

Company no 898514
Charity no 251926

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

Report and Financial Statements

31 May 2011

TUESDAY



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06/12/2011
COMPANIES HOUSE

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

Reference and administrative details

For the year ended 31 May 2011

Company number 898514

Charity number 251926

Registered office and operational address
1 Ardleigh Road
London
N1 4HS

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

Sue Wade	Chair
Professor David Wilson	Vice Chair
Coral Newton	Honorary Treasurer
Monty Raphael	Honorary Solicitor
Jan Anderson	
Matthew Ball	
Lady Chidgey	
Professor Penny Green	(Appointed 23 November 2010)
Richard Linenthal	
Kevin McGrath	
Elizabeth Morony	
His Honour John Samuels QC	
Chris Sheffield OBE	
Professor Pamela Taylor	
His Honour Judge Peter Thornton QC	
Dr Azrini Wahidin	
Julian Weinberg	
Cynthia Winifred	
Dick Whitfield	

President Lord Carlile of Berriew QC President

Principal staff Frances Crook OBE

Staff

Lorraine Atkinson	senior policy officer
Gemma Barker	legal practice co-ordinator
Nathaniel Baverstock	legal practice co-ordinator
Zoe Bedford	paralegal (from Sept 2011)
Eleanor Biggin	P A to the chief executive (from July 2011)
Victoria Brown	P A to the chief executive (until June 2011)
Chris Callender	assistant director, legal team (until July 2011)
Oscar Campbell	designer
Nathalie Canham	legal practice co-ordinator (until May 2011)
Jenny Chambers	youth justice policy officer

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

Reference and administrative details

For the year ended 31 May 2011

Staff (continued)

Daniel Chapman	youth participation officer (from June 2011)
Frances Crook	chief executive
Anita Dockley	director of research
Elsie Egbulefu	finance and admin officer
Kate Egerton	paralegal (Until June 2011)
Anna Fairbank	caseworker (until April 2011)
Philip Goring	finance and admin officer
Ruth Green	solicitor (until July 2011)
Sarah Hall	policy development officer (from August 2011)
Laura Janes	solicitor (until July 2011)
Emily James	public affairs officer (from Sept 2011)
Stephen Gummer	public affairs officer (until July 2011)
Connor Johnston	paralegal (until Sept 2011)
Anne-Marie Jolly	solicitor (until Sept 2011)
Jennifer Kay	national student officer (from June 2011)
Euginia Lolomari	director of finance & corporate affairs
Sophie Lumsden	membership development officer
Sinead MacCann	solicitor
Hannah McFaul	national student organiser (until March 2011)
Clare Mann	paralegal (from July 2011)
Andrew Neilson	director of campaigns
Barbara Norris	events and website manager
Caroline Peterson	membership officer
Anna Prasad	solicitor
Thomasin Pritchard	policy development officer
Gayana Ravinda	paralegal (June – July 2011)
Richard Reid	paralegal (from July 2011)
Claire Salama	paralegal (from July 2011)
Eva Whittall	solicitor
Sophie Willett	press officer
Dannielle Williams	youth participation officer (from Feb 2011)
Catryn Yousefi	programme manager

Recruiters, summer 2011

Pelema Cosme
Anthony Hardley
Caprice Marcel
Brett Rafferty
Tiwa Williams

Academic consultants

Dr Vicky Cooper	Liverpool John Moores University
Dr Nicola Padfield	Cambridge University
Prof Loraine Gelsthorpe	Cambridge University
Dr Rosie Meek	Southampton University
Stephen Nathan	

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

Reference and administrative details

For the year ended 31 May 2011

Academic consultants (continued)

Prof Jo Phoenix	Durham University
Dr Layla Skinns	King's College, London
Dr Julie Trebilcock	Imperial College, London

Research Advisory Group

Professor Ian Loader (chair)	Oxford University
Charlotte Bilby	Northumbria University
Lawrence Burke	Liverpool John Moores University
Dr Neil Chakraborti	Leicester University
Dr Ben Crewe	Cambridge University
Professor Stephen Farrall	Sheffield University
Professor Julia Fiona	Kingston University
Elaine Genders	University College, London
Professor Penny Green	Kings College, London (until September 2010)
Professor Fergus McNeill	Strathclyde University
Dr Andrew Millie	Glasgow University
Professor Tim Newburn	London School of Economics
Mark Oldfield	independent researcher
Dr Nicola Padfield	Cambridge University
Dr Coretta Phillips	London School of Economics
Dr Jo Phoenix	Durham University
Professor John Pitts	University of Bedfordshire

Editors of the Howard Journal of Criminal

Tony Fowles	freelance criminal policy analyst
Professor David Wilson	Birmingham City University
Professor J Robert Lilly	Northern Kentucky University, USA

Book Review Editor

Professor Loraine Gelsthorpe	University of Cambridge
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Publishing Editor

Brenda McWilliams

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

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

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

Reference and administrative details

For the year ended 31 May 2011

Bankers	Nat West Bank Plc PO Box 3038 53 Victoria Street London SW1P	CAF Bank Ltd Kings Hill West Malling Kent ME19 4TA
Auditors	Sayer Vincent Chartered accountants and statutory auditors 8 Angel Gate City Road London EC1V 2SJ	
Investment advisors	Schroders & Co Limited 100 Wood Street London EC1V 7ER	

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

Report of the trustees

For the year ended 31 May 2011

The trustees present their report and the audited financial statements for the year ended 31 May 2011

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005)

Structure, governance & management

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

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

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts

The Board

The Howard League for Penal Reform is governed by a board of trustees, whose principal responsibilities are the setting and monitoring of the strategic direction of the organisation and the establishment of policy. All trustees give their time voluntarily and receive no financial benefits from the charity

Ensuring that our work delivered our aims

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

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

- Finance and personnel committee: this committee was chaired by the honorary treasurer. It encouraged and safeguarded the highest standards of integrity, financial reporting and internal control and oversaw the organisation's risk assessment and management process
- Campaigns committee: this committee encouraged policy and campaign development, co-ordinated consultations with government and other NGOs
- Research committee: this committee provided strategic oversight of research activity, ensuring that research dove-tails into broad organisational strategies
- Legal management committee: this committee reviewed the work of the legal department to ensure it complements the strategic direction of the charity and achieves the highest standards of legal representation of young people. It oversaw compliance with the public law and prison law contracts with the legal services commission

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

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

Report of the trustees

For the year ended 31 May 2011

Trustees' recruitment, induction and training

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

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

Risk Management

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

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

Key risks identified during the year and kept under review include uncertainty over funding and performance of investments in the current economic climate, and the management of major new projects.

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 have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

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

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

Report of the trustees

For the year ended 31 May 2011

Objectives and activities

Purposes and objects

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

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

The main charitable objects for which the Howard League was established as described in its 1967 Memorandum and Articles of Association were "to promote the sciences of penology and criminology, social health, the welfare and constructive treatment of pre-delinquents and offenders, the education, further education, advancement and pursuit of knowledge relating to penology, criminology, social health and delinquency, the training of those who deal with offenders and pre-delinquents and the prevention and limitation of criminal and anti-social activities".

Core beliefs

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

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

Former armed service personnel in prison

On Armistice Day 2009 the charity launched a major national inquiry chaired by Sir John Nutting QC into why so many veterans were in prison.

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

Report of the trustees

For the year ended 31 May 2011

The inquiry team comprised

- Admiral the Lord Boyce, former first sea lord and chief of the defence staff
- General the Lord Guthrie, former chief of the defence staff and chief of the general staff
- Major General David Jenkins
- Wing Commander Dr Hugh Milroy, chief executive of Veterans Aid
- Chris Sheffield, former prison governor
- Rt Hon Elfyn Llwyd MP

Publishing the final report on Armed Forces day, 23 June 2011, the inquiry busted myths surrounding the imprisonment of veterans. Ex-servicemen are less likely to be in prison than civilians, are older than the general prison population and tend to offend many years after discharge. The inquiry found little evidence that post-traumatic stress disorder was linked to offending.

We had meetings with Crispin Blunt MP, prisons minister, and the veterans minister, Andrew Robathan MP to brief them about preventing veterans entering the penal system.

The inquiry report was raised in Parliament several times by peers and was covered by television, radio and press. Its findings are influencing government policy on support for veterans.

Community sentences cut crime campaign

More than 100 nominations were made from projects across the UK for the annual Howard League awards for community programmes. The awards ceremony heard from:

Rt Hon Sir Alan Beith MP, chair of the parliamentary justice select committee
Crispin Blunt MP, justice minister
Frances Done CBE, chair of the youth justice board
Professor Fergus McNeill, University of Glasgow
Paul McDowell, chief executive of Nacro

Ian Hislop, editor of Private Eye, who had visited Wandsworth prison as a guest of the Howard League, presented the awards to the winning projects.

Open days were held with two of last year's winners, to inform magistrates, MPs, councillors and local media about the best way to manage people who have committed crimes. Adelaide House, Liverpool, provides safe accommodation and outreach support for women, and Thames Valley probation is a restorative justice programme for victims of crime.

Work with parliament

The Howard League provides support to the All Party Parliamentary Group on Women in the Penal System, chaired by Baroness Corston and Kate Green MP.

Jean Corston published a second report on women with particular vulnerabilities in the criminal justice system for the Group, revealing bi-partisan support for closure of women's prisons and funding for community women's centres.

The APPG launched a major inquiry into girls in the penal system by publishing statistics showing that 168,493 young girls had been arrested by 37 police forces in three years.

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

Report of the trustees

For the year ended 31 May 2011

The Howard League sent briefings to Parliamentarians for debates on the legal aid, sentencing and punishment of offenders bill and for the police reform and social responsibility bill

We meet often with senior civil servants, special advisers, MPs and peers on a wide range of subjects of public concern

Research

We collaborated with the Prison Governors' Association to commission research on the reality of short prison sentences. The purpose was to inform political thinking and legislation at a time of intense public concern. The research found

- Prisoners are keen to complete courses
- Serving several short prison terms makes people think a return to prison is inevitable
- Short prison sentences destroy the motivation to go straight
- Staff lack confidence in short sentences as they see the damage caused by homelessness, job loss and family breakdown

We held a breakfast meeting for eight key MPs from the justice select committee to launch the research and met with the chief inspector of prisons and top civil servants

Professor Shadd Maruna was awarded the Howard League inaugural research medal for his work on desistance and redemption, a prize designed to recognise research that has impacted on practice

Prisons

The charity has worked to prevent deaths in custody for nearly 150 years. We were founded to end the death penalty and in recent years we have researched and advised on preventing suicides in prison

After a decade of campaigning we convinced the government that real work for long term prisoners should be introduced

We secured a public inquiry into the poor treatment of a young girl whose self-injury in prison was life-threatening. The three year long independent investigation will lead to public hearings next year

We monitor prison numbers and conditions and provide information to the public, the media and parliament

Our legal challenges on behalf of individual children and young adults improve their treatment in custody and life chances on release

Promoting Young People's Participation

The Big Lottery funded five year project, U R Boss is a unique national project for children and young adults. The ethos of U R Boss is to work in partnership with children and young people in custody, or those who have recently been released into the community, to empower them to have a voice and be heard

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

Report of the trustees

For the year ended 31 May 2011

During the past year U R Boss has

- Worked intensively with 30 young people who had been incarcerated in 18 different institutions to prepare a report and short film on life after prison and give them the opportunity to share their experiences of returning to their communities, being on licence, routes back into custody and recommendations for change. Life Outside Collective identity, collective exclusion can be viewed at www.urboss.org.uk
- Supported U R Boss Young Advisors to be judges for the awards for the Community Programme Awards. They presented the awards, with Ian Hislop, editor of Private Eye, at the conference, attended by 150 professionals
- Presented young people's experiences to the Parliamentary hearings chaired by Lord Carlile, on the use of physical restraint in prisons
- Supported a U R Boss Young Advisor to be interviewed for a story about their experiences of being in custody, which was published in Bliss magazine

Helping children and young adults

The Howard League legal team is unique in the country as it specialises in representing children and young adults in custody to challenge and improve their treatment and to make sure their release is safe

Our legal team represented 105 children and young adults in prison with 283 separate cases

Appeals	23
Disciplinary	48
Parole board	42
Resettlement	64
Segregation	6
Sentence planning	39
Treatment	37
Other issues	24

In addition the legal helpline helped 568 clients of whom 450 were children or young people and the others were calls from professionals working with young people

One young lad was very keen on keeping healthy and used every opportunity to keep fit. This is really difficult in prison as exercise opportunities are limited. Naturally he eats like a horse, so in the prison he was always hungry as they do not provide enough food. To assuage his hunger he was eating extra slices of bread, hardly ideal as the bread in prisons is sliced white. A prison officer spotted him with 10 slices of bread and reported him. He was put into solitary confinement for three days.

The Howard League lawyer helped him appeal against the adjudication and it has been quashed. This is important because a record of punishments can deleteriously impact on prisoners' parole chances. But it was too late to prevent the time in solitary.

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Report of the trustees

For the year ended 31 May 2011

University groups

Twenty five university based groups are campaigning for penal reform and educating the campaigners of the future

The students walked from prison to prison to raise funds for the charity. They held information stalls and letter writing campaigns. Local MPs and celebrities spoke at public meetings and Facebook and Twitter were live with debate.

Public events

Speakers included

Nick Herbert MP, minister in both the home office and ministry of justice
Dr Maggie Atkinson, the children's commissioner for England
Mike Crockart MP
Baroness Hamwee
Cllr Barbara Janke, Leader, Bristol Council
Maria Eagle MP
Rt Hon Sir Alan Beith MP
Fergus McNeill, University of Glasgow
Paul McDowell, chief executive, Nacro
Lisa Nandy MP
Mary Riddell, the Telegraph
Crispin Blunt MP, parliamentary under secretary of state for prisons and probation
Claire Perry MP
Dominic Raab MP
Ian Hislop, editor of Private Eye

This year we launched our public recruitment drive, going door to door inviting people to get involved with the Howard League's work.

Publications

Reports

- Business behind bars: making real work in prison work, 46pp, 2011, £10
- Report of the Inquiry into former armed service personnel in prison, 96pp, 2011, £10
- No winners: the reality of short term prison sentences, 46pp, 2011, £10
- Women in the penal system: second report on women with particular vulnerabilities in the criminal justice system. All party parliamentary group on women in the penal system, 12 pp, 2011, free
- Annual report 2009-10, 24pp, 2010, £10
- Leave no veteran behind: the inquiry into former armed service personnel in prison visits the United States of America, 16pp, 2010, £5
- Access to justice denied: young adults in prison, 20pp, 2010, £10

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

Report of the trustees

For the year ended 31 May 2011

Briefings

- Twisted the use of force on children in custody, 2011
- An interim evaluation report into the Howard League's legal service for children and young people, 2011
- No winners the reality of short term prison sentences, summary, 2011
- Leaving forces life the issue of transition, 2011
- Barbed what happened next? Follow up story of employees of a prison social enterprise, 2010
- Briefing on food in young offender institutions for 15 – 17 year old boys (website only) 2010

Submissions to government consultations

- Burglary offences guideline, sentencing council, July 2011
- Tackling child poverty, department for education, February 2011
- Breaking the cycle, ministry of justice, March 2011
- Charging in cases involving rape/and or domestic violence allegations, CPS, May 2011
- Review of statutory duties placed on local government, department for communities, April 2011
- The new landscape for policing, home affairs select committee, March 2011
- More effective responses to anti-social behaviour, home office, May 2011

Financial review

Results for the year, report from the Honorary Treasurer

The financial position continues to look healthy, with annual expenditure of just under £2m and total funds at £6.9m. This owes a lot to the donation from Lord Parmoor's trustees in 2009 and 2010, and the five year BIG Lottery Fund grant. Each of these funded around one quarter of our activity in 2010-11.

The donations from Lord Parmoor's trustees in the previous two years, totalling £6m, were assigned to the strategic reserve, in line with the trustees' reserves' and investment policy. As part of its consideration of strategy, the board had decided that the major part of the donation should be used to invest in strengthening the organisation over the short to medium term, enabling the Howard League to respond to major issues or opportunities as they arise, invest in its capital assets and plan for future developments.

The contribution from the Lord Parmoor's donation shows up in the form of a planned contribution from the strategic reserve which funded the apparent deficit of £386,958 shown under unrestricted funds on the Statement of Financial Activities. This brings the total expended to date up to just over £1.4m. The funds have been used to invest in our capacity for policy and campaigning, build a stronger research base and strengthen the management of our legal team. We are also investing in membership with the long term aim of growing our membership base to bolster our financial resilience and strengthen our influence.

We are now two years into the five year UR Boss project, funded by the Big Lottery. This project complements activity across all teams and the funding of £482,453 this year includes a welcome contribution to our management costs.

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

Report of the trustees

For the year ended 31 May 2011

Our legal team is now self-funded. Its costs are met from income from the Legal Services Commission, court costs awards, public inquiry income, and contribution from the Big Lottery funded U R Boss project. Trustees are mindful of the uncertainty around the future of legal aid funding and continue to keep this under review.

General donations continue to be down on pre-recession levels, mirroring continued pressure on funding across the charitable sector which has forced many other charities to merge or 'downsize'. Once again, legacies provide a welcome addition to voluntary income.

Reserves

The overall value of the charity remains strong at £6.9m. £214,000 of this is tied up in restricted revenue funds received for specific projects or purposes and not available for general use, the largest element being Big Lottery funding for the UR Boss project.

The property at Ardleigh Road is valued at £1,200,000, of which £324,611 represents the value of the original donations raised for this purpose, and is shown as restricted funds. There has been a change in accounting treatment this year, as a result of which the increase in value on revaluation in 2007 (£550,000) has been moved out of restricted funds to a designated reserve. In principle, while trustees may choose to use these funds for other purposes, in practice they are tied up in the building.

The strategic reserve accounts for just over £4.6m, comprising the original £6m donation, less amounts which the trustees have agreed to use to date, plus an increase in the value of investments.

The Trustees reserves policy is aimed at maintaining operating reserves 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. General funds, after excluding property, restricted and designated funds, and taking account of current and future commitments, amounts to £647,000, equivalent to about four months operating expenditure, which is considered adequate in the current circumstances.

Investments

The trustees have the power to invest in such assets as they see fit. Investment decisions are taken with a view to

- maximising total return at a low level of risk
- maintaining reasonable access to ensure the availability of funds for the purposes they are intended
- avoiding investments which are not compatible with the aims of the Howard League or are detrimental to its wellbeing

In 2009, it was decided to appoint professional investment advisers, Schroders, to manage our longer term funds. In line with the Board's strategy on the use of the Parmoor donation, £2m was placed in longer term investments, managed with the aim of maintaining the capital value against inflation over the long term. These funds are invested in a multi-asset portfolio diversified to minimise risk.

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

Report of the trustees

For the year ended 31 May 2011

As at 31 May 2011, our holding in Schroder's Charity Multi Asset Fund was valued at £2,152,500, a return of 7.6% on the original investment. Since then the eurozone sovereign debt crisis and the US credit downgrade have both depressed market values.

The balance of the strategic reserve (£2,474,000) is held in short term deposits managed to maximise return and maintain accessibility without placing the capital value at risk. These funds held available to draw down to support the organisation's activities over a period of up to five years, the capital being protected from short to medium term variations in the capital markets.

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.

Plans for the future

We have exciting plans for the coming year on issues of intense public concern.

We are going to launch a major research programme aimed at stemming the flow of people into the criminal justice system.

This year we worked with the All Party Parliamentary Group on Women in the Penal System to launch an inquiry into girls in the penal system in order to find ways of diverting them away from arrest, prosecution and custody and into a safe and crime free life.

Our legal team will focus on responding to the desperate need of young people in custody and on release. Our public law challenges will broaden to include young people in conflict with the law whose lives are blighted by unnecessary arrest.

The charity's core objectives include public education and next year we will work with government, MPs and peers. We will launch a new training service for practitioners who work with young people in the penal system.

The campaign to promote successful community sentences has gained momentum and we will hold open days around the country.

We are keen to build national popular knowledge of, and support for, penal reform and the plan is to have even more university based Howard League groups and to increase our membership.

Statement of the trustees' responsibilities

The trustees (who are also directors of the Howard League for Penal Reform for the purposes of company law) are responsible for preparing the report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Report of the trustees

For the year ended 31 May 2011

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period

In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

In so far as the trustees are aware

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

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 May 2011 was 19 (2010 - 18). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity

Auditors

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

Approved by the trustees on 12 October 2011 and signed on their behalf by



Coral Newton - Hon Treasurer

Independent auditors' report

To the members of

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

We have audited the financial statements of The Howard League for Penal Reform for the year ended 31 May 2011 which comprise the statement of financial activities, balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditors

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

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 May 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditors' report

To the members of

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Helen Elliott (Senior statutory auditor)

2 December 2011

for and on behalf of Sayer Vincent, Statutory Auditors

8 Angel Gate, City Road, LONDON EC1V 2SJ

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

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

For the year ended 31 May 2011

	Note	Restricted £	Unrestricted £	2011 Total £	2010 Total £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	-	353,014	353,014	2,308,547
Activities for generating funds	3	-	14,821	14,821	17,294
Investment income	4	-	76,365	76,365	30,151
<i>Incoming resources from charitable activities</i>					
	5				
Policy, research and campaigns		76,822	-	76,822	135,563
Membership		-	97,591	97,591	106,081
Events, conferences & publications		-	12,462	12,462	3,529
U R Boss		482,453	-	482,453	324,904
Legal services for young people		79,750	436,464	516,214	384,386
Total incoming resources		639,025	990,717	1,629,742	3,310,455
Resources expended					
<i>Costs of generating funds</i>					
Costs of generating voluntary income		-	97,790	97,790	70,951
<i>Charitable activities</i>					
	7				
Policy, research and campaigns		62,735	489,851	552,586	599,491
Membership		-	141,332	141,332	92,534
Events, conferences & publications		-	129,696	129,696	99,462
U R Boss		431,078	-	431,078	224,346
Legal services for young people		95,791	434,892	530,683	533,989
<i>Governance costs</i>		-	84,114	84,114	61,260
Total resources expended	6	589,604	1,377,675	1,967,279	1,682,033
Net (outgoing)/incoming resources before other recognised gains and losses		49,421	(386,958)	(337,537)	1,628,422
Unrealised gains/(losses)		-	235,984	235,984	(36,282)
Net movement in funds		49,421	(150,974)	(101,553)	1,592,140
Reconciliation of funds					
Total funds brought forward as originally stated		1,039,058	5,959,542	6,998,600	5,406,460
Prior year adjustment	18	(550,000)	550,000	-	-
Total funds brought forward as restated		489,058	6,509,542	6,998,600	5,406,460
Total funds carried forward		538,479	6,358,568	6,897,047	6,998,600

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 16 to the financial statements.

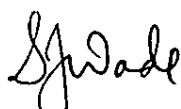
The Howard League for Penal Reform (incorporating the Howard Centre for Penology)
Company number: 898514


Balance sheet

31 May 2011

	Note	£	2011 £	Restated 2010 £
Fixed assets				
Tangible fixed assets	10		1,225,497	1,225,486
Investments	11		2,358,160	2,122,176
			3,583,657	3,347,662
Current assets				
Debtors	12	535,938		340,137
Cash at bank and in hand		65,729		52,819
Short term deposits		3,070,298		3,002,023
		3,671,965		3,394,979
Current liabilities				
Creditors amounts due within one year	13	(333,575)		(194,417)
Net current assets			3,338,390	3,200,562
Total assets less current liabilities			6,922,047	6,548,224
Creditors amounts due in more than one year	14		(25,000)	(25,000)
Net assets	15		6,897,047	6,523,224
The funds of the charity	16			
Restricted funds				
In surplus			538,479	489,058
Unrestricted funds				
Strategic reserve			4,626,233	5,013,191
Revaluation reserve - property			550,000	550,000
Revaluation reserve - investments			184,726	-
Other designated funds			350,886	350,875
General funds			646,723	595,476
Total charity funds			6,897,047	6,998,600

Approved by the trustees on 12 October 2011 and signed on their behalf by


Sue Wade
Trustee


Coral Newton
Trustee

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

Notes to the financial statements

For the year ended 31 May 2011

1. Accounting policies

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

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

Income

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

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

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

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

Expenditure

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

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

Notes to the financial statements

For the year ended 31 May 2011

1. Accounting Policies (continued)

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

Cost of Generating Funds	20%
Policy, research and campaigns	20%
Membership	20%
Events, conferences & publications	20%
U R Boss	6.6%
Legal services for young people	6.6%
Governance	6.6%

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

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

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

- i) Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities

Fund Accounting

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

Fixed Assets

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

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

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

Notes to the financial statements

For the year ended 31 May 2011

1 Accounting Policies (continued)

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

The trustees have adopted a policy of reporting freehold land and buildings at market value and will carry out a full property valuation at least every 5 years. The last full valuation was carried out on 25 January 2007. Interim valuations will be carried out at other times if it is likely there has been a material change in value.

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

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

n) Investments

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

o) Operating leases

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

Pension costs

- p) Pension costs relate to contributions paid to employees private defined contribution pension schemes.

2. Voluntary income

	Restricted £	Unrestricted £	2011 Total £	2010 Total £
General donations	-	104,264	104,264	2,106,328
	-	104,264	104,264	2,106,328
Legacies	-	248,750	248,750	202,219
Total	-	353,014	353,014	2,308,547

The comparative figure for 2010 includes the £2m donation from the Lord Parmoor charitable trust.

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

Notes to the financial statements

For the year ended 31 May 2011

3. Activities for generating funds

	Restricted	Unrestricted	2011 Total	2010 Total
	£	£	£	£
Sales of greetings cards	-	69	69	176
Royalties (The Howard Journal)	-	14,752	14,752	16,918
Other income	-	-	-	200
	-	14,821	14,821	17,294

4. Investment income

	Restricted	Unrestricted	2011 Total	2010 Total
	£	£	£	£
Income from stocks and shares	-	2,264	2,264	7,777
Interest receivable	-	74,101	74,101	22,374
Total	-	76,365	76,365	30,151

5. Incoming resources from charitable activities

	Restricted	Unrestricted	2011 Total	2010 Total
	£	£	£	£
Campaigns, policy & research				
Research project	-	-	-	11,350
Community intervention	22,919	-	22,919	20,391
Lost daughters campaign	1,030	-	1,030	8,300
Howard League student groups	2,652	-	2,652	5,571
Girls inquiry	50,115	-	50,115	-
Inquiry into former armed service personnel in prison	106	-	106	89,951
	76,822	-	76,822	135,563
Membership				
Subscriptions and payments under covenant	-	76,440	76,440	77,260
Income tax recoverable on subscriptions	-	21,151	21,151	28,821
	-	97,591	97,591	106,081
Events, conferences & publications				
Sales of books and literature	-	2,140	2,140	3,529
Conference fees	-	10,322	10,322	-
	-	12,462	12,462	3,529

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

Notes to the financial statements

For the year ended 31 May 2011

5 Incoming resources from charitable activities (continued)

	Restricted £	Unrestricted £	2011 Total £	2010 Total £
U R Boss				
Big Lottery Fund	482,453	-	482,453	324,904
	<u>482,453</u>	<u>-</u>	<u>482,453</u>	<u>324,904</u>
Legal services for young people				
Youth justice Law & helpline	1,000	-	1,000	15,150
Public inquiry solicitor	48,750	-	48,750	55,000
Young adults legal work	30,000	-	30,000	30,000
Legal Services Commission income	-	324,428	324,428	203,613
Public inquiry	-	23,735	23,735	7,769
Court cost awards	-	88,301	88,301	72,854
	<u>79,750</u>	<u>436,464</u>	<u>516,214</u>	<u>384,386</u>
 Total incoming resources from charitable activities	 <u>639,025</u>	 <u>546,517</u>	 <u>1,185,542</u>	 <u>954,463</u>

The Howard League for Penal Reform

Notes to the financial statements

For the year ended 31 May 2011

6 Total resources expended

	Cost of generating funds	Policy, research & campaigns	Membership	Events, conferences & publications	U R Boss	Legal services for young people	Governance Costs	Support Costs	2011 Total	2010 Total
	£	£	£	£	£	£	£	£	£	£
Staff costs (Note 8)	34,865	386,357	55,976	49,304	310,477	340,807	48,693	7,388	1,233,867	1,091,520
Other staff costs	-	10,977	4,764	-	6,451	10,069	790	1,415	34,466	21,079
Travel and subsistence	3,883	37,493	-	-	6,387	24,218	3,144	4,343	79,468	46,524
Publication costs	-	27,813	26,755	39,029	8,959	5,162	6,677	-	114,395	79,254
Publicity	6,170	2,074	2,992	8,343	-	-	-	-	19,579	15,555
Professional/Consultancy fees	5,950	29,091	7,970	-	55,415	100,409	-	700	199,535	181,605
Investment manager fees	13,291	-	-	-	-	-	-	-	13,291	-
Office and other expenses	3,406	13,569	7,355	-	9,333	17,646	1,226	101,226	153,761	57,833
Premises costs	-	5,619	3,005	3,005	6,193	10,843	3,006	3,006	34,677	43,434
Miscellaneous expenses	211	3,283	-	-	4,478	4,375	485	8,894	21,726	45,835
Equipment maintenance	-	6,295	2,500	-	13,380	7,149	500	8,024	37,848	80,644
Legal fees	-	-	-	-	-	-	-	4,200	4,200	-
Audit and accountancy	-	-	-	-	-	-	9,588	-	9,588	8,500
Depreciation	-	-	-	-	-	-	-	10,878	10,878	10,250
	67,776	522,571	111,317	99,681	421,073	520,678	74,109	150,074	1,967,279	1,682,033
Support Costs	30,014	30,015	30,015	30,015	10,005	10,005	10,005	(150,074)	-	-
Total resources expended	97,790	552,586	141,332	129,696	431,078	530,683	84,114	-	1,967,279	1,682,033

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

Notes to the financial statements

For the year ended 31 May 2011

7. Net movement in funds for the year

This is stated after charging / crediting

	2011 £	2010 £
Depreciation	10,878	10,250
Operating lease rentals		
▪ equipment	3,602	5,400
Auditors' remuneration		
▪ audit	8,000	8,500
▪ Under/(over) accrual of audit fee	1,588	-
▪ other services	4,500	-
Trustees' remuneration	-	-
Trustees' expenses	<u>3,144</u>	<u>5,715</u>

Trustees expenses represent both the reimbursement and direct payment of travel and subsistence costs to 6 (2010 8) members relating to attendance at meetings of the trustees

8. Staff costs and numbers

Staff costs were as follows

	2011 £	2010 £
Salaries and wages	1,035,763	928,607
Social security costs	96,800	84,698
Pension contributions	101,304	78,215
	<u>1,233,867</u>	<u>1,091,520</u>

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

	2011 No.	2010 No.
£60,001 - £70,000	2	-
£80,001-£99,999	<u>1</u>	<u>1</u>

Contributions made in the year to personal pension schemes totalled £21,094 for these employees (2010 - £8,868)

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

Notes to the financial statements

For the year ended 31 May 2011

8. Staff costs and numbers (continued)

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

	2011 No	2010 No
Costs of generating funds	2.5	2.5
Policy, research & campaigns	7.5	7.3
Membership	3.0	2.2
Events, conferences & publications	2.0	2.0
U R Boss	7.0	4.0
Legal services for young people	8.0	8.0
Governance	2.0	1.0
	<u>32.0</u>	<u>27.0</u>

9. Taxation

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

10 Tangible fixed assets

	Freehold property £	Computers £	Furniture and equipment £	Library books £	Total £
Cost					
At the start of the year	1,200,000	99,879	54,267	2,018	1,356,164
Additions in year	-	10,382	507	-	10,889
At the end of the year	<u>1,200,000</u>	<u>110,261</u>	<u>54,774</u>	<u>2,018</u>	<u>1,367,053</u>
Depreciation					
At the start of the year	-	92,162	36,499	2,017	130,678
Charge for the year	-	9,050	1,828	-	10,878
At the end of the year	<u>-</u>	<u>101,212</u>	<u>38,327</u>	<u>2,017</u>	<u>141,556</u>
Net book value					
At the end of the year	<u>1,200,000</u>	<u>9,049</u>	<u>16,447</u>	<u>1</u>	<u>1,225,497</u>
At the start of the year	<u>1,200,000</u>	<u>7,717</u>	<u>17,768</u>	<u>1</u>	<u>1,225,486</u>

The freehold property at 1 Ardleigh Road, London, N1 4HS was valued on 25 January 2007 by Copping Joyce Chartered Surveyors LLP (independent valuers). The trustees are not aware of any material changes since the last valuation. The historical cost of the freehold is £650,000.

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

Notes to the financial statements

For the year ended 31 May 2011

11. Investments

	2011	2010
	£	£
Market value at the start of the year	2,122,176	158,458
Additions at cost	-	2,000,000
Unrealised gain / (loss)	235,984	(36,282)
Market value at the end of the year	<u>2,358,160</u>	<u>2,122,176</u>
Historic cost at the end of the year	<u>2,173,434</u>	<u>2,173,434</u>

	2011	2010
	£	£
CAF UK Equity bond	126,297	110,735
CAF fixed interest bond	52,094	51,823
Schroder Charity Multi-asset fund	<u>2,152,502</u>	<u>1,936,944</u>

12. Debtors

	2011	2010
	£	£
Income tax recoverable	10,540	12,603
Prepayments and accrued income	<u>525,398</u>	<u>327,534</u>
	<u>535,938</u>	<u>340,137</u>

13 Creditors: amounts due within one year

	2011	2010
	£	£
Operating creditors	40,508	47,299
Accruals and deferred income	153,564	119,997
Other tax and social security	<u>139,503</u>	<u>27,121</u>
	<u>333,575</u>	<u>194,417</u>

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

Notes to the financial statements

For the year ended 31 May 2011

14 Creditors amounts due after more than one year

	2011	2010
	£	£
Loan repayable between 2 and 5 years	<u>25,000</u>	<u>25,000</u>

The above loan is from Reading Quakers and is repayable in full by 2013

15 Analysis of net assets between funds

	Restricted funds £	Strategic reserve £	Other designated £	General funds £	Total funds £
Tangible fixed assets	324,611	-	900,886	-	1,225,497
Investments	-	2,152,502	184,726	20,932	2,358,160
Net current assets	213,868	2,473,731	-	650,791	3,338,390
Long-term liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,000)</u>	<u>(25,000)</u>
Net assets	<u>538,479</u>	<u>4,626,233</u>	<u>1,085,612</u>	<u>646,723</u>	<u>6,897,047</u>

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

Notes to the financial statements

For the year ended 31 May 2011

16. Movements in funds

	At the start of the year as restated £	Incoming resources and gain on investments £	Outgoing resources £	Transfers £	At the end of the year £
Restricted funds:					
Youth justice law & helpline	-	1,000	(1,000)	-	-
Public inquiry solicitor	16,041	48,750	(64,791)	-	-
Young adult legal work	-	30,000	(30,000)	-	-
Howard League student societies	-	2,652	(2,652)	-	-
Big lottery fund (U R Boss)	100,558	482,453	(431,078)	-	151,933
Lost daughters Campaign	10,790	1,030	-	-	11,820
Research project (short term sentences)	11,350	-	(11,350)	-	-
Community interventions	-	22,919	(22,919)	-	-
Inquiry into former armed service personnel in prison	25,708	106	(25,814)	-	-
Girls inquiry	-	50,115	-	-	50,115
Property	324,611	-	-	-	324,611
Total restricted funds	489,058	639,025	(589,604)	-	538,479
Unrestricted funds:					
<i>Designated funds</i>					
Strategic fund	5,013,191	-	-	(386,958)	4,626,233
Property and equipment	350,875	-	-	11	350,886
Property revaluation	550,000	-	-	-	550,000
Investment revaluation	-	184,726	-	-	184,726
<i>Total designated funds</i>	5,914,066	184,726	-	(386,947)	5,711,845
General funds	595,476	1,041,975	(1,377,675)	386,947	646,723
Total unrestricted funds	6,509,542	1,226,701	(1,377,675)	-	6,358,568
Total funds	6,998,600	1,865,726	(1,692,872)	-	6,897,047

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

Notes to the financial statements

For the year ended 31 May 2011

Purposes of restricted funds

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.

Public inquiry solicitor

The inquiry solicitor is a legal specialist in helping child clients with mental health needs with intervention, advocacy and legal challenges.

Young adults legal work

The legal department represents young adults in custody aged 18-21 years. Its core funding is supplemented by a combination of trust funding and general donations.

Howard League student societies

To set up and co-ordinate Howard League student groups in universities in England and Wales, funded from general donations.

Big lottery fund (U R Boss)

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

The project will fund a proportion of our solicitors' costs and additional staff over the five years.

Lost daughters campaign

This campaign commemorates the work of former trustee Pauline Campbell and is aimed at preventing the deaths of women in prison. It was funded from a general appeal for donations.

Research project (short term sentences)

To undertake research in partnership with Prison Governors Association on short term sentences.

Community interventions

The campaign aims to encourage public and government support for successful community sentences. The Howard League for Penal Reform believes that well resourced and well structured programmes raise public protection, bringing down the rate of offending and repay the damage done by crime.

Inquiry into former armed service personnel in prison

Inquiry set up in November 2009. The inquiry will seek to discover the reasons why veterans enter the penal system, investigate how former armed service personnel can be given appropriate support to prevent offending and look for good practice and new ideas.

Girls inquiry

An investigation by the all party parliamentary group on women in the penal system, led by the Howard League, into girls in custody, with the aim of recommending an end to the use of prison and STCs for juvenile girls, looking at European best practice, raising the age of criminal responsibility.

Property

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

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

Notes to the financial statements

For the year ended 31 May 2011

Purposes of designated funds & Transfers between funds

Strategic fund

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

Property and equipment

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

Property revaluation reserve

Demonstrates the gain on the property revaluation in 2007. This balance was previously restricted, but as there is no requirement to restrict the revaluation, it has been restated as a designated fund.

Investment revaluation reserve

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

Transfers between funds

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

A further transfer has been made from general funds to the property and equipment fund to reflect the change in net book value (due to additions and depreciation) of the non property fixed assets.

17. Operating lease commitments

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

	Equipment 2011 £	2010 £
Less than 1 year	2,948	3,180
1 - 2 Years	5,896	-
	<u>8,844</u>	<u>3,180</u>

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

Notes to the financial statements

For the year ended 31 May 2011

18 Prior year adjustment

The funds position has been restated to reflect how certain funds should have been treated in the previous year's accounts. The gain on the revaluation of the property was previously included within restricted funds and has been restated as a designated fund. A designated fund that holds the net book value of the unrestricted element of the property and remaining fixed assets has also been established within the prior year fund balances. The numerical effect on the relevant funds is demonstrated below.

	£
a) General funds before adjustment	946,351
Reduction to create the property and equipment reserve as at 31 03 10	<u>(350,875)</u>
General funds restated	<u><u>595,476</u></u>
b) Property and equipment reserve before adjustment	-
Increase from general funds to create the reserve as at 31 03 10	<u>350,875</u>
Property and equipment reserve restated	<u><u>350,875</u></u>
c) Restricted funds before adjustment	1,039,058
Removal of property revaluation amount	<u>(550,000)</u>
Restricted funds restated	<u><u>489,058</u></u>
d) Property revaluation designated reserve before adjustment	-
Reallocation of property revaluation from restricted funds	<u>550,000</u>
Property revaluation designated reserve restated	<u><u>550,000</u></u>