

Company no 898514  
Charity no 251926

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

## **Report and Financial Statements**

**31 May 2012**

THURSDAY



\*A1KA0IAW\*

A07

25/10/2012

#126

COMPANIES HOUSE

**sayer vincent**

*auditors and advisors*

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

## **Reference and administrative details**

**For the year ended 31 May 2012**

---

<b>Company number</b>	898514																																										
<b>Charity number</b>	251926																																										
<b>Registered office and operational address</b>	1 Ardleigh Road London N1 4HS																																										
<b>Trustees</b>	<p>Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows</p> <table><tr><td>Sue Wade</td><td>Chair</td></tr><tr><td>Professor David Wilson</td><td>Vice Chair</td></tr><tr><td>Coral Newton</td><td>Honorary Treasurer</td></tr><tr><td>Monty Raphael (resigned June 2012)</td><td>Honorary Solicitor</td></tr><tr><td>Jan Anderson</td><td></td></tr><tr><td>Matthew Ball</td><td></td></tr><tr><td>Lady Chidgey</td><td></td></tr><tr><td>Professor Penny Green</td><td></td></tr><tr><td>Richard Linenthal</td><td></td></tr><tr><td>Kevin McGrath</td><td></td></tr><tr><td>Elizabeth Morony</td><td></td></tr><tr><td>His Honour John Samuels QC</td><td></td></tr><tr><td>Chris Sheffield OBE</td><td></td></tr><tr><td>Professor Pamela Taylor</td><td></td></tr><tr><td>His Honour Judge Peter Thornton QC (resigned June 2012)</td><td></td></tr><tr><td>Dr Azrini Wahidin (resigned June 2012)</td><td></td></tr><tr><td>Julian Weinberg</td><td></td></tr><tr><td>Cynthia Winifred</td><td></td></tr><tr><td>Dick Whitfield</td><td></td></tr><tr><td>Samantha Kennedy (appointed November 2011)</td><td></td></tr><tr><td>Dr Neil Chakraborti (appointed November 2011)</td><td></td></tr></table>	Sue Wade	Chair	Professor David Wilson	Vice Chair	Coral Newton	Honorary Treasurer	Monty Raphael (resigned June 2012)	Honorary Solicitor	Jan Anderson		Matthew Ball		Lady Chidgey		Professor Penny Green		Richard Linenthal		Kevin McGrath		Elizabeth Morony		His Honour John Samuels QC		Chris Sheffield OBE		Professor Pamela Taylor		His Honour Judge Peter Thornton QC (resigned June 2012)		Dr Azrini Wahidin (resigned June 2012)		Julian Weinberg		Cynthia Winifred		Dick Whitfield		Samantha Kennedy (appointed November 2011)		Dr Neil Chakraborti (appointed November 2011)	
Sue Wade	Chair																																										
Professor David Wilson	Vice Chair																																										
Coral Newton	Honorary Treasurer																																										
Monty Raphael (resigned June 2012)	Honorary Solicitor																																										
Jan Anderson																																											
Matthew Ball																																											
Lady Chidgey																																											
Professor Penny Green																																											
Richard Linenthal																																											
Kevin McGrath																																											
Elizabeth Morony																																											
His Honour John Samuels QC																																											
Chris Sheffield OBE																																											
Professor Pamela Taylor																																											
His Honour Judge Peter Thornton QC (resigned June 2012)																																											
Dr Azrini Wahidin (resigned June 2012)																																											
Julian Weinberg																																											
Cynthia Winifred																																											
Dick Whitfield																																											
Samantha Kennedy (appointed November 2011)																																											
Dr Neil Chakraborti (appointed November 2011)																																											
<b>President</b>	Lord Carlile of Berriew QC (Until July 2012)																																										
<b>Principal staff</b>	Frances Crook OBE																																										
<b>Bankers</b>	<table><tr><td>Nat West Bank Plc</td><td>CAF Bank Ltd</td></tr><tr><td>PO Box 3038</td><td>Kings Hill</td></tr><tr><td>53 Victoria Street</td><td>West Malling</td></tr><tr><td>London</td><td>Kent</td></tr><tr><td>SW1P</td><td>ME19 4TA</td></tr></table>	Nat West Bank Plc	CAF Bank Ltd	PO Box 3038	Kings Hill	53 Victoria Street	West Malling	London	Kent	SW1P	ME19 4TA																																
Nat West Bank Plc	CAF Bank Ltd																																										
PO Box 3038	Kings Hill																																										
53 Victoria Street	West Malling																																										
London	Kent																																										
SW1P	ME19 4TA																																										
<b>Auditors</b>	Sayer Vincent Chartered accountants and statutory auditors 8 Angel Gate City Road London EC1V 2SJ																																										
<b>Investment advisors</b>	Schroders & Co Limited 100 Wood Street London EC1V 7ER																																										

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

### **Report of the President, Chief Executive and Chair**

**For the year ended 31 May 2012**

---

#### **Lord Carlile QC, President**

I have been President of the Howard League for Penal Reform for six years and, whilst I retired from that formal role this year, I remain committed to the work of the charity and plan to continue to be involved

I have witnessed significant changes to the penal system. I welcome the commitment from the coalition government to bring in real work for prisoners, a Howard League campaign victory. The number of children incarcerated has dropped, another success story.

There remain challenges. The prison population is still too high and the number of people serving indeterminate sentences is scandalous. There will always be a need for independent and authoritative charities that shine a light into the darkness of the cell and which bring new ideas to government and the public.

#### **Frances Crook, Chief Executive**

The Howard League for Penal Reform relies on voluntary gifts from individuals and trusts and increasingly on our regular donors and members. With their generosity we are able to be radical, ambitious and influential. Many charities are increasingly reliant on grants from government, but we have made the decision to seek independence through other funding sources so that we can retain our impartiality.

The Howard League's mission is to be an independent and sometimes critical voice that leads the public discourse. Our research gives us a sound knowledge base and authority and our expertise gives us respect in government circles. The charity is fortunate that it benefits from the gifts of many thousands of individuals and trusts.

I lead a staff team that is exceptionally talented and committed to the work and I am grateful to them for their efforts over the year. I also want to thank the interns and volunteers who give their time to the work of charity.

#### **Sue Wade, Chair**

The launch of our major research programme under the banner *Stemming the Flow* brought a very busy year to an exciting end. The board of trustees is guiding the Howard League for Penal Reform towards greater investment and emphasis on research into new ideas and better ways of working.

The charity started to investigate how policing can help to reduce the flow of people into a failing penal system. Our work with the All Party Parliamentary Group investigating how girls are treated has already helped police forces round the country improve their treatment of girls.

The board of trustees is lively and hardworking and it has been a privilege to lead them during a successful year. I am grateful to them for their excellent work and to the many members, old and new, who make it all possible.

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

### **Report of the trustees**

#### **For the year ended 31 May 2012**

---

The trustees present their report and the audited financial statements for the year ended 31 May 2012

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

### **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

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

During the year the board of trustees met formally four times. The board had 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 dovetails 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 against 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 2012**

---

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

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

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

#### **Risk Management**

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

Risk management is integrated with planning and budgeting and the organisation is committed to developing understanding of a risk-aware approach to working. The executive management team keeps major risks under regular review. There is an annual review by the finance 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, the management of major projects such as the research programme and U R boss project.

#### **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.

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.

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

### **Report of the trustees**

#### **For the year ended 31 May 2012**

---

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

The charity set six objectives for 2011 – 2012

- **Getting girls out of the penal system**

The number of girls arrested by the police dropped by more than 10,000 and the number of girls in custody fell by 10 per cent

The Howard League for Penal Reform provides support to the All Party Parliamentary Group on Women in the Penal System

The Parliamentary inquiry into girls held public hearings with evidence from police chiefs, magistrates, voluntary groups and girls

The inquiry encouraged police to reduce arrests and the courts to find community responses to girls in conflict with the law

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

### **Report of the trustees**

**For the year ended 31 May 2012**

---

- **Renewing the structure of community sentences and improving practice**

We advised the government on future of community sentences and gave awards to best practice

The Howard League for Penal Reform has led the public debate about renewing the structure of community sentences and improving practice

The campaign reached out across the country, including open days for the best schemes so people could learn about what works

The Howard League awards celebrate services that keep people out of crime

- **Introducing real work into prisons**

The government has adopted the Howard League's idea of real work for prisoners as its flagship prison policy

The charity campaigned for more than a decade to introduce the principle of real work to prisons so that prisoners were able to earn a wage, keep busy and productive, and learn how to be an employee

Prisons across the country have radically changed their regimes in response

- **Improving the care of veterans in the penal system**

The Howard League inquiry into former armed service personnel in prison reported last year – prisons now have a nominated specialist officer

- **Research: Stemming the flow of children into the penal system**

The charity launched a major new research programme to last for five years, under the banner of Stemming the Flow

A series of thought provoking lectures and pamphlets was launched with a look at the purpose of policing and reform of the magistrates

Research on the policing and criminalisation of sexually exploited girls and young women was published

The charity published statistics about the arrest of children by police

Research on overnight detention of children in police cells was published

Over the year the Howard League campaigned successfully to reduce the number of children entering the penal system and to improve responses to their behaviour

The number of children arrested last year fell by 30,000 The number of children in custody has fallen to 1,600, a drop of over 400

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

### **Report of the trustees**

**For the year ended 31 May 2012**

---

#### **▪ Improving the treatment of children in custody and on release**

The legal service for children and young adults in custody is unique

Supported by the U R Boss team, the Howard League for Penal Reform lawyers provide excellent caring support and intervention for vulnerable and challenging young people

The advice line helps young prisoners, their families, and their lawyers with expert advice

Our legal team represented 128 children and young adults improving their treatment in custody and helping them to resettlement safely. The legal helpline responded to 559 calls for help with a wide range of queries

#### **U R Boss**

Young people in conflict with the law have been working closely with the Howard League to improve government policy and the practice of police and courts

A campaign to encourage the police and crime commissioner candidates to engage with young people was launched at a Parliamentary event attended by 300 people

A report on the experiences of young people coming out of custody was published at an event in Parliament with the prisons minister

#### **A vibrant charity**

The membership of the Howard League has almost doubled

The charity has a high media profile on television, radio and in the press

Events are open to all, including the AGM and fringe meetings at the political party conferences, always with eminent speakers and a lively audience

#### **Publications**

##### **Reports**

- Overnight detention of children in police cells, 48pp, 2011, £10
- Overnight detention of children in police cells, summary, 8pp, free
- Voice of a child, 30pp, 2011, £10
- Life outside Collective identity, collective exclusion, 24pp, 2011, £10
- Annual report 2010 – 2011, 44pp, £10
- Inaugural research medal collected papers, 60pp, 2012, free
- Keeping girls out of the penal system, All Party Parliamentary Group on Women in the Penal system, 8pp, 2012, free
- Less crime, safer communities, fewer people in prison, 16pp, 2012, free
- Future insecure Secure children's homes in England and Wales, 12pp, 2012, free
- In praise of fire brigade policing Contra common sense conceptions of the police role, by Professor Robert Reiner, 24pp, 2012, £5
- Embedding participation, second U R Boss evaluation report, 12pp, 2012, free



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

### **Report of the trustees**

#### **For the year ended 31 May 2012**

---

- From courts to custody, All Party Parliamentary Group on Women in the Penal System, 8pp, 2012, free
- Out of place The policing and criminalisation of sexually exploited girls and young women, by Professor Jo Phoenix, 46pp, 2012, £10
- Out of place The policing and criminalisation of sexually exploited girls and young women, summary, 8pp, 2012, free

#### **Submissions to government and policy papers**

- Structure and budget of the Ministry of Justice, evidence to the Justice Select Committee, September 2011
- Office of the Children's Commissioner for England, evidence to the Department for Education, September 2011
- Joint enterprise, evidence to the Justice Select Committee, September 2011
- Safer custody policy revision, October 2011
- Response to the riots, briefing for Parliamentary debate, October 2011
- Secure children's homes, briefing for debate in the House of Lords, November 2011
- Legal aid, sentencing and punishment of offenders bill, briefing, November 2011
- Submission to the Leveson inquiry culture, practice and ethics of the press, December 2011
- Young people in the criminal justice system, evidence to the Riots Panel, January 2012
- Submission to the Labour Party's justice policy working group, January 2012
- Youth justice system, evidence to the Justice Select Committee, March 2012
- Crime and courts bill, briefing, May 2012
- Transforming bailiff action, evidence to the ministry of justice, May 2012
- Secure training centre inspections, evidence to Ofsted, June 2012
- Effective community sentences, evidence to the Ministry of Justice, June 2012
- Effective probation services, evidence to the Ministry of Justice, June 2012
- Mothers imprisoned with their infants, Parliamentary briefing, July 2012

#### **Academic consultants**

Dr Vicky Cooper	Liverpool John Moores University
Dr Nicola Padfield	Cambridge University
Prof Loraine Gelsthorpe	Cambridge University
Professor Mike Hough	Birkbeck College, University of London
Dr Rosie Meek	Southampton University
Dr Julie Trebilcock	Imperial College, London

De Montfort University - U R Boss evaluation team - lead by Jennie Flemming, Director, Centre for Social Action

#### **Research Advisory Group**

Professor Ian Loader (chair)	Oxford University
Dr Christopher Bennet	Sheffield University
Charlotte Bilby	Northumbria University
Lawrence Burke	Liverpool John Moores University
Dr Ben Crewe	Cambridge University
Professor Stephen Farrall	Sheffield University
Professor Julia Fionda	Kingston University

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

### **Report of the trustees**

**For the year ended 31 May 2012**

---

#### **Research Advisory Group (continued)**

Elaine Genders	University College, London
Professor Barry Goldson	Liverpool John Moores University
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
Professor Jonathan Shepherd	Cardiff University

#### **Editors of the Howard Journal of Criminal Justice**

Professor David Wilson	Birmingham City University
Professor J Robert Lilly	Northern Kentucky University, USA
Professor Penny Green	Kings College London

#### **Book Review Editor**

Professor Loraine Gelsthorpe	University of Cambridge
------------------------------	-------------------------

<b>Publishing Editor</b>	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

#### **Plans for the coming year**

- Stemming the Flow is the key theme for all of the work of the charity
- To improve the quality of contact between young people and the police
- To raise public and governmental awareness of our three key issues of coercive sex, consensual sex and healthy sexual development amongst the young
- Improved conditions for people serving long sentences
- Justice reinvestment is established and understood by opinion leaders, while privatisation of the penal system is challenged
- To have 8,000 members by summer 2013
- To continue to strengthen Parliamentary and government relationships
- To build authority with the academic community
- To extend the influence of its lawyers' network
- To develop links with regulatory and professional bodies and form partnerships with professional bodies

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

### **Report of the trustees**

**For the year ended 31 May 2012**

---

#### **Financial review**

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

The financial position is positive, with annual expenditure of £2,208,703 and total funds at £5.6m

The U R Boss project, funded by the Big Lottery, contributed 46% of the charity's income for the year. The project is now in its third year, and is establishing good practice in participation with young people in the criminal justice system. This year has seen increased activity by the young advisers recruited on the project.

We continued to draw on the Strategic Reserve created with the donation from Lord Parmoor's trust to support our infrastructure and fund relevant projects. The contribution of £1,058,238 from the strategic reserve shows up in the statement of financial activities as funding the deficit in unrestricted funds.

Among the projects funded from the Strategic Reserve, was the door to door membership recruitment initiative which has been instrumental in increasing our membership by 25%. The research programme has gained momentum this year with studentships and commissioned research from academics, boosting the charity's profile in the field of penal reform. Funds from the strategic reserve have also enabled us to restructure the legal team, with the aim of tying it more closely into our policy and campaigning work, while working towards making the team self-funding.

##### **Reserves**

The total funds of the charity stand at £5.6m. Of this £579,787 represents restricted funds received for specific projects or purposes and not available for general use, including Big Lottery funding for the U R Boss project. The strategic reserve accounts for just over £3.5m, comprising the total £6m donation, less amounts which the Trustees have agreed to use to date, less a net loss in the value of the investments at the balance sheet date. A further £1.2m is tied up in our freehold property.

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. Unrestricted operating reserves, after excluding property, restricted and designated funds, and taking account of current and future commitments, amounts to £598,332, which is less than six months operating expenditure.

##### **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

As at 31 May 2012, our holding in Schroder's charity multi asset fund was valued at £2,033,405. The returns on long term investments have been volatile, and the funds have just about maintained the value of the initial investment, while providing a modest income. The outlook continues to be uncertain. The finance and personnel committee continue to monitor the fund against the benchmark.

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

### **Report of the trustees**

#### **For the year ended 31 May 2012**

---

The balance of the strategic reserve (£1,536,819) is held in short term deposits managed to maximise return and maintain accessibility without placing the capital value at risk. These funds held are 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

#### **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)

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 2012 was 19 (2011 - 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

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

**Report of the trustees**

**For the year ended 31 May 2012**

---

**Auditors**

Sayer Vincent were re-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 10 October 2012 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 2012 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 2012 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)

23 October 2012

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 2012**

	Note	Restricted £	Unrestricted £	2012 Total £	2011 Total £
<b>Incoming resources</b>					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	-	81,172	<b>81,172</b>	353,014
Activities for generating funds	3	-	15,624	<b>15,624</b>	14,821
Investment income	4	-	176,545	<b>176,545</b>	146,520
<i>Incoming resources from charitable activities</i>					
	5				
Policy, research and campaigns		15,696	-	<b>15,696</b>	76,822
Membership		-	114,271	<b>114,271</b>	97,591
Events, conferences & publications		-	12,934	<b>12,934</b>	12,462
U R Boss		551,903	-	<b>551,903</b>	482,453
Legal services for young people		6,250	217,378	<b>223,628</b>	516,214
<b>Total incoming resources</b>		<b>573,849</b>	<b>617,924</b>	<b>1,191,773</b>	1,699,897
<b>Resources expended</b>					
<i>Costs of generating funds</i>					
Costs of generating voluntary income		-	194,570	<b>194,570</b>	97,790
<i>Charitable activities</i>					
Policy, research and campaigns		51,405	627,072	<b>678,477</b>	552,586
Membership		-	126,692	<b>126,692</b>	141,332
Events, conferences & publications		-	108,538	<b>108,538</b>	129,696
U R Boss		474,886	-	<b>474,886</b>	431,078
Legal services for young people		6,250	530,245	<b>536,495</b>	530,683
<i>Governance costs</i>		-	89,045	<b>89,045</b>	84,114
<b>Total resources expended</b>	6	<b>532,541</b>	<b>1,676,162</b>	<b>2,208,703</b>	1,967,279
<b>Net outgoing resources before other recognised gains and losses</b>	7	<b>41,308</b>	<b>(1,058,238)</b>	<b>(1,016,930)</b>	(267,382)
Unrealised (losses)/gains		-	(233,117)	<b>(233,117)</b>	165,829
<b>Net movement in funds</b>		<b>41,308</b>	<b>(1,291,355)</b>	<b>(1,250,047)</b>	(101,553)
<b>Reconciliation of funds</b>					
Total funds brought forward		538,479	6,358,568	<b>6,897,047</b>	6,998,600
<b>Total funds carried forward</b>		<b>579,787</b>	<b>5,067,213</b>	<b>5,647,000</b>	6,897,047

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)

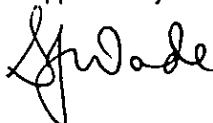
Company no 898514

Balance sheet

31 May 2012

	Note	£	2012 £	2011 £
<b>Fixed assets</b>				
Tangible fixed assets	10		1,223,268	1,225,497
Investments	11		<u>2,228,673</u>	<u>2,358,160</u>
			<b>3,451,941</b>	<b>3,583,657</b>
<b>Current assets</b>				
Debtors	12	310,319		535,938
Cash at bank and in hand		335,593		65,729
Short term deposits		<u>1,954,942</u>		<u>3,070,298</u>
		<b>2,600,854</b>		<b>3,671,965</b>
<b>Current liabilities</b>				
Creditors amounts due within one year	13	<u>(380,795)</u>		<u>(333,575)</u>
Net current assets			<u>2,220,059</u>	<u>3,338,390</u>
Total assets less current liabilities			<u>5,672,000</u>	<u>6,922,047</u>
Creditors amounts due in more than one year	14		<u>(25,000)</u>	<u>(25,000)</u>
<b>Net assets</b>	15		<u><u>5,647,000</u></u>	<u><u>6,897,047</u></u>
<b>The funds of the charity</b>	16			
<b>Restricted funds</b>				
In surplus			579,787	538,479
<b>Unrestricted funds</b>				
Strategic reserve			3,570,224	4,626,233
Revaluation reserve - property			550,000	550,000
Revaluation reserve - investments			-	184,726
Other designated funds			348,657	350,886
General funds			<u>598,332</u>	<u>646,723</u>
<b>Total charity funds</b>			<u><u>5,647,000</u></u>	<u><u>6,897,047</u></u>

Approved by the trustees on 10 October 2012 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 2012**

---

#### **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 2012**

---

#### **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	6.7%
Legal services for young people	6.7%
Governance	6.7%

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

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

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

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

#### **Fund Accounting**

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

#### **Fixed Assets**

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

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

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

### Notes to the financial statements

For the year ended 31 May 2012

---

#### 1. Accounting Policies (continued)

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

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

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

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

#### o) Investments

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

#### p) Operating leases

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

#### Pension costs

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

#### 2. Voluntary income

	Restricted £	Unrestricted £	2012 Total £	2011 Total £
General donations	-	62,537	62,537	104,264
	-	62,537	62,537	104,264
Legacies	-	18,635	18,635	248,750
Total	-	81,172	81,172	353,014

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

**Notes to the financial statements**

**For the year ended 31 May 2012**

**3. Activities for generating funds**

	Restricted	Unrestricted	2012 Total	2011 Total
	£	£	£	£
Sales of greetings cards	-	58	58	69
Royalties (The Howard Journal)	-	15,566	15,566	14,752
	-	15,624	15,624	14,821

**4. Investment income**

	Restricted	Unrestricted	2012 Total	2011 Total
	£	£	£	£
Income from stocks and shares	-	122,101	122,101	72,419
Interest receivable	-	54,444	54,444	74,101
Total	-	176,545	176,545	146,520

**5. Incoming resources from charitable activities**

	Restricted	Unrestricted	2012 Total	2011 Total
	£	£	£	£
Campaigns, policy & research				
Community intervention	11,570	-	11,570	22,919
Howard League student groups	1,141	-	1,141	2,652
Girls inquiry	2,785	-	2,785	51,145
Inquiry into sex in prison	200	-	200	-
Inquiry into former armed service personnel in prison	-	-	-	106
	15,696	-	15,696	76,822

**Membership**

Subscriptions and payments under covenant	-	97,680	97,680	76,440
Income tax recoverable on subscriptions	-	16,591	16,591	21,151
	-	114,271	114,271	97,591

**Events, conferences & publications**

Sales of books and literature	-	2,598	2,598	2,140
Conference fees	-	10,336	10,336	10,322
	-	12,934	12,934	12,462

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

**Notes to the financial statements**

**For the year ended 31 May 2012**

**5. Incoming resources from charitable activities (continued)**

	Restricted £	Unrestricted £	2012 Total £	2011 Total £
<b>U R Boss</b>				
Big Lottery Fund	551,903	-	551,903	482,453
	<u>551,903</u>	<u>-</u>	<u>551,903</u>	<u>482,453</u>
<b>Legal services for young people</b>				
Youth justice Law & helpline	-	-	-	1,000
Public inquiry solicitor	6,250	-	6,250	48,750
Young adults legal work	-	-	-	30,000
Legal Services Commission income	-	192,832	192,832	324,428
Public inquiry	-	-	-	23,735
Court cost awards	-	24,546	24,546	88,301
	<u>6,250</u>	<u>217,378</u>	<u>223,628</u>	<u>516,214</u>
<b>Total incoming resources from charitable activities</b>	<u>573,849</u>	<u>344,583</u>	<u>918,432</u>	<u>1,185,542</u>

The Howard League for Penal Reform

Notes to the financial statements

For the year ended 31 May 2012

6 Total resources expended

	Cost of generating funds	Policy, research & campaigns	Membership	Events, conferences & publications	U R Boss	Legal service for young people	Governance Costs	Support Costs	2012 Total	2011 Total
	£	£	£	£	£	£	£	£	£	£
Staff costs (Note 8)	77,015	410,599	51,979	49,682	346,536	233,729	45,494	87,305	1,302,339	1,233,867
Other staff costs	175	6,479	-	-	5,335	47,719	-	5,298	65,006	34,466
Travel and subsistence	1,465	20,958	-	5,416	9,418	13,489	2,797	1,686	55,229	79,468
Publication costs	2,782	59,666	32,698	19,442	11,472	2,892	5,470	2,138	136,560	114,395
Publicity	-	6,000	-	-	6,040	-	-	-	12,040	19,579
HL Studentships	-	72,398	-	-	-	-	-	-	72,398	-
Research Honorarium	-	6,336	-	-	-	-	-	-	6,336	-
Professional/Consultancy fees	60,566	53,628	-	-	63,095	109,655	10,800	-	297,744	199,535
Investment manager fees	17,925	-	-	-	-	-	-	-	17,925	13,291
Bad debt provision	-	-	-	-	-	47,097	-	-	47,097	-
Office and other expenses	156	1,640	-	-	9,049	3,199	302	13,854	28,200	153,761
Premises costs	-	1,613	303	-	7,105	5,111	-	17,500	31,632	34,677
Miscellaneous expenses	695	4,119	3,585	207	3,552	4,688	142	11,384	28,372	21,726
Equipment maintenance	-	1,250	4,336	-	2,020	3,939	-	18,702	30,247	37,848
Legal fees	-	-	-	-	-	-	-	3,000	3,000	4,200
Counsel fees	-	-	-	-	-	53,713	-	-	53,713	-
Audit and accountancy	-	-	-	-	-	-	12,775	-	12,775	9,588
Depreciation	-	-	-	-	-	-	-	8,090	8,090	10,878
	160,779	644,686	92,901	74,747	463,622	525,231	77,780	168,957	2,208,703	1,967,279
Support Costs	33,791	33,791	33,791	33,791	11,264	11,264	11,265	(168,957)	-	-
<b>Total resources expended</b>	<b>194,570</b>	<b>678,477</b>	<b>126,692</b>	<b>108,538</b>	<b>474,886</b>	<b>536,495</b>	<b>89,045</b>	<b>-</b>	<b>2,208,703</b>	<b>1,967,279</b>

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

**Notes to the financial statements**

**For the year ended 31 May 2012**

**7 Net outgoing resources for the year**

This is stated after charging / crediting

	2012 £	2011 £
Depreciation	8,090	10,878
Operating lease rentals		
▪ equipment	8,844	3,602
Auditors' remuneration		
▪ audit	8,400	8,000
▪ Under accrual of audit fee	1,100	1,588
▪ other services	3,275	4,500
Trustees' remuneration	-	-
Trustees' expenses	<u>3,248</u>	<u>3,144</u>

Trustees expenses represent both the reimbursement and direct payment of travel and subsistence costs to 6 (2011 6) members relating to attendance at meetings of the trustees

**8 Staff costs and numbers**

Staff costs were as follows

	2012 £	2011 £
Salaries and wages	1,100,353	1,035,763
Social security costs	102,453	96,800
Pension contributions	<u>99,533</u>	<u>101,304</u>
	<u>1,302,339</u>	<u>1,233,867</u>

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

	2012 No	2011 No
£60,001 - £70,000	1	2
£90,001 - £100,000	<u>1</u>	<u>1</u>

Contributions made in the year to personal pension schemes totalled £15,908 for these employees (2011 - £21,094)



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

**Notes to the financial statements**

**For the year ended 31 May 2012**

**8 Staff costs and numbers (continued)**

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

	<b>2012</b>	<b>2011</b>
	<b>No</b>	<b>No</b>
Costs of generating funds	<b>3 0</b>	2 5
Policy, research & campaigns	<b>9 5</b>	7 5
Membership	<b>1 5</b>	2 5
Events, conferences & publications	<b>1 0</b>	2 0
U R Boss	<b>8 0</b>	7 0
Legal services for young people	<b>6 0</b>	8 0
Governance	<b>1 5</b>	1 5
Support	<b>3 5</b>	1 0
	<b><u>34 0</u></b>	<b><u>32 0</u></b>

**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 £
<b>Cost</b>					
At the start of the year	1,200,000	110,261	54,774	2,018	<b>1,367,053</b>
Additions in year	-	3,339	2,522	-	<b>5,861</b>
At the end of the year	<u>1,200,000</u>	<u>113,600</u>	<u>57,296</u>	<u>2,018</u>	<b><u>1,372,914</u></b>
<b>Depreciation</b>					
At the start of the year	-	101,212	38,327	2,017	<b>141,556</b>
Charge for the year	-	6,194	1,896	-	<b>8,090</b>
At the end of the year	<u>-</u>	<u>107,406</u>	<u>40,223</u>	<u>2,017</u>	<b><u>149,646</u></b>
<b>Net book value</b>					
At the end of the year	<u><b>1,200,000</b></u>	<u><b>6,194</b></u>	<u><b>17,073</b></u>	<u><b>1</b></u>	<b><u>1,223,268</u></b>
At the start of the year	<u>1,200,000</u>	<u>9,049</u>	<u>16,447</u>	<u>1</u>	<b><u>1,225,497</u></b>

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

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

**Notes to the financial statements**

**For the year ended 31 May 2012**

**11 Investments**

	2012 £	2011 £
Market value at the start of the year	2,358,160	2,122,176
Additions at cost	103,630	-
Unrealised gain / (loss)	<u>(233,117)</u>	<u>235,984</u>
Market value at the end of the year	<u>2,228,673</u>	<u>2,358,160</u>
Historic cost at the end of the year	<u>2,277,064</u>	<u>2,173,434</u>

An analysis of significant Investments is as follows

	2012 £	2011 £
CAF UK Equity bond	115,438	126,297
CAF fixed interest bond	51,230	52,094
Schroder Charity Multi-asset fund	<u>2,033,405</u>	<u>2,152,502</u>

**12 Debtors**

	2012 £	2011 £
Income tax recoverable	8,391	10,540
Prepayments and accrued income	<u>301,928</u>	<u>525,398</u>
	<u>310,319</u>	<u>535,938</u>

**13 Creditors amounts due within one year**

	2012 £	2011 £
Operating creditors	89,486	40,508
Accruals and deferred income	160,354	153,564
Other tax and social security	107,248	139,503
Grants payable	<u>23,707</u>	<u>-</u>
	<u>380,795</u>	<u>333,575</u>

**14 Creditors amounts due after more than one year**

	2012 £	2011 £
Loan repayable between 1 and 2 years	<u>25,000</u>	<u>25,000</u>

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

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

Notes to the financial statements

For the year ended 31 May 2012

15 Analysis of net assets between funds

	Restricted funds £	Strategic reserve £	Other designated £	General funds £	Total funds £
Tangible fixed assets	324,611	-	898,657	-	1,223,268
Investments	-	2,033,405	-	195,268	2,228,673
Net current assets	255,176	1,536,819	-	428,064	2,220,059
Long-term liabilities	-	-	-	(25,000)	(25,000)
<b>Net assets</b>	<b>579,787</b>	<b>3,570,224</b>	<b>898,657</b>	<b>598,332</b>	<b>5,647,000</b>

16 Movements in funds

	At the start of the year as restated £	Incoming resources £	Outgoing resources and losses on investments £	Transfers £	At the end of the year £
<b>Restricted funds</b>					
Public inquiry solicitor	-	6,250	(6,250)	-	-
Howard League student societies	-	1,141	(1,141)	-	-
Big lottery fund (U R Boss)	151,933	551,903	(474,886)	-	228,950
Community interventions	-	11,570	(11,570)	-	-
Girls inquiry	61,935	2,785	(38,494)	-	26,226
Inquiry into sex in prison	-	200	(200)	-	-
Property	324,611	-	-	-	324,611
<b>Total restricted funds</b>	<b>538,479</b>	<b>573,849</b>	<b>(532,541)</b>	<b>-</b>	<b>579,787</b>
<b>Unrestricted funds</b>					
<i>Designated funds</i>					
Strategic fund	4,626,233	-	-	(1,056,009)	3,570,224
Property and equipment	350,886	-	-	(2,229)	348,657
Property revaluation	550,000	-	-	-	550,000
Investment revaluation	184,726	-	(233,117)	48,391	-
<i>Total designated funds</i>	<b>5,711,845</b>	<b>-</b>	<b>(233,117)</b>	<b>(1,009,847)</b>	<b>4,468,881</b>
<b>General funds</b>	<b>646,723</b>	<b>617,924</b>	<b>(1,676,162)</b>	<b>1,009,847</b>	<b>598,332</b>
<b>Total unrestricted funds</b>	<b>6,358,568</b>	<b>617,924</b>	<b>(1,808,469)</b>	<b>-</b>	<b>5,067,213</b>
<b>Total funds</b>	<b>6,897,047</b>	<b>1,191,773</b>	<b>(2,341,010)</b>	<b>-</b>	<b>5,647,000</b>

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

### **Notes to the financial statements**

**For the year ended 31 May 2012**

---

#### **Purposes of restricted funds**

##### **Public inquiry solicitor**

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

##### **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

##### **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

##### **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

Funds raised through the lost daughters campaign, which commemorates the work of former trustee Pauline Campbell have also been used for the work of the APPG girls inquiry

##### **Inquiry into Sex in prison**

Inquiry set up to research sex in prison - started June 2012

##### **Property**

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

#### **Purposes of designated funds & Transfers between funds**

##### **Strategic fund**

Lord Parmoor's charitable trust donated £6m which was designated by the trustees as a part of its strategic reserve to strengthen the Howard League position through a period of recession and uncertainty, and to fund priorities over the next decade. Decisions to use this fund are agreed by the finance and other relevant committees of the board on the basis of strategic principles set down by the trustees. The finance 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 2012

##### **Investment revaluation reserve**

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

##### **Transfers between funds**

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

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

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

**Notes to the financial statements**

**For the year ended 31 May 2012**

---

**17 Operating lease commitments**

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

	Equipment 2012 £	2011 £
Less than 1 year	-	8,844
2-5 years	12,365	-
	<u>12,365</u>	<u>8,844</u>