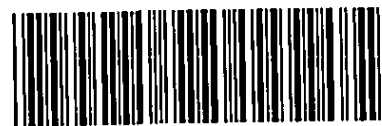


**The Howard League for Penal Reform (incorporating the
Howard Centre for Penology)
(A company limited by guarantee)**

**Annual report and accounts
for the year ended 31 May 2008**

Company no. 898514 (England & Wales)

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Trustees report for the year ended 31 May 2008

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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	NatWest Bank Plc PO Box 3038 57 Victoria Street London SW1P 0HN 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 articles and memorandum of association incorporated the 20 February 1967, with amendments of the 24th May 1973 and 28th October 1978. The principal 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.

Beneficiaries

Hundreds of children and teenagers in custody and who have been recently released have benefited from our legal and advocacy service. This has helped to improve their treatment and conditions in custody and eased their resettlement back into the community.

We support lawyers and other professionals working in the penal system with training and advice. Our publications have included research on a wide range of issues that guide good practice and suggest new ideas.

We provide information to the public and students through the website, publications and our newly established university groups.

Our work benefits prisoners and victims by reducing crime and anti-social behaviour so that people desist from crime and are enabled to lead law abiding and socially useful lives. Our community sentences campaign has encouraged good practice learnt from the most successful schemes that have significantly reduced reoffending.

We have formed partnerships with statutory and voluntary agencies that have enhanced their work. Our support for the Nacro youth crime briefings has allowed much wider dissemination of expert advice. Our partnership with the local government association supports four councils to explore ways of diverting children from custody and crime to create safer communities.

Governance

Directors and trustees

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

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

Chair	Sue Wade
Vice Chair	Professor David Wilson
Honorary Treasurer	Coral Newton
Honorary Solicitor	Monty Raphael
Trustees	Jan Anderson Hon Sue Baring OBE Pauline Campbell (deceased May 08) April Chidgey Martin Davis Professor Barry Goldson Caroline Newman Lynne Ravenscroft John Samuels John Staples Professor Pamela Taylor Peter Thornton QC Dr Azrini Wahidin Cynthia Winifred Dick Whitfield

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

The Trustees

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 of trustees meets formally three times a year.

The trustees have 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 trustee on the performance of the legal department against the contract with the legal services commission.

The trustees delegates the day-to day operation of the organisation to the Director, Frances Crook.

Trustees' recruitment and training

Recruitment of new trustees is through trustee nomination and advertisement. New trustees join the board once elected 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 always seeks to ensure that there is appropriate balance of experience and representation 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 by the finance and personnel committee to ensure that appropriate systems are in place to manage and mitigate those risks.

Achievements and performance

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

- Research, inquiry, investigation and monitoring
- Exchange of ideas and provision of education
- Legal intervention on behalf of children and 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

During the year ended 31 May 2008 the Howard League for Penal Reform has focused on:

Community sentences cut crime campaign

The community sentences cut crime campaign has three strands:

Community programme awards that celebrate the most successful schemes around the country.

This year ten schemes across the country were given awards to celebrate their work to help reduce the frequency and seriousness of offending. Our campaign encourages the best practice to benefit the public.

The North Fleet Lunch Club, run by Kent probation service, caters for 350 pensioners, giving them a cheap, hot meal and a place to socialise. The club is run by young people on community sentences, who cook, prepare and serve a three-course roast dinner. For some of the diners it is their only hot meal of the day. The young people get a sense of achievement, skills for employment and a chance to make friends with the pensioners – bringing the community together.

A handbook on good practice which was published this year describes in detail the work of 20 programmes. The schemes involve early support for young people, restorative justice, unpaid work and training for high risk offenders, and programmes tackling factors that contribute to offending like alcohol, street sex working and domestic abuse.

The community programmes address the underlying causes of crime, challenge individuals and help people to change.

The campaign was conducted as a partnership with the Esmée Fairbairn Foundation.

Commission on English prisons today

Last year, the Howard League for Penal Reform established a commission to consider the principles, purpose and limits of the penal system and how it should sit alongside other social policy strategies. The terms of reference of the commission are:

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.

During the year commissioners held a series of seminars on human rights, public opinion and the media, and the economics of penal policy. Seminar leaders included Baroness Stern, Cherie Booth, Richard Garside and Kevin Marsh.

Individual consultation meetings were held with a wide range of key people, from Thames Valley Police and shadow ministers to the Director of the Crown Prosecution Service, from children's charities and prison unions to the Youth Justice Board and Sainsbury Centre for Mental Health.

Consultation letters have been sent to key service providers and academics. Submissions have been received, a consultation paper on shifting the management and finances of prisons to local communities sparked a lively debate in the media.

A group of commissioners visited New York to explore how the city had reduced its prison population. High level meetings were held with NYPD, judges and prison managers.

The commission will explore these and other ideas throughout the autumn and a final report will be published next year.

Prisons

The number of men, women and children in prison reached an all time record this year and at the beginning of September 2008 it stood at 83,495.

Our fourth prison information bulletin focussed on the high security prison estate and said that poor relationships with staff and impoverished regimes were undermining preparation for release and threatened safety inside the gaols.

Prison suicides increased by 37% last year, almost all in either grossly overcrowded local prisons or in the high secure estate. Our annual review of deaths in custody published in January showed that 92 people took their own lives in prisons during 2007, including seven women and seven young people.

Rates of self-injury have rocketed by almost 40% in the last five years. In April we published figures to show that in 2007 there were 22,459 recorded incidents. Self-

injury by women prisoners increased by almost a half so that in styal prison alone there were 1,324 incidents in five years.

We strongly opposed the government's plans to build titan prisons each to hold 2,500 people.

Barbed

The Howard League social enterprise remains unique in the world. The graphic design studio has employed 11 long term adult men. Barbed is run as a real business, doing high quality design for charities, government agencies and the commercial sector.

Our workers were the only prisoners in the whole system who paid tax. However, during the year the prison service decided that they could not be employed by the Howard League as that would confer employ rights which might conflict with the governor's right to govern. Our workers were consequently prohibited from paying tax.

As part of their compact the prisoners contributed 30% of their gross wages to a special fund that is managed by a committee comprising a prisoner/employee, a representative from Coldingley and the Howard League for Penal Reform. This fund may not be used for any core function of the prison but is to be used for initiatives that enhance prison life and for visitors' arrangements.

Young people

The growing up, shut up campaign was launched in July 2008 to improve the care of children in custody. The campaign has three themes: the child behind the crime, access to justice and every child a safe home. We are calling for a rise in the age of criminal responsibility, improved legal support for children, local authorities to set up children's panels to intervene when a child gets into trouble, and for government policy for all children should be based in one ministry, the department for children, schools and families.

Our legal team gets support, housing and justice for children and young adults in custody. It has been an astonishing year of success for their work.

In December 2007 the Ministry of Justice announced that Stephen Shaw, the Prisons Ombudsman, had been commissioned to undertake the public inquiry into the treatment of our client "Susan". Susan was 17 when she was in prison and her self-injury was so serious as to be life threatening. Mr Shaw quit the inquiry in June 2008 because he said the Prison Service was obstructing his work. We are still waiting for this to be resolved. In the meantime, we continue to support Susan who is doing well in Rampton Special Hospital.

We acted for a young teenage girl who had been denied support by her local authority. We took the case all the way to the House of Lords, who ruled that local authorities must assess if children need support. New national guidance was issued by the Government.

Following our judicial review on behalf of a 15 year old boy, the Parole Board changed its practice to help children being released from prison. They now get help with the process and an oral hearing.

Our legal team has helped several hundred children obtain housing, education and mental health care on release from prison.

Mike is a typical client. He began committing crimes at 13, after being abandoned by his parents. Left with nowhere to live, he began stealing food and clothes. He had learning difficulties and had also been referred to the local mental health service but this was not followed up despite his history of drug and alcohol abuse. When Mike was introduced to the Howard League lawyers he was 16 and in prison for a short sentence. Mike started to cut himself because of his extreme distress. Our lawyers got him transferred to a specialist hospital and he has stabilised and is looking forward to release.

We worked with Defence for Children International to examine children's experience of violence in penal systems in France, Netherlands, Belgium and England and Wales. We published a report in both English and French – and presented it to the European Parliament.

The study condemned England and Wales as having repressive policies towards children and revealed a prevalence of violence inside penal institutions. We recommended that a set of pan-european indicators would contribute to improved policies and the protection of children.

The Howard League for Penal Reform revealed the true extent of the use of physical punishments on children in custody when Lord Carlile published his independent investigation. When the Government extended the powers of the privately run child gaols to use restraint on children to get them to obey, Lord Carlile held a debate in the House of Lords and secured a promise of a review. We welcomed a court decision to quash the extended powers and will keep up the pressure to treat children in custody without recourse to violence.

Student groups

There are student groups in universities across the country. They campaign, write letters work on crime prevention projects and hold debates on crime and a safer society.

We have a student national organiser who co-ordinates the work of the groups.

Working with people

The AGM and Cripps lectures brought together several hundred people to hear Jack Straw MP, the Justice Secretary, and Lord Phillips, the Lord Chief Justice.

Our summer reception on the terrace of the House of Commons to mark the launch of the campaign on children was attended by 300 people.

We were the host to the 12th international conference on penal abolition, with speakers and participants flying in from the United States, Australia, Europe and South America for very lively debates.

We work with Ministers and senior civil servants across several departments. We link closely with other voluntary organisations, academics and parliamentarians. Our media coverage is extensive.

We have formed a partnership with Nacro, the crime reduction charity, to publish the youth crime briefing and particularly the section on the law.

Future plans

Trustees of the charity held a strategy day to consider the strategies and goals for the year, as well as the external environments in which we work. This process enabled the director to set the parameters for strategic direction for the charity for the year.

Our plans for 2009 include:

- Developing our legal and advocacy service for children and young people in custody, we have been granted £3m over 5 years by the Big Lottery Fund to implement this strategy, this was announced on the 29th October 2008.
- The public inquiry into the treatment of SP in prison, which will focus attention on the care for young women
- The Commission on English Prisons Today, which will publish its final report and recommendations
- The growing up, shut up campaign, seeking access to justice, a safe home for children and recognition of the child behind the crime. This will be the focus of work by students and members

We will publish research on real work in prisons, community sentences for children, victims and restorative justice, young adults in the penal system, deaths in custody, the use of custody for children across Europe, child sex offenders, penal moderation and the penal system in New York.

The report on our independent inquiry into the treatment of children in the penal system in Jersey will be published.

Financial review

Results for the year

The overall financial position continues to be healthy, thanks to the support of our funders and the efforts of Frances Crook and her team.

Expenditure for the year exceeded income by just under £100,000, against a background of a growing level of reserves over the last few years.

There was an improvement in the general level of donations compared with last year, as well as specific support for the Commission on English Prisons. Membership continues to provide an important source of income. The level of reserves built up over the last few years has enabled the charity to plan future activities with a greater degree of certainty, despite short term fluctuations.

Barbed, the social enterprise has seen a steady increase in its sales, although it still has some way to go to reach a break even position. Barbed has been supported during the year by specific charitable funding as well as a small contribution from our own unrestricted funds. The trustees constantly reviewed the operations of Barbed throughout the year and due to the difficulty of running Barbed as a business within the prison the decision has been made to wind up the activities by 31 December 2008.

The legal team has seen increases in caseload with the additional service now provided for young adults, there is more awareness of the services offered by the Howard League Legal team.

Reserves

The value of the charity remains reasonably stable at just under £2m, made up as follows:

Tangible assets (mainly the property at Ardleigh Road)	£1,206,030
Investments	£197,487
Current assets less current liabilities (cash and debtors, less creditors)	£561,443

Of this, £874,611 represents restricted funds, including donations received for a specific project or purpose and not available for general use. In addition, an element of the unrestricted funds is tied up in property. The free reserves of the charity, after excluding property and other restricted funding, and taking account of current and future commitments, is £616,129.

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 six months and up to two years. The current level of unrestricted funds amounts to just under 7 months operating costs.

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 due mainly to economic fluctuations there have been losses on the share portfolios.

During the year cash balances were held in accounts which attracted an overall average return of 5%.

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.

The trustees are satisfied that the aims and objectives of the charity, and the activities reported on above to achieve those aims, meet these principles.

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

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 2008, which comprise the statement of financial activities, the balance sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the charity's trustees, 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 trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditors

As described in the Statement of Trustees' Responsibilities the trustees are responsible for the preparation of the trustee's annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 if, in our opinion, the Report of the Trustees is not consistent with the financial statements, if 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 trustee's remuneration and transactions with the charity are not disclosed.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within it. Our responsibilities do not extend to any other information.

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.

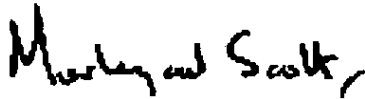
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the charity's affairs as at 31 May 2008, 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

**Chartered Accountants
Registered Auditor**

Date 13 November 2008

**Lynton House
7-12 Tavistock Square
London
WC1H 9LT**

Statement of financial activities (Incorporating an income and expenditure account)
For the year ended 31 May 2008

	Notes	Unrestricted Funds	Restricted Funds	2008 Total Funds	2007 Total Funds
Incoming resources		£	£	£	£
Incoming resources from generated funds					
Voluntary Income	5	277,501	283,375	560,876	521,831
Investment income	6	35,747	-	35,747	27,314
Incoming resources from charitable activities	7				
Membership income		84,084	-	84,084	83,194
Conferences and Publications		28,627	-	28,627	28,418
Miscellaneous income		17,642	56,126	73,768	275,478
Other incoming resources	8	183,076	-	183,076	182,619
Total incoming resources		626,677	339,501	966,178	1,118,854
Resources expended					
Costs of generating voluntary income		44,341	-	44,341	28,159
Charitable activities		606,738	361,306	968,044	857,938
Governance costs		49,939	-	49,939	44,795
Total resources expended	9	701,018	361,306	1,062,324	930,892
Net incoming resources before transfers	2	(74,341)	(21,805)	(96,146)	187,962
Gross transfer to restricted funds	17	(21,805)	21,805	-	-
Net income/expenditure for the year		(96,146)	-	(96,146)	187,962
Other recognised gains and losses					
Unrealised gains on assets	19	(44,871)	-	(44,871)	580,150
Net movements in funds		(141,017)	-	(141,017)	768,113
Reconciliation of funds					
Total funds brought forward		1,231,356	874,611	2,105,967	1,337,854
Total funds carried forward	20	1,090,339	874,611	1,964,950	2,105,967

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

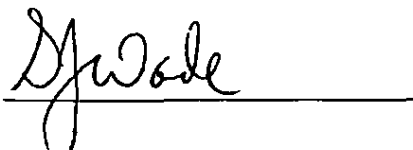
Notes to the accounts for the year ended 31 May 2008

Balance sheet as at 31 May 2008

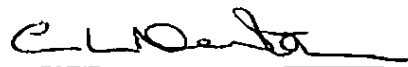
	Notes		2008		2007
		£	£	£	£
Fixed assets:					
Tangible assets	12		1,206,030		1,210,440
Investments	13		197,487		242,358
Total fixed assets			1,403,517		1,452,798
Current assets:					
Stocks		1		1	
Debtors	14	156,896		144,738	
Cash at bank and in hand		515,464		639,522	
Total current assets		672,361		784,261	
Liabilities:					
Creditors: amounts falling due within one year	15	(110,928)		(106,092)	
Net current assets			561,433		678,169
Total assets less current liabilities			1,964,950		2,130,967
Creditors: amounts falling due after more than one year	16		-		(25,000)
Net assets			1,964,950		2,105,967
The funds of the charity:					
Restricted funds	17		324,611		324,611
Revaluation reserve			550,000		550,000
Unrestricted funds	19		1,090,339		1,231,356
Total charity funds	20		1,964,950		2,105,967

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 15th October 2008



Sue Wade
Director



Coral Newton
Director

Notes to the accounts for the year ended 31 May 2008

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 March 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 direct charitable 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:

	2008 £	2007 £
Contributions payable by the company for the year	56,440	40,033

2. Net incoming resources

This is stated after charging the following:

	2008 (£)	2007 (£)
Depreciation on owned asset	4,950	24,578
Auditors' remuneration	8,650	10,075
Hire costs and operating leases	3,865	2,328
Interest receivable and similar income	27,638	17,324

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 2008

5. Voluntary income

Donations	Unrestricted Funds	Restricted Funds	2008 Total Funds	2007 Total Funds
	£	£	£	£
General donations	238,514	-	238,514	133,784
Youth Justice Law & Helpline	-	60,945	60,945	69,372
Social Enterprise in Prison	-	91,693	91,693	66,037
Big Lottery Fund (Out for Good)	-	-	-	23,780
Child Welfare project	-	13,213	13,213	10,000
Senior Policy Officer	-	30,000	30,000	-
Community Intervention Project	-	-	-	1,160
Student Societies	-	-	-	1,200
Commission on English Prisons	-	68,593	68,593	-
DCI Research	-	18,931	18,931	-
Siblings Project	-	-	-	6,950
Income Tax Recoverable	3,000	-	3,000	2,500
Totals	241,514	283,375	524,889	314,783
Legacies	35,987	-	35,987	207,048
Total voluntary income	277,501	283,375	560,876	521,831
6. Investment income				
Income from stocks and shares	8,109	-	8,109	9,990
Interest receivable	27,638	-	27,638	17,324
Total investment income	35,747	-	35,747	27,314

Notes to the accounts for the year ended 31 May 2008

7. Incoming resources from charitable activities				
Membership income				
Subscription and payments under covenant	64,008	-	64,008	64,561
Income tax recoverable on subscriptions receipts	20,076	-	20,076	18,633
	84,084	-	84,084	83,194
Conferences and publications				
Sales from Greeting Cards	443	-	443	500
Royalties	14,706	-	14,706	11,208
Sale of books and literature	8,795	-	8,795	10,048
Conference fees	4,683	-	4,683	6,662
	28,627	-	28,627	28,418
Miscellaneous income				
Rental income	13,593	-	13,593	8,500
Service charge and other income	4,049	-	4,049	3,908
Sales income from Barbed (social enterprise in prison)	-	56,126	56,126	13,070
49% share sale of HJ copyright	-	-	-	250,000
	17,642	56,126	73,768	275,478
Total incoming resources from charitable activities	130,353	56,126	186,479	387,090
8. Other incoming resources				
Legal services commission income	39,038	-	39,038	140,339
Court costs awards	144,038	-	144,038	42,280
Total other incoming resources	183,076	-	183,076	182,619

Notes to the accounts for the year ended 31 May 2008

9. Analysis of total resources expended					
	Staff Costs	Support Costs	Other Direct costs	Total 2008	Total 2007
Unrestricted funds	£	£	£	£	£
Cost of generating voluntary funds	24,174	-	20,167	44,341	19,285
Charitable activities expenditure					
Policy, research & campaigns	167,704	18,074	49,267	235,045	246,496
Events, conferences and publications	46,010	9,932	38,186	94,128	111,246
Legal services for young people	166,509	36,628	74,428	277,565	180,228
Governance	15,780	21,475	12,684	49,939	44,795
Total unrestricted resources expended	420,177	86,109	194,732	701,018	602,050
All support costs are allocated on the basis of staff time.					
Restricted funds					
Cost of generating voluntary funds					
Campaigns	-	-	-	-	8,874
Charitable activities expenditure					
Youth Justice law & Helpline	60,945	-	-	60,945	69,372
Barbed social enterprise	137,528	-	32,225	169,753	148,670
Citizenship and Crime Project	-	-	-	-	2,622
Child welfare project	13,213	-	-	13,213	35,735
Out for Good research	-	-	-	-	24,259
Senior Policy Officer	30,000	-	-	30,000	30,000
Student Groups	-	-	-	-	1,200
Community Interventions Campaign	-	-	-	-	1,160
Siblings project	-	-	-	-	6,950
Commission on English Prisons	38,977	773	28,714	68,464	-
DCI Research	2,860	-	16,071	18,931	-
Total restricted resources expended	283,523	773	77,010	361,306	328,842

Notes to the accounts for the year ended 31 May 2008

10. Analysis of governance costs		
	2008	2007
Salaries and National Insurance	15,780	15,565
Books and Subscriptions	43	115
Conferences and Meetings	1,743	871
Travelling expenses	3,961	3,046
Printing and stationery	2,175	3,175
Telephone and Postage	918	221
Miscellaneous Expenses	2,277	2,060
Staff Training	567	55
Professional fees	1,000	2,550
Depreciation	4,950	1,067
Audit and Accountancy	8,650	10,075
Bank Charges	2,428	2,431
Premises Costs and Other Overheads	5,447	3,564
	49,939	44,795
11. Staff costs		
	2008	2007
Staff costs during the year were as follows:		
Salaries and pensions	617,303	489,926
Social security	46,618	49,128
Social enterprise salaries indirect	43,183	65,787
Staff training	1,476	3,125
	708,580	607,966
The average monthly number of persons employed by the company during the year was as follows:-		
	2008	2007
Charitable activities	20	16
Governance costs	1	1
Social enterprise at HMP Coldingley	4	6
	25	23
There was one employee in the year whose emoluments fell within the band of £80,000-£90,000. The trustees received no remuneration in the year. Directors and trustees reimbursed expenses during the year in respect of attendance of meetings did not exceed £1,000.		

Notes to the accounts for the year ended 31 May 2008

12. Tangible fixed assets					
	Freehold Property	Computers	Furniture & Equipment	Library Books	Total
	£	£	£	£	£
Cost					
At beginning of year	1,200,000	84,204	34,940	2,018	1,321,162
Revaluation	-	-	-	-	-
Additions	-	240	300	-	540
At end of year	1,200,000	84,444	35,240	2,018	1,321,702
Depreciation					
At beginning of year	-	77,072	31,633	2,017	110,722
Charge for the year	-	3,446	1,504	-	4,950
At end of year	-	80,518	33,137	2,017	115,672
Net book value					
At end of year	1,200,000	3,926	2,103	1	1,206,030
At beginning of year	1,200,000	7,132	3,307	1	1,210,440
The net book value at 31 May 2008 represents fixed assets used for:					
	Freehold property	Computers	Fixtures furniture & equipment	Library Books	Total
	£	£	£	£	£
Charitable activities	1,050,000	3,435	1,840	1	1,055,276
Cost of generating voluntary income	15,000	49	26	-	15,075
Governance costs	135,000	442	237	-	135,679
	1,200,000	3,926	2,103	1	1,206,030
The freehold property at 1 Ardleigh Road, London N1 4HS was valued on 25th January 2007 by Copping Joyce Chartered Surveyors LLP (Independent Valuers).					
13. Fixed assets investments					
				2008	2007
Listed investments:				£	£
Market Value at 1 June 2007				242,358	212,208
Net gain on revaluation				(44,871)	30,150
Market value at 31 May 2008				197,487	242,358
As of 31 May 2008 the charity held units in the Caf UK Equity Growth Fund with a market value of £122,861 and units in Caf bond income fund with a market value of £49,007. Each of these holdings represents more than 5% of the market value of listed investments held at 31 May 2008.					
14. Debtors					
				2008	2007
				£	£
Income tax recoverable				12,476	7,719
Prepayments and accrued income				144,420	137,019
				156,896	144,738

Youth Justice Law & Helpline

The Helpline is a legal advice line for young people in prison, the youth justice legal team 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.

Child Welfare Project

The provide 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.

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.

Social Enterprise in prison

Barbed design studio based in HMP Coldingley, currently employes 4 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. A senior designer is based in HMP Coldingley full time. The studio is fully equipped with current hardware and software for graphic design and operates 8.50am-11.45 Mon- Fri and 1.45-4.45 Mon-Thur. Profits of Barbed design studio is restricted to be used to further the goals of the enterprise.

DCI Research

Partnership working with European Partners funding for consultant to research and write a report on Violence in Prison.

Commission on English Prisons Today

Set up by the Howard League June 2008 to report in 2009. 19 Commissioners from various professional backgrounds serviced by an Administrator. This Independent Commission will look at the driving forces influencing change and practice including legislation, politics and the media. It will consider the principles, purpose and limits of a penal system and how it should sit alongside other social policy strategies.

Notes to the accounts for the year ended 31 May 2008

15. Creditors- amounts falling due within one year					
Operating creditors			9,149		13,525
VAT due			9,298		41,985
PAYE liability			-		391
Loans			25,000		-
Accruals & deferred income			67,481		50,191
			110,928		106,092
16. Creditors: amounts falling due after more than one year					
Loans			-		25,000
			-		25,000
Loan maturity analysis:					
Between two and five years			-		25,000
			-		25,000
17. Charitable activities (restricted funds)					
	Balance B/F	Incoming Resources	Expenditure	Transfer from Unrestricted	Balance C/F
	£	£	£	£	£
Youth Justice Law & Helpline	-	60,945	(60,945)	-	-
Child Welfare Project	-	13,213	(13,213)	-	-
Senior Policy Officer	-	30,000	(30,000)	-	-
Social Enterprise in Prison	-	147,819	(169,624)	21,805	-
DCI Research	-	18,931	(18,931)	-	-
Commission on English Prisons Today	-	68,593	(68,593)	-	-
Sub total	-	339,501	(361,306)	(21,805)	-
Property	324,611	-	-	-	324,611
Total	324,611	339,501	(361,306)	21,805	324,611
Transfer from unrestricted funds was made to the social enterprise in prison as agreed by the trustees.					
18. Unrestricted funds					
			2008		2007
			£		£
At the beginning of the year			1,231,356	914,414	
Net incoming resources			(141,017)	355,386	
Transfer to restricted funds			(21,805)	(38,444)	
At the end of year			1,068,534	1,231,356	

Notes to the accounts for the year ended 31 May 2008

19. Analysis of net assets between charity funds at 31 May 2008			
	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Tangible assets	474,210	731,820	1,206,030
Investments	84,235	113,252	197,487
Current assets	642,822	29,539	672,361
Current liabilities	(110,928)	-	(110,928)
	1,090,339	874,611	1,964,950
Unrealised gains included above:			
		2008	2007
		£	£
On revaluation of:-			
assets in year			
Property		-	550,000
Shares		(44,871)	30,150
		(44,871)	580,150
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			
	2008	2007	
	£	£	
At beginning of year	2,105,967	1,337,854	
Net incoming resources	(141,017)	768,113	
At end of year	1,964,950	2,105,967	
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 it's 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.