

Company number: 898514  
Charity number: 251926

# **The Howard League for Penal Reform (incorporating the Howard Centre for Penology)**

## **Report and Financial Statements**

**31 May 2015**

# The Howard League for Penal Reform (incorporating the Howard Centre for Penology)

## Contents

For the year ended 31 May 2015

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## The Howard League for Penal Reform (incorporating the Howard Centre for Penology)

### Reference and administrative details

For the year ended 31 May 2015

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**Company number** 898514

**Charity number** 251926

**Registered office  
and operational  
address** 1 Ardleigh Road  
LONDON  
N1 4HS

**Trustees** Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Sue Wade	Chair
Chris Sheffield	Vice Chair
Sally Lewis	Honorary Treasurer
Jan Anderson	
Matthew Ball	
Dr Neil Chakraborti	
Professor Penny Green	
Samantha Kennedy	
Gerry Marshall	
Elizabeth Morony	
Professor Tim Newburn (Until July 2015)	
Coral Newton	
His Honour John Samuels QC	
Lucy Scott-Moncrieff CBE	
Professor Pamela Taylor	

**Chief Executive** Frances Crook

### Staff

Lorraine Atkinson	senior policy officer
Eleanor Butt	policy officer
Oscar Campbell	designer
Jenny Chambers	youth justice policy adviser
Claire Dixon	administrative officer (from March 2015)
Anita Dockley	director of research
Marie Franklin	administrative officer (from October 2014)
Philip Goring	finance and administration officer
Ceri Lloyd-Hughes	Caseworker ( From October 2015)
Shelley Jones	youth participation officer ( from April 2015)
Tabitha Kassem	legal director
Euginia Lolomari	director of finance and corporate services
Sophie Lumsden	membership development manager
Sinead MacCann	solicitor
Clare Mann	caseworker
Jenny Marsden	publishing editor

## The Howard League for Penal Reform (incorporating the Howard Centre for Penology)

### Reference and administrative details

#### For the year ended 31 May 2015

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Andrew Neilson	director of campaigns
Nina Navid	advice line officer
Barbara Norris	events and website manager
Amy Parmiter	caseworker
Caroline Peterson	membership officer (Until October 2014)
Robert Preece	press officer
Claire Salama	solicitor
Jessica Southgate	youth participation officer (Until January 2015)
Catryn Yousefi	programme manager
Ursula Tebett-Duffin	public affairs officer ( from January 2015)

#### Consultants

Professor Ian Loader	Oxford University
Professor Stephen Farrell	Sheffield University
Professor Barry Goldson	Liverpool John Moores University
Dr Laura Janes	Legal Consultant

The Howard League for Penal Reform benefited from the contribution of many students and office volunteers.

The charity is grateful to Clifford Chance for seconding trainee lawyers on three month placements to support our work for young people.

<b>Bankers</b>	Nat West Bank Plc	CAF Bank Ltd
	PO Box 1357	Kings Hill
	169 Victoria Street	WEST MALLING
	LONDON	Kent
	SW1E 5BT	ME19 4TA

<b>Auditors</b>	Sayer Vincent LLP
	Chartered Accountants and Statutory Auditors
	Invicta House
	108-114 Golden Lane
	LONDON EC1Y 0TL

<b>Investment advisors</b>	Schroders & Co Limited
	100 Wood Street
	LONDON
	EC1V 7ER

## **The Howard League for Penal Reform (incorporating the Howard Centre for Penology)**

### **Report of the trustees**

#### **For the year ended 31 May 2015**

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The trustees present their report and the audited financial statements for the year ended 31 May 2015.

Reference and administrative information set out on pages 2–4 form part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005).

#### **Structure, governance and management**

The organisation is a charitable company limited by guarantee, incorporated on 20 February 1967 and registered as a charity on 18 May 1967.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

#### **The board**

The Howard League for Penal Reform is governed by a board of trustees, whose principal responsibilities are the setting and monitoring of the strategic direction of the organisation and the establishment of policy. All trustees give their time voluntarily and receive no financial benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts.

#### **Ensuring that our work delivered our aims**

The trustees hold a strategy meeting each year to review the future direction of the organisation and ensure that it remains focused on the charity's purposes.

The trustees have referred to the Charity Commission's general guidance on public benefit when reviewing their aims and objectives and in planning our future activities. The trustees have not identified any detriment or harm.

During the year the board of trustees met formally four times. The board had two sub-committees, chaired by trustees:

Finance, personnel and legal committee: this committee was chaired by the honorary treasurer. It encouraged and safeguarded the highest standards of integrity, financial reporting and internal control and oversaw the organisation's risk assessment and management process, the committee reviewed the work of the legal department to ensure it complements the strategic direction of the charity and achieves the highest standards of legal representation of young people. It oversaw compliance against the public law and prison law contracts with the Legal Aid Agency.

Campaigns, research and policy committee: this committee encouraged policy and campaign development and co-ordinated consultations with government and other NGOs, also provided strategic oversight of research activity, ensuring that research dove-tails into broad organisational strategies.

The board delegated the day-to-day operation of the organisation to the chief executive, Frances Crook.

## **The Howard League for Penal Reform (incorporating the Howard Centre for Penology)**

### **Report of the trustees**

**For the year ended 31 May 2015**

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#### **Trustees' recruitment, induction and training**

Recruitment of new trustees was through nomination and open advertisement. Candidates were interviewed by a panel of trustees, including the chair. New trustees were elected to the board at the annual general meeting. Trustees are elected to serve for a period of three years after which they must be re-elected at the next annual general meeting. The board seeks to ensure that there is appropriate balance of experience and representation relevant to the operations of The Howard League for Penal Reform.

New trustees were given an induction and meeting with key staff.

#### **Risk management**

The board of trustees has ultimate responsibility for the management of risk, with day to day management of risk delegated to the executive management team. During the year the board reviewed and updated the form and content of the risk register.

Risk management is integrated with planning and budgeting and the organisation is committed to developing understanding of a risk-aware approach to working. The executive management team keeps major risks under regular review. There is an annual review by the finance, personnel and legal committee of the status and management of all major risks and the effectiveness of controls, with quarterly reporting to the finance personnel and legal committee on any major new risks or significant changes to the status of existing major risks.

Key risks identified during the year and kept under review include uncertainty over funding and performance of investments, the management of major projects such as the research programme.

#### **Public benefit statement**

The trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit.

Later paragraphs of this report sets out the purpose and objectives of the Howard League, outline our core beliefs, the focus of our work and how we ensured that our work delivered our aims, and identified our beneficiaries. The trustees are satisfied that the aims and objectives of the charity meet the public benefit requirement; and that the charity's activities are in support of those aims.

#### **Objectives and activities**

##### **Purpose and objectives**

The Howard League for Penal Reform is the oldest penal reform charity in the world. It was established in 1866 as the Howard Association and was named after John Howard, the first prison reformer. It is a registered charity, company limited by guarantee and incorporated in England and Wales and a law firm regulated by the Solicitors Regulation Authority with both a public law and a prison law contract to provide legal services to young people in custody. It is governed by its constitution and memorandum and articles of association.

The principal activity is that of a charity working for less crime, safer communities and fewer people in prison.

The main charitable objects for which the Howard League was established as described in its 1967 Memorandum and Articles of Association were 'to promote the sciences of penology and criminology, social health, the welfare and

## **The Howard League for Penal Reform (incorporating the Howard Centre for Penology)**

### **Report of the trustees**

#### **For the year ended 31 May 2015**

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constructive treatment of pre-delinquents and offenders, the education, further education, advancement and pursuit of knowledge relating to penology, criminology, social health and delinquency, the training of those who deal with offenders and pre-delinquents and the prevention and limitation of criminal and anti-social activities’.

#### **Core beliefs**

The Howard League for Penal Reform works for less crime, safer communities and fewer people in prison.

The Howard League for Penal Reform achieves principled and radical change through:

- Research, inquiry and monitoring
- Exchange of ideas and provision of education
- Legal intervention on behalf of young people
- Demonstration projects inside prisons
- Parliamentary and government relations
- Multi-media, publications and campaigns
- Links with international bodies, voluntary and statutory agencies
- Holding the government to account for the way people are treated in the penal and prison systems

#### **Chair of the board of trustees**

The stand-out achievement of the year was to overturn the ban on families sending books to their loved ones in prison. This had practical impact for the man or woman locked for long hours in a cell but also great symbolic value. The public got behind the Howard League’s campaign as people empathised with prisoners and perhaps may do something to counter the depressing assumptions made about the populist agenda from some of the media and politicians. The final rule change not only allowed books to be posted in but there is no longer an arbitrary limit on the number of books people can have.

The political discourse about prisons and penal reform changed after the general election and the Howard League’s Chief Executive and I met the new Lord Chancellor to discuss our concerns, and was received with courtesy and some interest.

The trustees’ strategy for the work of the charity aims at being radical, ambitious and influential. The integrity, consistency and evidence-based campaigning of the charity continued to have impact.

I want to thank my fellow trustees for their hard work this year. They give their time and expertise unstintingly to the cause. We said goodbye to some special people who had given many years’ service to the charity and I want in particular to thank Dick Whitfield, a former chair of the board, and David Wilson, vice chair for many years.

## **The Howard League for Penal Reform (incorporating the Howard Centre for Penology)**

### **Report of the trustees**

**For the year ended 31 May 2015**

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#### **Chief Executive's report**

Next year the Howard League for Penal Reform will celebrate its 150<sup>th</sup> birthday. In 1866 the Howard Association was founded to end the death penalty and to work for a society where more people live free from crime, victims find succour and people who commit crime turn their lives round. Much has been achieved.

The last year, however, has been particularly challenging and a time of great change in criminal justice policy. Prison conditions have deteriorated to a point where they are no longer safe. The death rate has become a national scandal. The dismantling of the century old probation service resulted in muddle and waste. Yet, towards the end of the year there were glimmers of light that could indicate a new era. National fiscal austerity could herald new thinking in penal policy whereby less is better.

In this maelstrom the Howard League provides impartial and well researched ideas and campaigns aimed at the public good. We have succeeded in achieving change.

Our work with police continues to result in reductions in child arrests.

Our legal work helped hundreds of children and young adults get justice inside prisons, helped them through the parole process and helped them settle safely on release.

Our research programme triggers new thinking and supports academics to explore and examine the criminal justice landscape.

Our campaign to overturn the ban on sending books to prisoners was finally successful and the limit on the number of books prisoners may have in their possession was lifted.

Our work in partnership with law firms and other charities contributed to the Supreme Court decision that authorising solitary confinement must be reformed.

During the year charities came under intense scrutiny. I am proud to say that the leadership and scrutiny of the Board of Trustees is robust, that having gained Investors in People our management and administrative systems are efficient, and our financial situation is healthy.

#### **Report of the Board of Trustees**

Our overall objectives are to

- Create membership growth to provide authority, reach and income
- Allow capacity for new ideas including strong academic credentials
- Develop our government relations
- Increase our outward campaigns
- Continue our investment in good governance



## The Howard League for Penal Reform (incorporating the Howard Centre for Penology)

### Report of the trustees

#### For the year ended 31 May 2015

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In particular the Trustees wanted to see more emphasis on fundraising, increased focus on strategic litigation to achieve our charitable objectives and to start planning for 2016 anniversary.

✓ *Success in fundraising (some trusts funded us for two simultaneous projects, secured second Lottery grant, door to door recruited committed donors), strategic litigation included judicial review on legal aid and intervention in Supreme Court on solitary confinement, started planning for 2016*

## Stemming the Flow

### Reform sentencing

Each year over 100,000 people walk through the prison gate. We champion sentences that work towards building a society where more people live free from crime. The charity finds ways that people can turn their lives round instead of leaving them on the scrapheap. The new Justice Secretary, Michael Gove, quoted Winston Churchill in his seminal first speech on the issue saying he had an unfaltering faith that there is a treasure, if you can only find it, in the heart of every man.

Strategic aim: To influence sentencing to reduce the use of prison

Indicators of success:

- Reduction of short prison sentences by 10%

✓ *In June 2015 there were 6,279 people are serving short sentences (less than 12 months) compared to September 2013 when there were 7,055. We have monitored sentencing and published briefings urging restraint by the courts and the use of restorative community programmes*

- Reduction of the prison population to 80,000

**X** *In August 2014 there were 85,696 men, women and children in prison and this had increased to 85,956 in August 2015. The number of women has remained broadly the same. The good news is that the number of children in custody has fallen by more than 100, or 10% in the last year. The success of our campaign to reduce child arrests has fed through the system so that fewer children go to court and custody.*

- Ensure that young people spend the shortest period of time in the penal system

✓ *The number of children in penal custody has reduced by two thirds. Our investigation into the routine triple punishment of children through curfews and tagging that was a route into prison led to a complete change of policy and practice. We pressed police, CPS and courts to protect girls who come into conflict with the law and the number in custody fell to only 38.*

## Report of the trustees

For the year ended 31 May 2015

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### Investing in the community

Over the last century community sentences developed so that they had half the reoffending rate of short spells in prison. The new landscape of sentences run by private companies is as yet unproven. Whilst the criminal justice system is not designed to resolve problems of mental and physical health, illiteracy or unemployment, it can make matters worse.

Strategic aim: To focus resources on safer communities

Indicators of success:

- Influence community responses to crime so they are appropriate, proportionate and reparative
  - ✓ *We created an evidence base and network of local success through the Community Awards and organised open days for the best schemes across the country. We highlighted the problems created by the precipitate dismantling of probation and privatisation of large chunks of the service*
- Challenge the Transforming Rehabilitation agenda
  - ✓ *As significant reform of services delivering public safety is considered the Howard League provides a critical assessment of principles and efficacy. We shone a light on good practice and highlighted failings via public and media discourse*
- Young people to have better knowledge and understanding of their rights
  - ✓ *The Howard League has the only dedicated legal service for children and young adults in penal custody. Our legal and participation team dealt with more than 1,000 calls on the confidential advice line. We put together and distributed information leaflets about multi agency public protection arrangements (Mappa) for young people*

### Justice for children and young people

Children in conflict with the law need love and support, not locking up. There are better ways to ensure that the troubled child of today does not become the adult prisoner of tomorrow.

Strategic aim: To reduce and improve contact with the criminal justice system

Indicators of success:

- Reduction in child arrests by 25%
  - ✓ *The Howard League is the only voluntary group working with the police on child arrests and detention. Our research revealed over 318,000 child arrests in 2008. Last year we published the outcomes of our liaison with police had resulted in a reduction in child arrests to 129,000.*

Report of the trustees

For the year ended 31 May 2015

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- Improving children and young people's access to justice and rights
  - ✓ *We finally got permission from the High Court to go ahead with our judicial review to challenge curtailment of legal aid to child and adult prisoners. We developed the legal advice line and handled over 1,000 calls a year.*
- Represent and advise children and young people to achieve positive outcomes for themselves
  - ✓ *Elements of our five year programme of participation with young people who have experienced the penal system are being continued. We published a review of how young people see the issue of maturity that challenged common misconceptions. Our lawyers helped over 300 young people in custody overturn unlawful treatment and punishments, travel smoothly through parole and secure safe release arrangements*

## Change inside prisons

Sentence inflation means that England and Wales has more people in prison sentenced to life than all the other 46 countries in Europe combined. There are more than 30,000 adult men serving more than four years. Prisons have deteriorated to such a poor state that prisoners live in idleness and futility and staff work in filthy conditions.

Strategic aim: To improve treatment for people inside prisons

Indicators of success:

- Reveal issues around sex in prison
  - ✓ *The Commission on Sex in Prison published several briefings, revealing that coercive sex and rape was more prevalent in prison than had been recognised. The Commission found that sending children to prison may make them more likely to commit sexual offences in adulthood. The final report featured first-hand accounts from former prisoners of their experience of sex behind bars.*
- Challenge sentence planning and poor treatment of prisoners
  - ✓ *The Howard League campaign to overturn the ban on sending books to prisoners was successful. The publication of research and policy reviews highlighted overcrowding, poor conditions and staff cuts and generated thoughtful media narrative around the prison crisis. We succeeded in putting a stop to government plans to build a mega prison for children.*
- Uncovering failures in practice and accountability around privatisation
  - ✓ *As more criminal justice services are out-sourced, the failure of the Ministry of Justice to manage and oversee the contracts has worsened. The Howard League maintained public scrutiny on the breakup of*

## The Howard League for Penal Reform (incorporating the Howard Centre for Penology)

### Report of the trustees

For the year ended 31 May 2015

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*probation. We revealed that private prisons suck 23% of the budget despite only running 11% of the institutions.*

### Strengthening the charity

At a time when charities are under increased scrutiny, the Howard League board of trustees' works hard to set clear strategic aims and to scrutinise delivery of the charity's planned work. The Board oversees the financial controls to make sure they are robust, efficient and effective. The Howard League benefitted from a substantial legacy gift seven years ago and it was invested in on-going work to achieve charitable objectives, new projects and the long term health and viability of the charity. Part of the investment in the future was to recruit new members and donors to reduce the charity's reliance on sporadic funding by trusts and to augment our national reach and influence. Financial independence ensures policy independence and integrity.

Strategic aim: To increase the strength and influence of the organisation

Indicators of success:

- Membership/committed givers to reach 10,000
  - ✓ *The charity has 11,000 members and committed donors. These are people all over the country who support our campaigns and give regularly to our work*
- Improved media coverage of our work
  - ✓ *The campaign Books for Prisoners achieved the truly spectacular success of driving sympathy & empathy for prisoners. The media & social media coverage of Howard League research, concerns and campaigns was extensive and positive.*
- Increased fundraising income by 20%
  - ✓ *Thousands of people are giving regularly to our work. Trusts continue to fund specific programmes. Income from events and legal representation supported those areas of work. We have diverse funding streams so that the charity is not reliant or beholden to anyone.*
- Develop influence with opinion leaders and practitioners
  - ✓ *The Chair and Chief Executive had a meeting with the new Secretary of State for Justice soon after the 2015 election. The Books for Prisoners campaign was supported by the county's top writers and we have maintained contact with them. Our work with the police was recognised when the Chief Executive was recruited to the advisory committee for the HMI to help develop inspections of care for vulnerable people in custody. The charity meets with Ministers and Parliamentarians and provides evidence to Select Committees. Academics from top universities contribute to our work.*
- Improved digital communications

## The Howard League for Penal Reform (incorporating the Howard Centre for Penology)

### Report of the trustees

#### For the year ended 31 May 2015

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- ✓ *The Howard League is the market leader in digital communications. The charity has over 30,000 people and organisations on our email list, 3,000 early career academics are part of the network, and 18,000 Twitter followers. The website is a source of authoritative information for students, journalists and members of the public.*
- Developed targeted supporters and networks
  
- ✓ *This year we worked in partnership with Defence for Children International in Belgium, France and Italy to examine the treatment of children in detention. The Lawyers' Network held meetings to discuss difficult issues relating to safeguarding*
- Be a learning organisation
  
- ✓ *The Big Lottery Funded project U R Boss came to an end last year and the charity achieved a smooth transition by securing funding to continue participation of young people in the penal system for three more years. The trustees ensure that the charity invests in its staff through training and being a leader in the field for good terms and conditions and fair remuneration. The trustees hold strategic planning days annually to review progress and set the vision for the year ahead.*

### Plans for the year ahead

- The charity will continue to work for a reduction in the number of men, women and children in prison. At a time of austerity it would be sensible to cut back the bloated criminal justice and penal systems.
- The charity will work to reduce first time entrants to the criminal justice system with a new programme based in Wales working with women.
- We will continue our campaign to reduce child arrests and work to improve the treatment of children and improvement of their access to justice.
- We will work to reduce custodial remands and challenge the use of breach and recall that are driving up the prison population.
- We are concerned that whilst the number of children in custody has fallen by two thirds, the number of black and minority ethnic and Asian children has not reduced and we will be working to reduce this disproportionality.
- The number of people dying by suicide in prison is a scandal and a human tragedy. We have launched a new programme of work in partnership with the Centre for Mental Health to address this.
- Prison conditions have deteriorated to such an extent that many prisons are no longer safe for prisoners or staff. We will press for reducing the number of prisoners, making sure they are staffed appropriately and improved staff training.

## **The Howard League for Penal Reform (incorporating the Howard Centre for Penology)**

### **Report of the trustees**

#### **For the year ended 31 May 2015**

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- Our legal work will continue to represent children and young people in custody and to help them achieve safe resettlement. We will develop the advice line, aiming to deal with more than 1,000 calls.
- We are planning to have 15,000 members and regular donors by May and hope to reach 20,000 by the end of our Birthday Year in 2016.
- Next year will be a critical year for fundraising and staff and trustees will be concentrating on raising the support to make sure the charity is well resourced for the future.

### **Financial review**

#### **Results for the year**

The year has been very buoyant for the Howard League, despite the ending of the five year participation project funded by the Big Lottery. This meant that whilst the charity had to reduce the number of our staff, we managed the transition with care and sensitivity. We maintained a positive financial position and excellent staff morale at the year end.

The organisation had annual expenditure of £1.9m and total funds of £3.7m

The income received was £919,067; a reduction from previous year due to the ending of the significant Big Lottery funding that had contributed 42% to the charity's income. The charity successfully applied for continuation funding for aspects of the participation work with young people and secured £450,000 over three years starting in April 2015.

The investment in recruiting new members and regular donors is starting to show returns with increased income and general donations. The trustees have carefully scrutinised the business and strategic case for investing in this programme.

We continued the prudent planned draw down from the Strategic Reserve created with the donation from Lord Parmoor's estate to support our infrastructure and to fund specific projects. The sum £784,281 from the Strategic Reserve shows up in the statement of financial activities as funding the difference between unrestricted income and expenditure.

Funding from the Strategic Reserve supports our policy and communications work, membership recruitment and the research programme.

#### **Reserves**

The total funds of the charity stand at £3.7m

The £388,862 represents restricted funds received for specific projects or purposes and is not available for general use. The strategic reserve accounts for just over £2.3m, comprising the total £6m donation less amounts which the trustees have agreed to use to date, plus an increase in the value of the investments held. A further £1.4m is tied up in our freehold property which is the office and centre of activities and other fixed assets.

## **The Howard League for Penal Reform (incorporating the Howard Centre for Penology)**

### **Report of the trustees**

#### **For the year ended 31 May 2015**

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The Reserves Policy is aimed at maintaining operating reserves at a level which will enable the charity to meet its future commitments and ensure that there are adequate funds to run the charity for a period of at least 12 months. Unrestricted operating reserves, including property, restricted and designated funds, and taking account of current and future commitments, amounts to £3.3m equivalent to two years' operating expenditure, which is considered adequate in the current circumstances.

#### **Investments**

The trustees have the power to invest in such assets as they see fit. Investment decisions were taken with a view to maximising the total return at a low level of risk; maintaining reasonable access to ensure the availability of funds for the purposes they are intended, and, avoiding investments that are not compatible with the aims of the Howard League or which are detrimental to its wellbeing.

As at 31 May 2015, our holding in Schroder's Charity Multi Asset Fund was valued at £2.2m. The balance of the strategic reserve was held in short term deposits managed to maximise return and maintain accessibility without placing the capital value at risk. During the financial period the investment returns were positive as the equities markets performed better than anticipated.

#### **Statement of responsibilities of the trustees**

The trustees (who are also directors of charitable company for the purposes of company law) are responsible for preparing the report of the trustees' 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 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 judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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 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.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

## **The Howard League for Penal Reform (incorporating the Howard Centre for Penology)**

### **Report of the trustees**

#### **For the year ended 31 May 2015**

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at year-end was 14 (2014:18). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

#### **Auditors**

Sayer Vincent LLP were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

The report of the trustees has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 14 October 2015 and signed on their behalf by

Sue Wade  
Chair



## **Independent auditors' report**

### **To the members of**

#### **The Howard League for Penal Reform (incorporating the Howard Centre for Penology)**

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We have audited the financial statements of The Howard League for Penal Reform (incorporating the Howard Centre for Penology) for the year ended 31 May 2015 which comprise the statement of financial activities, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditors**

As explained more fully in the statement of trustees' responsibilities set out in the report of the trustees, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. In addition, we read all the financial and non-financial information in the report of the trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 May 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the report of the trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditors' report**

**To the members of**

**The Howard League for Penal Reform (incorporating the Howard Centre for Penology)**

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

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

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

Helen Elliott (Senior statutory auditor)

19 October 2015

for and on behalf of Sayer Vincent LLP, Statutory Auditors

Invicta House, 108-114 Golden Lane, LONDON EC1Y 0TL

**The Howard League for Penal Reform (incorporating the Howard Centre for Penology)**

**Statement of Financial Activities (incorporating an Income and Expenditure Account)**

**For the year ended 31 May 2015**

	Note	Restricted £	Unrestricted £	2015 Total £	2014 Total £
<b>Incoming resources</b>					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	-	163,405	<b>163,405</b>	124,265
Activities for generating funds	3	-	14,817	<b>14,817</b>	15,173
Investment income	4	-	87,871	<b>87,871</b>	121,704
<i>Incoming resources from charitable activities</i>					
Policy, research and campaigns	5	232,000	-	<b>232,000</b>	175,000
Membership		-	191,382	<b>191,382</b>	147,159
Events, conferences & publications		-	32,381	<b>32,381</b>	60,639
U R Boss		-	-	-	615,816
Legal services for young people		22,266	171,945	<b>194,211</b>	199,389
<b>Total incoming resources</b>		<b>254,266</b>	<b>661,801</b>	<b>916,067</b>	1,459,145
<b>Resources expended</b>					
<i>Costs of generating funds:</i>					
Costs of generating income		-	383,150	<b>383,150</b>	257,742
<i>Charitable activities</i>					
Policy, research and campaigns	6	218,802	457,614	<b>676,416</b>	539,060
Membership		-	156,538	<b>156,538</b>	172,743
Events, conferences & publications		-	144,676	<b>144,676</b>	189,825
U R Boss		40,487	-	<b>40,487</b>	684,175
Legal services for young people		29,466	346,003	<b>375,469</b>	346,992
<i>Governance costs</i>		-	81,932	<b>81,932</b>	74,763
<b>Total resources expended</b>		<b>288,755</b>	<b>1,569,913</b>	<b>1,858,668</b>	2,265,300
<b>Net outgoing resources before other recognised gains and losses</b>					
	7	(34,489)	(908,112)	<b>(942,601)</b>	(806,155)
Realised gain	11	-	12,837	<b>12,837</b>	-
Unrealised gains	11	-	110,994	<b>110,994</b>	76,230
<b>Net movement in funds</b>		<b>(34,489)</b>	<b>(784,281)</b>	<b>(818,770)</b>	(729,925)
<b>Reconciliation of funds</b>					
Total funds brought forward		423,351	4,109,356	<b>4,532,707</b>	5,262,632
<b>Total funds carried forward</b>		<b>388,862</b>	<b>3,325,075</b>	<b>3,713,937</b>	4,532,707

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 15 to the financial statements.

The Howard League for Penal Reform (incorporating the Howard Centre for Penology)

Balance sheet

Company no. 898514

As at 31 May 2015

	Note	£	2015 £	2014 £
<b>Fixed assets</b>				
Tangible fixed assets	10		1,216,017	1,227,409
Investments	11		<u>2,335,019</u>	<u>2,872,410</u>
			<b>3,551,036</b>	4,099,819
<b>Current assets</b>				
Debtors	12	191,781		204,292
Short term deposits		-		218,800
Cash at bank and in hand		<u>150,690</u>		<u>192,360</u>
		<b>342,471</b>		615,452
<b>Current liabilities</b>				
Creditors: amounts due within one year	13	<u>(179,570)</u>		<u>(182,564)</u>
Net current assets			<u>162,901</u>	<u>432,888</u>
<b>Net assets</b>	14		<u><b>3,713,937</b></u>	<u>4,532,707</u>
<b>The funds of the charity</b>				
	15			
<b>Restricted funds</b>			<b>388,862</b>	423,351
<b>Unrestricted funds</b>				
Strategic reserve			2,275,419	2,443,871
Revaluation reserve - property			550,000	550,000
Revaluation reserve - investments			110,994	95,580
Other designated funds			341,406	352,798
General funds			<u>47,256</u>	<u>667,107</u>
<b>Total charity funds</b>			<u><b>3,713,937</b></u>	<u>4,532,707</u>

Approved by the trustees on 14 October 2015 and signed on their behalf by

Sue Wade  
Trustee

Sally Lewis  
Trustee

## The Howard League for Penal Reform (incorporating the Howard Centre for Penology)

### Notes to the financial statements

#### For the year ended 31 May 2015

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##### 1. Accounting policies

- a) The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and investments at market value, and in accordance with applicable accounting standards and the Companies Act 2006. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005).

The company has taken advantage of the exemption in Financial Reporting Standard no. 1 from the requirement to produce a cash flow statement.

##### Income

- b) Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when receivable. Legacies are included when there is reasonable certainty of receivability, amount and timing.
- c) Revenue grants are credited to the statement of financial activities when received or receivable whichever is earlier.

Where unconditional entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, the incoming resources are recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the charity can meet such conditions the incoming resource is deferred.

When funding received is to be used in a specific future period, income is deferred.

- d) Membership fees are recognised in the financial statements in line with the period in which they are received.
- e) Contractual income such as that derived from the Legal Aid Agency is recognised when earned. Income from the Legal Aid Agency is recognised to the extent that the work performed is deemed to be recoverable, based on historic average recovery rates from previous cases.
- f) All other income such as conference fees is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. If income is received in advance for conferences and events this is treated as deferred income.

##### Expenditure

- g) Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

## The Howard League for Penal Reform (incorporating the Howard Centre for Penology)

### Notes to the financial statements

#### For the year ended 31 May 2015

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#### 1. Accounting Policies (continued)

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary, national insurance, pension costs and office overhead costs, is apportioned on the following basis which is an estimate, based on support staff time, of the amount attributable to each activity.

Cost of Generating Funds	19%
Policy, research and campaigns	20%
Membership	20%
Events, conferences & publications	20%
U R Boss	1.5%
Legal services for young people	19%
Governance	0.0%

- h) Costs of generating funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.

Where information about the aims, objectives and projects of the charity is provided to potential donors, this is allocated to costs of generating funds.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

- i) Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.
- j) Howard League grants (studentships) are charged in full to the statement of financial activities when they have been approved and communicated to the recipient.

#### Fund Accounting

- k) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.
- l) Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.
- m) Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

#### Fixed Assets

- n) Fixed assets are capitalised when their purchase price exceeds £1,000. Depreciation is calculated to write off the cost of tangible fixed assets on a straight line basis over their estimated lives on the following basis:-

Fixtures, furniture and equipment	10 per cent per annum
Library books	15 per cent per annum
Computers	50 per cent per annum

## The Howard League for Penal Reform (incorporating the Howard Centre for Penology)

### Notes to the financial statements

#### For the year ended 31 May 2015

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##### 1. Accounting Policies (continued)

Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

The trustees have adopted a policy of reporting freehold land and buildings at market value and will carry out a full property valuation at least every 5 years. The last full valuation was carried out on 4 May 2012. Interim valuations will be carried out at other times if it is likely there has been a material change in value.

The trustees are of the opinion that any potential depreciation charge would be immaterial to the accounts. The trustees believe the estimated life of the property to be very long and the estimated residual value of the property to be close to the carrying amount. As such, the property is not depreciated. Any gain or loss arising on revaluation is taken to the revaluation reserve.

An annual impairment review on the property and other fixed assets is undertaken to determine if circumstances indicate that the recoverable value of assets is materially lower than their value in the accounts. Any impairments identified are written off as extra depreciation through the Statement of Financial Activities.

##### o) Investments

Fixed assets investments are valued on the basis of mid market value at the balance sheet date. Any gain or loss arising on revaluation is taken to the statement of financial activities.

##### p) Operating leases

Rentals payable under operating leases are charged against the statement of financial activities evenly over the period of the lease.

##### Pension costs

q) Pension costs relate to contributions paid to employees' private defined contribution pension schemes.

##### 2. Voluntary income

	Restricted	Unrestricted	2015 Total	2014 Total
	£	£	£	£
General donations	-	161,569	<b>161,569</b>	121,723
	-	161,569	<b>161,569</b>	121,723
Legacies	-	1,836	<b>1,836</b>	2,542
Total	-	163,405	<b>163,405</b>	124,265

The Howard League for Penal Reform (incorporating the Howard Centre for Penology)

Notes to the financial statements

For the year ended 31 May 2015

3. Activities for generating funds

	Restricted	Unrestricted	2015 Total	2014 Total
	£	£	£	£
Sales of greetings cards	-	-	-	85
Royalties (The Howard Journal)	-	14,817	14,817	15,088
	-	14,817	14,817	15,173

4. Investment income

	Restricted	Unrestricted	2015 Total	2014 Total
	£	£	£	£
Income from stocks and shares	-	69,953	69,953	95,148
Interest receivable	-	17,918	17,918	26,556
Total	-	87,871	87,871	121,704

5. Incoming resources from charitable activities

	Restricted	Unrestricted	2015 Total	2014 Total
	£	£	£	£
<b>Campaigns, policy &amp; research</b>				
The John Sunley Prize	20,000	-	20,000	20,000
Programme for reducing Child Arrests	110,000	-	110,000	60,000
Preventing suicides in custody	25,000	-	25,000	-
Participation project	37,500	-	37,500	-
Maturity project	29,500	-	29,500	-
Commission on Sex in Prison	10,000	-	10,000	95,000
	232,000	-	232,000	175,000
<b>Membership</b>				
Subscriptions	-	139,382	139,382	104,826
Income tax recoverable on subscriptions/donations	-	52,000	52,000	42,333
	-	191,382	191,382	147,159
<b>Events, conferences &amp; publications</b>				
Sales of books and literature	-	357	357	841
Conference fees	-	32,024	32,024	59,798
	-	32,381	32,381	60,639



The Howard League for Penal Reform (incorporating the Howard Centre for Penology)

Notes to the financial statements

For the year ended 31 May 2015

5. Incoming resources from charitable activities (continued)

	Restricted £	Unrestricted £	2015 Total £	2014 Total £
<b>U R Boss</b>				
Big Lottery Fund	-	-	-	615,816
	-	-	-	615,816
<b>Legal services for young people</b>				
Legal Adviceline	22,266	-	22,266	41,742
Legal aid agency contract income	-	150,982	150,982	125,647
Court cost awards	-	20,963	20,963	32,000
	22,266	171,945	194,211	199,389
Total incoming resources from charitable activities	254,266	395,708	649,974	1,198,003

The Howard League for Penal Reform (incorporating the Howard Centre for Penology)

Notes to the financial statements

For the year ended 31 May 2015

6. Total resources expended

	Cost of generating funds £	Policy, research & campaigns £	Membership £	Events, conferences & publications £	U R Boss £	Legal service for young people £	Governance Costs £	Support Costs £	2015 Total £	2014 Total £
Staff costs (Note 8)	26,416	475,119	78,745	69,753	21,814	228,215	77,252	96,068	<b>1,073,382</b>	1,278,306
Other staff costs	-	4,790	-	-	1,494	3,214	154	8,251	<b>17,903</b>	14,039
Travel and subsistence	-	19,389	-	-	1,094	7,321	2,462	336	<b>30,602</b>	51,712
Publication costs	416	52,678	30,590	-	-	3,064	2,064	2,631	<b>91,443</b>	91,722
Publicity & dissemination	-	-	-	27,720	-	-	-	-	<b>27,720</b>	128,299
HL Studentships/Prizes	-	3,350	-	-	-	-	-	-	<b>3,350</b>	29,794
Academic Consultants	-	4,031	-	-	-	-	-	-	<b>4,031</b>	18,134
Research Honorarium	-	22,065	-	-	-	-	-	-	<b>22,065</b>	5,000
Professional/Consultancy fees	-	41,516	-	-	6,157	57,270	-	-	<b>104,943</b>	237,062
Fundraising agency costs	291,213	-	-	-	-	-	-	-	<b>291,213</b>	50,335
Write off of legal work in progress	-	-	-	-	-	-	-	-	-	82,080
Investment manager fees	17,158	-	-	-	-	-	-	-	<b>17,158</b>	19,247
Office and other expenses	745	3,902	-	-	748	9,810	-	39,419	<b>54,624</b>	62,481
Premises costs	-	-	-	-	-	9,542	-	27,926	<b>37,468</b>	53,987
Welfare fund	-	-	-	-	3,258	-	-	-	<b>3,258</b>	5,042
Volunteer expenses	-	1,086	-	-	2,131	225	-	337	<b>3,779</b>	30,859
Miscellaneous expenses	-	627	-	-	121	3,432	-	2,403	<b>6,583</b>	6,588
Irrecoverable VAT	-	-	-	-	-	-	-	24,163	<b>24,163</b>	34,959
Equipment maintenance	-	660	-	-	-	4,114	-	8,290	<b>13,064</b>	30,531
Equipment purchase	-	-	-	-	-	-	-	-	-	2,782
Bank charges	-	-	-	-	-	-	-	9,717	<b>9,717</b>	6,927
Legal fees	-	-	-	-	-	-	-	250	<b>250</b>	1,211
Counsel fees	-	-	-	-	-	2,060	-	-	<b>2,060</b>	8,887
Audit and accountancy	-	-	-	-	-	-	-	8,500	<b>8,500</b>	9,030
Depreciation	-	-	-	-	-	-	-	11,392	<b>11,392</b>	6,286
	<b>335,948</b>	<b>629,213</b>	<b>109,335</b>	<b>97,473</b>	<b>36,817</b>	<b>328,267</b>	<b>81,932</b>	<b>239,683</b>	<b>1,858,668</b>	<b>2,265,300</b>
Support Costs	47,202	47,203	47,203	47,203	3,670	47,202	-	(239,683)	-	-
<b>Total resources expended</b>	<b>383,150</b>	<b>676,416</b>	<b>156,538</b>	<b>144,676</b>	<b>40,487</b>	<b>375,469</b>	<b>81,932</b>	<b>-</b>	<b>1,858,668</b>	<b>2,265,300</b>

The Howard League for Penal Reform (incorporating the Howard Centre for Penology)

Notes to the financial statements

For the year ended 31 May 2015

7. Net outgoing resources for the year

This is stated after charging / crediting:

	2015	2014
	£	£
Depreciation	11,392	8,714
Loss on disposal of fixed assets	-	-
Operating lease rentals:		
▪ equipment	20,464	19,492
Auditors' remuneration:		
▪ audit	8,500	8,900
▪ under accrual of audit fee	-	130
▪ other services	-	1,400
Trustees' expenses	<u>2,460</u>	<u>2,377</u>

Trustees' expenses represent both the reimbursement and direct payment of travel and subsistence costs to 5 (2014: 4) members relating to attendance at meetings of the trustees.

8. Staff costs and numbers

Staff costs were as follows:

	2015	2014
	£	£
Salaries and wages	898,453	1,060,927
Social security costs	87,394	116,419
Pension contributions	<u>87,535</u>	<u>100,960</u>
	<u>1,073,382</u>	<u>1,278,306</u>

The number of employees whose emoluments (including benefits in kind) were in excess of £60,000 for the year were:

	2015	2014
	No.	No.
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£90,001 - £100,000	-	-
£100,001 - £110,000	<u>1</u>	<u>1</u>

Contributions made in the year to personal pension schemes totalled £24,668 for these employees (2014: £24,022).

The Howard League for Penal Reform (incorporating the Howard Centre for Penology)

Notes to the financial statements

For the year ended 31 May 2015

8. Staff costs and numbers (continued)

The average weekly number of employees (full-time equivalent) during the year was as follows:

	2015 No.	2014 No.
Costs of generating funds	1.0	1.0
Policy, research & campaigns	9.0	8.5
Membership	2.0	2.0
Events, conferences & publications	1.0	1.0
U R Boss	-	7.0
Legal services for young people	6.0	5.0
Governance	1.0	2.2
Support	3.0	3.8
	<u>23.0</u>	<u>30.5</u>

9. Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10. Tangible fixed assets

	Freehold property £	Computers £	Office Equipment £	Library books £	Total £
<b>Cost or valuation</b>					
At the start of the year	1,200,000	20,539	57,007	2,018	1,279,564
Additions in year	-	-	-	-	-
Disposals	-	-	-	-	-
At the end of the year	<u>1,200,000</u>	<u>20,539</u>	<u>57,007</u>	<u>2,018</u>	<u>1,279,564</u>
<b>Depreciation</b>					
At the start of the year	-	19,954	30,184	2,017	52,155
Charge for the year	-	585	10,807	-	11,392
At the end of the year	<u>-</u>	<u>20,539</u>	<u>40,991</u>	<u>2,017</u>	<u>63,547</u>
<b>Net book value</b>					
At the end of the year	<u>1,200,000</u>	<u>-</u>	<u>16,016</u>	<u>1</u>	<u>1,216,017</u>
At the start of the year	<u>1,200,000</u>	<u>585</u>	<u>26,823</u>	<u>1</u>	<u>1,227,409</u>

The freehold property at 1 Ardleigh Road, London, N1 4HS was valued on 4 May 2012 by Copping Joyce Chartered Surveyors LLP (independent valuers). The historical cost of the freehold is £650,000.

The Howard League for Penal Reform (incorporating the Howard Centre for Penology)

Notes to the financial statements

For the year ended 31 May 2015

11. Investments

	2015 £	2014 £
Market value at the start of the year	2,872,410	2,706,969
Additions at cost	64,556	89,211
Disposal	(727,401)	-
Realised gain	12,837	-
Unrealised gain	110,994	76,230
Cash held as part of portfolio	1,623	-
Market value at the end of the year	<u>2,335,019</u>	<u>2,872,410</u>
Historic cost at the end of the year	<u>2,257,527</u>	<u>2,520,172</u>

An analysis of significant Investments is as follows:

	2015 £	2014 £
CAF UK Equity bond	-	165,948
CAF fixed interest bond	-	52,359
Schroder Charity Multi-asset fund	<u>2,275,419</u>	<u>2,603,396</u>

12. Debtors

	2015 £	2014 £
Income tax recoverable	11,217	26,417
Prepayments and accrued income	<u>180,564</u>	<u>177,875</u>
	<u>191,781</u>	<u>204,292</u>

13. Creditors: amounts due within one year

	2015 £	2014 £
Operating creditors	57,030	35,732
Accruals and deferred income	95,508	115,851
Other tax and social security	<u>27,032</u>	<u>30,981</u>
	<u>179,570</u>	<u>182,564</u>

The Howard League for Penal Reform (incorporating the Howard Centre for Penology)

Notes to the financial statements

For the year ended 31 May 2015

14. Analysis of net assets between funds

	Restricted funds £	Strategic reserve £	Other designated £	General funds £	Total funds £
Tangible fixed assets	324,611	-	891,406	-	1,216,017
Investments	-	2,275,419	110,994	(51,394)	2,335,019
Net current assets	64,251	-	-	98,650	162,901
<b>Net assets</b>	<b>388,862</b>	<b>2,275,419</b>	<b>1,002,400</b>	<b>47,256</b>	<b>3,713,937</b>

15. Movements in funds

	At the start of the year £	Incoming resources and £	Outgoing resources £	Transfers £	At the end of the year £
<b>Restricted funds:</b>					
Big Lottery Fund (U R Boss)	40,487	-	(40,487)	-	-
Commission on sex in prison	46,053	10,000	(56,053)	-	-
Legal work (Adviceline)	7,200	22,266	(29,466)	-	-
Programme for reducing child arrests	-	110,000	(110,000)	-	-
The John Sunley Prize	5,000	20,000	(20,000)	-	5,000
Maturity project	-	29,500	(24,000)	-	5,500
Preventing suicides in custody	-	25,000	-	-	25,000
Participation project	-	37,500	(8,749)	-	28,751
Property	324,611	-	-	-	324,611
<b>Total restricted funds</b>	<b>423,351</b>	<b>254,266</b>	<b>(288,755)</b>	<b>-</b>	<b>388,862</b>
<b>Unrestricted funds:</b>					
<i>Designated funds:</i>					
Strategic fund	2,443,871	95,580	-	(264,032)	2,275,419
Property and equipment	352,798	-	-	(11,392)	341,406
Property revaluation	550,000	-	-	-	550,000
Investment revaluation	95,580	28,251	-	(12,837)	110,994
<i>Total designated funds</i>	<i>3,442,249</i>	<i>123,831</i>	<i>-</i>	<i>(288,261)</i>	<i>3,277,819</i>
<b>General funds</b>	<b>667,107</b>	<b>661,801</b>	<b>(1,569,913)</b>	<b>288,261</b>	<b>47,256</b>
<b>Total unrestricted funds</b>	<b>4,109,356</b>	<b>785,632</b>	<b>(1,569,913)</b>	<b>-</b>	<b>3,325,075</b>
<b>Total funds</b>	<b>4,532,707</b>	<b>1,039,898</b>	<b>(1,858,668)</b>	<b>-</b>	<b>3,713,937</b>

## The Howard League for Penal Reform (incorporating the Howard Centre for Penology)

### Notes to the financial statements

#### For the year ended 31 May 2015

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#### 16. Purposes of restricted funds

##### Big lottery fund (U R Boss)

In October 2009 a Big Lottery Fund grant of £2.7 million was awarded to establish a national programme of support for young people in custody over five years. The project ended in July 2015.

##### Commission on Sex in Prison

Inquiry set up to research sex in prison, the commission concluded in March 2015.

##### Legal work (Adviceline)

Funds to develop the legal helpline to assist young people in custody with legal advice.

##### Programme for reducing Child Arrests

A programme to reduce the number of child arrests in police stations.

##### The John Sunley Prize

A competition to award the best masters dissertation on penal reform.

##### Preventing suicides in custody

A project looking at suicide prevention in custody.

##### Participation project

Big lottery funded for 3 years started April 2015, working with young people in custody using the principles of participation.

##### Maturity project

A project to examine themes in depth with young adults on maturity.

##### Property

The value of the original restricted donation towards the purchase of the office.

#### 17. Purposes of designated funds & Transfers between funds

##### Strategic fund

Lord Parmoor's charitable trust donated £6m which was designated by the trustees as a part of its strategic reserve to strengthen the Howard League position through a period of recession and uncertainty, and to fund priorities over the next decade. Decisions to use this fund are agreed by the finance and other relevant committees of the board on the basis of strategic principles set down by the trustees. The finance, personnel and legal affairs committee reviews the use of designated funds in accordance with those principles.

##### Property and equipment

The value of the original unrestricted funds used towards the purchase of the office and the net book value of the other fixed assets.

##### Property revaluation reserve

Demonstrates the gain on the property revaluation in 2012.

##### Investment revaluation reserve

Demonstrates the cumulative gains and losses on investments held by the charity at the year-end.

##### Transfers between funds

A transfer was made from the strategic fund to general reserves to cover the planned deficit incurred on unrestricted funds.

#### 18. Operating lease commitments

The charity had annual commitments at the year end under operating leases expiring as follows:

	2015	2014
	£	£
<b>Equipment</b>		
2-5 years	<u>20,962</u>	<u>16,322</u>