Flynn;
  - HMPPS Deputy Director in charge of operational response to Covid-19, Ed Cornmell;
  - Chief Executive of the Parole Board, Martin Jones;
  - Prisons and Probation Ombudsman for England and Wales, Sue McAllister.
- Reached agreement with the BBC to broadcast their Coronavirus Newscast five days per week, giving our listeners the opportunity to keep in touch with the conversations happening on the outside. This is alongside our hourly news bulletins from IRN, and our own Prison News.
- Begun producing weekly faith content covering all the major faiths to fill the gap left by the cancellation of faith services in prisons. NPR Reflections includes a weekly 10am Sunday service, and Friday Prayers at 1:30pm for Muslim people in prison. To mark Ramadan, we are also broadcasting short Ramadan Reflections through the schedule where Muslim listeners describe what Ramadan means to them. In addition, we are offering weekly reflections from a Humanist perspective, in partnership with Humanists UK.
- Expanded our work with the National Literacy Trust. Not only are we continuing with Books Unlocked, our nightly book readings, with Normal People by Sally Rooney (recently released as a BBC television series), but we've also produced a series with the writer Robyn Travis, serialising his memoir Prisoner to the Streets as part of their New Chapters project.
- Doubled our weekly Family and Friends Request Show to four hours per week, allowing even more people on the outside to keep in touch with their loved ones, using the power of radio. Anyone can request a track for someone behind bars by visiting nationalprisonradio.com. You can listen back to this series there as well.
- Developed new partnerships with organisations including Penguin Random House, to broadcast autobiographies from inspirational figures from the fields of music, sport and entertainment who are close to the hearts of our listeners.
- Bid for Covid-19 response funding in partnership with multi award-winning production company, Folded Wing to bring new, specialist programming to NPR to be fronted by a former prisoner.

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees are responsible for preparing the Board of Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue in operation.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, Companies Act 2006, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the governing document.

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the charity's auditors are unaware, and each trustee has taken steps that he or she ought to have taken as trustee in order to make himself or herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

AUDITORS

The auditors, Chater Allan LLP will be proposed for re-appointment at the forthcoming Board meeting.

This report, which has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities and in accordance with the special provisions of Part 15 of the Companies Act 2006 applicable to small entities.

This report was approved by the Board of Trustees on and signed on their behalf by:

Roma Hooper

Roma Hooper
Chair of Trustees

Date: 24 June 2020

INDEPENDENT AUDITORS REPORT TO THE MEMBERS AND BOARD OF TRUSTEES OF PRISON RADIO ASSOCIATION

Opinion

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

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report , other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS REPORT TO THE MEMBERS AND BOARD OF TRUSTEES OF PRISON RADIO ASSOCIATION

Opinion on other matter prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
• the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
• the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are to required to report by exception
In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:
• adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
• the company financial statements are not in agreement with the accounting records and returns; or
• certain disclosures of directors' remuneration specified by law are not made; or
• we have not received all the information and explanation we require for our audit; or
• the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic Report.

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

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

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

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

Stuart Graham Berriman (Senior Statutory Auditor)
For and on behalf of Chater Allan LLP
Chartered Accountants & Registerd Auditors
Beech House
4A Newmarket Road, Cambridge
CB5 8DT

Date: 08 July 2020

PRISON RADIO ASSOCIATION
STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 MARCH 2020

	Note	Unrestricted Funds 2020	Designated Funds 2020	Restricted Funds 2020	Total Funds 2020	Total Funds 2019
		£	£	£	£	£
INCOME	2					
Donations		38,668	-	48,333	87,001	65,112
Income from charitable activities		239,686	-	501,582	741,268	752,371
Investment Income		1,883	-	-	1,883	1,817
Total Income	2	280,237	-	549,915	830,152	819,300
EXPENDITURE						
Costs of raising funds	3	108,383	-	-	108,383	104,236
Expenditure on charitable activities		151,184	-	523,116	674,300	771,933
Total Expenditure	3	259,567	-	523,116	782,683	876,169
Net income/(expenditure)		20,670	-	26,799	47,469	(56,869)
Transfers between funds	9	11,477	-	(11,477)	-	-
Net movement in funds		32,147	-	15,322	47,469	(56,869)
Reconciliation of funds						
Total funds at 1 April 2019		443,446	-	97,913	541,359	598,228
Total funds at 31 March 2020	11	475,593	-	113,235	588,828	541,359

The attached notes form part of these accounts

The statement of financial activities includes all gains and losses recognised in the year.

Continuing Operations
None of the company's activities were acquired or discontinued during the current or previous year

PRISON RADIO ASSOCIATION
BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible fixed assets	6		35,883		31,574
Current assets:					
Debtors	7	200,975		175,600	
Cash at bank		448,068		423,161	
		649,043		598,761	
Current liabilities:					
Creditors: amounts falling due within one year	8	96,098		88,976	
Net current assets			552,945		509,785
Net assets			588,828		541,359
Funds					
Restricted funds:	9		113,235		97,913
Unrestricted funds:	11				
Designated funds			-		-
General funds			475,593		443,446
Total funds	11		588,828		541,359

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved on 24 June 2020 and signed by:

Roma Hooper

Roma Hooper
Chairman

PRISON RADIO ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £	2019 £
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities	a	34,500	(144,571)
Cash flows from investing activities:			
Interest from investments	2	1,883	1,817
Purchase of property, plant and equipment	6	(11,476)	(15,928)
Net cash provided by/(used in) investing activities		(9,593)	(14,111)
Change in cash and cash equivalents in the reporting period		24,907	(158,682)
Cash and cash equivalents at the beginning of the reporting period		423,161	581,843
Cash and cash equivalents at the end of the reporting period		448,068	423,161
Summary of the cash and cash equivalents at the end of the reporting period			
Cash at bank and in hand		448,068	423,161

a. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2020 £	2019 £
Net income/(expenditure) for the year	47,469	(56,869)
Depreciation charges	7,167	8,664
Disposal of fixed assets	-	-
Interest from investments	(1,883)	(1,817)
(Increase)/decrease in debtors	(25,375)	(48,399)
Increase/(decrease) in creditors	7,122	(46,150)
Net cash provided by (used in) operating activities	34,500	(144,571)

1. Accounting Policies

(a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Prison Radio Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The financial statements are presented in sterling £.

(b) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Restricted funds are subject to restrictions on their expenditure imposed by the donor and are to be solely used for particular areas of the charity's work. Designated funds are unrestricted funds of the charity which the trustees have earmarked for a particular use in the future.

(c) Income

All income is included in the statement of financial activities on an accruals basis when the charity is entitled to the income. Grant income provides funding to support charity activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Investment income is included when receivable.

(d) Expenditure

Expenditure is recognised on an accrual basis as a liability is incurred. It includes any VAT, which cannot be fully recovered and is reported as part of the expenditure to which it relates. Costs of generating funds comprises the costs associated with attracting voluntary income. Charitable expenditure comprises the costs incurred by the charity in the delivery of its objectives. Governance costs comprise expenditure incurred in running the charitable company. Any apportionment between costs is done on a time basis.

(e) Fixed assets and capital expenditure

These are initially recorded at cost. Depreciation is calculated so as to write off the cost of an asset as follows.

Computer and Radio Equipment	- 33% on straight line
Furniture and Fixtures	- 10% on straight line

(f) Taxation

The company is a registered charity and is exempt from taxation on its charitable income.

(g) Going concern

The financial statements have been prepared on the going concern basis. The directors are satisfied that available sources of finance and future funding income are sufficient to enable the company to continue to meet its liabilities as they fall due. In particular the directors have considered the impact of COVID-19; though there are inevitable uncertainties they believe there will be no material adverse impact on the charity's ability to continue as a going concern.

(h) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1. Accounting Policies (Continued)

(i) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. Income

Income from charitable activities to reduce re-offending:	Unrestricted Funds	Restricted Funds	Total	Total
	2020	2020	2020	2019
Donations	£	£	£	£
Grants	35,000	48,333	83,333	58,688
Other income	3,668	-	3,668	6,424
	38,668	48,333	87,001	65,112
Investment Income				
Bank interest received	1,883	-	1,883	1,817
Charitable Activities				
Prison Radio Services	30,477	501,582	532,059	535,575
Reimbursed Licence fees	41,747	-	41,747	41,635
Commissioned Productions	167,462	-	167,462	175,161
	239,686	501,582	741,268	752,371
Total	280,237	549,915	830,152	819,300

3. Expenditure on charitable activities

	Raising Funds 2020 £	Charitable Activities 2020 £	Governance Costs 2020 £	Support Costs 2020 £	Total 2020 £	Total 2019 £
Salaries, social security and pension	95,224	429,539	21,104	37,807	583,674	612,057
Other staff costs	-	-	488	31,254	31,742	35,590
Accountancy and book-keeping	-	-	-	7,565	7,565	7,478
Cost of commissioned projects	-	24,893	-	-	24,893	51,636
Website and IT costs	-	5,477	-	5,477	10,954	10,390
Office costs	286	-	446	19,588	20,320	24,225
Radio costs	-	87,405	-	-	87,405	93,958
Straightline costs	-	11,130	-	-	11,130	36,535
Audit fees	-	-	5,000	-	5,000	4,300
	95,510	558,444	27,038	101,691	782,683	876,169
Support costs	10,169	91,522	-	(101,691)	-	-
Governance costs	2,704	24,334	(27,038)	-	-	-
Total Expenditure	108,383	674,300	-	-	782,683	876,169

4. Net Income/(Expenditure)

Net income/(expenditure) is stated after charging:	2020 £	2019 £
Depreciation - owned assets	7,167	8,691
Auditors' remuneration 2019	5,000	5,000

5. Staff Costs and Numbers

The charity employed an average of 17 members of staff during the accounting period (2019:17).
The costs were:

	2020 £	2019 £
Salaries	503,966	543,177
Social security costs	46,766	48,338
Pension costs	24,962	20,542
	575,694	612,057

One employee earned between £70,000-£80,000 and one between £60,000-£70,000 during the year (2019: one between £70,000-£80,000, one between £60,000-£70,000).

One trustee received reimbursed travel expenses totalling £488 in the year (2019: £442). No remuneration was paid to any trustees in the year (2019: £nil). The PRA incurred Trustees' Indemnity Insurance expenditure of £446 (2019: £446).

Key Management Personnel
The total employment benefits of key management personnel were £167,060 (2019: £170,605).

6. Tangible Fixed Assets

	Computer £	Furniture £	Total £
Cost at 1 April 2019	31,553	40,556	72,109
Additions	9,152	2,324	11,476
Disposals	-	-	-
Cost at 31 March 2020	40,705	42,880	83,585
Depreciation at 1 April 2019	26,656	13,879	40,535
Charge for the year	3,034	4,133	7,167
Eliminated on disposal	-	-	-
Depreciation at 31 March 2020	29,690	18,012	47,702
Net Book Value at 31 March 2020	11,015	24,868	35,883
Net Book Value at 31 March 2019	4,897	26,677	31,574

Fixed assets are all used for charitable purposes.

7. Debtors

	2020	2019
Trade debtors	132,376	63,420
Prepayments and accrued income	68,599	112,180
	200,975	175,600

8. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	11,724	9,363
Taxation and social security	21,781	20,402
Accruals and deferred income	54,800	51,848
Other creditors	7,793	7,362
	96,098	88,976

Deferred income comprises income received in the year that is attributable to the following year in which the expenditure will be incurred.

	2020 £	2019 £
Balance of deferred income as at 1 April 2019	37,882	67,442
Amount released to income earned from charitable activities	(37,882)	(50,775)
Amount deferred in year	46,149	21,215
Balance of deferred income at 31 March 2020	46,149	37,882

9. Restricted Funds

	As at 01/04/2019	Income	Expenditure	Transfers	As at 31/03/2020
HMPPS Core Grant	-	300,000	(300,000)	-	-
Straightline	50,540	48,333	(48,607)	(1,933)	48,333
Future Prison Podcast	-	30,000	(13,563)	-	16,437
HMP Styal	-	23,000	(23,000)	-	-
Employment and Training	-	49,132	(16,667)	-	32,465
NPR Programming	47,373	48,050	(79,423)	-	16,000
Podcast Training	-	6,400	(6,400)	-	-
Brixton Capital Costs	-	10,000	(456)	(9,544)	-
NPR	-	35,000	(35,000)	-	-
	97,913	549,915	(523,116)	(11,477)	113,235

HMPPS: The continuation of providing a national prison radio service.

Straightline: Support for the development of the Straightline initiative which will provide support for prisoners on release and contribute to a reduction in their reoffending. The transfer in the year relates to capital expenditure incurred by the General Fund.

Future Prison Podcast: A grant from Barrow Cadbury to produce six podcasts facilitating a dialogue between BAME people, women and young adults with lived experience and policy leads in the Ministry of Justice.

HMP Styal: To support the costs of National Prison Radio at HMP Styal

Employment and Training: Grants providing salary and support costs for a position to aid employment, education or training progression routes for pre-release/released prisoners engaged in radio production activities.

NPR Programming: Grants from a variety of funders towards specific programming themes supporting prisoners through their sentence and providing information to aid them on release.

Podcast Training: A grant for training relating to the production of podcasts.

Brixton Capital Costs: A grant for the purchase of capital equipment at the NPR site at HMP Brixton. The transfer in the year relates to capital expenditure incurred by the General Fund.

NPR: Funding towards the ongoing work of National Prison Radio.

10. Funding Providers

The Prison Radio Association is grateful for the support given by funders during 2019-2020. These included:-

HMPPS	Clothworkers
Esmee Fairbairn	The Balcombe Trust
Lloyds Bank Foundation	Mary Kinross Charitable Trust
Barrow Cadbury	The Cheshire Foundation
The Dulverton Trust	Drapers Charitable Trust
AB Charitable Trust	29th May Charitable Trust
The Swire Charitable Trust	The Goldsmith's Company

11. Analysis of Net Assets Between Funds

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2020 £
Fund balances as at 31 March 2020 are represented by:				
Tangible fixed assets	35,883	-	-	35,883
Net current assets	439,710	-	113,235	552,945
	475,593	-	113,235	588,828

12. Related Party Transactions

The Prison Radio Association is controlled jointly by the Board of Trustees.

During the year the Prison Radio Association had the following related party transactions:

£558 for IT consumables was paid to a company controlled by L Galkoff, a trustee.

There were no outstanding balances at the year end.

13. Statement of Financial Activities Detail for 2019

	Unrestricted Funds 2019 £	Designated Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
INCOME				
Donations and legacies	6,424	-	58,688	65,112
Income from charitable activities	268,363	-	484,008	752,371
Investment Income	1,817	-	-	1,817
Total Income	276,604	-	542,696	819,300
EXPENDITURE				
Costs of raising funds	104,236	-	-	104,236
Expenditure on charitable activities	219,874	22,909	529,150	771,933
Total Expenditure	324,110	22,909	529,150	876,169
Net income/(expenditure)	(47,506)	(22,909)	13,546	(56,869)
Transfers between funds	17,949	-	(17,949)	-
Net movement in funds	(29,557)	(22,909)	(4,403)	(56,869)
Reconciliation of funds				
Total funds at 1 January 2018	473,003	22,909	102,316	598,228
Total funds at 31 March 2019	443,446	-	97,913	541,359