

Penal Reform International

Report and financial statements
For the year ended 31 December 2021

Company Number: 07569818



Penal Reform International

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For the year ended 31 December 2021

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Penal Reform International

Board's annual report

For the year ended 31 December 2021

Organisation registered as an association in The Kingdom of the Netherlands
(registered number 40025979)

Operational address in 2021

Unit 1.7
The Green House
244-254 Cambridge Heath Road
London E2 9DA

General Board membership

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

Prof Dirk van Zyl Smit, South Africa and UK	Chair * until September 2021
David Fathi, USA	Chair * from December 2021
Prof Anton van Kalmthout, Netherlands	Treasurer * until January 2022
Erika Marseille, Netherlands	Treasurer * from February 2022
Erika Marseille, Netherlands	Deputy Treasurer * until January 2022
David Fathi, USA	Secretary General * until December 2021
Dr Roselyn Karugonjo-Segawa, Uganda	Secretary General * from December 2021
Dr Catherine Appleton, Norway	Deputy Chair * from December 2021
Dr Catherine Appleton, Norway	Board member until December 2021
Michelle Carpentier, Canada	Board member
Suzanne Jabour, Lebanon	Board member
Dr Roselyn Karugonjo-Segawa, Uganda	Board member until December 2021
Dr Natalia Khutorskaya, Russia	Board member until December 2021
Paula Litvachky, Argentina	Board member
Dr Dmitry Nurumov, Kazakhstan	Board member
John Nyoka, Tanzania	Board member * deceased February 2021
Prof Robert van Voren, Lithuania	Board member

* Members of the Executive Board, appointed by the Board.

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Board's annual report

For the year ended 31 December 2021

Management team

Olivia Rope	Executive Director
Tsira Chanturia	Regional Director (South Caucasus)
Taghreed Jaber	Regional Director (Middle East and North Africa)
Doreen Namyalo Kyazze	Regional Director (Sub-Saharan Africa) from March 2021
John Usher	Director of Finance and Operations until June 2021 and from January 2022
John Usher	Deputy Executive Director from June 2021 to January 2022

Honorary presidents

Dr Rani Shankardass, India
Baroness Vivien Stern, UK

Honorary presidents have no right to participate in decision-making and are not provided with information provided to the Board.

Bankers

HSBC Bank
512 Brixton Road
London SW9 8ER
United Kingdom

ING Bank N.V.
Statutair gevestigd te Amsterdam
Handelsregister nr. 33031431
The Netherlands

Auditors

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

The Board present their report and the audited financial statements for the year ended 31 December 2021.

Penal Reform International (PRI) is a non-governmental organisation working globally to promote criminal justice systems that uphold human rights for all and do no harm. We work to make criminal justice systems non-discriminatory and protect the rights of disadvantaged people. We run practical human rights programmes and support reforms that make criminal justice fair and effective.

Penal Reform International

Board's annual report

For the year ended 31 December 2021

Registered in The Netherlands (registration no 40025979) where it has ANBI (not-for-profit) status, PRI operates globally with offices in multiple locations. Its head office is in London, United Kingdom, and members of staff work from the Hague and Amsterdam, The Netherlands (staff under head office functions and European projects). PRI has registered branch offices in Amman (Jordan), Bishkek (Kyrgyzstan), Kampala (Uganda), Nur-Sultan (Kazakhstan) and Tbilisi (Georgia). It also operates in Central African Republic and in Yemen.

All operations are governed by the provisions set out in PRI's Articles of Association and regulations adopted by the Board and the Executive Director.

Although PRI is not a charity registered in the UK, 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. The organisation's annual accounting year is its financial year, from January to December.

Objectives and purposes

The Constitution sets out the Association's aims to promote:

- a. The development and implementation of international human rights instruments with regards 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.

PRI's vision

Safe societies worldwide in which fair and effective criminal justice systems are non-discriminatory and protect the rights of disadvantaged people.

PRI's mission

We work to promote criminal justice systems that uphold human rights for all and do no harm.

We run practical human rights programmes and support reforms that make criminal justice fair and effective.

Our primary objectives are to secure trials that are impartial, sentencing practices that are proportionate and promote social rehabilitation, and humane conditions of detention where alternatives to imprisonment are not possible.

Achievements and performance

Strategic objectives

PRI's work during 2021 was set under the organisation's 2020–2023 strategy. The strategy categorises our work into four areas:

1. We put people in criminal justice systems at the heart of our work. All persons are vulnerable when they come into contact with a criminal justice system, face criminal proceedings, are in detention, or re-enter society after time spent in prison. Yet many systems continue to be designed for a homogeneous population and are discriminatory. They too often ignore needs and vulnerabilities that are due to differences of circumstance, individual characteristics, or identity.
2. We want to address key trends in criminal justice systems. Our priority will be to address key trends in criminal justice systems and build systems that do no harm and protect the human rights of people who have contravened the law.
3. We will work practically to create fair and effective criminal justice systems. We promote practical reform of criminal justice systems to bring about systematic and comprehensive change.
4. We engage with a variety of stakeholders. To make our work successful, impactful and sustainable, we will continue to develop strong ties with a variety of actors.

Progress towards achieving the outcomes of the strategic plan

All projects agreed with donors (see below, overview of PRI's projects in 2021) are designed to come under at least one of these strategic areas. The highlights of the year are emblematic projects that helped have a particular impact on the implementation of the outcomes.

We also set a commitment in the strategy to our own development outlining our approach, our structure, where we work and our accountability.

1. We put people in criminal justice systems at the heart of our work

While we advocate for the protection of all people in contact with the criminal justice system, we will put particular effort into ensuring that governments and criminal justice agencies recognise the

needs and characteristics of specific groups who require a distinct approach to protect their rights because they are especially at risk of violence or neglect.

We shape, publicise and implement international human rights standards that protect populations who face particular risk.

We recognise intersectionality and the overlapping identities and circumstances of certain groups and will take this into account especially when developing practical reform programmes.

This area includes the following population groups: Women, children, young adults, older people, LGBTQ+ people, people with disabilities, ethnic and religious minorities and foreign nationals without proof of identity

In working towards this area, in 2021 our activities focused on:

- Promoting the implementation of the Bangkok Rules (United Nations Rules for the Treatment of Women Prisoners and Non-custodial Measures for Women Offenders) including by publishing an updated Guidance Document and global map of promising practices on their implementation.
- Integrating and ensuring the needs of minority and vulnerable groups have been a key priority in our alternatives to imprisonment work in the European Union.
- Convening a World Congress on Justice with Children, together with partners, to raise awareness, share best practices, foster scientific cooperation and secure state commitments towards truly non-discriminatory and inclusive child justice systems.
- Highlighting the experience of individuals subject to non-custodial sanctions or measures during the COVID-19 pandemic as part of our research in Georgia, Hungary, Kyrgyzstan and Portugal.
- Developing a tool to support detention monitors in assessing conditions for older persons in prisons in line with international standards, to ensure the rights of older persons in detention are protected.
- Promoting reforms to address the disproportionate impact of punitive drug policies on women including side events at key UN meetings, a briefing and video with partners on how drug laws have impacted implementation of the Bangkok Rules, and a ten-point plan on gender-sensitive drug policies for women.
- Publishing a range of expert blogs examining the impact of criminal justice systems on vulnerable or marginalised groups, including women, foreign nationals, indigenous children, and children with incarcerated parents,

2. We want to address key trends in criminal justice systems

PRI has identified key developments in criminal justice systems globally. We have continued to address these in 2021 to ensure that persons who enter the criminal justice system experience no more harm than their detention or non-custodial sanctions necessitate. We will work to ensure that responses to crime and treatment of people who have offended are proportionate and humane. Recognising that many criminal justice systems are fundamentally discriminatory, and target

behaviours linked to poverty, we will seek to remove or reform laws that allow for such discrimination.

Specific activities that contributed to this area over the year include:

- We were an active member of the Campaign to Decriminalise Poverty and Status including by hosting a side event on the issue at the Commission on at the Crime Prevention and Criminal Justice and including it in our ancillary meeting on global prison trends at the Congress on Crime Prevention and Criminal Justice. We also collaborated with campaign members on advocacy strategy and submission of information to UN and regional human rights mechanisms.
- We conducted primary research on the impact of natural hazards on prisons and developed guidance on protecting human rights in prisons in disaster prevention, response and recovery. This guide – the first of its kind – includes practical measures to support practitioners and frontline staff working in prison systems.
- Raising awareness of the impact of the COVID-19 pandemic. We continued to advise authorities, deliver goods, undertake training in our countries of operation to assist prison administrations in preventing and addressing outbreaks. We issued new research and guidance on vaccinations in prisons to promote the prioritisation of people detained and working in prisons as at-risk groups in national vaccination strategies.

3. We will work practically to create fair and effective criminal justice systems

We apply international standards that promote alternatives to detention and, where detention is necessary, improved and humane conditions. We seek to ensure that, at a minimum, criminal justice systems do not cause damage to individuals' lives and have rehabilitation at their heart.

Activities contributing to this area include:

- Reinforcing our commitment to promoting alternatives to imprisonment through a number of projects around the world. In 2021, we conducted extensive research into the delivery and experience of non-custodial sanctions across the European Union as well as in Georgia and Kyrgyzstan, with a focus on non-discriminatory, rights-based and responsive services and the impacts of the COVID-19 pandemic on probation services, staff and people serving community sanctions. The research provided previously lacking comparable data on the use of alternatives to imprisonment in Europe and supported awareness raising, advocacy and action steps on national and international levels.
- Continuing projects focused on the prevention of torture and ill-treatment in places of detention through building the capacities of detention monitoring bodies. In Kyrgyzstan, for example, we raised the capacity of the National Preventive Mechanism to follow-up on their recommendations and undertake more effective monitoring.
- Continuing the development of rehabilitation and reintegration programmes in prisons and probation by partnering with relevant civil society to provide gender and age-appropriate

programmes and piloting new programmes to demonstrate their effectiveness and feasibility to authorities. In Uganda, we supported gender-sensitive mental health services as well as legal aid provision together with partners.

4. We engage with a variety of stakeholders

Our independence and specialised expertise make us a valued partner for governments, parliaments and state agencies, independent state bodies, international organisations, and national and international civil society organisations. We have a reputation for staying the course in a field where progress can be slow, and for remaining independent in our relationships with external stakeholders.

Activities contributing to this area include:

- Building the capacities of criminal justice actors through training, development and dissemination of guidance documents on how to practically implement international human rights standards relevant to their own context and priorities. In Sudan, the first ever prison assessment was undertaken by PRI which outlined the key priorities and issues for reform and garnered the support for prison reform from international and national actors.
- Developing relationships and communication channels between government bodies and civil society to promote commitment to reforms and the development of policy and legislation in line with international human rights standards. We continue to be an active member of civil society coalitions in countries we operate and at the international level, including the International Drug Policy Consortium and the Vienna NGO alliance on crime prevention and criminal justice.
- Training oversight mechanisms such as NPMs and other prison monitoring bodies to conduct prison monitoring visits in line with international best practice. We published new guides for detention monitors on: 1) protecting human rights in countering radicalisation leading to terrorism, together with OSCE-ODIHR, which was presented to the UN Subcommittee on Prevention of Torture at a workshop during their session; and 2) monitoring conditions for older persons in detention, which was presented to a regional meeting of NPMs, with the Association for the Prevention of Torture.
- Supporting international mechanisms, including at the United Nations, by submitting information and advocating for their engagement on different (overlooked) issues. For example, we made submissions to the Office of the High Commissioner for Human Rights, the Special Rapporteur on the right to health, and the Independent Expert on the human rights of older persons (who has since dedicated her 2022 report to older persons deprived of liberty).

Our Development

PRI's further development will enable us to set a strong criminal justice reform agenda and contribute to global renewal of human rights.

Our work is evidence-based and will address identified needs. We engage in countries in which we believe we have the opportunity to make change happen.

Under this component of the strategy we have:

- Continued to work across the world including in our main regions and countries of implementation – Sub-Saharan Africa, Central Asia, South Caucasus, Europe and the Middle East and North Africa. We developed project proposals for new work in Europe, particularly EU member states and we also looked to extend our work in new countries of operation such as Sudan and Burkina Faso.
- continued working in Central African Republic (CAR) with the UN Stabilisation Mission MINUSCA to reform the criminal justice system through the development and implementation of a demilitarisation strategy. Drawing on our experience working in Yemen and CAR, we developed guidance for the international community and national authorities on prisons and criminal justice systems in fragile and conflict-affected settings, with case studies on both countries and recommendations for restoring peace and the rule of law by building effective criminal justice systems.
- We undertook multiple evaluations on our projects as detailed below. We also mainstreamed Monitoring, Evaluating and Learning processes into all of our projects ensuring that internal evaluations were carried out at key points and lessons learnt were shared and discussed also with donors and partners.

Highlights of 2021

We continued to be a key voice in ensuring prisons and probation were not forgotten or overlooked in COVID-19 responses:

- Country responses – Through our country and regional programmes, we delivered practical support to prisons. In Central African Republic, Algeria, Jordan, Kazakhstan and Uganda we have provided vital personal protective equipment to places of detention, training for prison staff on preventing the spread of the virus, developed public health information leaflets for people in prison, developed communications channels for families of people in detention, and advocated for and supported the release of people in prison to reduce overcrowding and populations.
- We conducted the first ever in-depth review of policies and practices related to COVID-19 vaccination in prisons across 177 countries, with Harm Reduction International, analysing how people detained and working in prisons are included in vaccination plans and roll-out. The findings and set of recommendations were published as a key advocacy tool for national and international actors.

- We conducted a study on behalf of the Council of Europe as part of a consortium with two independent consultants on the COVID-19 pandemic in prisons and its impact on prison reform priorities. This involved regional analysis and in-depth research in six countries. The final report included a set of recommendations related to healthcare and preventive measures, changes in modus operandi, and reform processes and international cooperation.
- Realising the lack of attention paid to non-custodial sanctions and measures in the COVID-19 pandemic responses, we worked in Georgia, Hungary, Kyrgyzstan and Portugal to examine and understand the impacts of the pandemic and the varied response measures taken by governments on the work of probation services and others involved in the delivery of non-custodial sanctions as well as on the experience of individuals serving sentences in the community or released from prison during the pandemic. Through this in-depth research, alongside COVID-19-specific research conducted across EU member states as part of a broader comparative study, we raised the profile of community sanctions and helped advocate for non-discriminatory policies and practices that support resilience, adaptability and service continuation in the face of crises without jeopardising efficiency, safety or the rights of any individuals subject to criminal sanctions. We also published guidance on crisis-preparedness and management in the context of non-custodial sanctions, based on lessons from the COVID-19 pandemic.

We worked in new regions and countries

- Europe: In 2021 we started two projects focused on understanding and improving the use of non-custodial sanctions and measures in the region. One aims to deepen stakeholder awareness and engagement with non-custodial measures and their fair and effective implementation for all. Working with partners it involves delivering training and design and piloting new measures, targeted at identified gaps in meeting the needs of specific groups in Hungary and Portugal. A second project aims at examining the impacts of the COVID-19 pandemic on the delivery and experience of non-custodial sanctions. It produced significant knowledge and practical guidance for crisis-preparedness in probation services and across actors involved in non-custodial sanctions. Beyond project activities, PRI signed a five-year partnership agreement with the Confederation of European Probation (CEP) and discussed a memorandum of understanding with the European Organisation of Prison and Correctional Services (EuroPris), while also connecting with NGO and academic partners on varied initiatives and future project opportunities.
- Sudan: PRI returned to Sudan, after working there previously between 2003-2009, through a new project that aims at prison reform in light of international human rights standards and

enhancing the treatment of female prisoners and promote gender responsive measures within the prison department.

Overview of PRI's work in 2021

Policy and international advocacy work

- Global Prison Trends 2021, PRI's flagship publication on global trends in the use of imprisonment, prison populations, developments and challenges in prison management, the role of technology in criminal justice and prison systems and alternatives to imprisonment, was launched. Particular focus was given to prisons in crises. The report exposes the impact of the global pandemic on prison populations and staff, showing that in the face of the COVID-19 crisis millions of people in prison have suffered as a result of preventive measures, at a huge cost to their mental health and human rights.
- Implementation of influencing strategies around drug policy and its impact on the criminal justice system. We co-convened side-events at the Commission on Crime Prevention and Criminal Justice and the Commission on Narcotic Drugs and made joint oral statements at the Congress on Crime Prevention and Criminal Justice and the Human Rights Council.
- We published a short guide on the European Prison Rules (EPR) together with the Council of Europe, which provides a framework to ensure that daily prison processes and activities by prison staff and other professionals working in prisons are conducted in compliance with the Rules, as amended in 2020.
- We contributed to the Women in Prison Network, convened by the Vance Center for International Justice, with the support of PRI, that brings together women with lived experience of prison and advocates from 21 countries. PRI contributed to growing the network, collaborated with the network on advocacy initiatives, including a submission to the UN Independent Expert on the human rights of older persons, and raised the voices of members of the network by ensuring their inclusion in meetings and events held by PRI and others, including alongside UN meetings.
- PRI engaged with the African Commission on Human Rights, mainly through the Campaign to Decriminalise Poverty and Status, which PRI became a member of in 2020. We contributed analysis on the impact of criminal justice responses on human rights for the Chairperson's intersessional report to the Commission, and engaged with the Special Rapporteur On Prisons, Conditions Of Detention And Policing In Africa.

New projects in our regional and country programmes

Headquarters

- Aftermath of Covid-19 pandemic in prisons and its impact on prison reform priorities
- Global Prison Trends 2022
- Short Guide on the European Prison Rules

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Europe

- Promoting non-discriminatory alternatives to imprisonment across Europe
- Addressing gaps in the implementation and management of alternatives to imprisonment and post-release support during the COVID-19 global pandemic

Central Asia

- Strengthening the National Preventive Mechanism for prevention of torture in Kyrgyzstan
- Strengthening the visibility of the NPM to develop effective cooperation with State Bodies and CSOs to prevent torture and ill-treatment in Kyrgyzstan

Sub-Saharan Africa

- Demilitarization and prison reform in Central African Republic – Phase V
- Promoting sustainable access to justice for socially deprived women and children in northern Uganda
- Strengthening gender responsive treatment of women in conflict with the law in Western Uganda
- From access to equality (FATE)

South Caucasus

- Monitoring COVID-19 prevention and treatment in Georgia's prisons

Middle East and North Africa

- Reinforcing the rule of law: Developing the capacities of the judiciary in Yemen
- Support to the Ministry of Justice to reform legal aid (Sudan)
- Support the Algerian prison directorate in mainstreaming human rights-based approach
- To strengthen the engagement of judicial authorities to take concrete actions to prevent torture and ill treatment in detention centres (Jordan)

Publications

- **Fragile and conflict-affected settings: Prisons and criminal justice systems.** This briefing includes case studies on Yemen and Central African Republic and is aimed at the international community and national authorities with recommendations are included for restoring peace and the rule of law by building effective criminal justice systems.
- **Natural hazards and prisons: Protecting human rights in disaster prevention, response and recovery.** Based on primary research, this guide – the first of its kind – presents practical measures with a human rights-based approach for practitioners and frontline staff working in prison systems.
- **Protecting Human Rights in Prisons while Preventing Radicalization Leading to Terrorism or Violence: A Guide for Detention Monitors.** Published with OSCE Office for Democratic Institutions and Human Rights (ODIHR), this guide underlines the importance of independent

detention monitoring and highlights specific human rights risk areas in preventing and combatting radicalization leading to terrorism or violence in a prison context.

- **Older persons in detention: A framework for preventive monitoring.** Part of our Detention Monitoring Tool with the Association for the Prevention of Torture, this tool aims to support detention monitors in assessing conditions for older persons in prisons in line with international human rights standards.
- **Global Prison Trends 2021.** PRI's flagship publication was published in May 2021, ahead of the UN Crime Commission, exposing the impact of the global pandemic on prison populations and staff.
- **COVID-19 vaccinations for prison populations and staff: Report on global scan.** Report on the first ever in-depth review of policies and practices related to COVID-19 vaccination in prisons across 177 countries, analysing how people detained and working in prisons are included in vaccination plans and roll-out. Conducted and published with Harm Reduction International.
- **Guidance document on the Bangkok Rules: Implementing the United Nations Rules on the Treatment of Women Prisoners and Non-custodial Measures for Women Offenders.** Published with the Thailand Institute of Justice, this guidance was updated in 2021 to reflect new standards, particularly the Nelson Mandela Rules and the Revised European Prison Rules, as well as new practices that seek to create more effective criminal justice systems that respect women's rights.
- **10-point plan: Gender-sensitive drug policies for women.** This model for reform details how policy makers and criminal justice practitioners can respond effectively and positively to reduce the unnecessary imprisonment of women for drug-related offences in line with international standards.
- **Women who kill in the context of domestic violence in Uganda: How does the criminal justice system respond?** This research examines the criminal justice response, legal framework and judicial practices in cases of homicide by women, in particular those who have experienced domestic violence.
- **Short guide to the European Prison Rules.** This guide, published together with the Council of Europe, provides a framework to ensure that daily prison processes and activities by prison staff and other professionals working in prisons are conducted in compliance with the European Prison Rules, as amended in 2020.
- **The penitentiary system in the new reality: Report of online forum proceedings in Kazakhstan.** This report provides a detailed outline of the proceedings of an online forum held in Kazakhstan on 8 July 2021, including the presentations, discussions around human rights, transparency and efficiency, and recommendations by participants. It is available in English and Russian.
- **Brochure on the National Center of the Kyrgyz Republic for the Prevention of Torture.** Published in Russian with UN and national partners.
- **Baseline study on the penitentiary system of the Republic of Uzbekistan.** Published in English, Russian and Uzbek.
- **Analysis of the state of the health care system in the penitentiary system of the Republic of Kazakhstan.** Published in Kazakh and Russian.

- **Prison health care: Paths to improvement.** Developed in the context of the current transfer of the penitentiary health care system in Kazakhstan from the Ministry of Internal Affairs to the Ministry of Health, this report provides an overview of the experiences of other countries which have completed such a transfer. Published in Russian.
- **Annual Report 2020.** PRI's Annual Report outlines the impact of our work and achievements in 2020 nationally, regionally and internationally.
- **Manual for probation officers in Kyrgyzstan, Tajikistan and Uzbekistan.** Published in Russian.
- **Ensuring independence of the NPM in Kazakhstan.** This document includes a brief overview of NPM activities in the Republic of Kazakhstan and recommendations for improving its work. Published in Russian with the Ombudsman for Human Rights in the Republic of Kazakhstan and UNDP.
- **Methodology for judges on the use of alternative sanctions.** Published in Russian and Tajik with the Representation of the European Union in the Republic of Tajikistan, the "Legal Initiative" Public Fund, and UNDEF.

Monitoring and evaluation

PRI's work is dependent on learning from our own experience, our partners and the wider criminal justice sector and human rights movement. We seek to share our experience and analysis internally and externally and aim to use our learning to influence policymaking and practice. We recognise the importance of organisational learning and are committed to developing our capacity to learn and share across the organisation.

Monitoring, evaluation and learning is an organisation-wide responsibility and belongs in particular to the organisation's senior management. PRI employs a Strategy and Fundraising Manager whose role is to provide strategic input into funding proposals and ensure that all projects have plans to help us measure the results and impact of our work. The role provides training to PRI staff and partners and has developed tools to help us identify relevant indicators, capture outputs and outcomes and to document lessons learnt. We also employ staff in Uganda and Jordan who are specialists in Monitoring, evaluating and Learning (MEL) and as relevant engage expert evaluators to carry out MEL external work.

Evaluations, both internal and external, are important for assessing the achievement of planned outcomes, our projects' impact and identifying lessons learned. In 2021 the following **external** evaluations took place:

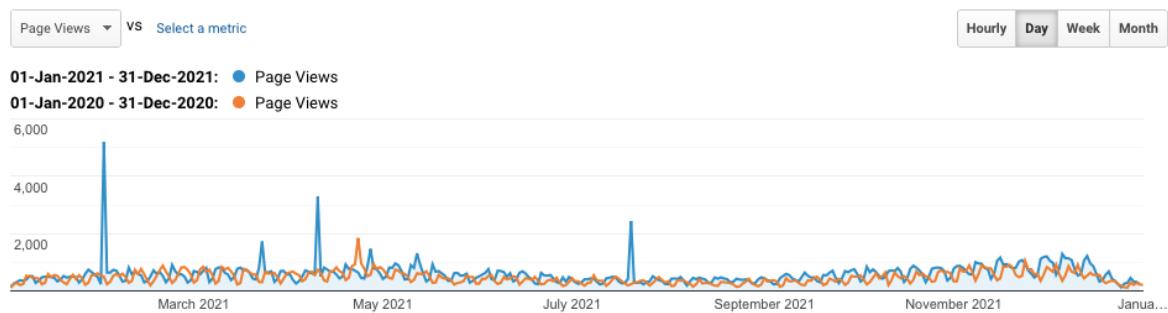
- Promoting human rights-based approach in reforming prison system in Tajikistan (final project evaluation)
- Strengthening Rule of Law in Yemen through Promoting Restorative Justice and Gender Responsive Justice and Supporting the Prison Directorate for Responding to COVID-19 Pandemic (final external evaluation)

PRI's 2020-2023 strategy outlines our approach to monitoring and evaluation and reinforces its organisation-wide responsibility and purpose. In 2020 we developed a monitoring, evaluation and

learning plan for the strategy's implementation, particularly for monitoring the ambitions and priorities. The plan aims to build on and complement existing project monitoring and evaluations by providing evidence for our implementation of the strategy – “are we working on what we said we wanted to work on?” – and examine how we are contributing to criminal justice reform in relation to our identified ambitions. In 2021, this plan was finalized, and the first round of information was requested. However, due to capacity and resource issues unfortunately the first phase of data collection was not completed.

Information and communications

From 1 January to 31 December 2021 there were a total of 214,640 page views to PRI's website (an increase of 26.83% compared to 2020), representing 133,977 unique sessions (an increase of 38.07% compared to 2020).



Downloads: PRI's resources were downloaded 18,141 times in 2020. PRI's five most popular resources in 2021 were:

1. PRI The unintended negative consequences of the 'war on drugs': mass criminalisation and punitive sentencing policies – 1,709 downloads
2. United Nations Standard Minimum Rules Treatment of prisoners (the Nelson Mandela Rules) – 880 downloads
3. Ten-Point Plan to Reduce Prison Overcrowding – 805 downloads
4. Global Prison Trends 2021 – 770 downloads
5. Global Prison Trends 2020 – 706 downloads

Page views: PRI's five most popular resources' pages in 2021 were:

1. Women who kill in response to domestic violence – 6,093 views
2. PRI The unintended negative consequences of the 'war on drugs': mass criminalisation and punitive sentencing policies – 4,899
3. Standard minimum rules – 3,317
4. Global Prison Trends 2020 – 2,412
5. Sharia law and the death penalty – 2,057

Blogs: We continued our series of expert guest blogs (as well as ad-hoc blogs). The blog series attracted over 56,602 views in 2021. The most popular expert blogs were:

1. Juvenile Delinquency – Causes, Prevention, and the Ways of Rehabilitation by Ivlita Gogua – 18,688 views
2. How to build for success: prison design and infrastructure as a tool for rehabilitation by Dr Marayca López – 2,625 views
3. A “Double Punishment”: Placement and protection of transgender people in prison by Victoria Patrickson – 2,191 views
4. ‘Imprisonment is expensive’ – breaking down the costs and impacts globally by Jeanne Hirschberger – 1,855 views
5. Life imprisonment: A practice in desperate need of reform by Katie Reade – 1,702 views

Social media: PRI continued to grow on social media in 2021.

- The number of followers of PRI on Twitter is currently 5,704 (as of 23 March 2022), compared to 5,274 in March 2020. The @PRIMENA handle has 231 (compared to 204 followers in 2020), @PRICentralAsia has 240 (compared to 235 followers in 2020) and @PRIinAfrica has 127 followers (compared to 60 in 2020).
- In 2021, PRI's Twitter impressions reached 497,000 with spikes coinciding with key events, such as the launch of Global Prison Trends.
- Our Facebook page currently has 1,269 followers, compared to 1,106 followers in 2020. We have also increased engagement on our LinkedIn page, which currently has 3,508 followers, compared to 2,548 last year. PRI also has Facebook accounts related to its activities in Sub-Saharan Africa, Central Asia, Middle East and North Africa, and South Caucasus.

Beneficiaries of our work

PRI's end beneficiaries are men, women and children in contact and conflict with the criminal justice system, including those held in prisons and places of detention, and their relatives. Subsidiary beneficiaries are those working in prisons and within the criminal justice systems which constitute a target of many of our trainings and with whom we establish long term cooperation. Beneficiaries are also civil society organisations and human rights defenders with whom PRI partners, shares knowledge, builds joint projects, and designs joint strategies.

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

Financial review

During the year under review there was a surplus of €66,832 (2020 €166,043 deficit) on the unrestricted funds. The operating surplus was €53,630 with a foreign exchange gain of €13,202.

Organisational income was €3.03m, a reduction of 26% compared to 2020 (€4.07m). Total organisational income was slightly lower than forecasted due to delays in the implementation of some projects due to disruption caused by the COVID-19 pandemic. Although PRI's income reduced significantly in 2021, PRI achieved its best financial result since 2016. This was primarily a consequence of an increase in unrestricted income secured during 2021.

PRI continued to adapt and evolve its working methods to maximise results and impact despite the challenges posed by the COVID-19 pandemic. This included building on COVID response projects implemented during the early phase of the pandemic.

PRI continued to secure significant funds from the Dutch Ministry of Foreign Affairs, Foreign, Commonwealth and Development Office UK, Open Society Foundations and the European Union.

The Sub-Saharan office continued to grow with new funding secured from the International Development Law Organisation (IDLO) in addition to the continuation of funding from Democratic Governance Facility for work in Uganda. Further funding was also secured from MINUSCA for the demilitarisation of the prison system in the Central African Republic.

PRI continued its work within the European programme, funded by the European Union and The International Penal and Penitentiary Foundation (IPPF), focussing on alternatives to imprisonment.

PRI continues to work closely with all donors and stakeholders to achieve the ambitions set out within the strategic plan. Given the significant impact of world events over the last 24 months, PRI is placing an increased emphasis on risk management, including monitoring whether global events could lead to a shift in donor priorities.

As at 31st December 2021 the association held free reserves of €520,174 (2020 €453,342)

No funds were held as custodian trustee on behalf of others

Reserves policy and going concern

The 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 core operational expenditure for managing and administering the association's activities. This is calculated as being between €550,000 and €700,000.

PRI's current unrestricted reserves have increased but still fall just below the lower threshold. Going forward PRI is looking to increase the reserves level so that it falls within the current reserves policy.

Principal risks and uncertainties

PRI has a risk register, which the Board reviewed and updated last in May 2022. This identifies the major internal risks (for which we have procedures and policies to implement and monitor) and external risks for the organisation, including:

- Changes in the political context in which we work. Where there is a change in government or other change that reduces political will for change, it is extremely difficult for us to make progress. We seek to mitigate this by maintaining constructive engagement with government and other key stakeholders and promote change in an incremental way.
- Conflicts and unrest: this has been an ongoing risk in many of the regions we work, where the situation is very volatile, for example in Central African Republic, Yemen, parts of South Caucasus and also Central Asia, or where operations are impacted by conflicts (e.g., seen with Afghanistan). This is a risk outside our control but our close relationship with partners including UN and international actors, government embassies and NGOs in the country concerned means that sometimes they can continue our work when we are not able to do so directly. However, where the situation becomes too difficult, we will pause or suspend operations until the situation is resolved. We also adapt our projects as required if the political situation changes.
- Instability of funding: PRI is almost entirely dependent on grant funding from institutional donors, and there is a limited pool of funding sources. If donor priorities change, for example to respond to crises like a humanitarian disaster, this will impact severely on our ability to continue work at current levels. We seek to mitigate this risk by exploring possibilities for expanding the pool of donors and income-generating opportunities (through working in consortiums with others and also increasing our work in the EU for example).
- Shrinking space for NGOs to work on human rights in some countries has a negative impact on PRI's work – for example in parts of Central Asia and Africa (Uganda).

Organisational developments

In 2019, the organisation adopted a new 2020–2023 strategy and designed a structure allowing it to reach its objectives. At the end of 2021 we are halfway through the implementation of this strategy. It is enabling us to respond to new challenges, new opportunities and also a changing world with the global pandemic and new/continued conflicts, as well as climate change.

In 2021 we were able to exploit our networks, internal and external, to work in new areas and make new partnerships. We convened meetings for our newly established Advisory Council and

benefitted from the expertise of new Board members. We farewelled and thanked longstanding Board members, Dirk van Zyl Smit and Anton van Kalmthout after ten years of service, including several years as Chair and Treasurer respectively.

Our relaunched Europe Programme saw us work in EU countries again for the first time in over a decade, namely Portugal and Hungary. We created and strengthened new partnerships with criminal justice allies and stakeholders in Europe which has opened up new opportunities for funding and projects in EU member states.

Structure, governance and management

PRI's governing document is its Articles of Association, 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.

In 2021, the Board (the General Board) consisted of 13 members, with a balanced representation of the different regions of the world. 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 Executive Board meets at least three times a year and provides guidance and direction for ongoing activities. It considers the financial accounts of the past year and the budget for the current year, referring to the Board for approval of decisions. The Board may delegate all or part of its powers to the Executive Board, in so far as compliant with the provisions of Dutch law.

The decisions of the Board and Executive Board are implemented by the Executive Director 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. When there is a vacancy(ies) on the Board, 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.

Membership terms on the Board are limited to five years and a Board member may be re-appointed for one further five-year term. Two Board members' terms ended in 2021 and one Board member saw their term as Treasurer end in 2022.

Remuneration policy for management

PRI's Executive Director is paid in accordance with local market rates and management team staff are paid according to an agreed objective and non-discriminatory job evaluation scheme and linked salary scales. Other regional staff are paid in accordance with local 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 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

Auditors

Sayer Vincent LLP were re-appointed as the charity's auditors during the year and have expressed their willingness to continue in that capacity.

The Board's annual report has been approved by the Board at the Board meeting held in London on 26 May 2022 and signed on their behalf by



Erika Marseille
Treasurer

to the members of

Penal Reform International

Opinion

We have audited the financial statements of Penal Reform International (the 'association') for the year ended 31 December 2021 which comprise the statement of income and retained earnings, balance sheet, statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the association's affairs as at 31 December 2021 and of its result for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Penal Reform International's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Board's annual report, other than the financial statements and our auditor's report thereon. The Board are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Board

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, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

to the members of

Penal Reform International

In preparing the financial statements, the Board are responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the organisation's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the association operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the association from our professional and sector experience.

Independent auditor's report

to the members of

Penal Reform International

- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the association's members as a body. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Orchard (Senior statutory auditor)

13 July 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor
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 2021

	Note	Unrestricted €	Restricted €	2021 Total €	Unrestricted €	Restricted €	2020 Total €
Income from:							
Donations and legacies	2	356,510		356,510	9,058	67,796	76,854
Activities	3						
Advocating for Prison and Penal Reform		–	1,126,576	1,126,576	–	1,824,650	1,824,650
Reducing the use of imprisonment		–	351,918	351,918	–	17,399	17,399
Prevention of torture, cruel, inhumane or degrading treatment		–	258,614	258,614	–	298,793	298,793
Abolition of the death penalty		–	20,188	20,188	–	3,849	3,849
Justice for Children		–	145,414	145,414	–	14,357	14,357
Women in the Criminal Justice System		–	466,073	466,073	–	1,022,014	1,022,014
Countering Violent Extremism and Radicalisation Inside Prisons		–	20,188	20,188	–	–	–
Rehabilitation and reintegration		–	20,188	20,188	–	–	–
Health in Prisons		–	259,294	259,294	–	810,570	810,570
Investments		108	–	108	1,579	–	1,579
Other		36	–	36	496	–	496
Total income		356,654	2,668,452	3,025,106	11,133	4,059,428	4,070,561
Expenditure on:							
Raising funds	4	72,507	–	72,507	34,157	67,796	101,953
Activities							
Advocating for Prison and Penal Reform	4	97,320	1,126,576	1,223,896	26,441	1,824,650	1,851,091
Reducing the use of imprisonment	4	30,401	351,918	382,319	252	17,399	17,651
Prevention of torture, cruel, inhumane or degrading treatment	4	22,341	258,614	280,955	4,330	298,793	303,123
Abolition of the death penalty	4	1,744	20,188	21,932	55	3,849	3,904
Justice for Children	4	12,562	145,414	157,976	208	14,357	14,565
Women in the Criminal Justice System	4	40,262	466,073	506,335	14,811	1,022,014	1,036,825
Countering Violent Extremism and Radicalisation Inside Prisons	4	1,744	20,188	21,932	–	–	–
Rehabilitation and reintegration		1,744	20,188	21,932	–	–	–
Health in Prisons		22,399	259,294	281,693	11,746	810,570	822,316
Total expenditure		303,024	2,668,452	2,971,477	92,000	4,059,428	4,151,428
Net expenditure for the year	9	53,630		53,630	(80,867)	–	(80,867)
Foreign exchange gain/(loss)		13,202	–	13,202	(85,176)	–	(85,176)
Net movement in funds		66,832		66,832	(166,043)	–	(166,043)
Total funds brought forward		453,342	–	453,342	619,385	–	619,385
Total funds carried forward	14	520,174		520,174	453,342	–	453,342

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.

Penal Reform International

Balance sheet

As at 31 December 2021

	Note	€	2021 €	€	2020 €
Fixed assets:					
Tangible assets	11		1,121		6,067
			<u>1,121</u>		<u>6,067</u>
Current assets:					
Debtors	12	454,380		442,891	
Cash at bank and in hand		1,112,435		1,409,639	
		<u>1,566,815</u>		<u>1,852,530</u>	
Liabilities:					
Creditors: amounts falling due within one year	13	(1,047,763)		(1,405,255)	
Net current assets			<u>519,052</u>		<u>447,275</u>
Total net assets			<u><u>520,174</u></u>		<u><u>453,342</u></u>
The funds of the association:					
Restricted income funds	14		-		-
Unrestricted income funds:					
General funds		520,174		453,342	
Total unrestricted funds			<u>520,174</u>		<u>453,342</u>
Total funds			<u><u>520,174</u></u>		<u><u>453,342</u></u>

Approved by the board on

and signed on their behalf by



Erika Marseille
Treasurer



David Fathi
Chair

26 May 2022

Company Number: 07569818

Penal Reform International

Statement of cash flows

For the year ended 31 December 2021

	Note	2021		2020	
		€	€	€	€
Cash flows from operating activities					
Net expenditure for the reporting period (as per the statement of financial activities)		53,630		(80,867)	
Depreciation charges		4,946		5,016	
Dividends, interest and rent from investments		(108)		(1,579)	
(Increase)/decrease in debtors		(11,489)		(92,153)	
Decrease in creditors		(357,492)		(595,374)	
Net cash used in operating activities		(310,513)		(764,957)	
Cash flows from investing activities:					
Dividends, interest and rents from investments		108		1,579	
Loss on disposal of fixed assets		-		-	
Purchase of fixed assets		-		(803)	
Disposals		-		1,770	
Loss on disposal of fixed assets		-		(590)	
Net cash provided by / (used in) investing activities		108		1,956	
Change in cash and cash equivalents in the year		(310,405)		(763,001)	
Cash and cash equivalents at the beginning of the year		1,409,638		2,257,815	
Change in cash and cash equivalents due to exchange rate movements		13,202		(85,176)	
Cash and cash equivalents at the end of the year		1,112,435		1,409,638	

1 Accounting policies

a) Statutory information

Penal Reform International is an international, independent non-governmental organisation (NGO). It is registered as an Association (registered number 40025979) in Groningen, the Netherlands.

b) Basis of preparation

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

The association is not required to apply the Charities SORP FRS 102 but the board have chosen to make the additional disclosures required of SORP on a voluntary basis.

The association has departed from the SORP in its policy for the recognition of restricted income. Restricted income is recognised to the extent that associated expenditure has been incurred, with unspent balances deferred into the future period. The Board considers this treatment is more appropriate to the association's circumstances as it applies a strict accruals concept and presents the balance sheet of the association more clearly.

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

SORP 2015 stipulates that where overseas offices are legally registered in their country of operations as separate legal entities, this is an indication that they should be treated as subsidiaries for accounting purposes. However, having reviewed the governance and management procedures in place, oversight from Penal Reform International is such that overseas offices are in substance branches and so are included in the results and position of the organisation.

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 regarding future funding due to the global COVID-19 crisis. The association is actively monitoring this risk and liaising with donors in relation to current funding agreements whilst also discussing new opportunities, particularly for work in response to COVID-19. PRI is developing and reviewing 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.

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.

1 Accounting policies (continued)

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	0.9%
● Advocating for Prison and Penal Reform	41.9%
● Reducing the use of imprisonment	13.1%
● Prevention of torture, cruel, inhumane or degrading treatment	9.6%
● Abolition of the death penalty	0.8%
● Justice for Children	5.4%
● Women in the Criminal Justice System	17.3%
● Countering Violent Extremism and Radicalisation Inside Prisons	0.8%
● Rehabilitation and reintegration	0.8%
● Health in Prisons	9.6%

Governance costs are the costs associated with the governance arrangements of the organisation. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the organisation'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. Assets are capitalised where their purchase price exceeds €500.

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.

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.

Notes to the financial statements

For the year ended 31 December 2021

2 Income from donations and legacies

	Unrestricted €	Restricted €	2021 Total €	Unrestricted €	Restricted €	2020 Total €
Small donations	9,034	-	9,034	6,705	-	6,705
Leigh Trust	-	-	-	2,353	-	2,353
Open Society Foundations	90,595	-	90,595	-	22,175	22,175
Open Society Foundations (NEF)	-	-	-	-	45,621	45,621
Organisation for economic co-operation and development (OECD)	126,382	-	126,382	-	-	-
DAI Global	130,500	-	130,500	-	-	-
	356,510	-	356,510	9,058	67,796	76,854

3 Income from activities

	Unrestricted €	Restricted €	2021 Total €	Unrestricted €	Restricted €	2020 Total €
Association for the Prevention of Torture	-	-	-	-	-	-
British Embassy	-	-	-	-	-	-
Department for International	-	-	-	-	-	-
Dutch Embassy – Yemen	-	366,701	366,701	-	1,155,272	1,155,272
European Union	-	533,380	533,380	-	897,186	897,186
Foreign and Commonwealth Office	-	465,106	465,106	-	444,527	444,527
INL – US State Department	-	-	-	-	4,698	4,698
Open Society Foundations	-	-	-	-	74,498	74,498
USAID	-	105,796	105,796	-	125,923	125,923
Women in Business – Georgia	-	-	-	-	-	-
UN Democracy Fund	-	121,738	121,738	-	50,322	50,322
Thai Institute of Justice	-	124,934	124,934	-	108,777	108,777
US Embassy in Bishkek	-	26,436	26,436	-	9,193	9,193
UNDP	-	27,355	27,355	-	35,174	35,174
Council of Europe	-	41,969	41,969	-	-	-
Dutch Ministry of Foreign Affairs	-	64,171	64,171	-	526,549	526,549
UNOHCHR	-	25,323	25,323	-	-	-
Matrix Chambers	-	2,116	2,116	-	3,025	3,025
Swiss Embassy Jordan	-	16,617	16,617	-	-	-
MINUSCA	-	384,443	384,443	-	220,443	220,443
University of Helsinki	-	9,833	9,833	-	5,167	5,167
The Embassy of Ireland, Uganda	-	-	-	-	3,673	3,673
Eleanor Rathbone Charitable Trust	-	-	-	-	1,161	1,161
Democratic Governance Facility (DGF)	-	134,321	134,321	-	160,120	160,120
Avocats sans Frontieres	-	57,911	57,911	-	-	-
The International Penal and Penitentiary Fou	-	53,810	53,810	-	-	-
Liechtenstein office Foreign Affairs	-	38,959	38,959	-	15,383	15,383
(BCBN) Better Community Business Network	-	-	-	-	290	290
Canadian MFA	-	-	-	-	8,069	8,069
Linklaters	-	16,228	16,228	-	6,514	6,514
Open Society Foundations NEF	-	-	-	-	107,312	107,312
The Netherlands Helsinki Committee	-	16,362	16,362	-	3,164	3,164
RIVG – Georgia	-	-	-	-	12,381	12,381
HRIDC – Georgia	-	-	-	-	4,811	4,811
International Development Law Organisation (IDLO)	-	34,787	34,787	-	-	-
Total income from activities	-	2,668,296	2,668,296	-	3,983,632	3,983,632

4 Resources expended

	Direct costs €	Support & Governance costs €	2021 Total €	Direct costs €	Support & Governance costs €	2020 Total €
Raising funds	70,521	1,986	72,507	67,796	34,157	101,953
Activities						
Advocating for Prison and Penal Reform	1,126,576	97,320	1,223,896	1,824,650	26,441	1,851,091
Reducing the use of imprisonment	351,918	30,401	382,319	17,399	252	17,651
Prevention of torture, cruel, inhumane or	258,614	22,341	280,955	298,793	4,330	303,123
Abolition of the death penalty	20,188	1,744	21,932	3,849	55	3,904
Justice for Children	145,414	12,562	157,976	14,357	208	14,565
Women in the Criminal Justice System	466,073	40,262	506,335	1,022,014	14,811	1,036,825
Countering Violent Extremism and	20,188	1,744	21,932	-	-	-
Rehabilitation and reintegration	20,188	1,744	21,932	-	-	-
Health in Prisons	259,294	22,399	281,693	810,570	11,746	822,316
	2,738,974	232,503	2,971,477	4,059,428	92,000	4,151,428

5 Governance costs

	2021 Total €	2020 Total €
Audit and accountancy fees	27,403	25,680
Board expenses	5,969	3,328
Annual report	363	-
	33,735	29,008

6 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2021 €	2020 €
Depreciation	4,946	5,016
Operating lease rentals:		
Property	63,294	102,469
Equipment	-	2,489
Auditor's remuneration (excluding VAT):		
Audit	13,939	10,400
Other services	843	1,135
Foreign exchange gains or losses	13,202	(85,176)
	<u>13,202</u>	<u>(85,176)</u>

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

Staff costs were as follows:

	2021 €	2020 €
Salaries and wages	978,950	1,101,303
Social security costs	78,089	75,461
Employer's contribution to defined contribution pension schemes	18,820	21,590
Termination payments	4,680	-
	<u>1,080,539</u>	<u>1,198,354</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2021 No.	2020 No.
£60,000 – £69,999	3	1
£70,000 – £79,999	-	1
	<u>-</u>	<u>1</u>

The total employee benefits including pension contributions of the key management personnel were €319,898 (2020: €341,830).

No members of the Board were paid consultancy fees in the year (2020: none).

Board members' expenses represents the payment or reimbursement of travel and subsistence costs totalling €3,102 (2020 €1,720) incurred by 4 (2020: 3) 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 30.17 (2020: 35.9)

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 The Greenhouse, 244-254 Cambridge Heath Road, London, E2 9DA. The premises are occupied by Penal Reform International, and during the year rental costs of €26,104 were recharged to Penal Reform International (2020: €40,721).

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 €349,922 were recharged to Penal Reform International during the year (2020 – €403,231)

As at 31 December 2021 Penal Reform International owed €11,071 (2020: €11,017) 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 €
Cost or valuation		
At the start of the year	78,652	78,652
Additions in year	-	-
Disposals	-	-
At the end of the year	<u>78,652</u>	<u>78,652</u>
Depreciation		
At the start of the year	72,585	72,585
Charge for the year	4,946	4,946
Disposals	-	-
At the end of the year	<u>77,531</u>	<u>77,531</u>
Net book value		
At the end of the year	<u>1,121</u>	<u>1,121</u>
At the start of the year	<u>6,067</u>	<u>6,067</u>

12 Debtors

	2021 €	2020 €
Accrued income	169,929	371,680
Amounts held by partners	122,721	24,738
Prepayments	26,369	27,867
Other debtors	135,361	18,606
	<u>454,380</u>	<u>442,891</u>

13 Creditors: amounts falling due within one year

	2021 €	2020 €
Trade creditors	29,635	15,219
Taxation and social security	18,041	9,411
Other creditors	147,422	165,548
Accruals	45,113	31,896
Deferred income	807,552	1,183,181
	<u>1,047,763</u>	<u>1,405,255</u>

14a Analysis of net assets between funds (current year)

	General unrestricted €	Restricted €	Total funds €
Tangible fixed assets	1,121	-	1,121
Net current assets	519,053	-	519,053
	<u>520,174</u>	<u>-</u>	<u>520,174</u>

14b Analysis of net assets between funds (prior year)

	General unrestricted €	Restricted €	Total funds €
Tangible fixed assets	1,549	-	1,549
Net current assets	858,359	-	858,359
	<u>859,908</u>	<u>-</u>	<u>859,908</u>

15a Movements in funds (current year)

	At 1 January 2021 €	Income & gains €	Expenditure & losses €	Transfers €	At 31 December 2021 €
Restricted funds:					
Fundraising	-	-	-	-	-
Advocating for Prison and Penal	-	1,126,576	(1,126,576)	-	-
Reducing the use of imprisonment	-	351,918	(351,918)	-	-
Prevention of torture, cruel, inhumane	-	258,614	(258,614)	-	-
Abolition of the death penalty	-	20,188	(20,188)	-	-
Justice for Children	-	145,414	(145,414)	-	-
Women in the Criminal Justice System	-	466,073	(466,073)	-	-
Countering Violent Extremism and	-	20,188	(20,188)	-	-
Rehabilitation and reintegration	-	20,188	(20,188)	-	-
Health in Prisons	-	259,294	(259,294)	-	-
Total restricted funds	-	2,668,452	(2,668,452)	-	-
Unrestricted funds:					
MENA office	-	-	32,322	-	32,322
South Caucasus Office	-	-	-	-	-
General funds	453,342	356,654	(322,144)	-	487,852
Total unrestricted funds	453,342	356,654	(289,822)	-	520,174
Total funds	453,342	3,025,106	(2,958,274)	-	520,174

15b Movements in funds (prior year)

	At 1 January 2020 €	Income & gains €	Expenditure & losses €	Transfers €	At 31 December 2020 €
Restricted funds:					
Fundraising	-	67,796	(67,796)	-	-
Advocating for Prison and Penal	-	1,824,650	(1,824,650)	-	-
Reducing the use of imprisonment	-	17,399	(17,399)	-	-
Prevention of torture, cruel, inhumane	-	298,793	(298,793)	-	-
Abolition of the death penalty	-	3,849	(3,849)	-	-
Justice for Children	-	14,357	(14,357)	-	-
Women in the Criminal Justice System	-	1,022,014	(1,022,014)	-	-
Countering Violent Extremism and	-	-	-	-	-
Health in Prisons	-	810,570	(810,570)	-	-
Total restricted funds	-	4,059,427	(4,059,428)	-	-
Unrestricted funds:					
MENA office	-	-	-	-	-
South Caucasus Office	-	-	-	-	-
General funds					-
Total unrestricted funds	619,385	11,133	(177,176)	-	453,342
Total funds	619,385	4,070,560	(4,236,604)	-	453,342

Purposes of restricted funds

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

16 Legal status of the association

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

17 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 2021 €	2020 €	Equipment 2021 €	2020 €
Less than one year	14,702	12,338	-	-
One to five years	-	-	-	-
	14,702	12,338	-	-