

THE HOWARD LEAGUE FOR PENAL REFORM

(A COMPANY LIMITED BY GUARANTEE)

ACCOUNTS

for the year ended 31st May 1997



Company No. 898514 (England & Wales)

THE HOWARD LEAGUE FOR PENAL REFORM

COMPANY INFORMATION

Directors:	P Buxton A Rutherford
Secretary:	F Crook
Status:	Company limited by guarantee
Number:	898514 (England & Wales)
Charity Number:	251926
Registered Office:	708 Holloway Road London N19 3NL
Auditors:	Morley & Scott Lynton House 7-12 Tavistock Square London WC1H 9LT
Bankers:	National Westminster Bank Plc 57 Victoria Street London SW1H 0HP CafCash Ltd Kings Hill West Malling Kent ME19 4TA

THE HOWARD LEAGUE FOR PENAL REFORM

CONTENTS

	Page
Trustees' Report	1
Treasurer's Report	14
Statement of Directors' Responsibilities	15
Auditors' Report	16
Statement of Financial Activities	17
Balance Sheet	18
Notes to the Financial Statements	19

HOWARD LEAGUE FOR PENAL REFORM

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MAY 1997

The trustees present their report and the financial statements for the year ended 31 May 1997.

List of Trustees 1996/97

President	John Mortimer QC
Vice Presidents	Sir Louis Blom Cooper QC Professor Terence Morris JP Baroness Nancy Seear PC
Chair	Professor Andrew Rutherford
Vice Chairs	Dick Whitfield Baroness Hilton
Hon Treasurer	Paul Buxton
Hon Solicitor	Anthony J Holland (until May 1997) Monty Raphael (from June 1997)

The Hon Sue Baring OBE JP
Elizabeth Burney
Alex Carlile QC MP
Martin Davis
Lord Dholakia JP
Dr Russell Dobash
David Faulkner
Professor Nigel Fielding
David Godfrey
Roger Graef
Rt Rev Robert Hardy
Maurice Hawker
Peter Hodgkinson
Professor Barbara Hudson
Baroness Kennedy QC
Rt Hon Sir Peter Lloyd MP
David Mathieson

Caroline Newman
Lady Nicholson
Hugh Pierce
Dr David Potter
Lynne Ravenscroft JP
Annabella Scott JP
Anthony Scrivener QC
Barry Smith CBE
Pamela Taylor
Keith Vaz MP
Sue Wade
Professor Donald West
Cynthia Winifred
Dr Martin Wright

THE HOWARD LEAGUE FOR PENAL REFORM

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MAY 1997

Core Beliefs of the Howard League

- The criminal justice system should be based on the principle of repairing the damage done by crime
- Public resources should be concentrated on preventing crime
- The penal system should make sure of effective alternatives to incarceration
- Prisons should provide a more positive experience
- Prisons should offer each prisoner a realistic chance of rehabilitation
- The needs and rights of victims should be taken into account
- Imprisonment should be the last resort
- Children should not be held in prisons.

Objectives:

1. To lead the development of a national policy for prisons and offenders, based on impartial and informed research.
2. To demonstrate practical alternatives to prisons and the rehabilitation of offenders.
3. To educate the public and professionals in the UK and abroad about good practice in the penal system.

The advent of a new Government holds forth the possibility that criminal policy in this country might pursue the calmer and more reflective course abandoned in the early years of this decade. However, early indications remain equivocal. The Home Secretary, Jack Straw has insisted that his predecessor's Crime (Sentences) Act will, to a very large extent, be brought into effect. Equally to the dismay of the Howard League, it has been decided to take forward plans to open five secure training centres for children aged twelve to fourteen. The Howard League will continue with its vigorous campaign against these centres in the hope that they do not survive the broad reviews of policies on young offenders instigated by the Government.

But among some hopeful developments there are signs that limits might be placed on the growth of prison numbers. Over recent years the annual rates of growth of the prison population for England & Wales have exceeded those of the United States. The implication for the public purse are enormous but there are also costs which go to the heart of the sort of society we aspire to be. The theme of inclusiveness, now apparently shared by the main political parties, hardly sits easily with an ever expanding penal archipelago.

THE HOWARD LEAGUE FOR PENAL REFORM

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MAY 1997

The Howard League also welcomes the new emphasis being placed by the Government on social crime prevention and will want to play its part at both the national and local level in supporting the new structures and initiatives.

A great real strength of the Howard League is being able to actively engage in debates on criminal policy as well undertaking a host of other activities. In particular, I would draw attention to the Citizenship and Crime Project through which, over the next three years, two new staff members will co-ordinate conferences involving some eleven thousand London school children. We hope that this ambitious project, described in this report, will in due course be taken forward by other agencies.

Demonstration projects have become a core aspect of the our mission, exemplified by the Prisoners' Advice Service and the Troubleshooter Project (working with fifteen year olds in the prison system) both of which now function independently of the Howard League.

The Howard League is served by an exceptionally energetic and effective staff, working in office space which we have now outgrown. We also depend on talented volunteers and on the time and effort of members of the Council and many others who serve on committees and working groups. On behalf of the Council, I am also pleased to acknowledge the generous financial support of many individuals, trusts and companies which enables the Howard League to do its work and retain a voice always independent of government. The strong cross-party support for the Howard League is reflected in its Council and general membership. In the early summer we were saddened by the death of Baroness Nancy Seear, who for many years had served as one of our vice-presidents.

THE HOWARD LEAGUE FOR PENAL REFORM

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MAY 1997

For the Howard League itself, the last year was a time of change. We launched a major new project on crime prevention amongst young people and we handed over our work with 15 year old prisoners to the Children's Society. New staff joined the organisation and the budget grew yet again.

Troubleshooter

The Troubleshooter project was the first direct service provided by the Howard League, and the first project in the country set up to rescue 15 year olds from prison. It was originally discussed in 1992 when three 15 year old boys took their own lives in prisons. We planned to find other ways of dealing with the small number of boys of this age in prison. But, the political and sentencing climate changed so that by the end of the project we were dealing with 250 children in prisons at any one time.

Since its launch in 1996, the Troubleshooter project has succeeded in rescuing many 15 year old boys, and girls, who should not have been in prison, and has enhanced the day to day life experience of prison for hundreds of others.

The project worked with over 800 boys and girls who were received into prison, almost all of them into Feltham Young Offenders Institution and Remand Centre. The final report which we published in March 1997 surveyed all the clients from December 1993 to June 1996. Its principal findings made grim reading:

- the number of 15 year olds sentenced to prison doubled
- there was a disproportionate use of prison for Black and Asian youngsters
- there was a high proportion who were marginalised or damaged - 80% out of education, 31% from care, and 29% at acute risk of bullying, self harm or suicide.

We raised concerns at the 280% increase in the number of 15 year olds remanded to prison in just two years, the majority of whom did not subsequently receive a prison sentence.

As long ago as 1991 the then government passed legislation to take 15 and 16 year old boys on remand out of prison. When we published our final report we urged the government to fulfill this promise.

The Howard League wants to record its thanks to the two governors of Feltham, Joe Whitty and Ivor Ward, who supported the project. Many other staff in the prison helped us and helped the boys connected with the project.

We hope that the recommendations arising from our work will help multi-agency co-operation in developing responses to offending by young people. We are delighted that the Children's Society remand rescue project is building directly on the ground breaking initiative we created and will expand the work with 15 and 16 year olds into prisons across the country.

THE HOWARD LEAGUE FOR PENAL REFORM

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MAY 1997

The fact that there is widespread concern about the over-use of prison custody for children was borne out by the high level of media coverage for the report 'The Howard League Troubleshooter Project: lessons for policy and practice on 15 year olds in prison.' Our findings were discussed live on the main television and radio news bulletins across the country.

Secure Training Centres

In 1995 the Howard League went to the High Court to seek leave for a judicial review of the way the Home Secretary was implementing the legislation for the secure training centres. In court we agreed then to postpone the action but to continue to monitor their progress closely.

Thanks to generous support from our members and supporters and from a number of trusts, last year we carried out a vigorous public education campaign on the issue. We distributed 120,000 leaflets to teachers and social workers. We mailed our own supporters keeping them up to date. We continued to discuss the issue with Labour Party politicians who promised us that should they win the election the secure training centres would not go ahead as long as the contracts had not been signed.

Sadly, just a few weeks before the general election was called, Michael Howard, the then Home Secretary, signed a contract with Group 4/Tarmac to build and manage a secure training centre on land adjacent to Cookham Wood prison in Kent. We heard that a second contract was about to be signed several days after the election had been called. We understood that this was contrary to convention concerning acceptable activity during general elections, and so we contacted the Cabinet Office. The second contract was not signed.

This left the new Labour Government with a dilemma. They resolved it by announcing in July that they would go ahead with all five secure training centres. The new Home Secretary, Jack Straw, has moved as far as saying that the STCs would provide a 'positive and constructive' regime.

Whilst we deplore this decision, we are pleased that the Home Office is now carrying out a review of all custodial options for teenagers, and the Howard League will make its views known.

Girls in Prison

In April 1997 we launched a major inquiry into the use of prison custody for girls. We published figures to show that this was increasing at an alarming rate and promised to investigate how and why it was happening.

Chaired by cross bench peer Lady Masham of Ilton, a team of advisors visited every prison holding girls aged under 18 to interview each of them and examine their conditions and treatment. A report on the findings will be published at the end of the year.

In August the Observer newspaper published some of our preliminary findings- on the front page. At the same time, we acted as an expert witness in a successful court challenge to the automatic placing of juveniles in adult women's prisons.

THE HOWARD LEAGUE FOR PENAL REFORM

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MAY 1997

Pregnant And In Prison

In August we published a survey of prison practice towards pregnant women. We contacted all 15 prisons holding women and revealed that some 60 women were known to be pregnant. We made two key recommendations arising from the research:

In the short term, prisons should improve the quality of care and support given to pregnant women. In the long term, there should be legislative change to prohibit the use of imprisonment for pregnant women.

This raised public concern about the issue and our report was covered extensively in the press and on television.

In September we drew press and public attention to the case of a 17 year old pregnant girl sentenced to 5 months imprisonment for shoplifting who was threatened with having her baby taken from her at birth. There was a tremendous response from the public and politicians. We advised her lawyers on possible legal challenges and are now waiting to hear what action they will take, meanwhile we helped to negotiate a prolonged stay in hospital after the birth so there may be no need for her to return to prison.

Thugs, Hooligans And Demons

In July we attempted to elevate public debate by asking for a new deal for young people. We held a day conference to tell the Government to recognise that young people in trouble with the criminal law should be treated as our own children, and not demonised as thugs or hooligans.

Speakers from within the criminal justice system and children's services included the Minister of State for Employment, Alan Howarth MP, Polly Toynbee, Chair of the Inner London Youth Court, Annabella Scott JP, and Charles Clark, the Assistant Chief Constable of Essex.

Rewarding Regimes For Juveniles In Prison

We investigated the operation of the earned privileges and incentives schemes in juvenile prisons and criticised them for focusing on punishing bad behaviour rather than rewarding good behaviour.

This research, published in May as a briefing paper, found that the punishment in some cases verged in public humiliation. For example, in one prison, youngsters on the lowest achievement level were made to wear pink patches on their clothes to denote their lowly status.

We recommended that incentives schemes should be reward based and should concentrate on influencing long term behaviour. We reiterated our belief that a statutory code of minimum standards was needed to raise the basic level of regimes in all prisons.

THE HOWARD LEAGUE FOR PENAL REFORM

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MAY 1997

Prisons Fail Victims

For some time we have been concerned that prisons were failing victims, and a survey was conducted to discover how prisons dealt with victims' issues. We identified only 6 prisons which had specialist a course to work on victim issues.

The survey revealed that many programmes in prisons paid little more than lip service to the victims of crime, budget cuts in the probation service meant they were not able to develop courses and approaches were unstructured and could even be counter-productive.

We urged prisons to develop courses to ensure that prisoners realise the impact their crime has had on others. If prisoners were more aware of the effect of their crime they may be less likely to re-offend and this would mean fewer victims in the future.

A Victim Justice System

As long ago as 1878 the Howard Association proposed that reparation should be made the principal object in dealing with those who offend against the property of another.

In 1953 Margery Fry influenced the Howard League to push for the introduction of compensation for the victims of crime.

In 1977 we published Making Amends: criminals, victims and society which said that the aim of an ideal penal system should be towards reconciliation between three parties - the offender, the victim and society itself.

More recently, in 1996, Darkness and Light devoted a chapter to reducing the damage caused by crime on the victim.

In April 1997 we published a briefing paper, Victims of Crime, which suggested that changes to the criminal justice system should secure a more victim orientated system, concentrating on crime prevention strategies.

General Election

The Howard League was keen to inject some rational debate into the public discourse on crime during the general election. Our strategy concentrated on providing information on the issues of the use of prison and young people and crime.

We announced the launch of our general election campaign as early as March 1997. The media took up our challenge with alacrity and we did about thirty radio interviews talking about our hopes for the post-election period.

THE HOWARD LEAGUE FOR PENAL REFORM

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MAY 1997

We sent a specially prepared fact sheet to all the candidates from the main parties in England, Wales and Scotland. Hundreds of candidates contacted us seeking more information and asking to be kept in touch.

We mailed all our supporters and members with the fact sheets and some prepared postcards for them to ask their local candidates to sign. Again, people all over the country wrote, phoned, faxed and E-mailed us, signing up to the call for improved responses to young people in trouble with the criminal law.

Since the election we have written to all the newly elected Members of Parliament offering advance notification of our research findings. We have had meetings with new M.P.s and now have an extensive contacts list.

Our Parliamentary contacts have always been constructive. Soon after the election we were invited in for a meeting by the new Home Office Minister Alun Michael MP.

Political Party Fringe Meetings

A well attended fringe meeting during the LibDems conference in Eastbourne was addressed by Shirley Williams, Harry Fletcher from the National Association of Probation Officers, and was chaired by Susan Baring, Chair of the Inner London Probation Committee.

At the Labour Party conference the new prisons minister Joyce Quin MP spoke, alongside Frances Crook, Judy McKnight, the General Secretary of NAPO, and Keith Vaz MP.

At the Conservative Party conference Sir Peter Lloyd MP, the former prisons minister, Helen Schofield, the Assistant General Secretary of NAPO, and Barry Smith the former Deputy Chief Inspector of Prisons addressed the fringe meeting.

Prison Numbers

A profound concern for the whole of the last year has been the inexorable rise in the prison population. At the time of the Howard League's AGM in November 1996 the number of people in prison in England and Wales stood at 58,475, of whom 2,485 were women.

By the general election the numbers had risen to 60,203, of whom 2,639 were women.

As this review is being written a record 62,623 people are in prison, including 2,782 women.

This means that the average addition during that period was almost 100 people a week. Should the increase continue at the same rate, the prison population would reach almost 68,000 by this time next year, and could mean almost 80,000 men, women and children in prison by the end of the century.

THE HOWARD LEAGUE FOR PENAL REFORM

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MAY 1997

The Home Secretary secured an additional injection of public funds of some £43 million to help deal with the growing numbers, but that was a short term palliative which would not be sufficient to accommodate the growing numbers beyond the autumn.

The Howard League's views have been put forcefully to the new Home Secretary and to politicians from all parties. We cannot build our way out of a prison crisis caused by increasing numbers. Political intervention must take the form of a public education campaign based on reducing the use of penal custody and restricting the use of prison as only appropriate for serious and violent offenders.

A confused message is given to the public and to sentencers if political leaders 'talk up' prison numbers by promising to fund - and indeed by taking public money away from other areas of social policy in order to fund - constant expansion of the prison estate.

One of the greatest challenges to the new Government is how it will lead a reduction in the use of prison for those who should be managed in the community. It is disappointing that the emphasis placed on human rights and moral action in foreign affairs is not being replicated in home affairs.

Bricks and Mortar

Back in November 1996 we researched the then government's prison building plans and found that expanding the prison estate was an expensive option which offered no solution to overcrowding. We surveyed actual building from 1980 to 1996, which added 24,000 places at a cost of £1.7 billion. We estimated the cost of plans in hand to be some £640 million for 8,000 additional places. We extrapolated from legislation then going through Parliament and Government pronouncements that 45 more prisons would be needed in total which could cost the taxpayer £12 billion.

We suggested that money spent on building more prisons does little to reduce crime. We pointed out that 50 new primary schools, 25 new secondary schools and 10 new hospitals could be built for this money, with £10 million to spare for crime prevention measures.

Prison Suicides

The number of casualties of the over use of prison custody is too high. In January we revealed that 64 people took their own lives in prisons during 1996, which was the highest number recorded in one year.

Of the people who died 14 were aged 21 or younger, 36 were on remand and two were women. Five people took their own lives in commercially run prisons.

In April we published research which showed that between 1990 and 1996 366 prisoners took their own lives.

THE HOWARD LEAGUE FOR PENAL REFORM

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MAY 1997

It is an outrage that so many men, women and children continue to commit suicide in prisons. As the trend to incarcerate more and more people continues, with the consequent strain on resources and staff time, people will continue to take their own lives in prisons. We warned that desperate and vulnerable people would be at risk unless urgent action was taken to reduce numbers and at the same time to give staff the training, resources and time to work with individuals.

Community Service

Our research and activities on the use of prison have been balanced during the year with investigations into alternatives to custody. In January we published a report which showed that despite widespread acceptance of the merits and effectiveness of community service it is still an under-used resource in the criminal justice system.

The report showed that during 1995, 57,370 people were sentenced by the courts to a period of community service, mostly for theft or handling stolen goods.

The research showed that the ethos of community service whereby an offender pays restitution to the community through demanding work is valued by the courts and by the community, but is not given prominence by political leaders. We recommended that the sentence should be used more comprehensively as it is a demanding and cost effective sanction which makes sense to the public.

Educational Work

We published a series of fact sheets during the year, and revised existing information. This was in response to the ever growing number of requests for information we receive every day from students, schoolchildren and professionals.

We are fortunate in having voluntary help from students themselves when responding to these requests or we simply would not be able to cope with the hundreds of letters we get.

Staff and Council members travel across the country to speak to schools, churches, professional bodies and many other groups about crime and offending.

Citizenship and Crime Project

In August two new staff were employed to manage a new and exciting project to explore issues of citizenship and crime with children. We will:

- inform young people about the rights and responsibilities of citizenship, the criminal justice system, and the positive role they can play in society
- challenge young people about offending and anti-social behaviour
- empower young people to develop social skills and self-esteem, to make informed choices about harmful behaviour, and to influence society.

THE HOWARD LEAGUE FOR PENAL REFORM

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MAY 1997

The three year project entails the running of two-day conferences inside secondary schools run by multi-disciplinary teams of advisors from across the criminal justice and voluntary agencies.

The schedules are being devised and the project will be launched during 1998.

Positive Justice Conference

The fifteenth annual conference of the Howard League was held in New College, Oxford, in September 1997 on the theme of Positive Justice. We provided an international public forum to address positive approaches to offending and to inform the future direction of criminal policy.

Keynote speakers included: Alun Michael MP, Home Office Minister; Sir David Ramsbotham, HM Chief Inspector of Prisons; Helen Reeves, Director of Victim Support; Heather Rabbatts, Chief Executive of Lambeth Council; Tony Leonard, Chief Constable of Humberside police; Ramesh Singh, Commission for Racial Equality; David Roddan, Prison Governors Association; and a question time session was chaired by John McCarthy.

Seminars took place on a wide range of issues from restorative justice to sentencing, from victims to deaths in custody.

International Work

Our work at international level and with the United Nations has developed this year.

The United Nations invited us to send a technical mission to the Federation of Bosnia and Hercegovina and Republic of Srpska. In July Jack Holland, the Assistant Chief Probation Officer in Hampshire, and Christian Kuhn, the Howard League representative at the UN in Vienna, visited Sarajevo to meet government ministers and prison governors. They produced a proposal for throughcare arrangements for prisoners to include post release support and supervision.

David Mathieson acted as advisor to the International Training Workshop in Malta on probation.

Sue Wade attended the UN Crime Commission in Vienna in May 1997, partly to prepare for the Congress in 2000 when we intend to concentrate on juvenile justice and victims and offenders.

We have met with delegations from the Chinese prison service, Russian prison governors and South African voluntary agencies working with prisons.

The European Committee for the Prevention of Torture invited the Howard League to talk to them about our concerns for the prison system before their visit in September.

Scotland

In September 1996 the Howard League set up an office in Scotland as a pilot project. The Faculty of Advocates let us premises adjacent to the law courts and we employed a development officer. She organised an office complete with research information, computer and Internet facilities.

THE HOWARD LEAGUE FOR PENAL REFORM

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MAY 1997

We visited prisons, published fact sheets for educational use on the Scottish prison system, consulted widely with voluntary and statutory agencies, contacted all the SNP Parliamentary candidates during the election campaign, gave talks to local and national organisations like Barnardo's, and gave interviews to television, radio and the press.

The pilot project ended in September. It is hoped that in due course ways will be found to build upon this experience for the benefit of penal reform in Scotland.

Northern Ireland

Our working relationship with the Northern Ireland Prison Service has been very constructive over the past few years. The Director has been to Belfast to speak to the boards of visitors and prison staff, and has visited Lisnevin and Hydebank Wood youth prison.

This year two Howard League staff visited Rathgael secure home for children and had discussions with senior policy advisors in the Northern Ireland Office about proposals for new criminal justice legislation affecting young people. We subsequently raised our concerns about the overly intrusive and punitive nature of the legislative proposals to the new Minister, and we expect to meet him soon.

Media

The staff and council members do an average of 10 local radio interviews every week. We probably talk to 4 or 5 journalists every day, providing background facts and figures and views. The Director appeared on Radio 4's Moral Maze, and interviews were featured on every main television news bulletin.

The Howard Journal and Criminal Justice

A very wide range of articles has been published in the Howard Journal this year, covering domestic and international matters. Articles about female offenders, courts, drugs in prison and probation have been amongst those written by some of the country's foremost criminologists.

The editorial team comprised Professor Nigel Fielding, Professor Leslie Wilkins, Professor Tony Fowles and Brenda McWilliams. The Howard League is very grateful for their guidance and superlative administrative skills.

Criminal Justice Magazine

We are grateful to Psion PLC for sponsoring the magazine this year, which allowed us to send copies to opinion leaders across the criminal justice and political fields. We doubled the print run and have established Criminal Justice magazine as the leading commentary on penal reform.

THE HOWARD LEAGUE FOR PENAL REFORM

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MAY 1997

Liaison

The Howard League's relationship and connections with an extremely wide range of voluntary and statutory agencies are very close and constructive. We have good working relations with the Maternity Alliance, Thames Valley Police, Liberty, the Penal Affairs Consortium, the Children's Society, Common Purpose, Save the Children, secure units, ISTD, NACRO, the probation services, prison governors, and many more.

We sit on joint committees, meet informally and share information. This co-operation minimises duplication of effort and maximises impact.

Staff

Frances Crook	Director
Justine Ashton	Caseworker, Troubleshooter Project (until Dec 96)
Lorraine Atkinson	Citizenship & Crime Project (from August 97)
Helen Butcher	Events & Promotions Officer
Anita Dockley	Policy Officer (maternity leave from August 97)
Mark Grindrod	Youth Policy Officer
Laura Irvine	Scottish Development Officer
Euginia Lolomari	Finance & Membership Officer
Barbara Norris	P.A./Secretary to Director
Concetta Perot	Citizenship and Crime Project (from August 97)
Fran Russell	Legal and Youth Policy Officer

Andrew Rutherford

Chair

Date:

Andrew Rutherford
15 October 1997

THE HOWARD LEAGUE FOR PENAL REFORM

TREASURER'S REPORT

FOR THE YEAR ENDED 31 MAY 1997

Yet again, this year's accounts reflect an increase in the Howard League's activities. The financial statements for the year to 31 May 1997 show total income of £415,350 - 25% above the previous year. Much of this increase was due to an influx of restricted funds, committed to the newly initiated Crime & Citizenship Project.

Against that income, expenditure for the year amounted to £353,211, giving a surplus of £62,139. However the bulk of this was committed to forward projects, so that after account is taken of the money held in restricted funds, the net balance at year end was £4,653.

There was a significant increase of 14% on direct charitable expenditure, standing at £281,688, the greatest part of which as before went on salaries, including pension contributions. The Troubleshooter Project which was in its last year, carried the highest costs of the various projects under way.

Fund raising costs, at £20,449, were held almost at last year's level. We have to expect some increase under this heading, as the campaign to raise money for the property fund gathers pace. This fund now holds £54,446. Management and administration costs were held to a lower level totalling only £51,074, which must rebound strongly to the credit of the Director and staff in their struggle to economise.

There has been no increase in the number of permanent staff employed, but as before we have enjoyed extensively the help of volunteers, to whom as to all our loyal supporters and contributors we pay grateful tribute.

Paul Buxton
Treasurer



Date:

15 October 1997

THE HOWARD LEAGUE FOR PENAL REFORM

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE HOWARD LEAGUE FOR PENAL REFORM

AUDITORS' REPORT

We have audited the financial statements on pages 17 to 26 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 19.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

As described on page 15 the directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

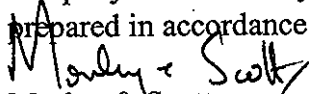
BASIS OF OPINION

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

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

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 May 1997 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Morley & Scott

Chartered Accountants
Registered Auditor

London

..... 15 October 1997

THE HOWARD LEAGUE FOR PENAL REFORM

STATEMENT OF FINANCIAL ACTIVITIES

(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

for the year ended 31 May 1997

		1997	1997	1997	1996
		Unrestricted	Restricted	Total	Total
		Funds	Funds	Funds	Funds
	Notes	£	£	£	£
<u>Incoming resources</u>					
Donations	4	37,405	253,905	291,310	199,252
Membership income		62,768	-	62,768	53,960
Legacy income		11,809	-	11,809	21,617
Investment income		3,110	-	3,110	535
Conferences, seminars and publications		40,549	-	40,549	49,105
Interest receivable		5,804	-	5,804	6,173
Total incoming resources		<u>161,445</u>	<u>253,905</u>	<u>415,350</u>	<u>330,642</u>
<u>Resources expended</u>					
Direct charitable expenditure	5	137,040	144,648	281,688	246,510
Fundraising and publicity	7	13,096	7,353	20,449	19,085
Management and administration	6	51,074	-	51,074	63,575
Total resources expended		<u>201,210</u>	<u>152,001</u>	<u>353,211</u>	<u>329,170</u>
Net incoming/(outgoing) resources		<u>(39,765)</u>	<u>101,904</u>	<u>62,139</u>	<u>1,472</u>
<u>Other recognised gains and losses</u>					
Unrealised gains on revaluation of investments		7,214	-	7,214	325
Unrealised losses on revaluation of long leasehold property		-	-	-	(63,500)
Net movement in funds		<u>(32,551)</u>	<u>101,904</u>	<u>69,353</u>	<u>(61,703)</u>
Balance at 1 June 1996		8,335	98,791	107,126	168,829
Transfer between funds		28,869	(28,869)	-	-
Balance at 31 May 1997	16	<u>£4,653</u>	<u>£171,826</u>	<u>£176,479</u>	<u>£107,126</u>

All income and surpluses derive from continuing activities. All recognised gains and losses are shown above.

THE HOWARD LEAGUE FOR PENAL REFORM

BALANCE SHEET

as at 31st May 1997

	<u>Notes</u>	£	<u>1997</u> £	£	<u>1996</u> £
FIXED ASSETS					
Tangible assets	9		83,765		85,294
Investments	10		57,539		50,325
			<u>141,304</u>		<u>135,619</u>
CURRENT ASSETS					
Stocks - goods for resale		99		61	
Debtors	11	10,477		3,241	
Cash at bank and in hand		124,063		72,004	
		<u>134,639</u>		<u>75,306</u>	
CREDITORS: amounts falling due within one year	12	(29,018)		(29,331)	
NET CURRENT ASSETS			<u>105,621</u>		<u>45,975</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>246,925</u>		<u>181,594</u>
CREDITORS: amounts falling due after more than one year	13		(70,446)		(74,468)
NET ASSETS			<u><u>£176,479</u></u>		<u><u>£107,126</u></u>
INCOME FUNDS					
Unrestricted funds			4,653		8,335
Restricted funds	14		171,826		98,791
	16		<u><u>£176,479</u></u>		<u><u>£107,126</u></u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies.

The financial statements were approved by the Board on 15 October 1997.

Andrew Rutherford
Director

Andrew Rutherford

Paul Buxton
Director

Paul Buxton

THE HOWARD LEAGUE FOR PENAL REFORM

NOTES TO THE ACCOUNTS

for the year ended 31st May 1997

1. ACCOUNTING POLICIES

a) Basis of accounting

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards and include the results of the company's operations as indicated in the directors' report, all of which are continuing. The financial statements follow the recommendations in Statement of Recommended Practice: Accounting for Charities.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

b) Depreciation

Depreciation is calculated to write off the cost of tangible fixed assets on a straight line basis over their estimated useful 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

c) Stocks

Stocks have been valued at the lower of cost and net realisable value.

d) Investments

Fixed asset investments are valued on the basis of a mid market value at the Balance Sheet date.

Any gain or loss arising on revaluation is taken to the Statement of Financial Activities.

e) Income

Donations, legacies, membership income and fixed asset investment income are accounted for on a receivable basis by the company.

THE HOWARD LEAGUE FOR PENAL REFORM

NOTES TO THE ACCOUNTS

for the year ended 31st May 1997

1. ACCOUNTING POLICIES - Continued

f) Apportionment of expenses

Salaries, National Insurance, pension costs and office overheads are apportioned between Direct Charitable Expenditure and Other Expenditure based upon a fair estimate of time spent by employees in each area.

g) Restricted funds

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of management costs.

h) Value Added Tax

The Company is registered for VAT. The accounts include any irrecoverable VAT under Management and Administration expenses.

	<u>1997</u> £	<u>1996</u> £
2. <u>OPERATING SURPLUS</u>		
This is stated after charging the following:		
Depreciation on owned assets	£3,368 =====	£2,531 =====
Auditors' remuneration	£3,500 =====	£3,650 =====
Hire costs and operating leases	£2,875 =====	£3,298 =====
Interest payable on loans repayable in more than five years	£5,805 =====	£6,575 =====
and after crediting:		
Interest receivable and similar income	£5,804 =====	£6,173 =====

3. TAXATION

The Company is not liable to corporation tax as its activities are solely for charitable purposes.

THE HOWARD LEAGUE FOR PENAL REFORM

NOTES TO THE ACCOUNTS

for the year ended 31st May 1997

4. <u>DONATIONS</u>	1997		1997	1996
	Unrestricted	Restricted	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
General donations	37,405	-	37,405	126,731
Legal Policy Officer	-	17,500	17,500	-
Events & Promotions Officer	-	24,000	24,000	-
Troubleshooter Appeal	-	32,079	32,079	35,000
Imprisonment of Girls	-	23,500	23,500	-
No Child Jails Project	-	19,483	19,483	22,323
Property fund donations	-	13,192	13,192	15,198
Crime and citizenship	-	101,225	101,225	-
General election	-	10,200	10,200	-
Scottish Office	-	12,726	12,726	-
	<u>£37,405</u>	<u>£253,905</u>	<u>£291,310</u>	<u>£199,252</u>

5. DIRECT CHARITABLE EXPENDITURE

Salaries and National Insurance	79,008	102,560	181,568	165,533
Recruitment	-	1,052	1,052	-
Books and literature	833	5,644	6,477	4,787
Howard Journal and Criminal Justice	23,642	-	23,642	23,240
Conference and seminar expenses	9,663	857	10,520	11,088
Travelling expenses	3,636	4,491	8,127	5,947
Publication costs	4,062	13,021	17,083	12,509
Telephone and postage	3,425	10,486	13,911	9,814
Stationery	3,459	877	4,336	-
Subscriptions	2,013	1,898	3,911	687
Staff training	-	99	99	832
Equipment hire	-	589	589	682
Legal and Professional	-	-	-	759
Miscellaneous expenses	804	2,574	3,378	4,963
Premises costs and other overheads	6,495	500	6,995	5,669
	<u>£137,040</u>	<u>£144,648</u>	<u>£281,688</u>	<u>£246,510</u>

THE HOWARD LEAGUE FOR PENAL REFORM

NOTES TO THE ACCOUNTS

for the year ended 31st May 1997

	1997		1997	1996
	Unrestricted	Restricted	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
6. <u>MANAGEMENT AND ADMINISTRATION</u>				
Salaries and National Insurance	21,125	-	21,125	21,531
Telephone and postage	6,008	-	6,008	6,542
Travelling expenses	903	-	903	661
Audit and accountancy	3,500	-	3,500	3,650
Miscellaneous expenses	1,151	-	1,151	465
Meetings and conference expenses	554	-	554	612
Printing and stationery	5,934	-	5,934	5,377
Recruitment advertising	434	-	434	2,796
Bank charges	1,583	-	1,583	1,504
Equipment maintenance	661	-	661	1,275
Staff training	202	-	202	1,069
Equipment hire	2,286	-	2,286	2,616
Irrecoverable VAT	-	-	-	7,283
Premises costs and other overheads	928	-	928	1,619
Mortgage interest	<u>5,805</u>	<u>-</u>	<u>5,805</u>	<u>6,575</u>
	<u>£51,074</u>	<u>£ -</u>	<u>£51,074</u>	<u>£63,575</u>
7. <u>FUNDRAISING AND PUBLICITY</u>				
Salaries and National Insurance	2,833	-	2,833	3,871
Greeting cards	2,868	-	2,868	3,121
Printing, postage and stationery	5,539	3,112	8,651	9,522
Professional	-	4,241	4,241	-
Fundraising costs	-	-	-	1,762
Premises costs and other overheads	<u>1,856</u>	<u>-</u>	<u>1,856</u>	<u>809</u>
	<u>£13,096</u>	<u>£7,353</u>	<u>£20,449</u>	<u>£19,085</u>
8. <u>STAFF COSTS</u>			<u>1997</u>	<u>1996</u>
			£	£
Staff costs during the year were as follows:				
Salaries and pensions			187,844	174,311
Social security			17,682	16,624
			<u>£205,526</u>	<u>£190,935</u>

The average monthly number of persons employed by the company during the year was as follows:-

	<u>1997</u>	<u>1996</u>
Direct objectives	7	7
Management and Administration	1	1
	<u>8</u>	<u>8</u>

There was one employee in the year whose emoluments fell within the band of £40,000-£50,000. The directors received no remuneration in the year. Directors reimbursed expenses during the year in respect of attendance at meetings did not exceed £1,000.

THE HOWARD LEAGUE FOR PENAL REFORM

NOTES TO THE ACCOUNTS

for the year ended 31st May 1997

9. TANGIBLE FIXED ASSETS

	Long Leasehold <u>Premises</u>	Computer	Fixtures, Furniture & Equipment	Library <u>Books</u>	<u>Total</u>
	£	£	£	£	£
COST					
At beginning of year	80,000	18,183	10,665	2,018	110,866
Additions	-	1,633	206	-	1,839
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At end of year	<u>£80,000</u>	<u>£19,816</u>	<u>£10,871</u>	<u>£2,018</u>	<u>£112,705</u>
DEPRECIATION					
At beginning of year	-	16,717	6,838	2,017	25,572
Charge for year	-	2,282	1,086	-	3,368
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At end of year	<u>£ -</u>	<u>£18,999</u>	<u>£7,924</u>	<u>£2,017</u>	<u>£28,940</u>
NET BOOK VALUE					
At end of year	<u>£80,000</u>	<u>£817</u>	<u>£2,947</u>	<u>£ 1</u>	<u>£83,765</u>
At beginning of year	<u>£80,000</u>	<u>£1,466</u>	<u>£3,827</u>	<u>£ 1</u>	<u>£85,294</u>

The long leasehold property was revalued by the directors on the basis of open market value on 31 May 1997.

The net book value at 31 May 1997 represents fixed assets used for:

	Long Leasehold <u>Premises</u>	Computer	Fixtures, Furniture & Equipment	Library <u>Books</u>	<u>Total</u>
	£	£	£	£	£
Direct charitable purposes	70,000	715	2,579	1	73,295
Fund raising and publicity	1,000	10	37	-	1,047
Management and administration	9,000	92	331	-	9,423
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>£80,000</u>	<u>£ 817</u>	<u>£ 2,947</u>	<u>£ 1</u>	<u>£83,765</u>

THE HOWARD LEAGUE FOR PENAL REFORM

NOTES TO THE ACCOUNTS

for the year ended 31st May 1997

10. FIXED ASSET INVESTMENTS

	£
Listed Investments:	
Market value at 1 June 1996	50,325
Net gains on revaluation at 31 May 1997	7,214
	<hr/>
Market value at 31 May 1996	£57,539
	<hr/>
Historic cost:	
At 31 May 1997	£50,000
	<hr/>

At 31 May 1997 the charity held units in the CAF Balanced Growth Fund with a market value of £44,880.32 and held units in CAF Income Fund with a market value of £12,658.35. Each of these holdings represents more than 5% of the market value of listed investments held at 31 May 1997.

11. DEBTORS

	<u>1997</u>	<u>1996</u>
	£	£
Income tax recoverable	1,133	1,465
VAT recoverable	6,843	-
Prepayments and accrued income	2,501	1,776
	<hr/>	<hr/>
	£10,477	£3,241
	<hr/>	<hr/>

12. CREDITORS - amounts falling due within one year

	<u>1997</u>	<u>1996</u>
	£	£
Operating creditors	9,777	13,049
Accruals	19,241	16,282
	<hr/>	<hr/>
	£ 29,018	£29,331
	<hr/>	<hr/>

THE HOWARD LEAGUE FOR PENAL REFORM

NOTES TO THE ACCOUNTS

for the year ended 31st May 1997

13. CREDITORS: amounts falling due after more than one year

	<u>1997</u>	<u>1996</u>
	£	£
Mortgage loan	£70,446	£74,468
	<u> </u>	<u> </u>

The mortgage is secured by a charge over the long leasehold property and is repayable on or before 18.12.2009. The average annual rate of interest charged during the year was 8 per cent.

14. RESTRICTED FUNDS

	<u>Balance</u> <u>b/f</u>	<u>Incoming</u> <u>Resources</u>	<u>Expenditure</u>	<u>Transfer to</u> <u>Unrestricted</u> <u>Funds</u>	<u>Balance</u> <u>c/f</u>
	£	£	£	£	£
Troubleshooter Appeal	34,504	32,079	47,892	(9,488)	9,203
Imprisonment of Girls	-	23,500	16,492	(7,008)	-
No Child Jails	18,792	19,483	22,731	(7,598)	7,946
Crime & Citizenship	-	101,225	4,553	-	96,672
General Election	-	10,200	5,401	(4,799)	-
Scottish Office	-	12,726	12,750	24	-
Legal Policy Officer	-	17,500	17,500	-	-
Events & Promotions Officer	-	24,000	20,441	-	3,559
	<u>53,296</u>	<u>240,713</u>	<u>147,760</u>	<u>(28,869)</u>	<u>117,380</u>
Property Fund	45,495	13,192	4,241	-	54,446
	<u>£ 98,791</u>	<u>£253,905</u>	<u>£152,001</u>	<u>£ (28,869)</u>	<u>£171,826</u>

Transfers to unrestricted funds in respect of the Troubleshooter Appeal, No Child Jails, General Election and Imprisonment of Girls relate to project management costs.

THE HOWARD LEAGUE FOR PENAL REFORM

NOTES TO THE ACCOUNTS

for the year ended 31st May 1997

15. ANALYSIS OF GROUP NET ASSETS
BETWEEN FUNDS AT 31 MAY 1997

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Tangible assets	83,765	-	83,765
Investments	17,851	39,688	57,539
Current assets	2,501	132,138	134,639
Current liabilities	(29,018)	-	(29,018)
Non current liabilities	(70,446)	-	(70,446)
	<u>£4,653</u>	<u>£171,826</u>	<u>£176,479</u>

Unrealised gains and losses included above:

On revaluation of:-

Investment assets in year	7,214	-	7,214
	<u>£7,214</u>	<u>£ -</u>	<u>£7,214</u>

The directors consider that the charity has sufficient resources held in an appropriate form to enable each fund to be applied in accordance with the restrictions imposed.

16. RECONCILIATION OF MOVEMENT
IN TOTAL FUNDS

	<u>1997</u>	<u>1996</u>
	£	£
At beginning of year	107,126	168,829
Net incoming resources	69,353	1,472
Other recognised gains and losses	-	(63,175)
	<u>£176,479</u>	<u>£107,126</u>

17. LIMITED LIABILITY

The company is limited by guarantee. Every member of the company guarantees to contribute a maximum of £1 on winding up, including up to one year after ceasing to be a member.

THE HOWARD LEAGUE FOR PENAL REFORM

ANALYSIS OF INCOME

for the year ended 31 May 1997

	<u>1997</u>	<u>1996</u>
	£	£
<u>MEMBERSHIP INCOME</u>		
Subscriptions and payments under covenant	53,933	48,909
Income tax recoverable thereon	8,835	5,051
	<hr/>	<hr/>
	£62,768	£53,960
	<hr/>	<hr/>
<u>CONFERENCES, SEMINARS AND PUBLICATIONS</u>		
Royalties	4,326	4,008
Sale of books and literature	11,596	11,926
Sale of greeting cards	7,182	6,948
Conferences and seminars	17,445	26,223
	<hr/>	<hr/>
	£40,549	£49,105
	<hr/>	<hr/>