

**Penal Reform International**  
Report and financial statements  
For the year ended 31 December 2015

# Penal Reform International

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### For the year ended 31 December 2015

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## Penal Reform International

### Reference and administrative information

For the year ended 31 December 2015

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#### Registered office and operational address

First Floor  
60–62 Commercial Street  
Spitalfields  
London E1 6LT

Honorary Presidents            Al Bronstein, USA (died October 2015)  
   Dr Rani Shankardass, India  
   Baroness Vivien Stern, UK  
   Hans Tulkens, Netherlands

Board members who served during the year and up to the date of this report were as follows:

David Daubney, Canada	Chair (resigned July 2015)
Prof Dirk van Zyl Smit, South Africa and UK	Chair (elected July 2015)
Prof Dirk van Zyl Smit, South Africa and UK	Deputy Chair (to July 2015)
Prof Anton Van Kalmthout, Netherlands	Treasurer
Justice Imman Ali, Bangladesh	Deputy Treasurer
Juliet Lyon, CBE	Secretary General
Olawale Fapohunda	Deputy General Secretary
Maria Eugenia Hofer Denecken, Chile	Board member
Natalya Khutorskaya, Russia	Board member
Simone Othmani-Lellouche, France, Tunisia	Board member
Bryan Stevenson, USA	Board member
Vera Tkachenko, Kazakhstan	Board member
Prof Ping Wang, China	Board member

**Key staff**                    Alison Hannah                    Executive Director

**Bankers**                    HSBC Bank  
512 Brixton Road  
London SW9 8ER

**Solicitors**                Russell-Cooke  
2 Putney Hill  
London SW15 6AB

**Auditors**                Sayer Vincent LLP  
Chartered Accountants and Statutory Auditors  
Invicta House  
108–114 Golden Lane  
LONDON  
EC1Y 0TL

## Penal Reform International

### Board's annual report

#### For the year ended 31 December 2015

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The Board present their report and the audited financial statements for the year ended 31 December 2015.

Penal Reform International is an Association registered number 40025979 in Groningen, the Netherlands. The Board have adopted the provisions of the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

## Objectives and activities

### Purposes and aims

PRI's governing document is its Constitution, which sets out its objects, mission and powers as a registered association. In 2014, the Constitution was revised and registered in the Netherlands. The Constitution sets out the Association's aims to promote:

- a) The development and implementation of international human rights instruments with regard to criminal justice and penal matters;
- b) The elimination of unfair and unethical discrimination in all penal measures;
- c) The abolition of the death penalty;
- d) The reduction of the use of imprisonment throughout the world;
- e) The use of constructive non-custodial sanctions which encourage social reintegration whilst taking account of the interests of victims; and
- f) Everything connected with the foregoing or favourable to them.

All PRI's activities contribute towards achievement of these aims, through promotion and implementation of international human rights standards. In practice, this involves:

- Reviewing the need and political will for change in a particular context;
- Developing the evidence base for change;
- Entering a dialogue with lawmakers and policy-makers to promote change;
- Providing technical assistance to amend the legal and regulatory framework to enable change to be implemented;
- Developing the capacity of those setting up and running the new systems;
- Building public support for the change.

## Achievements and performance

### Overview

At the end of 2014, PRI approved a new strategic plan for the period 2015 – 20, which details how we seek to reform criminal justice systems from the point of arrest right through to release from prison. The reason for adopting this approach is because the criminal justice and penal system consists of a number of interlocking components, and a change in one will have an impact on the others. For example, if the trial process is slow and inefficient, there will be a high rate of pre-trial detention, which is often a driver of over-crowded prison populations. Many countries have a high proportion of people in detention awaiting trial – indeed, sometimes they are the majority of the prison population. Long periods of pre-trial detention have been shown to have damaging

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For the year ended 31 December 2015

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effects on prisoners' mental and physical health. And to give another example, if prisoners are not provided with treatment, training or support while serving a prison sentence, they are unlikely to become law-abiding and self-supporting members of society on release, if they are simply returned to the same situation that led to the crime in the first place.

In drawing up the current plan, we focused on four stages of the criminal justice and penitentiary systems, to help us make coherent and consistent progress towards our outcomes. The four outcomes we aim to achieve are:

1. A criminal justice system that respects the rule of law, upholds the rights of suspects and defendants and prevents the unnecessary use of pre-trial detention;
2. Fair and proportionate sentencing that takes account of the circumstances of both the offence and offender;
3. Humane treatment and conditions for prisoners and prevention of torture in all places of detention;
4. Safer communities through rehabilitation, reintegration interventions and interventions to reduce re-offending.

As our capacity to deliver these outcomes depends on grant funding being available, we have an annual workplan setting out activities that contribute towards achieving one or other of these outcomes during the year.

Highlights for the year 2015 included:

Reform of the criminal justice system to spread good practice:

- Development of child-friendly justice systems in Jordan and Yemen
- Publication of *Global Prison Trends Report 2015*

Fair and proportionate sentencing

- Support for probation systems in Armenia, Azerbaijan, Georgia, Kazakhstan, Kenya, Tanzania, Tunisia and Uganda
- Publication of *Sharia Law and the Death Penalty*

Humane treatment of prisoners

- Expert input to drafting and promoting adoption of revised Standard Minimum Rules for the treatment of prisoners (Nelson Mandela Rules);
- *Voice of the Child* reports on violence against children in contact or in conflict with the law in closed institutions in Kazakhstan, Kyrgyzstan and Tajikistan;
- Continued support for public oversight of places of detention in a number of countries (including Belarus, Georgia, Kazakhstan, Kyrgyzstan and Russia);

## Penal Reform International

### Board's annual report

#### For the year ended 31 December 2015

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- Expert roundtable event in Amman, Jordan, to share information regionally and internationally on violent extremist offenders;
- Ongoing promotion and implementation of Bangkok Rules for women offenders;

A further highlight of the year was the decision by the Board at the end of 2015 to approve the establishment of a small office, based in Uganda, to scope the potential for funding a sustainable regional office to cover the sub-Saharan region of Africa. As UK Aid announced an extension of its core funding through the Programme Partnership Agreement up to the end of December 2015, we used part of this grant to test the case for such an office to develop collaborative work with local partners in the region.

#### Progress towards achieving the outcomes of the 2010–2015 strategic plan

**Outcome 1: A criminal justice system that respects the rule of law, upholds the rights of suspects and defendants and prevents the unnecessary use of pre-trial detention.**

##### Head office activities

Our first *Global Prison Trends* report summarises current trends in the use of imprisonment, and identifies some of the main challenges for reform, with a number of recommendations for change. Funding permitting, we aim to produce this annually as a way of identifying good practice and priorities for reform.

We also carried out research on the use of bail with the assistance of a number of international law firms, acting on a pro bono basis. This will inform a new briefing paper, setting out a 10-point plan to reduce pre-trial detention, to be published next year. We also advocated for a reduction in the number of suspected drug offenders kept in pre-trial detention and will participate in the UN General Assembly Special Session (UNGASS) in April 2016.

##### Regional office activities

- Our **Middle East and North Africa (MENA) office** is implementing programmes in Algeria, Morocco and Tunisia to reduce the use of pre-trial detention and to promote criminal justice systems that are gender sensitive and child friendly. We also promoted independent monitoring of places of pre-trial detention, including police stations, to prevent torture and ill-treatment. We promoted the rights of vulnerable groups, including foreign nationals and people with mental illness. In Jordan, we continued to support the use of diversion mechanisms for children in conflict with the law and independent inspection of care centres for children. As a consequence of our work in Jordan, 80% cases of children in conflict with the law are now diverted to community-based mediation and conciliation services.

- Our **Moscow office** implements programmes to improve oversight of places of pre-trial detention in Belarus and Russia; and to improve the healthcare of women in pre-trial detention in Russia. In Belarus, we are working with local partners to develop effective civil society oversight of law enforcement bodies holding people in pre-trial detention. We also delivered training on human rights and monitoring practice and procedures for civil society groups.
- In **South Caucasus**, PRI supports the development of child-friendly justice systems that comply with international standards for children's rights. We worked with UNICEF and others to train probation officers, social workers and psychologists on pre-sentence reporting, which will be introduced by March 2016.
- In **Central Asia**, PRI is a member of the Parliamentary working group which proposed amendments and changes to the Criminal Code, Criminal Executive Code and Criminal Procedural Code. Now some of these measures are being considered further, and we have made recommendations for reintegration of prisoners, reform of halfway houses and improvements to the new probation services. We also recommended changes to procedures to implement the Nelson Mandela Rules for the treatment of prisoners.
- In **Uganda**, we supported our NGO partner, Foundation for Human Rights Initiative (FHRI), to promote diversion of children from the formal justice system, arranging an exchange visit for Kenyan and Tanzanian NGOs working on juvenile justice to share information and contributing to new legislation for children in conflict with the law.

**Outcome 2: Fair and proportionate sentencing that takes account of the circumstances of the offence and offender.**

**Abolition of the death penalty**

PRI continues to campaign for abolition of the death penalty and launched a report on the application of *sharia law* to the death penalty. This report was prepared by Islamic scholars and presents an interpretation of the Quran that stresses the importance of mercy and forgiveness and suggests there is no mandatory requirement in sharia law for the death penalty. It is aimed primarily at Western audiences who are not expert in sharia law and has been well received as an advocacy tool.

Our EU grant to promote abolition of the death penalty ended during 2015. Concrete legislative and political steps were taken in a number of the project countries moving towards this aim. An independent evaluation of the EU programme found that PRI had performed impressively and, in particular, increased the likelihood of Government officials cooperating with PRI. 'PRI has strengthened its own position to become an unavoidable stakeholder to local decision makers on the matter of the death penalty'.

A number of new publications on the death penalty were published, including: :

- Sharia law and the death penalty: would abolition of the death penalty be unfaithful to the message of Islam?
- Two briefing papers looking at the impact of the death penalty on people other than the person sentenced, one on defence lawyers and the other on prison guards.
- The death penalty: myths and reality
- Strengthening death penalty standards

### **Reducing the unnecessary use of imprisonment**

PRI has a longstanding aim to reduce overcrowding in prisons by increasing the use of community-based sanctions, enabling offenders to keep their homes, jobs and families while serving their sentence.

Our ongoing advocacy to promote implementation of the Bangkok Rules for women offenders continued at international, regional and national levels. The Rules encourage greater use of community-based sanctions to prevent the mental and physical harm suffered disproportionately by women and girls in detention. We started an innovative new project in Kenya to develop a gender sensitive approach to community service for women, working with the Kenyan probation service.

Our policy and advocacy team at Head Office worked with a number of international law firms (acting on a pro bono basis) on a new research project to collect information about the judicial treatment of women who commit violent crimes against their abusers and whether this history of abuse was taken into account in terms of their criminal liability and sentencing. The data collection was completed by the end of the year.

PRI's work in **East Africa** to develop alternatives to detention in three countries (Kenya, Tanzania and Uganda) continued. In Kenya those who performed well in their community service placements are provided with training and a small amount of resources in order to help start their own business and prevent reoffending – an innovative empowerment project for offenders. A number of training sessions were held, for magistrates, probation, police and prison officers, volunteers, the media and a multi-stakeholder training. In Uganda, we published our research on the characteristics of women prisoners. A roundtable to discuss the findings and recommendations led to the judiciary requesting further guidance on sentencing women.

Our regional office in **South Caucasus** is implementing a three-country programme to promote the use of non-custodial sanctions in Armenia, Azerbaijan and Georgia. During the reporting period, we held a regional conference for representatives from government and non-governmental organisations (NGOs) from all three countries to share information and good practices. Study visits, trainings and roundtables were held to promote good practice, and share the experience of Georgia, which has the most developed probation service in the region.

A probation manual was launched in September and a monitoring manual for public monitoring bodies inspecting places of detention for children was published. Three 4-day training workshops

were delivered for probation service professionals covering international and local standards of pre-sentence reporting.

Our **MENA** office started a number of new programmes to develop alternatives to detention in the region. Our *10-point plan to reduce prison overcrowding* was incorporated into government policy for Tunisia. We continue to advocate for abolition of the death penalty in Jordan, and the publication of the report on sharia law and the death penalty has been a longstanding objective to support this.

Our **Central Asia** office has been deeply involved in assisting with changes to the Criminal and Criminal Executive Codes in three countries of the region. Some of these changes deal with probation services and Kazakhstan is most committed to increasing use of alternatives to detention. The Parliament of Kazakhstan is planning to draft an independent law on Probation Service, to be adopted in 2017. PRI is a member of this working group mandated to draft the legislation.

In co-operation with UNICEF, PRI is building a child-friendly probation service in four regions of East Kazakhstan. We prepared a guide for Probation Officers to work with children; at Parliament's request, we drafted an expert paper to expand the National Preventive Mechanism (NPM) mandate to include closed facilities for children; training for NPM members was delivered.

Our **Moscow office** is implementing a programme of penitentiary reform in Ukraine with a local NGO partner, Public Advocate. This includes awareness-raising activities to recognise and meet the needs of vulnerable groups. During the reporting period it carried out training for 102 probation officers and social workers.

Supporting the work of the **African Committee of Experts** on the Rights and Welfare of the Child (ACERWC), PRI's Head Office staff promoted the Committee's General Comment No.1 (GC1), adopted in November 2013, which highlights the damaging impact on the children of parents who are imprisoned or in conflict with the law. We worked with our Ugandan NGO partner FHRI to research the situation of children of prisoners in Uganda and measure its compliance with GC1, the first ever such research in Africa, interviewing prisoners, prison staff and children of prisoners. The final report was presented at a special session of the ACERWC in November, and, following a roundtable in Uganda, a new coalition of NGOs and professionals has been formed to take forward the report's recommendations

### **Outcome 3: Humane treatment and conditions for prisoners and prevention of torture in all places of detention**

#### **Revised Standard Minimum Rules – the Nelson Mandela Rules**

One of our main achievements during 2015 was our contribution to the development of (and advocacy for) the revised Standard Minimum Rules for the Treatment of Prisoners – now the Nelson

Mandela Rules. We participated in all the relevant expert group meetings, making recommendations and drafting suggestions. The main revisions covered:

- The principle of respect for the prisoner's inherent dignity
- Medical and health services
- Disciplinary action and punishment
- Investigation of deaths in custody and torture allegations
- Protection of special needs of vulnerable groups
- Contact with the outside world
- Access to legal advice
- Complaints and inspections
- Staff training

We built a network of support for the revision of the Rules from inter-governmental organisations, international NGOs and member states. We received numerous requests to speak on the revision at a range of international, regional and national events and institutions.

In the run-up to the final adoption of the revised Rules, in December 2015, PRI liaised with supporting states to promote their adoption. Subsequently, we produced a short animated film to promote the new Rules and a short guide to the new provisions. All regional offices will be raising awareness of and providing support for the implementation of the Nelson Mandela Rules into national frameworks during 2016.

Our analysis of the impact of our work on the targeted revision of the Rules showed that 102 out of 162 revisions (almost 63%) we requested were incorporated and a further 22 (13.6%) were partially incorporated. An external evaluation of our advocacy for the Nelson Mandela Rules (see below in the section on Monitoring and Evaluation) was extremely positive about PRI's impact on the process for a targeted revision.

### **Women and Girls – promoting and implementing the Bangkok Rules for women offenders**

Throughout PRI, we continued to promote a gender sensitive approach to the treatment of women prisoners; raising awareness through a range of publications, events and trainings.

As of the end of September 2015, the English version of the e-course 'Women in detention: putting the Bangkok Rules into practice' had 550 registered users from 96 countries, of which 269 had successfully completed the course by passing the final test.

Training on the Bangkok Rules was provided in **Uganda** in collaboration with our partner FHRI. 23 women prison officers and three community service officers participated, covering topics such as gender-specific healthcare and vocational training. This was the first ever such training in the region. Our report *Who are women? Survey results from Uganda* was published and the findings publicised at a launch event in Kampala in July 2015. The report highlights the link between domestic violence, sexual abuse and criminal offences by women.

In **Pakistan** we provided training for our local NGO partner, DOST Welfare Association, on the Bangkok Rules and they in turn delivered training to over 100 prison staff, Law Faculty members and NGOs. They also held workshops on the Bangkok Rules and are carrying out an awareness-raising campaign to promote a proportionate and gender sensitive approach to women offenders. Guidance and materials provided to prison officers on issues such as body searches and healthcare has already led to change in practice. Advocacy meetings with the Provincial Assembly and Prisons have resulted in commitments to address gaps in the Pakistan Prison Rules.

#### **Torture prevention**

PRI's Policy Director designed and co-organised a summer school with the University of Bristol, in partnership with the Association for the Prevention of Torture (APT). Sixteen members and staff of National Preventative Mechanisms (NPMs) from 13 countries participated. Feedback showed the participants highly valued the substantive input they acquired during the course, on what gender-sensitive monitoring means and how to apply it as a National Preventive Mechanism. Our regional offices also continued to support mechanisms for public oversight of prisons.

#### **Treatment of violent extremist and radicalised prisoners**

Over the course of 2015, there has been increasing interest and concern over the number of radicalised and violent extremist offenders inside prisons. While this is particularly true in the **MENA** region, all our offices recognise this challenge for prison managers in the countries where we work. To share experiences and identify good practice in dealing with this category of prisoners, we held an expert roundtable in Amman (Jordan) on 2 and 3 December 2015. The event was attended by over 30 representatives of prison authorities, ministries, embassies, intergovernmental organisations and civil society participants. The discussions covered:

- The need to address rehabilitation of radicalised prisoners;
- Drivers of radicalisation;
- Comparison of dispersal or concentration practices;
- Classification of prisoners and risk assessment;
- Different rehabilitation approaches: particularly the Moroccan, Saudi, European and Indian experiences;
- Radicalisation of women and children;
- Recommendations for future action.

PRI's Regional Director was subsequently invited to participate in a high-level Panel discussion at the UN in New York on violent extremism in post-conflict countries.

#### **Regional office programmes on humane treatment of prisoners**

Our regional offices carry out activities to improve prison conditions and to promote and support oversight and inspection mechanisms for places of detention. Our **MENA** office for example, produced a training manual for Yemeni prison staff to improve conditions and treatment for children in prison. In our regional project 'Progressive abolition of Violence Against Children in detention in **Central Asia**, PRI and partner organisations from three countries (Kazakhstan, Kyrgyzstan and Tajikistan) are monitoring closed facilities for children. They carried out surveys

with children, the results of which were combined into one report, *Voice of the Child*. Our Central Asia office is also implementing a project to improve healthcare and social services in two prisons in Kazakhstan (a children's prison in Almaty and women's prison in Atyrau). Medical services are provided to treat a range of health conditions, psychological support is provided, and the range of vocational and rehabilitation courses for prisoners has proved very popular.

PRI provided materials and support to implement the Bangkok Rules and improve conditions for women prisoners in Russia, including pregnant women and mothers. With the Working Group on Women in Detention, we helped revise legislation to improve the situation of women with babies in prison. Mother and baby units have now improved as a result of our advocacy on this topic. In **Belarus**, we provided training to civil society groups on the rights of detained people, national legislation, international standards and development of advocacy strategies. A guide to monitoring practice was produced and we contributed towards professional development and training materials, giving workshops for representatives of the law enforcement services and lawyers. 25 monitoring visits have taken place to police units in Minsk and the Minsk region following the training.

In **Ukraine**, we are working with Public Advocate Lto provide training for members of inspection teams for places of detention. A baseline assessment of the position of vulnerable groups in detention was prepared as the first step of a new EU-funded programme. Guidelines for law enforcement bodies and social workers are being finalised and training modules developed.

#### **Outcome 4: Safer communities through rehabilitation, reintegration and interventions to reduce re-offending**

Our **MENA** office programmes in Algeria, Morocco and Tunisia include activities to support women after release from prison, working in cooperation with a number of civil society partners to deliver these.

In **Central Asia**, the health and vocational skills of women and children in two Kazakh prisons have been improved through a donor-funded project. PRI is a member of working groups set up to help draft a new government strategy and standards for reintegration of prisoners in Kazakhstan.

In **South Caucasus**, PRI encourages (and works with) other civil society organisations to support reintegration of prisoners into the community. We have a long-standing partnership with local NGO Women in Business for this purpose and a final roundtable event was held with them in November at the end of a project to support the reintegration of women ex-prisoners. Key government officials and NGOs attended the roundtable. We are also working in partnership with the Civil Society Institute in Armenia to advocate for open prisons and halfway houses to support reintegration of prisoners after release.

Our **Moscow office's** programme in Ukraine is supporting civil society activities to protect the rights of children in conflict with the law and the post-release reintegration of vulnerable groups

of ex-prisoners. We provided a small grants programme to encourage civil society organisations to help prisoners maintain contact with their families and help them prepare for release. In Belarus, we are part of a developing network of public organisations dealing with social reintegration of offenders. We provided a small grants programme to encourage civil society to help maintain contact between prisoners and their families, and prepare them for release.

In **Kenya**, we have recently started a new project to develop gender-specific community service placements for women that are adapted to their special needs and childcare responsibilities.

### Monitoring and Evaluation

Over the past two years, we have invested substantially to improve our organisational learning and evaluations of our work. Over the reporting period, a number of evaluations have been carried out, both internal and external. For example, our Evaluation and Organisational Learning Adviser (EOLA) carried out a mid-term internal evaluation of our **Central Asia** programme to reduce violence against children in detention in three countries. An external evaluation also confirmed that the project was satisfactory in all respects, with a small number of recommendations being made for the next project period.

The EOLA has also been involved in designing two external evaluations of PRI's international advocacy work on the revision of the Standard Minimum Rules for the treatment of prisoners (the Nelson Mandela Rules) and on the Bangkok Rules. Both evaluations are focused on the effectiveness of our advocacy work at the international level. The Bangkok Rules evaluation has not yet been finalised and is due in January 2016. The evaluation for advocacy in relation to the Nelson Mandela Rules is extremely positive and concluded that we had implemented the right activities in the right way, using our skills and expertise to make a substantial and significant contribution to the revision process. The evaluator comments that 'A clear picture emerges of how PRI influenced the choice of a 'targeted changes' approach, the selection of areas for review, the arguments used to justify the changes, and then the changes that were adopted'.

### Information and communications

PRI's website continues to attract more traffic. In the last quarter of 2015 there were over 33,000 visits to the website – a 45% increase on the same period in 2014 and a 50% increase on the period from June to September. In November there were 11,268 visits from 8,971 users – the highest month since the website was relaunched in 2013.

In December we produced a short 2-minute animation introducing the revised Standard Minimum Rules (Nelson Mandela Rules).

The most popular PRI publications downloaded were:

- 10 point plan to reduce overcrowding
- Short guide to the Bangkok Rules
- Summary of the Nelson Mandela Rules
- Briefing on the minimum age of criminal responsibility

## Penal Reform International

### Board's annual report

#### For the year ended 31 December 2015

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- Global Prison Trends 2015
- Sharia law and the death penalty

We also published a range of e-newsletters on criminal justice and penal reform, the Bangkok Rules and a newsletter on criminal justice issues in East Africa. An innovative series of expert blogs on a wide range of topics relating to penal and prison reform provided fresh insight into prison life.

#### Beneficiaries of our services

PRI's end beneficiaries are men, women and children in contact and conflict with the criminal justice system; including those held in prison and places of detention.

To achieve our aims we work with inter-governmental organisations, regional bodies, national policy-makers, criminal justice authorities, professional services and civil society organisations and individuals to reform legislation, policy and practice.

#### Financial review

PRI has been in receipt of an unrestricted grant from DFID since 2011, this contract finishes on 31<sup>st</sup> December 2016. Currently there is no confirmation from DFID regarding what funding may be available for 2017. As a result of this there is currently some uncertainty over PRI's financial position in 2017 but a strong reserves base should help PRI to bridge a short gap between funding agreements. PRI's status as a niche organisation puts it in a strong position to secure further funding from its major donors.

The current reserves policy takes into account the commitment to complete projects and the average time frame between submitting an application and receipt of funds. On this basis it is considered appropriate to set the level of reserves equivalent to 9–12 months of expenditure for managing and administering the association's activities. This is calculated as being in between €900,000 and €1,250,000 and is based on a reduced staff structure.

During the year under review the association has made a surplus of €178,686 (2014 €275,665), this includes an exchange gain of €154,546 majority of which is unrealised.

As at 31<sup>st</sup> December 2015 the association had free reserves of €1,588,944 (2014 €1,410,258).

#### Principal risks and uncertainties

We have reviewed our revised risk register, identifying risks both internal to the organisation and threats from external events and actors. The risks outlined in our previous reports remain present. The shrinking space for civil society, and particularly NGOs working in the field of human rights, is an increasing problem for donors as well for NGOs themselves. Increasing incidents of terrorism have also focused the attention of donors on humanitarian issues and emergency action at the

same time as governments prioritise security measures, with a risk that human rights will be downgraded as a priority.

## Plans for the future

In the last report we mentioned the new sustainable development goals (SDGs) as a factor that could affect our future development. We have now aligned our strategic and operational plans with the new SDGs and participated in some early discussions on indicators, particularly in relation to Goal 16. However, we are concerned that there is little reference in the SDGs and proposed indicators to criminal justice. There is still a great deal of uncertainty as to how governments and donors will formulate their own strategies to implement the SDGs. However, we expect indicators to be agreed during 2016 and this will help us refine our plans to contribute towards their achievement. We are confident that our work will support delivery of a number of the goals identified, not only those specifically related to criminal justice.

In the coming year, there are many uncertainties in the global landscape, largely caused by the increase in international terrorism and the consequent prioritising of security issues. The number of countries that have or are introducing laws to reduce the effectiveness of NGOs promoting human rights or discussion of social and political issues is a growing concern. We cannot avoid being affected by the context in which we work. Nevertheless the need for us to remain focused on the human rights of those caught up in the criminal justice process remains essential and we will continue to work on these core issues in the next and coming years ahead.

## Structure, governance and management

PRI's governing document is its Constitution, which sets out our objectives, mission and powers as a registered Association in the Netherlands. It also sets out the arrangements for the appointment of Board members and their duties and competencies.

The Board (the General Board) consists of not less than nine and not more than fifteen people, with a balanced representation of the different regions of the world and a gender balance of members. Board members are elected from PRI's membership, with regard to their skills and experience of penal reform. Board members must stand down after a maximum of five years from their election; however, they may be re-elected for a second term of five years maximum.

The Board holds the powers and responsibilities set out in the Dutch Civil Code. It determines in general terms PRI's policy and approves the annual report and audited accounts of the Association. It elects the officers (Chair, Treasurer and Secretary General) and deputy officers from its membership and these officers constitute the Executive Board.

The Board can delegate its authority completely or partly to the Executive Board, which is entitled to fill vacancies until the next meeting of the Board. The Executive Board meets at least three times a year; it provides guidance and direction of ongoing activities. It considers the annual

financial accounts of the past year and the budget for the current year, referring to the Board for approval of decisions.

The decisions of the Board and Executive Board are implemented by the Executive Director, currently Alison Hannah, who reports directly to the Board and Executive Board to set out progress on agreed priorities with reference to PRI's strategic plan.

## **Appointment of the Board**

The Board is elected by the Association (PRI)'s membership. Members are informed by the Executive Board of forthcoming elections and given the opportunity to nominate themselves as Board members. Candidates' details, information about the election and ballot papers are sent to members, who have fourteen days to fill the ballot paper and return it to the Executive Board. Each member of the Association has one vote and the candidate(s) receiving most valid votes is elected.

## **Board induction and training**

No formal training is given to Board members. However, on joining the Board, they are sent an induction pack containing key information and documents about PRI to help them carry out their responsibilities. The key information includes a copy of the Constitution, previous Board minutes and copies of the key policies and procedures relevant for Board members, as previously agreed.

## **Remuneration policy for key management personnel**

PRI Head office staff based in London and Regional Directors are paid in accordance with an agreed objective and non-discriminatory job evaluation scheme and linked salary scales. Other regional staff are paid in accordance with market rates and any national statutory requirements.

## **Statement of responsibilities of the board**

The Constitution requires the board to prepare financial statements for each financial year which give a true and fair view of the association's financial activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the board should follow best practice and:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association will continue in operation

## Penal Reform International

### Board's annual report

For the year ended 31 December 2015

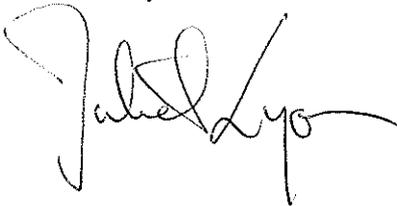
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The board are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the association. They are also responsible for safeguarding the assets of the association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditors

Sayer Vincent LLP were appointed as the association's auditors during the year and have expressed their willingness to act in that capacity.

The board's annual report has been approved by the board on 22 April 2016 and signed on their behalf by

A handwritten signature in black ink, appearing to read 'Juliet Lyon', with a stylized flourish extending from the end.

Juliet Lyon CBE  
Secretary General

## **Independent auditors' report**

### **To the board of**

#### **Penal Reform International**

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We have audited the financial statements of Penal Reform International for the year ended 31 December 2015 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 board of the association as a body. Our audit work has been undertaken so that we might state to the association's board 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 association and the association's board as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the board and auditors**

As explained more fully in the statement of responsibilities of the board set out in the board's annual report, the board 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the board; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the board's annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 association's affairs as at 31 December 2015 and of its results for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice

## Independent auditors' report

To the board of

Penal Reform International

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### Opinion on other matter

In our opinion:

- The information given in the board's annual report for the financial year for which the financial statements are prepared is consistent with the financial statements

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where we are required 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
- The financial statements are not in agreement with the accounting records and returns
- We have not received all the information and explanations we require for our audit



Jonathan Orchard (Senior statutory auditor)

29 April 2016

for and on behalf of Sayer Vincent LLP, Statutory Auditors  
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

**Penal Reform International**

**Statement of financial activities (incorporating an income and expenditure account)**

**For the year ended 31 December 2015**

		Unrestricted	Restricted	2015 Total	Unrestricted	Restricted	2014 Total
	Note	€	€	€	€	€	€
<b>Income from:</b>							
Donations and legacies	2	1,574,499	-	<b>1,574,499</b>	1,344,489	-	1,344,489
Activities	3						
Advocating for Prison and Penal Reform		-	797,151	<b>797,151</b>	-	400,466	400,466
Reducing the use of imprisonment		-	790,268	<b>790,268</b>	-	294,614	294,614
Prevention of torture, cruel, inhumane or degrading treatment		-	376,401	<b>376,401</b>	-	185,879	185,879
Abolition of the death penalty		-	142,491	<b>142,491</b>	-	741,517	741,517
Justice for Children		-	851,818	<b>851,818</b>	-	1,024,375	1,024,375
Women in the Criminal Justice System		-	165,137	<b>165,137</b>	-	511,778	511,778
Countering Violent Extremism and Radicalisation Inside Prisons		-	2,225	<b>2,225</b>	-	-	-
Investments		399	-	<b>399</b>	344	-	344
Other		4,289	-	<b>4,289</b>	730	-	730
<b>Total income</b>		<b>1,579,187</b>	<b>3,125,491</b>	<b>4,704,678</b>	<b>1,345,563</b>	<b>3,158,629</b>	<b>4,504,192</b>
<b>Expenditure on:</b>							
Raising funds	4	237,447	-	<b>237,447</b>	147,446	-	147,446
Activities							
Advocating for Prison and Penal Reform	4	201,875	797,151	<b>999,026</b>	329,356	217,035	546,391
Reducing the use of imprisonment	4	321,542	790,268	<b>1,111,810</b>	151,304	299,244	450,548
Prevention of torture, cruel, inhumane or degrading treatment	4	116,580	376,401	<b>492,981</b>	154,955	209,841	364,796
Abolition of the death penalty	4	62,879	142,491	<b>205,370</b>	165,200	726,146	891,346
Justice for Children	4	368,383	934,780	<b>1,303,163</b>	299,920	1,021,193	1,321,113
Women in the Criminal Justice System	4	201,832	248,099	<b>449,931</b>	193,725	484,237	677,962
Countering Violent Extremism and Radicalisation Inside Prisons	4	44,509	2,225	<b>46,734</b>	-	-	-
<b>Total expenditure</b>		<b>1,555,047</b>	<b>3,291,415</b>	<b>4,846,462</b>	<b>1,441,906</b>	<b>2,957,696</b>	<b>4,399,602</b>
<b>Net income / (expenditure) for the year</b>	9	<b>24,140</b>	<b>(165,924)</b>	<b>(141,784)</b>	<b>(96,343)</b>	<b>200,933</b>	<b>104,590</b>
Transfers between funds		-	-	-	225,907	(225,907)	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>24,140</b>	<b>(165,924)</b>	<b>(141,784)</b>	<b>129,564</b>	<b>(24,974)</b>	<b>104,590</b>
Foreign exchange gain/(loss)		154,546	-	<b>154,546</b>	146,101	-	146,101
<b>Net movement in funds</b>		<b>178,686</b>	<b>(165,924)</b>	<b>12,762</b>	<b>275,665</b>	<b>(24,974)</b>	<b>250,691</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		1,410,258	322,284	<b>1,732,542</b>	1,134,593	347,258	1,481,851
<b>Total funds carried forward</b>	15	<b>1,588,944</b>	<b>156,360</b>	<b>1,745,304</b>	<b>1,410,258</b>	<b>322,284</b>	<b>1,732,542</b>

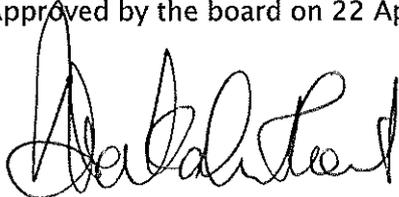
All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 15 to the financial statements.

Balance sheet

As at 31 December 2015

	Note	€	2015 €	€	2014 €
<b>Fixed assets:</b>					
Tangible assets	11		<u>16,303</u>		<u>4,421</u>
			<b>16,303</b>		<b>4,421</b>
<b>Current assets:</b>					
Debtors	12	772,660		474,963	
Cash at bank and in hand		<u>2,214,161</u>		<u>2,769,688</u>	
		<b>2,986,821</b>		<b>3,244,651</b>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	13	<u>(1,257,820)</u>		<u>(1,516,530)</u>	
<b>Net current assets / (liabilities)</b>			<u><b>1,729,001</b></u>		<u><b>1,728,121</b></u>
<b>Total net assets / (liabilities)</b>	14		<u><u><b>1,745,304</b></u></u>		<u><u><b>1,732,542</b></u></u>
<b>The funds of the association:</b>					
Restricted income funds	15		156,360		322,285
Unrestricted income funds:					
General funds		<u>1,588,944</u>		<u>1,410,257</u>	
Total unrestricted funds			<u><b>1,588,944</b></u>		<u><b>1,410,257</b></u>
<b>Total funds</b>			<u><u><b>1,745,304</b></u></u>		<u><u><b>1,732,542</b></u></u>

Approved by the board on 22 April 2016 and signed on their behalf by



Prof Anton Van Kalmthout  
Treasurer



Juliet Lyon CBE  
Secretary General

Penal Reform International

Statement of cash flows

For the year ended 31 December 2015

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	Note	2015	2014
		€	€
Cash flows from operating activities	16		
Net cash provided by / (used in) operating activities		(687,266)	49,617
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		399	344
Revaluation and disposal of fixed assets		-	(459)
Purchase of fixed assets		(23,206)	(2,715)
Net cash provided by / (used in) investing activities		(22,807)	(2,830)
<b>Change in cash and cash equivalents in the year</b>		<b>(710,073)</b>	<b>46,787</b>
Cash and cash equivalents at the beginning of the year		2,769,688	2,576,800
Change in cash and cash equivalents due to exchange rate movements		154,546	146,101
<b>Cash and cash equivalents at the end of the year</b>		<b>2,214,161</b>	<b>2,769,688</b>

## 1 Accounting policies

### a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to entities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (August 2014).

The association is not required to apply the Charities SORP FRS 102 but the board have chosen to do so on a voluntary basis.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

### b) Reconciliation with previously Generally Accepted Accounting Practice (GAAP)

In preparing the accounts, the board have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 January 2014. The board consider that no transition adjustments were required to restate the comparative information, with the exception of governance costs which have been reallocated to the other activities of the association.

### c) Public benefit entity

The association meets the definition of a public benefit entity under FRS 102.

### d) Going concern

The board consider that it is appropriate to view the association as a going concern. They recognise that there is uncertainty over the continuation of some key income streams beyond the end of 2016. The association is actively monitoring this risk and developing its budgeting processes accordingly and has an adequate level of reserves to manage this process.

The board do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

### e) Income

Income is recognised when the association has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the association has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Where income is received in advance that relates to a future period then the association considers that it is not yet entitled to this funding and so it is deferred.

### f) Fund accounting

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.

Unrestricted funds are donations and other incoming resources received or generated for the purposes of the association.

Designated funds are unrestricted funds earmarked by the board for particular purposes.

**1 Accounting policies (continued)**

**g) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the association in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on activities includes the costs undertaken to further the purposes of the association and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**h) Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

● Raising funds	4.9%
● Advocating for Prison and Penal Reform	20.6%
● Reducing the use of imprisonment	23.0%
● Prevention of torture, cruel, inhumane or degrading treatment	10.2%
● Abolition of the death penalty	4.2%
● Justice for Children	26.8%
● Women in the Criminal Justice System	9.3%
● Countering Violent Extremism and Radicalisation Inside Prisons	1.0%

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

**i) Operating leases**

Rental charges are charged on a straight line basis over the term of the lease.

**j) Tangible fixed assets**

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.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Computer equipment 3 – 4 years

**k) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1 Accounting policies (continued)**

**l) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

**m) Creditors and provisions**

Creditors and provisions are recognised where the association has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**n) Foreign currency translations**

Monetary assets and liabilities in foreign currencies are translated into Euro at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Euro at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the net result for the year.

**o) Pensions**

The association operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the association in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the association to the fund. The association has no liability under the scheme other than for the payment of those contributions.

Penal Reform International

Notes to the financial statements

For the year ended 31 December 2015

2 Income from donations and legacies

	Unrestricted €	Restricted €	2015 total Total €	2014 Total €
<b>Grants</b>				
Department for International Development, UK	1,463,352	-	1,463,352	1,334,489
FCO	111,147	-	111,147	-
	<u>1,574,499</u>	<u>-</u>	<u>1,574,499</u>	<u>1,334,489</u>

3 Income from activities

	Unrestricted €	Restricted €	2015 Total €	2014 Total €
Association for the Prevention of Torture	-	2,949	2,949	13,470
British Embassy	-	3,366	3,366	307,719
Department for International Development, UK	-	369,378	369,378	71,816
Dutch Embassy – Yemen	-	383,016	383,016	-
European Union	-	1,049,841	1,049,841	1,317,691
Foreign and Commonwealth Office	-	324,910	324,910	133,558
INL – US State Department	-	23,155	23,155	-
Know Violence in Childhood	-	51,645	51,645	-
MacArthur Foundation	-	107,486	107,486	20,190
Open Society Foundation	-	336,248	336,248	209,510
Swedish International Development Agency	-	192,290	192,290	627,771
Thailand Institute	-	15,264	15,264	-
UNDEF	-	87,808	87,808	32,676
UNICEF	-	107,499	107,499	169,890
UNOPS	-	51,445	51,445	32,178
Vol'noe Delo Russian Foundation	-	3,229	3,229	10,468
Danish International Development Agency	-	14,128	14,128	-
SDC	-	1,500	1,500	-
Swiss Federal Department of Foreign Affairs	-	-	-	58,802
Organisation for Security and Cooperation in Europe	-	-	-	58,201
Eurasia Partnership Foundation	-	-	-	1,591
UN Women	-	-	-	8,407
Foundation Human Rights Initiative	-	-	-	5,862
Child Rights Centre, Tajikistan	-	-	-	12,689
Other	-	334	334	66,140
Total income from activities	<u>-</u>	<u>3,125,491</u>	<u>3,125,491</u>	<u>3,158,629</u>

Penal Reform International

Notes to the financial statements

For the year ended 31 December 2015

4 Resources expended

			2015	2014
	Direct costs	Support & Governance costs	Total	Total
	€	€	€	€
<b>Raising funds</b>	201,617	35,830	<b>237,447</b>	147,446
<b>Activities</b>				
Advocating for Prison and Penal Reform	848,787	150,239	<b>999,026</b>	546,391
Reducing the use of imprisonment	944,041	167,769	<b>1,111,810</b>	450,548
Prevention of torture, cruel, inhumane or degrading treatment	418,664	74,317	<b>492,981</b>	364,796
Abolition of the death penalty	174,361	31,009	<b>205,370</b>	891,346
Justice for Children	1,107,552	195,611	<b>1,303,163</b>	1,321,113
Women in the Criminal Justice System	382,038	67,893	<b>449,931</b>	677,962
Countering Violent Extremism and Radicalisation Inside Prisons	39,682	7,052	<b>46,734</b>	-
	<u>4,116,742</u>	<u>729,720</u>	<u><b>4,846,462</b></u>	<u>4,399,602</u>

5 Governance costs

	2015	2014
	Total	Total
	€	€
Audit and accountancy fees	15,877	11,439
Board expenses	36,765	26,155
Annual report	6,860	7,224
	<u><b>59,502</b></u>	<u>44,818</u>

**6 Net income / (expenditure) for the year**

This is stated after charging / (crediting):

	2015 €	2014 €
Depreciation	12,548	5,479
Operating lease rentals:		
Property	211,348	175,250
Auditors' remuneration (excluding VAT):		
Audit	14,739	11,439
Other services	1,138	-
Foreign exchange gains or losses	154,546	146,101
	<u>154,546</u>	<u>146,101</u>

**7 Analysis of staff costs, board remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

	2015 €	2014 €
Salaries and wages	1,488,833	1,401,257
Social security costs	87,161	74,530
Employer's contribution to defined contribution pension schemes	48,983	41,062
	<u>1,624,977</u>	<u>1,516,849</u>

One employee earned more than GBP 60,000 during the year (2014: nil).

The total employee benefits including pension contributions of the key management personnel were €606,045.

The board were not paid or received any other benefits from employment with the association in the year (2014: €nil).

Board members' expenses represents the payment or reimbursement of travel and subsistence costs totalling €27,189 (2014: €20,314) incurred by 11 (2014: 11 ) members relating to attendance at meetings of the board.

**8 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was 40 (2014: 39.8)

**9 Related party transactions**

Some of the members of Penal Reform International are also Directors of Penal Reform International UK, a company registered in England and Wales. Penal Reform International UK has entered into a lease for 1st Floor, 60–62 Commercial Street, E1 6LT. The premises are occupied by Penal Reform International, and during the year rental costs of €60,338 were recharged to Penal Reform International. (2014 – €61,731)

Penal Reform International UK also operates the payroll on behalf of Penal Reform International's staff which are based in the UK, and costs of €950,729 were recharged to Penal Reform International during the year (2014 – €805,577)

As at 31 December 2015 Penal Reform International owed €28,608 (2014 – €36,702) to Penal Reform International UK.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

**10 Taxation**

The association has an agreement with HMRC that the grants and donations income of the association will not be subject to UK taxation. Interest received up to £5,000 per annum is also not subject to UK taxation. Where interest exceeds £5,000 per annum then the total amount of interest received is liable to UK taxation.

**11 Tangible fixed assets**

	Computer equipment €	Total €
<b>Cost or valuation</b>		
At the start of the year	79,697	79,697
Additions in year	23,206	23,206
	<hr/>	<hr/>
At the end of the year	102,903	102,903
	<hr/>	<hr/>
<b>Depreciation</b>		
At the start of the year	75,276	75,276
Charge for the year	12,548	12,548
Revaluations	(1,224)	(1,224)
	<hr/>	<hr/>
At the end of the year	86,600	86,600
	<hr/>	<hr/>
<b>Net book value</b>		
<b>At the end of the year</b>	16,303	16,303
	<hr/> <hr/>	<hr/> <hr/>
At the start of the year	4,421	4,421
	<hr/> <hr/>	<hr/> <hr/>

Penal Reform International

Notes to the financial statements

For the year ended 31 December 2015

12 Debtors

	2015 €	2014 €
Accrued income	595,412	279,461
Amounts held by partners	77,477	136,392
Prepayments	83,199	47,910
Other debtors	16,572	11,200
	<u>772,660</u>	<u>474,963</u>

13 Creditors: amounts falling due within one year

	2015 €	2014 €
Trade creditors	47,022	11,664
Taxation and social security	23,928	31,455
Other creditors	4,681	5,858
Accruals	36,068	69,814
Deferred income	1,146,121	1,397,739
	<u>1,257,820</u>	<u>1,516,530</u>

14 Analysis of net assets between funds

	General unrestricted €	Restricted €	Total funds €
Tangible fixed assets	16,303	-	16,303
Net current assets	1,572,641	156,360	1,729,001
<b>Net assets at the end of the year</b>	<u>1,588,944</u>	<u>156,360</u>	<u>1,745,304</u>

15 Movements in funds

	At the start of the year €	Incoming resources & gains €	Outgoing resources & losses €	Transfers €	At the end of the year €
<b>Restricted funds:</b>					
Advocating for Prison and Penal Reform	-	797,151	(797,151)	-	-
Reducing the use of imprisonment	-	790,268	(790,268)	-	-
Prevention of torture, cruel, inhumane or degrading treatment		376,401	(376,401)	-	-
Abolition of the death penalty		142,491	(142,491)	-	-
Justice for Children	161,142	851,818	(934,780)	-	78,180
Women in the Criminal Justice System	161,142	165,137	(248,099)	-	78,180
Countering Violent Extremism and Radicalisation Inside Prisons	-	2,225	(2,225)	-	-
<b>Total restricted funds</b>	<b>322,284</b>	<b>3,125,491</b>	<b>(3,291,415)</b>	<b>-</b>	<b>156,360</b>
<b>Unrestricted funds:</b>					
<b>General funds</b>	<b>1,410,258</b>	<b>1,733,733</b>	<b>(1,555,047)</b>	<b>-</b>	<b>1,588,944</b>
<b>Total unrestricted funds</b>	<b>1,410,258</b>	<b>1,733,733</b>	<b>(1,555,047)</b>	<b>-</b>	<b>1,588,944</b>
<b>Total funds</b>	<b>1,732,542</b>	<b>4,859,224</b>	<b>(4,846,462)</b>	<b>-</b>	<b>1,745,304</b>

Purposes of restricted funds

Restricted funds are amounts received which are restricted by the donor towards a specific activity of the association.

16 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2015 €	2014 €
<b>Net income / (expenditure) for the reporting period (as per the statement of financial activities)</b>	<b>(141,784)</b>	104,590
Depreciation charges	11,324	9,503
Dividends, interest and rent from investments	(399)	(344)
(Increase)/decrease in debtors	(297,697)	(8,143)
Increase/(decrease) in creditors	(258,710)	(55,989)
<b>Net cash provided by / (used in) operating activities</b>	<b>(687,266)</b>	49,617

**17 Legal status of the association**

The association is registered in the Netherlands and has no share capital.

**18 Operating lease commitments**

The association's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property	
	2015	2014
	€	€
Less than one year	33,924	63,002
One to five years	-	33,924
	<hr/>	<hr/>
	<b>33,924</b>	<b>96,926</b>
	<hr/> <hr/>	<hr/> <hr/>