

Company no 898514  
Charity no 251926

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

## **Report and Financial Statements**

**31 May 2013**



**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 2013**

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**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
Jan Anderson	
Matthew Ball	
Dr Neil Chakraborti	
Lady April Chidgey	
Professor Penny Green	
Samatha Kennedy	
Richard Linenthal	
Gerry Marshall	
Kevin McGrath	
Elizabeth Morony	
Professor Tim Newburn	
James Newell	
His Honour John Samuels QC	
Chris Sheffield OBE	
Professor Pamela Taylor	
Julian Weinberg	
Cynthia Winifred	
Dick Whitfield	

**President** Lord Myners

**Honorary Solicitor** Monty Raphael

**Chief Executive** Frances Crook OBE

### **Staff**

Lorraine Atkinson	senior policy officer
Eleanor Biggin-Lamming	P A to the chief executive
Symeon Brown	youth participation officer (until October 2013 )
Eleanor Butt	policy officer
Oscar Campbell	designer
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 2013**

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#### **Staff (continued)**

Frances Crook	chief executive
Anita Dockley	director of research
Elsie Egbulefu	finance and admin officer
Mark Gattleson	campaigns and communications manager
Philip Goring	finance and admin officer
Antony James	practice manager (Until June 2013)
Emily James	public affairs officer (Until June 2013)
Kirat Kalyan	administration officer
Jennifer Kay	national student officer (Until August 2013)
Tabitha Kassem	legal director
Ross Little	training & development Officer
Eugenia Lolomari	director of finance & corporate affairs
Sophie Lumsden	membership development officer
Sinead MacCann	solicitor
Clare Mann	caseworker
Jenny Marsden	publishing editor
Andrew Neilson	director of campaigns
Barbara Norris	events and website manager
Amy Parmiter	caseworker
Caroline Peterson	membership officer
Robert Preece	press officer
Lucy Russell	campaigns and communications manager
Claire Salama	solicitor
Emily Sinclair	national student officer (from September 2013)
Stephan Smith	solicitor
Jessica Southgate	youth participation officer
Chris Steward	public affairs officer (from August 2013)
Catryn Yousefi	programme manager
Naomi Webb	caseworker

#### **Academic consultants**

Dr Harry Annison	University of Southampton
Professor Andrew Ashworth	University of Oxford
Philippa Budgen	
Dr Vicky Cooper	Liverpool John Moores University
Professor Mike Hough	Birkbeck College, University of London
Michelle Jaffe	Keele University
Dr Julie Trebilcock	Middlesex University

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

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

### **Reference and administrative details**

**For the year ended 31 May 2013**

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#### **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	University of Cambridge
Professor Stephen Farrall	Sheffield University
Professor Julia Fionda	Kingston University
Elaine Genders	University College, London
Professor Barry Goldson	Liverpool John Moores University
Professor Fergus McNeill	Strathclyde University
Professor Andrew Millie	Edge Hill University
Mark Oldfield	independent researcher
Dr Nicola Padfield	University of Cambridge
Dr Coretta Phillips	London School of Economics
Professor Jo Phoenix	University of Leicester
Professor John Pitts	University of Bedfordshire
Dr Lizzie Seal	University of Sussex
Professor Jonathan Shepherd	Cardiff University

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

Professor David Wilson	Birmingham City University
Professor Penny Green	Kings College London

#### **Associate Editors**

Dr Simon McKenzie	University of Glasgow
Dr David Scott	Liverpool John Moores University

#### **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 on the three month placements to support our work for young people

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

**Reference and administrative details**

**For the year ended 31 May 2013**

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<b>Bankers</b>	Nat West Bank Plc PO Box 1357 169 Victoria Street London SW1E 5BT	CAF Bank Ltd Kings Hill West Malling Kent 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 trustees**

#### **For the year ended 31 May 2013**

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

Reference and administrative information set out on pages 1 to 4 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

### **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. Any expenses reclaimed from the charity are set out in note 7 to the accounts

### **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 their 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 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 against the public law and prison law contracts with the Legal Services Commission

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

### **Report of the trustees**

#### **For the year ended 31 May 2013**

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

#### **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 new projects such as the research programme, U R boss project, and statutory changes to legal aid funding.

#### **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.

Later 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 identified 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 2013**

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#### **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 less crime, safer communities and fewer people in prison.

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

### **Report of the trustees**

#### **For the year ended 31 May 2013**

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##### **Lord Myners, President**

I was honoured to be invited to succeed Lord Carlile as President of the Howard League last year after he stood down, having served since 2006

I pay tribute to my predecessor who contributed his legal expertise and provided political support in the House of Lords

I visited Wormwood Scrubs prison some years ago as a guest of the Howard League, and the experience will never leave me. So much needs to be done to change prisons and the penal system. We need to make it work better for communities, taxpayers, staff and users. The challenge is huge.

I started my Presidency by speaking in a debate tabled by Lord Carlile in the House of Lords on work opportunities for prisoners. This has been a long campaign of the charity which became the flagship policy of the Coalition government.

##### **Sue Wade, chair of the board of trustees**

The charity has had several really important achievements this year that have made a real difference to the lives of many thousands of people.

The High Court found that the Howard League had argued "trenchantly" that the role of a parent or appropriate adult when a 17 year old is arrested is critical because it provides a gateway to a child's access to justice. The success of this judicial review against both the Home Office and the Metropolitan Police means that henceforth 17 year olds will be given the same protection as younger children if they are arrested. Just for Kids Law took the case, supported by the Howard League, which was a good example of partnership working in the sector.

We have been working with the police to reduce unnecessary arrests of young people, stemming the flow into a penal system that is generally toxic.

Prison numbers fell and have steadied at 3,000 lower than last year – a symptom of successful probation and community interventions for men and women.

Next year's plans are ambitious and exciting and I am confident our expert team of trustees, staff and volunteers along with the generous support of members and donors, will be equally successful in achieving change.

##### **Frances Crook, chief executive**

The professionalism and enthusiasm of the staff, trustees and volunteers was recognised this year when the Howard League was awarded Investors in People. Working as one team to achieve our shared objectives is what makes the charity so successful.

It has been a particular pleasure to work with young people who have experienced the penal system through the U R Boss project, which has been giving them a voice and promoting their ideas.

Next year we will be building on our achievements around four themes.

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

### **Report of the trustees**

#### **For the year ended 31 May 2013**

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- 1 Reforming sentencing aimed at influencing sentencing to reduce the use of prison
- 2 Investing in the community to focus on safer communities
- 3 Achieving justice for children by reducing and improving their contact with the criminal justice system
- 4 Influencing change inside prisons to improve treatment for people inside

Underpinning this, we plan to increase the strength and influence of the Howard League for Penal Reform. We are working to a five year programme based on the principles of staying radical, being ambitious and becoming more influential.

I hope many thousands more people will be joining with us to achieve such ambitious aims.

### **Report of the Trustees**

#### **Purpose and objectives**

##### **Stemming the Flow**

Stemming the Flow of people into the penal system was the key theme for the work of the charity. Evidence shows that once people get embroiled in the criminal justice system they are more likely to commit more crimes. Our work was aimed at improving local community interventions to heal the damage caused by crime and help people lead crime free lives.

##### *1 Policing young people*

- We aimed to improve the quality of contact between young people and the police
- We wanted to see a reduction of arrests in each police area by 25%

We worked with police forces across the country and arrests of children reduced by 13% in one year.

We supported the successful judicial review against the Metropolitan Police and Home Office to include 17 year olds in appropriate adult support.

- We wanted to see a commitment by Police and Crime Commissioners (PCCs) in their strategic plans to consult "hard to reach" young people.

More than half PCCs signed up to our pledge to consult young people.

Our U R Boss team has been working with 20 PCCs to help them consult hard to reach young people.

- We wanted to see structures in place in each police area to consult hard to reach young people who are in contact with the criminal justice system.

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

### **Report of the trustees**

#### **For the year ended 31 May 2013**

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Most PCCs have set up groups of young people

Most chief constables have improved the way their forces consult hard to reach young people

#### **2    *Sex in prison***

- We aimed to raise public and governmental awareness of the issues of coercive sex, consensual sex and healthy sexual development amongst the young
- We wanted to set up an inquiry

We established the Commission on Sex in Prison comprising independent experts including a former prisons minister, solicitor general, academics and legal and health professionals

The Commission heard evidence from governors, prisoners and practitioners

The Commission published the first in a series of briefings, on consensual sex in prison

The Prisons and Probation Ombudsman published the first briefing on learning lessons from fatal incidents connected to sexual abuse in prisons

#### **3    *Reform of long term imprisonment***

- We aimed to have improved conditions for people serving long sentences for serious and violent offences
- We wanted to see the introduction of our model of real work in prisons

The government made work in prisons its priority policy for reform of prisons

Whilst the model of real work we pioneered was not adopted, prisons all over the country have vastly increased the work opportunities for prisoners

Our continued focus on treatment and conditions in prisons helped to reduce the prison population by a daily average of 3,000

- We wanted the government to introduce a system of review for people serving indeterminate sentences for public protection

The IPP was abolished in the Legal Aid, Sentencing and Punishment of Offenders Act

We published research in partnership with the Prison Governors Association recommending a review system for the 3,500 men and women past their tariff and we continue to work with government to achieve this

We took a successful judicial review to challenge young people punished for misbehaving in prison by being given extra days in jail

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

### **Report of the trustees**

#### **For the year ended 31 May 2013**

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#### **4 Re-investing justice resources into communities**

We aimed to ensure justice reinvestment was established and understood and to challenge privatisation of the penal system

- We wanted to see development of community responses to crime that are appropriate, proportionate and reparative

The government's own assessment of probation found every service to be exceptional or good

The Youth Justice Board established pilots giving local authorities funding to keep children out of custody

We set up a major research programme to think about the nature and future of British justice

- We wanted to see a reduction in short prison sentences by 10%

Legislative change gave courts the option of using other sanctions than prison when a community order is breached

Despite campaigning with magistrates and government, short prison sentences continue to be the failing response to nuisance crime

- We wanted to influence the payment by results agenda in favour of our preferred model and the principles of justice reinvestment

Our research and campaigns drew public attention to the weakness of proposals for payment by results and the debate continues

We supported the All Party Parliamentary Group on Women in the Penal System inquiry into girls in the penal system that recommended investing in the community and diverting girls from custody. The number of girls in custody fell to fewer than 50 and girls' prison units were closed

- We wanted to challenge the failures in practice and accountability around privatisation

We joined the public outrage at the scandal of security companies profiteering from taxpayers' money to deliver a weak electronic supervision service and we campaigned for greater accountability

The number of children in prison is at the lowest for decades with about 1,400 incarcerated and children were removed from the only private prison

#### **5 *Strengthening the charity***

We aimed to recruit more members to increase the authority, financial independence and campaigning of the charity

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

### **Report of the trustees**

#### **For the year ended 31 May 2013**

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We succeeded in doubling the membership and the income from regular donors

We have more than 14,000 people and organisations who have asked to receive our regular e-bulletins

- We aimed to develop links with external organisations
- We aimed to strengthen our influence with Parliament and government

We held individual meetings with more than 40 MPs and peers, met with the secretary of state and ministers, gave evidence to select committees and produced regular briefings on legislation

- We aimed to build authority with the academic community

We set up the John Sunley award for masters students, gained ESRC funding for research with Liverpool University, supported a research fellow at Oxford University, grew our network of early career academics, and commissioned and published high quality research

- We aimed to grow the Lawyers' Network

We grew the network in influence and its meetings helped inform lobbying to protect legal aid and the right to seek judicial review

- We aimed to develop our support for practitioners

We provided training on the legal responsibilities for resettling young people back into the community on release from prison as part of the Big Lottery funded U R Boss project

- We aimed to develop links with regulatory and professional bodies

We worked with the CPS to challenge its practices around unnecessary prosecution of young people

- We aimed to increase our presence in the media

We increased our media presence exponentially and our press statements are covered in television, radio and press, and we developed our social media presence

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

We will be building on our achievements around four themes

- 1 Reforming sentencing aimed at influencing sentencing to reduce the use of prison
- 2 Investing in the community to focus on safer communities
- 3 Achieving justice for children by reducing and improving their contact with the criminal justice system
- 4 Influencing change inside prisons to improve treatment for people inside

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

### **Report of the trustees**

#### **For the year ended 31 May 2013**

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##### **Publications**

All the publications are available free of charge on the website [www.howardleague.org](http://www.howardleague.org) or hard copies can be purchased as follows

Annual report 2011 – 2012, 56pp, 2012, £10

Resettlement the legal rights of children and young people in the criminal justice system in need of accommodation and support, 90pp, £10, 2012

What if imprisonment were abolished for property offences? By Professor Andrew Ashworth, 20pp, 2013, jointly the Howard League for Penal Reform and the Mannheim Centre for Criminology at the LSE

Child arrests in England and Wales 2008 – 2011, research briefing, 2013

Intelligent justice balancing the effects of community sentences and custody, by Professor Mike Hough, Professor Stephen Farrell and Professor Fergus McNeill, 24pp, 2013

Professionalising the probation service why university institutes would transform rehabilitation, by Professor Jonathan Shepherd, 2013, jointly the Howard League for Penal Reform and the Mannheim Centre for Criminology at the LSE

Justice for young people, by Professor Lesley McAra and Susan McVie, and Professor Kevin Haines and Dr Stephen Case, 2013, [http://d19ylpo4aovc7m.cloudfront.net/fileadmin/howard\\_league/user/online\\_publications/Justice\\_for\\_young\\_people\\_web.pdf](http://d19ylpo4aovc7m.cloudfront.net/fileadmin/howard_league/user/online_publications/Justice_for_young_people_web.pdf)

Overnight detention of children in police custody 2010 – 2011, research briefing, 2013

The penal landscape, by Anita Dockley and Professor Ian Loader, Routledge, 226pp, hardback £90 and paperback £24.99

##### **Submissions**

Sexual offences guidelines consultation, 2012, to the Sentencing Council

Transforming rehabilitation a revolution in the way we manage offenders, 2012, to the Ministry of Justice

The Mayor of London's draft police and crime plan, 2012

Care planning, placement and case review regulations, 2013, to the Department for Education

Statement to the United Nations committee against torture and other cruel, inhuman or degrading treatment or punishment on the failures of the UK government to safeguard children in custody, 2013

Transforming legal aid, 2013, to the Ministry of Justice

Crime reduction policies a co-ordinated approach, 2013, to the Justice Select Committee

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

### **Report of the trustees**

#### **For the year ended 31 May 2013**

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#### **Financial review**

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

The financial position is positive, with annual expenditure of £2.3m and total funds at £5.3m

The U R Boss project, funded by the Big Lottery, is now in its fourth year. It contributed 40% of the charity's income for the year.

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 £707,000 from the strategic reserve shows up in the statement of financial activities as funding the difference between unrestricted income and expenditure.

Funding from the Strategic Reserve supports our policy and communications work and research programme, boosting the charity's profile in the field of penal reform. We have continued to invest in membership through the door to door membership recruitment initiative which has been instrumental in doubling our membership over the last few years. This gives added weight to our voice in campaigning, as well as bringing both membership income and general donations.

Last year's restructure of the legal team has enabled us to tie its work more closely into our policy and campaigning work, and has brought it closer to being self-funding, although reliant on legal aid which remains a concern.

##### **Reserves**

The total funds of the charity stand at £5.3m.

Of this £184,000 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 £3.1m, comprising the total £6m donation less amounts which the trustees have agreed to use to date, plus an increase in the value of the investments held. 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, amounted to £720,000 equivalent to six 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 were taken with a view to

- maximising total return at a low level of risk

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

### **Report of the trustees**

#### **For the year ended 31 May 2013**

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- 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 which were detrimental to its wellbeing

As at 31 May 2013, our holding in Schroder's charity multi asset fund was valued at £2 46m. The investments have performed very well this year, showing an increase in value of 21% over the year.

The balance of the strategic reserve was held in short term deposits managed to maximise return and maintain accessibility without placing the capital value at risk.

#### **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).

In preparing these financial statements, the trustees were 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 were aware

- there was no relevant audit information of which the charitable company's auditors were 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 were 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.



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

**Report of the trustees**

**For the year ended 31 May 2013**


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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 2013 was 19 (2012 - 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 16 October 2013 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 2013 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 2013 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)

22 October 2013

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 2013**

	Note	Restricted £	Unrestricted £	2013 Total £	2012 Total £
<b>Incoming resources</b>					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	-	206,403	<b>206,403</b>	81,172
Activities for generating funds	3	-	14,380	<b>14,380</b>	15,624
Investment income	4	-	140,886	<b>140,886</b>	176,545
<i>Incoming resources from charitable activities</i>					
	5				
Policy, research and campaigns		138,540	-	<b>138,540</b>	15,696
Membership		-	133,526	<b>133,526</b>	114,271
Events, conferences & publications		-	23,074	<b>23,074</b>	12,934
U R Boss		602,198	-	<b>602,198</b>	551,903
Legal services for young people		<u>41,000</u>	<u>171,825</u>	<b><u>212,825</u></b>	<u>223,628</u>
<b>Total incoming resources</b>		<b><u>781,738</u></b>	<b><u>690,094</u></b>	<b><u>1,471,832</u></b>	<b><u>1,191,773</u></b>
<b>Resources expended</b>					
<i>Costs of generating funds</i>					
Costs of generating income		-	247,077	<b>247,077</b>	194,570
<i>Charitable activities</i>					
	6				
Policy, research and campaigns		130,573	473,939	<b>604,512</b>	678,477
Membership		-	164,752	<b>164,752</b>	126,692
Events, conferences & publications		-	157,689	<b>157,689</b>	108,538
U R Boss		722,302	-	<b>722,302</b>	474,886
Legal services for young people		-	272,335	<b>272,335</b>	536,495
<i>Governance costs</i>		<u>-</u>	<u>82,087</u>	<b><u>82,087</u></b>	<u>89,045</u>
<b>Total resources expended</b>		<b><u>852,875</u></b>	<b><u>1,397,879</u></b>	<b><u>2,250,754</u></b>	<b><u>2,208,703</u></b>
<b>Net outgoing resources before other recognised gains and losses</b>	7	<b>(71,137)</b>	<b>(707,785)</b>	<b>(778,922)</b>	<b>(1,016,930)</b>
Unrealised gains/(losses)	11	<u>-</u>	<u>394,554</u>	<b><u>394,554</u></b>	<u>(233,117)</u>
<b>Net movement in funds</b>		<b><u>(71,137)</u></b>	<b><u>(313,231)</u></b>	<b><u>(384,368)</u></b>	<b><u>(1,250,047)</u></b>
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>579,787</u>	<u>5,067,213</u>	<b><u>5,647,000</u></b>	<u>6,897,047</u>
<b>Total funds carried forward</b>		<b><u>508,650</u></b>	<b><u>4,753,982</u></b>	<b><u>5,262,632</u></b>	<b><u>5,647,000</u></b>

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)

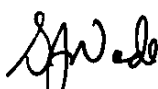
Company no 898514


Balance sheet

As at 31 May 2013

	Note	£	2013 £	2012 £
<b>Fixed assets</b>				
Tangible fixed assets	10		1,219,335	1,223,268
Investments	11		2,706,969	2,228,673
			<b>3,926,304</b>	<b>3,451,941</b>
<b>Current assets</b>				
Debtors	12	332,474		310,319
Short term deposits		614,632		1,954,942
Cash at bank and in hand		658,221		335,593
		<b>1,605,327</b>		<b>2,600,854</b>
<b>Current liabilities</b>				
Creditors amounts due within one year	13	(268,999)		(380,795)
Net current assets			<b>1,336,328</b>	<b>2,220,059</b>
Total assets less current liabilities			<b>5,262,632</b>	<b>5,672,000</b>
Creditors amounts due in more than one year	14		-	(25,000)
<b>Net assets</b>	15		<b>5,262,632</b>	<b>5,647,000</b>
<b>The funds of the charity</b>	16			
<b>Restricted funds</b>			<b>508,650</b>	<b>579,787</b>
<b>Unrestricted funds</b>				
Strategic reserve			3,068,100	3,570,224
Revaluation reserve - property			550,000	550,000
Revaluation reserve - investments			70,347	-
Other designated funds			344,724	348,657
General funds			720,811	598,332
<b>Total charity funds</b>			<b>5,262,632</b>	<b>5,647,000</b>

Approved by the trustees on 16 October 2013 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 2013**

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##### **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 they 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 2013

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#### 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	13.4%
Legal services for young people	0.0%
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
- 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 2013

### 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 £	2013 Total £	2012 Total £
General donations	-	169,374	169,374	62,537
	-	169,374	169,374	62,537
Legacies	-	37,029	37,029	18,635
Total	-	206,403	206,403	81,172



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

**Notes to the financial statements**

**For the year ended 31 May 2013**

**3. Activities for generating funds**

	Restricted	Unrestricted	2013 Total	2012 Total
	£	£	£	£
Sales of greetings cards	-	88	88	58
Royalties (The Howard Journal)	-	14,292	14,292	15,566
	-	14,380	14,380	15,624

**4. Investment income**

	Restricted	Unrestricted	2013 Total	2012 Total
	£	£	£	£
Income from stocks and shares	-	89,498	89,498	122,101
Interest receivable	-	51,388	51,388	54,444
Total	-	140,886	140,886	176,545

**5. Incoming resources from charitable activities**

	Restricted	Unrestricted	2013 Total	2012 Total
	£	£	£	£
Campaigns, policy & research				
Community intervention	10,000	-	10,000	11,570
Howard League student groups	3,144	-	3,144	1,141
Girls inquiry	10,396	-	10,396	2,785
Sunley	20,000	-	20,000	-
Inquiry into sex in prison	95,000	-	95,000	200
	138,540	-	138,540	15,696
<b>Membership</b>				
Subscriptions	-	95,453	95,453	97,680
Income tax recoverable on subscriptions	-	38,073	38,073	16,591
	-	133,526	133,526	114,271
<b>Events, conferences &amp; publications</b>				
Sales of books and literature	-	1,499	1,499	2,598
Conference fees	-	21,575	21,575	10,336
	-	23,074	23,074	12,934

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

**Notes to the financial statements**

**For the year ended 31 May 2013**

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

	Restricted £	Unrestricted £	2013 Total £	2012 Total £
<b>U R Boss</b>				
Big Lottery Fund	602,198	-	602,198	551,903
	<u>602,198</u>	<u>-</u>	<u>602,198</u>	<u>551,903</u>
<b>Legal services for young people</b>				
Legal Helpline	41,000	-	41,000	-
Public inquiry solicitor	-	-	-	6,250
Legal aid agency contract income	-	163,349	163,349	192,832
Court cost awards	-	8,476	8,476	24,546
	<u>41,000</u>	<u>171,825</u>	<u>212,825</u>	<u>223,628</u>
<b>Total incoming resources from charitable activities</b>	<u>781,738</u>	<u>328,425</u>	<u>1,110,163</u>	<u>918,432</u>

The Howard League for Penal Reform

Notes to the financial statements

For the year ended 31 May 2013

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	2013 Total	2012 Total
	£	£	£	£	£	£	£	£	£	£
Staff costs (Note 8)	34,025	402,161	86,977	68,780	388,760	211,785	42,514	105,338	1,340,340	1,302,339
Other staff costs	-	5,586	-	-	15,041	-	199	4,875	25,701	65,006
Travel and subsistence	413	17,552	-	26	35,261	-	3,808	1,352	58,412	55,229
Publication costs	696	35,941	27,054	-	22,985	-	4,304	12,299	103,279	136,560
Publicity	-	13,977	541	17,462	58,278	-	-	-	90,258	12,040
HL Studentships	-	12,320	-	-	-	-	-	-	12,320	72,398
Research Honorarium	-	8,000	-	-	-	-	-	-	8,000	6,336
Professional/Consultancy fees	141,643	28,879	-	-	80,817	53,435	-	6,283	311,057	297,744
Investment manager fees	18,154	-	-	-	-	-	-	-	18,154	17,925
Bad debt provision	-	-	-	-	-	-	-	-	-	47,097
Office and other expenses	1,277	4,831	-	-	9,676	-	-	56,504	72,288	56,473
Premises costs	-	-	-	-	7,374	-	-	23,987	31,361	31,632
Welfare fund	-	-	-	-	32,215	-	-	-	32,215	3,552
Volunteer expenses	-	3,088	-	-	5,930	-	-	1,876	10,894	6,028
Miscellaneous expenses	689	970	-	214	133	2,657	-	8,601	13,264	4,938
Irrecoverable VAT	-	21,027	-	21,027	21,026	-	-	-	63,080	(14,419)
Equipment maintenance	-	-	-	-	11,353	-	-	24,467	35,820	30,247
Legal fees	-	-	-	-	-	-	-	500	500	3,000
Counsel fees	-	-	-	-	-	4,458	-	-	4,458	53,713
Audit and accountancy	-	-	-	-	-	-	14,535	-	14,535	12,775
Depreciation	-	-	-	-	-	-	-	4,818	4,818	8,090
	196,897	554,332	114,572	107,509	688,849	272,335	65,360	250,900	2,250,754	2,208,703
Support Costs	50,180	50,180	50,180	50,180	33,453	-	16,727	(250,900)	-	-
<b>Total resources expended</b>	<b>247,077</b>	<b>604,512</b>	<b>164,752</b>	<b>157,689</b>	<b>722,302</b>	<b>272,335</b>	<b>82,087</b>	<b>-</b>	<b>2,250,754</b>	<b>2,208,703</b>

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

## Notes to the financial statements

### For the year ended 31 May 2013

#### 7. Net outgoing resources for the year

This is stated after charging / crediting

	2013 £	2012 £
Depreciation	4,818	8,090
Loss on disposal of fixed assets	635	-
Operating lease rentals		
▪ equipment	19,591	8,844
Auditors' remuneration		
▪ audit	8,650	8,400
▪ under accrual of audit fee	1,390	1,100
▪ other services	4,495	3,275
Trustees' remuneration	-	-
Trustees' expenses	2,205	3,248

Trustees' expenses represent both the reimbursement and direct payment of travel and subsistence costs to 6 (2012 6) members relating to attendance at meetings of the trustees

#### 8 Staff costs and numbers

Staff costs were as follows

	2013 £	2012 £
Salaries and wages	1,110,650	1,100,353
Social security costs	120,027	102,453
Pension contributions	109,663	99,533
	<u>1,340,340</u>	<u>1,302,339</u>

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

	2013 No.	2012 No.
£60,001 - £70,000	2	1
£90,001 - £100,000	1	1

Contributions made in the year to personal pension schemes totalled £22,851 for these employees (2012 - £15,908)

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

**Notes to the financial statements**

**For the year ended 31 May 2013**

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

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

	2013 No.	2012 No
Costs of generating funds	3.0	3.0
Policy, research & campaigns	8.0	9.5
Membership	2.0	1.5
Events, conferences & publications	1.0	1.0
U R Boss	8.0	8.0
Legal services for young people	5.0	6.0
Governance	1.5	1.5
Support	3.5	3.5
	<b>32.0</b>	<b>34.0</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 £	Office Equipment £	Library books £	Total £
<b>Cost</b>					
At the start of the year	1,200,000	113,600	57,296	2,018	<b>1,372,914</b>
Additions in year	-	-	1,520	-	<b>1,520</b>
Disposals	-	(94,231)	(14,999)	-	<b>(109,230)</b>
At the end of the year	<b>1,200,000</b>	<b>19,369</b>	<b>43,817</b>	<b>2,018</b>	<b>1,265,204</b>
<b>Depreciation</b>					
At the start of the year	-	107,406	40,223	2,017	<b>149,646</b>
Released on disposals	-	(88,750)	(19,845)	-	<b>(108,595)</b>
Charge for the year	-	713	4,105	-	<b>4,818</b>
At the end of the year	-	<b>19,369</b>	<b>24,483</b>	<b>2,017</b>	<b>45,869</b>
<b>Net book value</b>					
At the end of the year	<b>1,200,000</b>	<b>-</b>	<b>19,334</b>	<b>1</b>	<b>1,219,335</b>
At the start of the year	<b>1,200,000</b>	<b>6,194</b>	<b>17,073</b>	<b>1</b>	<b>1,223,268</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 2013**

**11 Investments**

	2013 £	2012 £
Market value at the start of the year	2,228,673	2,358,160
Additions at cost	83,742	103,630
Unrealised gain / (loss)	<u>394,554</u>	<u>(233,117)</u>
Market value at the end of the year	<u>2,706,969</u>	<u>2,228,673</u>
Historic cost at the end of the year	<u>2,430,961</u>	<u>2,347,219</u>

An analysis of significant Investments is as follows

	2013 £	2012 £
CAF UK Equity bond	151,579	115,438
CAF fixed interest bond	52,750	51,230
Schroder Charity Multi-asset fund	<u>2,463,188</u>	<u>2,033,405</u>

**12. Debtors**

	2013 £	2012 £
Income tax recoverable	24,302	8,391
Prepayments and accrued income	<u>308,172</u>	<u>301,928</u>
	<u>332,474</u>	<u>310,319</u>

**13 Creditors, amounts due within one year**

	2013 £	2012 £
Operating creditors	42,848	89,486
Accruals and deferred income	187,144	160,354
Other tax and social security	39,007	107,248
Grants payable	<u>-</u>	<u>23,707</u>
	<u>268,999</u>	<u>380,795</u>

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

Notes to the financial statements

For the year ended 31 May 2013

14 Creditors: amounts due after more than one year

	2013 £	2012 £
Loan repayable between 1 and 2 years	-	25,000

The above loan was from Reading Quakers and was repaid in full in February 2013

15 Analysis of net assets between funds

	Restricted funds £	Strategic reserve £	Other designated £	General funds £	Total funds £
Tangible fixed assets	324,611	-	894,724	-	1,219,335
Investments	-	2,463,188	70,347	173,434	2,706,969
Net current assets	184,039	604,912	-	547,377	1,336,328
<b>Net assets</b>	<b>508,650</b>	<b>3,068,100</b>	<b>965,071</b>	<b>720,811</b>	<b>5,262,632</b>

16. Movements in funds

	At the start of the year £	Incoming resources and gains £	Outgoing resources £	Transfers £	At the end of the year £
<b>Restricted funds</b>					
Howard League student societies	-	3,144	(3,144)	-	-
Big Lottery Fund (U R Boss)	228,950	602,198	(722,302)	-	108,846
Community interventions	-	10,000	(10,000)	-	-
Girls & Women in penal system	26,226	10,396	(36,622)	-	-
Inquiry into sex in prison	-	95,000	(65,807)	-	29,193
Legal Helpline	-	41,000	-	-	41,000
Sunley Prize	-	20,000	(15,000)	-	5,000
Property	324,611	-	-	-	324,611
<b>Total restricted funds</b>	<b>579,787</b>	<b>781,738</b>	<b>(852,875)</b>	<b>-</b>	<b>508,650</b>
<b>Unrestricted funds</b>					
<i>Designated funds</i>					
Strategic fund	3,570,224	346,041	-	(848,165)	3,068,100
Property and equipment	348,657	-	-	(3,933)	344,724
Property revaluation	550,000	-	-	-	550,000
Investment revaluation	-	48,513	-	21,834	70,347
<i>Total designated funds</i>	<i>4,468,881</i>	<i>394,554</i>	<i>-</i>	<i>(830,264)</i>	<i>4,033,171</i>
<b>General funds</b>	<b>598,332</b>	<b>690,094</b>	<b>(1,397,879)</b>	<b>830,264</b>	<b>720,811</b>
<b>Total unrestricted funds</b>	<b>5,067,213</b>	<b>1,084,648</b>	<b>(1,397,879)</b>	<b>-</b>	<b>4,753,982</b>
<b>Total funds</b>	<b>5,647,000</b>	<b>1,866,386</b>	<b>(2,250,754)</b>	<b>-</b>	<b>5,262,632</b>

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

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

**For the year ended 31 May 2013**

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#### **16. Purposes of restricted funds**

##### **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 is funding 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 & Women in the penal system**

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

##### **Legal helpline**

Funds to develop the legal helpline to assist young people in custody with legal advice

##### **Sunley Prize**

A competition to award the best masters dissertation on penal reform

##### **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 2013

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#### 16 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.

#### 17 Operating lease commitments

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

	Equipment	
	2013	2012
	£	£
Less than 1 year	-	8,844
2-5 years	<u>19,018</u>	<u>-</u>
	<u>19,018</u>	<u>8,844</u>