

**The Howard League for Penal Reform
(Incorporating the Howard Centre for Penology)
(A Company Limited by Guarantee)**

**Annual Report and Accounts
for the Year Ended 31 May 2007**

**Company No 898514
(England & Wales)**

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Trustees Report for the Year Ended 31 May 2007

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Directors	Sue Wade Coral Newton
Secretary	Frances Crook
Status	Company Limited By Guarantee
Number	898514
Charity Number	251926
Vat Registration	639 7327 66
Registered Office	1 Ardleigh Road London N1 4HS
Auditors	Morley And Scott Lynton House 7-12 Tavistock Square London WC1H 9LT
Bankers	National Westminster Bank Plc P O Box 5038 53 Victoria Street London SW1P Caf Bank Ltd Kings Hill West Malling Kent ME19 4TA

Purpose and Objects

The Howard League for Penal Reform is the oldest penal reform charity in the UK. It was established in 1866 and is named after John Howard, one of the first prison reformers. The principle activity of the company is that of a charity working for humane reform of the Penal system.

Our Core Beliefs

- The Howard League for Penal Reform works for a safe society where fewer people are victims of crime
- The Howard League for Penal Reform believes that offenders must make amends for what they have done and change their lives
- The Howard League for Penal Reform believes that community sentences make a person take responsibility and live a law-abiding life in the community

The Howard League for Penal Reform is entirely independent of government and is funded by voluntary donations.

The results for the year and the financial position at the year-end were considered satisfactory.

Governance

Directors and Trustees

The directors of the charitable company are its trustees for the purpose of charity law and are collectively referred to as the trustees throughout this report

The trustees serving during the year and since the year-end are as follows

Chair	Dick Whitfield (Resigned 31 January 2007) Sue Wade (Appointed 31 January 2007)
Vice Chairs	Professor David Wilson Sue Wade (Until 31 January 2007)
Honorary Treasurer	Brian Hooper (Resigned 15 November 2006) Coral Newton (Appointed 15 November 2006)
Honorary Solicitor	Monty Raphael Jan Anderson Hon Sue Baring OBE Pauline Campbell Professor Pat Carlen (Resigned January 2007) April Chidgey (Co-opted October 07) Martin Davis Professor Barry Goldson Caroline Newman Lynne Ravenscroft John Samuels (Co-opted October 07) John Staples Professor Pamela Taylor Peter Thornton QC Dr Azrini Wahidin Cynthia Winifred Dick Whitfield

Lord Carlile of Bernew QC is President of the Howard League for Penal Reform

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. The board meets formally three times a year.

The Board has three sub-committees, chaired by the vice chair, honorary treasurer and solicitor.

Finance and Personnel committee this committee encourages and safeguards the highest standards of integrity, financial reporting and internal control and oversees the organisation's risk assessment and management process.

Policy and Campaigns committee this committee encourages policy and campaign development, co-ordinates consultations with government and other NGOs.

Legal management committee this committee reviews the work of the legal department and reports to the board of trustees on the performance of the legal department against the contract with the Legal Services Commission

The board delegates the day-to day operation of the organisation to the Chief Executive

Trustees Recruitment and Training

Recruitment of new trustees is through trustee nomination and advertisement. New trustees join the board at the invitation of the board. 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 always seeks to ensure that there is appropriate balance of experience relevant to the operations of the Howard League for Penal Reform.

Annually there is a trustees training day. In addition, individual trustees are provided with internal and external training as appropriate to their needs and requirements in their role as trustee of the Howard League for Penal Reform.

Risk Management

The trustees have overall responsibility for the Howard League for Penal Reform system of internal control. The system provides for reasonable assurance that the organisation operates efficiently and effectively, safeguards its assets, maintains proper records and complies with relevant laws and regulations.

The trustees have identified and reviewed the major strategic, business and operational risks, which the charity faces. These are recorded on a risk register, which is reviewed annually to ensure that appropriate systems are in place to manage and mitigate those risks.

Achievements and Performance

The trustees are in the process of setting performance indicators for the range of work covered by the Howard League

The Howard League for Penal Reform achieved its objectives as set out in the last annual review (2006)

During the year ended 31 May 2007 the Howard League for Penal Reform has focused on

Commission on English Prisons Today

The Howard League for Penal Reform has established a commission which will consider the principles, purpose and limits of a penal system and how it should sit alongside other social policy strategies

The Commission will prompt public debate using local and national media, consultation meetings with key players, seminars and public events including evidence sessions in public, feature articles, consultation papers, website consultations/questionnaires and other ways of engaging with people

Commissioners will make visits to explore new ideas and discover where effective and systemic change has been achieved. A final report will be published in 2009

Terms of Reference

- 1 To investigate the purpose and proper extent of the use of prison in the 21st century
- 2 To consider how best to make use of the range of community sentences that currently exist, the principles that should guide them and to explore new ideas
- 3 To consider the role of the media - both broadcast and print, in helping to re-shape the debate about the reform and proper use of imprisonment
- 4 To investigate those issues which drive up the prison population in an age of globalisation
- 5 To place any recommendations within the broader workings of the Criminal Justice System of England and Wales, giving due consideration to international development

Barbed

Since the late 1990s, the Howard League for Penal Reform has been investigating the reality of the work experience in prison and making recommendations to encourage good practice

Towards the end of 2005 we signed a joint venture agreement with the prison service to set up barbed – a design studio run by the Howard League as a social enterprise inside HMP Coldingley. All the profits made are re-invested in the enterprise to further its social goals and into helping prisoners' experiences in prison equip them for a law-abiding life

This is the only example in the country where prisoners pay tax and NI, doing real work for real customers

The contract with the prison service was renewed this year and currently Barbed has five prisoners employed. Barbed is now well established, with an increasing client base and repeat custom. We have also appointed a marketing officer based in the Howard League office

As part of their compact the prisoners contribute 30% gross wages to a special fund that will be managed by a committee comprising a prisoner/employee, a representative from Coldingley and the Howard League for Penal Reform. This fund will not be used for any core function of the prison but on initiatives that enhance prison life and for visitors' arrangements. As of date donations have been made from this fund to Prisoners Education Trust and Send Family Link. To hold a family play day in HMP Coldingley. As at 31 May 2007 Barbed had five employees plus a senior designer, the studio manager was on maternity leave from April 2007.

Legal Work for Children in Custody

The Howard League for Penal Reform's legal team was established in 2002 following the landmark victory the organisation achieved in the Children Act case. The team acts on behalf of young people under the age of 21 in custody. It provides the only dedicated legal service for young people in custody in England and Wales.

In the last year our lawyers have represented over 100 children in custody. Almost all the children had suffered abuse and neglect, many had a history of being in care or had been homeless. The work concentrated on the needs of children about to be released from penal institutions and the conditions and treatment they were subjected to whilst in detention.

In April 2007 we launched the Young Adults work as part of the legal work, to advocate for young adults 18-25 yrs in custody.

There are currently three solicitors working in this area.

Community Sentences Cut Crime Campaign

Community sentences have continued to be a major focus of our campaigning activity.

The community sentences cut crime campaign has three strands:

- 1 Community Programmes Awards that celebrate the most successful schemes round the country.
- 2 Open days for the programmes that win an award. We have organised displays and discussions so that local magistrates, councillors, police and media can find out about the projects and meet with users and victims who have benefited from the work they do.
- 3 A handbook on good practice to be published next year, featuring practical guidance and a set of principles applicable to all community sentences. This year we continued with the open days and 10 awards were given to projects from all over the country.

Student Societies

During the year we continued to encourage students to get involved through a number of student societies. In 2006 and 2007 further student societies were established, as at the year-end there are 13 student societies

Parliamentary

We maintain regular contact with ministers from various departments and MPs and peers from all parties

International

Sue Wade represented the Howard League at the United Nations Crime Commission meeting in Vienna and pressed the case for international standards for the treatment of prisoners to be respected

We are part of the consultation process for the UK government report to the UN committee on the Rights of the Child for next year

Fundraising and Social Events

We rely on voluntary donations from trusts and individuals and this is an opportunity to record the gratitude of everyone working within the charity to all those who made donations to the work

This year we have been particularly successful in securing funding for our core activities and for identified areas of work. We have good relationships with a number of trusts and individuals who have supported our work for many years and on whom we rely for our achievements

Lord Carlile held a reception for the Howard League for Penal Reform on the terraces in the House of Commons in April

25 Bedford Row hosted a debate for members and supporters of the Howard League in May

The Community Awards ceremony was held in the House of Commons hosted by Baroness Linklater

Plans for the Future

The Charity will continue the work of

- The Commission on English Prisons Today
- Barbed, the social enterprise design studio
- Student involvement in penal reform through the establishment of college based groups
- Research on various issues arising from the penal system including the treatment of long term prisoners, the future of community sentences and suicides in prison
- Legal intervention on behalf of children and young adults in custody
- Public education through informed discussion in the media and through liaison and contacts with other organisations
- Promoting the principles of penal reform with key opinion leaders and political leaders

Financial Review

Results for the Year

The end of the year sees the Howard League's finances in a healthy position thanks to the efforts of Frances Crook and her team. Once again, income has stayed ahead of expenditure, giving us a surplus on operational activities of £187,963 in the year.

Although the level of general donations was lower than originally forecast, this was more than compensated for by income from legacies and a windfall £250,000 from the sale of 49% share of copyright of the Howard Journal.

Frances has continued to secure funding to support specific projects, including our legal work for children and young adults and the Barbed design studio. The legal team has been successful in securing court cost awards and continues to receive contract funding from the Legal Services Commission.

Following the Carter review the Legal Services Commission are in consultation with all their contractors to streamline the funding of the contracts.

Membership continues to provide a steady and important stream of income. Although the income from the student societies is modest, we hope that they will be encouraged to become long-term supporters of the Howard League into the future.

During the year the trustees undertook a review of the pension arrangements for staff, in comparison with schemes operated by similar organisations. As a result of this, the trustees agreed that pension contributions on behalf of staff should be increased from 8% to 10%.

Reserves

The accounts show a significant increase in the total value of the charity's funds, from £1.3m at May 2006 to £2.1m at May 2007. A major part of this reflects a revaluation of our office at Ardleigh Road, nearly doubling its value to £1.2m. While it is good to see our assets appreciate in this way, it does not represent an increase in disposable funds.

The total value of funds at the year-end was £2,105,967 made up as follows:

Tangible Assets (property and equipment)	£1,210,440
Investments	£242,358
Current assets less current liabilities (cash and debtors, less creditors)	£653,169

Of this, £874,611 represents restricted funds, including property that represents donations received for a specific project or purpose and not available for general use. The free reserves of the charity, after excluding property and other restricted funding, and taking account of current and future commitments, is £1,231,356.

The charity's policy is to maintain its funds at a level, which will enable it to meet its future commitments and ensure that there are adequate funds to run the charity for a period of at least one year.

Investments

The trustees have the power to invest in such assets as they see fit. They have agreed an ethical investment policy, which states that:

The investments, whether in stocks and shares, land or property made on behalf of the Howard League for Penal Reform must be compatible with its aims, unless there are exceptional circumstances to do otherwise.

Within these constraints, investment will be aimed at securing the well-being of the Howard League for Penal Reform.

The trustees will review investments in the light of this policy annually.

During the year there was no change in the portfolio of investments held; the returns for the year were in line with expectations. The trustees continue to review the portfolio and seek investment advice from management funds in drawing up investment plans on a longer term basis.

The Financial Statements

The financial statements are presented in the standard format required by the Charities (Accounts and Reports) Regulations 2005 and the Charity Statements Of Recommended Practice 2005

The Statement of Financial Activities (SOFA) shows the gross income from all sources and the split of activity between restricted and unrestricted funds

Statement of Directors' Responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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

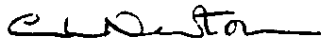
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with The Companies Act 1985. They are also responsible for safeguarding the assets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

Statement of Disclosure to Auditor

- a) So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- b) They have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

This report has been prepared in accordance with the special provisions of Part VII Of The Companies Act 1985 relating to small companies

On behalf of the board



Hon. Treasurer

10 October 2007

Independent Auditor's Report to the members of the Howard League for Penal Reform

We have audited the financial statements of the Howard League for Penal Reform for the year ended 31 May 2007, which comprise of the Statement of Financial Activities and the Balance Sheet, and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity'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

The trustees' (who are also the directors of the Howard League for Penal Reform for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Trustees' Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the [Companies Act 1985]. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Audit Opinion

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

We planned and performed our audit so as to obtain all 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, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the charity's affairs as at 31 May 2007, and of its incoming resources and application of resources, including its income and expenditure, in the year then ended*
- *The financial statements have been properly prepared in accordance with the Companies Act 1985 and*
- *The information given in the Trustees' Annual Report is consistent with the financial statements*

Morley and Scott
Morley and Scott

8 November 2007

Chartered Accountants
Registered Auditors
London

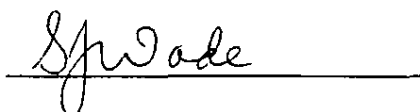
Statement of Financial Activities (Incorporating an income and expenditure account) for the year ended 31 May 2007					
	Notes	Unrestricted Funds	Restricted Funds	2007 Total Funds	2006 Total Funds
Incoming Resources		£	£	£	£
Incoming Resources from Generated Funds					
Voluntary Income	5	343,332	178,499	521,831	676,992
Investment Income	6	27,314	-	27,314	18,507
Incoming Resources from Charitable Activities	7				
Membership Income		83,194	-	83,194	84,896
Conferences and Publications		28,418	-	28,418	39,901
Miscellaneous Income		262,408	13,070	275,478	9,404
Other Incoming Resources	8	182,619	-	182,619	177,036
Total Incoming Resources		927,285	191,569	1,118,854	1,006,736
Resources Expended					
Costs of Generating Voluntary Income		19,285	8,874	28,159	13,299
Charitable Activities		537,970	319,968	857,938	826,895
Governance Costs		44,795	-	44,795	33,562
Total Resources Expended	9	602,050	328,842	930,892	873,756
Net Incoming Resources before Transfers	2	325,236	(137,273)	187,963	132,980
Gross Transfer to Restricted Funds	17	(38,444)	38,444	-	-
Net Income/expenditure for the Year		286,792	(98,829)	187,963	132,980
Other Recognised Gains and Losses					
Unrealised Gains on assets	19	30,150	550,000	580,150	18,515
Net Movements in Funds		316,942	451,171	768,113	151,495
Reconciliation of Funds					
Total Funds brought forward		914,414	423,440	1,337,854	1,186,359
Total Funds carried forward	20	1,231,356	874,611	2,105,967	1,337,854

There are no surplus or deficits other than those passing through the Statement of Financial Activities

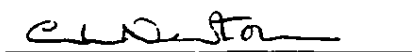
Balance Sheet as at 31 May 2007					
	Notes		2007		2006
Fixed Assets:		£	£	£	£
Tangible Assets	12		1,210,440		666,458
Investments	13		242,358		212,208
Total Fixed Assets			1,452,798		878,666
Current Assets:					
Stocks		1		1	
Debtors	14	144,738		117,725	
Cash at bank and in hand		639,522		452,630	
Total Current Assets		784,261		570,356	
Liabilities:					
Creditors amounts falling due within one year	15	(106,092)		(86,168)	
Net Current Assets			678,169		484,188
Total Assets Less Current Liabilities			2,130,967		1,362,854
Creditors amounts falling due after more after more than one year	16		(25,000)		(25,000)
Net Assets			2,105,967		1,337,854
The Funds of the Charity:					
Restricted Funds	17		324,611		423,440
Revaluation Reserve			550,000		-
Unrestricted Funds	18		1,231,356		914,414
Total Charity Funds	20		2,105,967		1,337,854

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

These financial statements were approved by the Board on 10 October 2007



Sue Wade
Director



Coral Newton
Director

Notes to the Accounts for the Year Ended 31 May 2007

1) Accounting Policies

a) Basis of Accounting

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

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain fixed assets. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in October 2005 and applicable accounting standards.

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

b) Compliance with Accounting Standards

The financial statements are prepared in compliance with applicable accounting standards.

c) 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

d) Stocks

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

e) Investments

Fixed assets 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.

f) Income

The company accounts for donations, legacies, membership income and fixed asset investment income on a receivable basis.

g) Apportionment of Expenses

Salaries, national insurance, pension costs and office overheads are apportioned between Charitable Activities Expenditure and other expenditure based upon a fair estimate of time spent by employees in each area.

h) 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

i) Value Added Tax

The company is registered for VAT. The accounts include any irrecoverable VAT under management and administration expenses

j) Pensions

Defined contribution

	2007 £	2006 £
Contributions payable by the company for the year	40,033	38,930

2) Net Incoming Resources

This is stated after charging the following

	2007 £	2006 £
Depreciation on owned assets	24,578	18,305
Auditors' remuneration	10,075	7,700
Hire costs and operating leases	2,328	1,746
Interest receivable and similar income	17,324	11,908

3) Taxation

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

4) Operating Leases

Rentals payable under operating leases are charged against income on a straight-line basis over the lease term

Notes to the accounts for the year ended 31 May 2007

5. Voluntary Income				
Donations	Unrestricted Funds	Restricted Funds	2007 Total Funds	2006 Total Funds
	£	£	£	£
General Donations	133,784	-	133,784	137,961
Citizenship & Crime Programme	-	-	-	38,600
Youth Justice Law and Helpline	-	69,372	69,372	43,661
Social Enterprise in Prison	-	66,037	66,037	83,570
Big Lottery Fund (Out For Good)	-	23,780	23,780	59,291
Child Welfare Project	-	10,000	10,000	25,200
Siblings Project	-	6,950	6,950	3,500
Student Societies	-	1,200	1,200	1,000
Senior Policy Officer	-	-	-	60,000
Community Interventions Campaign	-	1,160	1,160	29,323
Knives Culture Funding Proposal	-	-	-	4,732
Income Tax Recoverable on Donations Receipts	2,500	-	2,500	4,110
	136,284	178,499	314,783	490,948
Legacies	207,048	-	207,048	186,044
Total Voluntary Income	343,332	178,499	521,831	676,992
6. Investment Income				
Income from Stocks and Shares	9,990	-	9,990	6,599
Interest Receivable	17,324	-	17,324	11,908
Total Investment Income	27,314	-	27,314	18,507
7. Incoming Resources from Charitable Activities				
Membership Income				
Subscription and Payments Under Covenant	64,561	-	64,561	68,455
Income Tax Recoverable on Subscriptions Receipts	18,633	-	18,633	16,441
	83,194	-	83,194	84,896
Conferences and Publications				
Sales from Greeting Cards	500	-	500	617
Royalties	11,208	-	11,208	10,592
Sale of Books and Literature	10,048	-	10,048	12,559
Conference Fees	6,662	-	6,662	16,133
	28,418	-	28,418	39,901
Miscellaneous Income				
Rental Income	8,500	-	8,500	8,500
Service Charge and Other Income	3,908	13,070	16,978	904
49% Share Sale of the Copyright	250,000	-	250,000	-
	262,408	13,070	275,478	9,404
Total Incoming Resources from Charitable Activities	374,020	13,070	387,090	134,201

8. Other Incoming Resources					
	Unrestricted Funds	Restricted Funds	2007 Total Funds	2006 Total Funds	
Legal Services Commission Income	140,339	-	140,339	71,387	
Court Costs Awards	42,280	-	42,280	105,649	
Total Other Incoming Resources	182,619	-	182,619	177,036	
9. Analysis of Total Resources Expended					
	Staff Costs	Support Costs	Other Direct Costs	Total 2007	Total 2006
Unrestricted Funds	£	£	£	£	£
Cost of Generating Voluntary Funds	-	4,631	14,654	19,285	8,567
Charitable Activities Expenditure					
Policy, Research and Campaigns	189,737	18,125	38,634	246,496	162,872
Events, Conferences and Publications	39,125	17,731	54,390	111,246	87,700
Legal Services for Young People	80,248	20,060	79,920	180,228	130,017
Governance	15,565	17,137	12,093	44,795	33,562
Total Unrestricted Resources Expended	324,675	77,684	199,691	602,050	422,718
All support costs are allocated on the basis of staff time					
Restricted Funds					
Cost of Generating Voluntary Funds					
Campaigns	-	8,874	-	8,874	4,732
Charitable Activities Expenditure					
Youth Justice Law and Helpline	69,372	-	-	69,372	45,652
Social Enterprise in prison	115,846	-	32,824	148,670	123,308
Citizenship and Crime Programme	2,622	-	-	2,622	35,978
Child Welfare Project	35,412	-	323	35,735	19,535
Out For Good Research	16,840	-	7,419	24,259	74,067
Senior Policy Officer	30,000	-	-	30,000	30,000
Student Societies	1,200	-	-	1,200	1,000
Community Interventions Campaign	-	-	1,160	1,160	38,657
Siblings Project	-	-	6,950	6,950	4,082
Carlile Inquiry	-	-	-	-	57,384
Policy and Communications Post	-	-	-	-	15,058
Email Educational Campaign	-	-	-	-	1,585
Total Restricted Resources Expended	271,292	8,874	48,676	328,842	451,038

12. Tangible Fixed Assets					
	Freehold Property	Computers	Furniture & Equipment	Library Books	Total
	£	£	£	£	£
Cost					
At Beginning of Year	650,000	69,939	30,645	2,018	752,602
Revaluation	550,000	-	-	-	550,000
Additions	-	14,265	4,295	-	18,560
At End of Year	1,200,000	84,204	34,940	2,018	1,321,162
Depreciation					
At beginning of year	-	55,988	28,139	2,017	86,144
Charge for the year	-	21,084	3,494	-	24,578
At End of Year	-	77,072	31,633	2,017	110,722
Net Book Value					
At end of year	1,200,000	7,132	3,307	1	1,210,440
At beginning of year	650,000	13,951	2,506	1	666,458
The net book value at 31 May 2007 represents fixed assets used for					
	Freehold Property	Computers	Fixtures Furniture & Equipment	Library Books	Total
	£	£	£	£	£
Charitable Activities	1,050,000	6,241	2,894	1	1,059,136
Cost of Generating Voluntary Income	15,000	89	41	-	15,130
Governance Costs	135,000	802	372	-	136,174
	1,200,000	7,132	3,307	1	1,210,440

Notes to the accounts for the year ended 31 May 2007

13. Fixed Assets Investments		
Freehold Property		
The freehold property at 1 Ardleigh Road, London N1 4HS was valued on 25th January 2007 by Copping Joyce Chartered Surveyors LLP (Independent Valuers)		
	2007	2006
Listed Investments:	£	£
Market value at 1 June 2006	212,208	193,693
Net gain on revaluation	30,150	18,515
Market value at 31 May 2007	242,358	212,208
As of 31 May 2007 the charity held units in the Caf UK Equity Growth Fund with a market value of £160,128 and units in Caf bond income fund with a market value of £49,715. Each of these holdings represents more than 5% of the market value of listed investments held at 31 May 2007		
14. Debtors		
	2007	2006
	£	£
Income Tax Recoverable	7,719	8,515
Prepayments and Accrued Income	137,019	109,210
	144,738	117,725
15. Creditors- amounts falling due within one year		
Operating Creditors	13,525	34,025
VAT due	41,985	4,983
PAYE Liability	391	-
Accruals & Deferred Income	50,191	47,160
	106,092	86,168
16. Creditors: amounts falling due after more than one year		
Loans	25,000	25,000
	25,000	25,000
Loan Maturity Analysis		
Between Two and Five Years	25,000	25,000
	25,000	25,000
Interest free loan for five years repayable 2011		

17. Charitable Activities (Restricted Funds)					
	Balance B/F	Incoming Resources	Expenditure	Transfer From Unrestricted	Balance C/F
	£	£	£	£	£
Youth Justice Law & Helpline	-	69,372	69,372	-	-
Citizenship and Crime Programme	2,622	-	2,622	-	-
Child Welfare Project	25,735	10,000	35,735	-	-
Big Lottery Fund (Out For Good)	479	23,780	24,259	-	-
Senior Policy Officer	30,000	-	30,000	-	-
Student Societies	-	1,200	1,200	-	-
Siblings Project	-	6,950	6,950	-	-
Community Interventions Project	-	1,160	1,160	-	-
Social Enterprise In Prison	39,993	79,107	157,544	38,444	-
Sub Total	98,829	191,569	328,842	38,444	-
Property	324,611	-	-	-	324,611
Total	423,440	191,569	328,842	38,444	324,611
Transfer from unrestricted funds was made to the social enterprise in prison as agreed by the trustees					

Citizenship and Crime Programme

Citizenship and crime programme works in schools, commissioned by YOTs, Police etc project with volunteer advisers in the 10th year of the project. The project ended at the end of 2006, and staff have been deployed to other areas of work.

Youth Justice Law and Helpline

The Helpline is a legal advice line for young people in prison, the youth justice legal project takes cases represents young people and offers them advocacy. The legal department has a legal services commission contract. Donations are restricted to legal staff salaries.

Social Enterprise in Prison

Barbed design studio based in HMP Coldingley, currently employs 6 prisoners on compacts, paid directly by the prison on salary set by the Howard League and the Howard League is invoiced by the Prison service for the salaries. Studio Manager is on Maternity leave, a senior designer is based on site full time. The studio is fully equipped with current hardware and software for graphic design and operates 8am-12 Mon-Fri and 2-5 Mon-Thur. Profits of Barbed design studio is restricted to be used to further the goals of the enterprise.

Community Interventions Project

The Howard League campaign to promote the use of Community Sentences. Funding was received for one year and it was matched from unrestricted funds as it's a core area of work.

Big Lottery Fund (Out for Good)

Research on 18-21 year old resettlement currently employs 1 staff. And used consultant Project due to end July 06, Conference held on 31 May 06. The researcher on the project finished in October 2006.

Senior Policy Officer/ Press and Communications Officer

The post of senior officer was changed after the officer left, in consultation with the funders to Press and Communications Officer.

Notes to the accounts for the year ended 31 May 2007

Child Welfare Project

This provides welfare, training and guidance to vulnerable young people we have come into contact with via the Youth Justice Law project. Employs one staff. The funding for this project has now ended.

Siblings Project

Commissioned by Kent YOT to research impact of imprisonment on siblings published August 2006

Student Societies

To set up and co-ordinate Howard League student societies in Universities in England and Wales

18. Unrestricted Funds		
	2007 £	2006 £
At the beginning of the year	914,414	670,674
Net Incoming Resources	355,386	253,656
Transfer to Restricted Funds	(38,444)	(9,916)
At the End of Year	1,231,356	914,414

19. Analysis of Net Assets between Charity Funds at 31 May 2007			
	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible Assets	478,620	731,820	1,210,440
Investments	129,106	113,252	242,358
Current Assets	754,722	29,539	784,261
Current Liabilities	(106,092)	-	(106,092)
Non Current Liabilities	(25,000)	-	(25,000)
	1,231,356	874,611	2,105,967

Unrealised gains included above:	2007 £	2006 £
On Revaluation of assets in Year	£	£
Property	550,000	-
Shares	30,150	18,515
	580,150	18,515

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

20. Reconciliation of movement in total charity funds		
	2007 £	2006 £
At beginning of year	1,337,854	1,186,359
Net Incoming Resources	768,113	151,495
At End of Year	2,105,967	1,337,854

21. Control
During the year the charity was controlled by its trustees

barbed

Barbed is a social enterprise design studio, which was created and maintained by the Howard League for Penal Reform. The studio is based within Coldingley prison in Surrey.

Barbed employs five graphic designers from prisoners that are held in the prison. They are all paid a salary of the statutory minimum wage allowance. From this salary they pay taxes, national insurance, pension contributions, a 30% contribution to a fund that enhances the regime within Coldingley and they make a personal contribution to various charitable sources such as Victim Support. This scheme is the first of its kind anywhere in the world.

Clients have entrusted us with their ideas and hopes. We work towards bringing these to fruition through innovative and professional design. The studio has an extensive client list along with a diverse portfolio that is entered regularly to competitions and exhibited at many venues such as political conferences.

If you want something new, bright and completely different then contact us or even come to our accessible studio by making an appointment and feel the difference while making it.

Barbed design
HMP Coldingley
Shaftesbury Road
Bisley, Woking
Surrey, GU24 9EX