

# Penal Reform International

Report and financial statements  
For the year ended 31 December 2020

# Penal Reform International

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For the year ended 31 December 2020

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## Penal Reform International

### Reference and administrative information

For the year ended 31 December 2020

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

#### Operational address in 2020

1 Ardleigh Road  
London N1 4HS until 4 September

Unit 1.7  
The Green House  
244-254 Cambridge Heath Road  
London E2 9DA from 4 September

#### 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 *
Prof Anton van Kalmthout, Netherlands	Treasurer *
Erika Marseille, Netherlands	Deputy Treasurer * from June 2020
Justice Muhammad Imman Ali, Bangladesh	Secretary General * until September 2020
David Fathi, USA	Secretary General * from September 2020
Dr Catherine Appleton, Norway	Board member from June 2020
Michelle Carpentier, Canada	Board member from June 2020
David Fathi, USA	Board member until September 2020
Suzanne Jabour, Lebanon	Board member from June 2020
Roselyn Karugonjo Segawa, Uganda	Board member
Natalia Khutorskaya, Russia	Board member
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.

#### Management team

Florian Irminger	Executive Director until October 2020
Olivia Rope	Executive Director from November 2020
Tsira Chanturia	Regional Director (South Caucasus)
Taghreed Jaber	Regional Director (Middle East and North Africa)
Olivia Rope	Director of Policy and International Advocacy until October 2020
Azamat Shambilov	Regional Director (Central Asia) until January 2020
John Usher	Director of Finance and Operations

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### Honorary presidents

Dr Rani Shankardass, India  
Baroness Vivien Stern, UK  
Hans Tulkens, Netherlands: deceased April 2020

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

## **Penal Reform International**

### **Board's annual report**

#### **For the year ended 31 December 2020**

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The Board present their report and the audited financial statements for the year ended 31 December 2020.

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.

Registered in The Netherlands (registration no 40025979), PRI operates globally with offices in multiple locations. Its head office is in London, United Kingdom, and members of staff of PRI work from Amman (Jordan), Bishkek (Kyrgyzstan), Kampala (Uganda), Nur-Sultan (Kazakhstan), Tbilisi (Georgia). All those offices are registered as branches of PRI in the countries. Members of staff of PRI also work in Central African Republic, employed under laws of Burkina Faso, and in Yemen.

All operations are governed by the provisions set out in PRI's constitution 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

2020 saw the first year of implementation of PRI's new 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

At the end of 2019 PRI adopted a new strategy for the period 2020- 2023. The strategy outlines a series of areas we want to especially focus on in this period. These are:

1. We put people in criminal justice systems at the heart of our work
2. We want to address key trends in criminal justice systems
3. We will work practically to create fair and effective criminal justice systems
4. We engage with a variety of stakeholders

All projects agreed with donors (see below, overview of PRI's projects in 2020) 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 (see below, highlights for 2020).

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 system 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 efforts in ensuring that governments and criminal justice agencies recognise the needs and character 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 risks.

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 national without proof of identity

In working towards this area, in 2020 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 marking the 10th anniversary of their adoption.
- Integrating and ensuring the needs of minority and vulnerable groups are included in all relevant projects
- Developing a monitoring tool for detention monitoring groups to ensure they are aware of and equipped to monitor the risk factors and situations to which older persons are exposed to when in detention.

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

PRI has identified key developments in criminal justice systems globally. We aim to address these in the coming period 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:

- Understanding the impact of natural disasters on the rights of people in prison which will result in a guidance document for prison authorities around the world on how to better prepare for a respond to these events.
- Raising awareness of the impact of the spread COVID-19 in prisons and issuing policy recommendations that would protect the rights of people and staff in prison during the pandemic and conducting practical activities and delivery of goods in our countries of operation
- Raising the human rights implications of the use of life sentences and ensuring fair trial processes in death penalty cases
- Joining the Campaign on Petty Offences in Africa which challenges petty offences which impact the most marginalized people in society and raise prison overcrowding levels.

## **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 including helping to establish probation services, training probation staff and demonstrating the possibility and effectiveness of alternatives instead of short prison sentences
- Continuing projects focused on the prevention of torture and ill-treatment in places of detention through building the capacities of detention monitoring bodies, promoting the use of investigative interviewing among law enforcement and ensuring relevant legislation is fully in line with international standards for torture prevention
- 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

## **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.

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### Board's annual report

#### For the year ended 31 December 2020

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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
- 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
- Training oversight mechanisms such as NPMs and other prison monitoring bodies to conduct prison monitoring visits in line with international best practice
- Supporting cooperation between states and international monitoring mechanisms such as the committee against torture to ensure relevant and pertinent issues are included in reports and that recommendations can be implemented

### 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 and the Middle East and North Africa, we relaunched our Europe programme and we developed project proposals for new work in more Sub-Saharan African countries
- We continued working in Central African Republic with the UN Stabilisation Mission MINUSCA to reform the criminal justice system through the development and implementation of a demilitarisation strategy, we also conducted an evaluation of this work, reinforcing our commitment to this project and our accountability
- We developed a comprehensive monitoring and evaluation plan for the new strategy involving staff across the organisation to measure our commitments towards the strategy and how we are contributing to positive change in criminal justice reform more broadly

### Highlights of 2020

- We relaunched our Europe programme, thanks in part to a successful project proposal submitted to the European Commission Directorate for Justice (DG Just) on promoting alternatives to imprisonment across Europe with a particular focus on vulnerable and monitoring groups. The project, which started in January 2021, involves an EU-wide comparative study into the use of alternatives to imprisonment as well as practical activities in two countries of implementation – Hungary and Portugal – including training for probation officers, drafting of sentencing guidelines and designing and piloting probation programmes which are responsive to the needs and gaps identified and which do not discriminate against minority and vulnerable groups.
- We established an Advisory Council of distinguished experts, whose contribution will help to strengthen the organisation's impact and networks to achieve PRI's ambitions for 2020-2023. Elected members are:
  - Hon'ble Justice Muhammad Imman Ali, a Judge of the Supreme Court of Bangladesh and former Deputy Attorney General.
  - Avril Calder, a magistrate for 35 years with a specialisation in children's, youth and family justice, former President of the International Association of Youth and Family Judges and Magistrates (IAYFJM).
  - Justice Ben Kioko, a Judge and the Vice-President of the African Court on Human and People's Rights.



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- Ioana-Mihaela Morar, the current Deputy General Director for the Romanian Penitentiary System.
  - Stephen Pitts, a former Probation Officer with a significant career internationally in the development of probation.
  - Judge David Rennie, a retired English judge who has a specialisation in criminal law.
  - Kathryn Waldegrave, has clinical practice experience in prison nursing and is Lecturer in Adult Nursing at the University of Leeds.
  - Coletta A. Youngers, a leading expert on issues related to women and incarceration in the Americas.
- In order to operationalise PRI's four-year strategy, we developed a monitoring, evaluation and learning plan for the strategy's implementation, particularly the identified 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. The plan was developed through a cross-organisational process involving project coordinators and M&E officers to ensure its relevance and applicability and that it would be practicable and operational. The new plan will be implemented starting this year looking back at the last six months of the strategy's implementation. Monitoring data will be collected every six months against agreed indicators and using specifically designed data collection methods. We also plan a mid-term evaluation and final external evaluation at the end of the strategy examining the impact of the strategy.
  - We marked the 10th anniversary of the Bangkok Rules on women prisoners through a webinar, bringing together women with experience of detention and advocates working to make a difference for women in contact with the law, to consider progress and possibilities for the future. The webinar was attended by 173 persons from 38 countries. We also launched a new blog series on the Bangkok Rules, and published new analysis which shows an increase of over 100,000 (17 per cent) in the global female prison population with dramatic increases in many regions since the Bangkok Rules were adopted. As part of the anniversary campaign, PRI coordinated a group of 12 UN and regional human rights experts, including the UN High Commissioner for Human Rights, to issue a call for governments across the world to fully implement the Rules. Over 80 civil society organisations also issued a Joint Call to Action, coordinated by PRI, calling for a reduction in the imprisonment of women and improved protection of their rights in criminal justice systems.
  - We were at the forefront of the analysis and implementation of responses to COVID-19 impacting people in prison, and those serving non-custodial sentences:
    - Policy analysis and guidance  
PRI was one of the first criminal justice organisations to issue analysis and guidance on the impact of the COVID-19 global pandemic on prisons. We knew that places of detention could be some of the most vulnerable locations for its spread. Prisons house people in close proximity in cramped and often overcrowded conditions, with poor ventilation, a lack of hygiene facilities and poor healthcare. Although prisons are closed spaces, many people come and go every day: staff, visiting family members, lawyers, and those entering to start their sentence or being released or moved to another facility, potentially carrying the virus with them. PRI identified these problems early on in the pandemic when we released our first briefing in mid-March, Coronavirus: Healthcare and human rights of people in prison, issuing recommendations and analysis, on the virus and its implications for the human rights of people in prison. We soon followed up with a report, Coronavirus: Preventing harm and human rights violations in criminal justice systems, in July which looked closer at the steps taken by prison and probation authorities around the world and issued recommendations for urgent response and longer-term systemic reform. Currently, we are raising the emerging issues such as vaccination rollouts and their inclusion or exclusion of prisons within strategies.

- 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.
- Influencing international bodies to include people in detention in their public health responses  
We engaged with key UN institutions early on in the pandemic, particularly the OHCHR who consulted us on statements including by the UN High Commissioner for Human Rights, Michelle Bachelet. The High Commissioner issued bold statements, including where she highlighted the dire need for urgent action to protect 'catastrophic' consequences for persons in detention, citing dangerous levels of overcrowding, unhygienic conditions and inadequate or non-existent health services. Notably she called for releases, following our recommendations among others.
- We also worked closely with the WHO Health in Prisons Programme (PRI is a member of the Steering Committee) sharing information and discussing key issues. Together we will publish a new briefing in early 2021 on vaccinations for COVID-19

### Overview of PRI's work in 2020

#### Policy and international advocacy work

- Global Prison Trends 2020, 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
- Implementation of influencing strategies around the UN General Assembly resolution on a moratorium on the death penalty and COVID Omnibus resolution. We provided input to the upcoming Universal Periodic Review of Georgia and to the UN Working Group on Arbitrary Detention's report on arbitrary detention relating to drug policy and made oral statements at the Commission on Crime Prevention and Criminal Justice, the Human Rights Council's enhanced interactive dialogue on COVID-19 and its annual panel discussion on technical cooperation and capacity-building, which focused on implementation of the Nelson Mandela Rules and the Bangkok Rules.
- Contributed to the drafting of the "Human Rights in the Administration of Justice" resolution led by Austria in New York, and the development of the upcoming OHCHR report on human rights in the administration of justice by setting up a small group discussion with the drafters and key partners to influence the focus of the report and making a formal written submission.
- PRI worked with a range of partners to develop guidance on the human rights and humanitarian law applicable to the treatment and return of children who have lived under ISIL control or have been born in displacement camps. A joint briefing published in January 2020 details the various national responses and challenges for their return and issues recommendations for urgent action needed by states to protect children affected.
- We convened an event at the UN Commission on Narcotic Drugs (CND) to launch a new report, published with Linklaters LLP and the International Drug Policy Consortium (IDPC), on the sentencing of women convicted of drug-related offences.
- PRI responded to events in the USA and around the world following the death of George Floyd in June 2020, emphasizing the importance of accountability in building trust in state institutions. Following an urgent debate, the Human Rights Council adopted a resolution on the issue presented by Burkina Faso on behalf of African states. PRI promoted this resolution and called for governments, the international community and civil society to work together to heed the call that black lives matter through long-term, holistic and systemic reform that has human rights at its core.
- We contributed to the revision of the European Prison Rules (EPR) through a joint contribution with the Association for the Prevention of Torture (APT) with detailed recommendations to each set of rules.

## Penal Reform International

### Board's annual report

#### For the year ended 31 December 2020

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- 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, facilitated opportunities for collaborative action, and conducted analysis of research on the impact of the COVID-19 pandemic on women in detention, which we published in English and Spanish.
- PRI engaged with the African Commission on Human Rights, mainly through the Petty Offences Campaign which PRI became a member of in 2020. We contributed analysis and engaged with the Special Rapporteur on Prisons and attended NGO forums. We participated in the ACERWC's Day of the Child webinars, highlighting key issues in promoting alternatives to detention.

#### New projects in our regional and country programmes

##### Headquarters

- Good governance and human rights in criminal justice systems facing disaster and crises funded by the Government of Liechtenstein

##### Central Asia

- Strengthening the engagement of judicial authorities to take concrete actions on torture prevention in Kyrgyzstan funded by the US Embassy in Bishkek

##### Sub-Saharan Africa

- Demilitarization and prison reform in Central African Republic - Phase IV
- Supporting efforts to combat torture and ill-treatment of suspects and prisoners in Uganda, the second phase of a project funded by the Democratic Governance Facility (DGF)
- Upholding the health rights of persons in detention - Covid-19 response, funded by DGF
- Promoting secure, safe and humane conditions in detention during the COVID-19 pandemic, funded by the EU

##### South Caucasus

- Monitoring detention facilities in Georgia on the impacts of government measure to address COVID-19, funded by the Netherlands Helsinki Committee

##### Middle East and North Africa

- Preventive measures to fight COVID 19 at detention and care centres in Jordan funded by USAID
- Enhancing law enforcement response to COVID-19 in Jordan funded by the Embassy of the Netherlands in Jordan

##### Publications

- **Coronavirus: Preventing harm and human rights violations in criminal justice systems.** This briefing considers how criminal justice systems are responding, how it is affecting people serving custodial and community sentences, and what action can be taken – now and in the longer term – to prevent harm and human rights violations.
- **Covid-19 and the Rights of Children of Parents who are Incarcerated: Impacts and Recommendations.** A briefing addressing the unique situation of children who have a parent(s) in prison or may be living in prison with their mother during the coronavirus pandemic. Published jointly with the Child Rights Connect Working Group on Children of Incarcerated Parents.
- **Global Prison Trends 2020.** PRI's flagship publication was published in April 2020. It was launched at the height of the COVID-19 pandemic and documented chronic issues in prisons that led to the human rights and public health crisis and the challenges facing criminal justice system in responding to the global pandemic.
- **The legal status of convicts (including vulnerable groups) In the process of enforcement of conditional and non-custodial sentences.** Published in English and Georgian
- **Prison Staff Satisfaction Survey.** Published in English and Georgian
- **Report on Prison Infrastructure in Georgia.** Published in English and Georgian.
- **Sociological research on minority rights in prisons.** Published in partnership with local partners in Georgia, this research looks at the challenges faced by minority groups (ethnic, religious and sexual

minorities, foreign nationals and people with disabilities) in order to address their specific needs and protect their rights. Published in English and Georgian.

- **Guide for prisoners, ex-prisoners and probationers on their legal, social and medical services in 2020.** A guide for those in the criminal justice system on how to access services in order to promote prevention and rehabilitation and resocialization of persons in conflict with the law. Published in English and Georgian.
- **Coronavirus: Healthcare and human rights of people in prison.** PRI briefing note issued on 16 March 2020 on the situation of the outbreak of a novel form of Coronavirus (COVID-19) and prevention measures in prisons and wider impacts of responses to governments on people in criminal justice systems.
- **Sentencing of women convicted of drug-related offences.** Report published with Linklaters and the International Drug Policy Consortium which considers key questions related to the sentences imposed on women for drug-related offences across criminal justice systems in 18 jurisdictions
- **Women in prison: mental health and well-being – a guide for prison staff.** Published in partnership with the Prison Reform Trust, this guide is for prison and probation staff to help them understand how prison life can affect a person's mental health, with a focus on women.
- **Bringing Children Home: A children's rights approach to returning from ISIL.** Published with partners, this briefing looks at the human rights and humanitarian law applicable to the treatment and return of children who have lived under ISIL control or have been born in the displacement camps, the various national responses and challenges for the return of children and people who have been recruited by ISIL as children, who lived in ISIL controlled territory or are living in displacement camps and lists recommendations that PRI and partners urge States to urgently take to protect children affected.
- **Penal Reform International's work in Uzbekistan in 2019 – highlights and successes.** A summary of PRI's work and achievements in Uzbekistan in 2019, on the creation of a new probation service; the development of monitoring mechanisms to prevent torture and ill-treatment in places of detention; investigating complaints and death in custody; and the role of prison staff in rehabilitation programmes and the re-socialisation of detainees.

### 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 Impact 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. She 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.

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

- Demilitarization and prison reform in Central African Republic / Démilitarisation et réforme du système pénitentiaire en République centrafricaine
- Monitoring Government's Commitments and Promoting the Reforms in the Penal Sector through the Engagement of CSOs (final external evaluation)
- Monitoring Reforms in the Penal Sector through the Engagement of Civil Society Organisations (mid-term internal 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

## Board's annual report

### For the year ended 31 December 2020

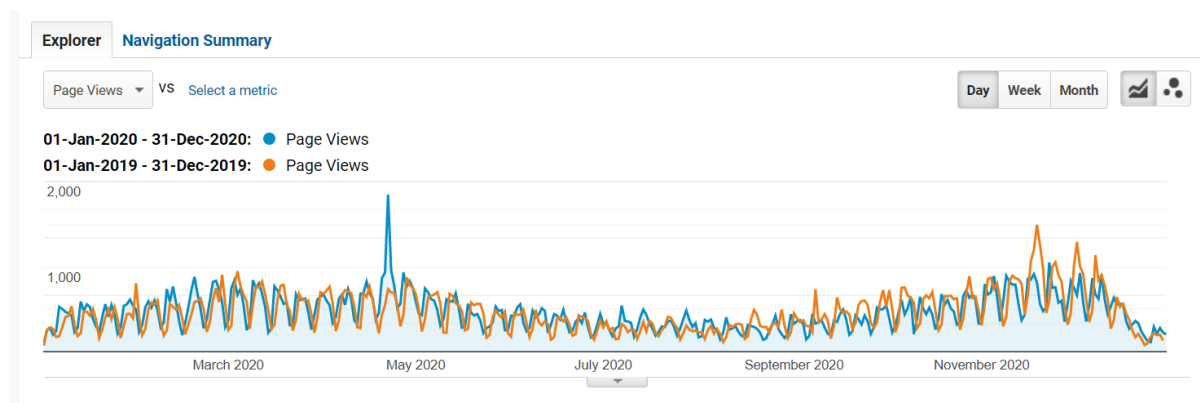
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strategy's implementation, particularly for monitoring the ambitions and priorities. The plan aims to build on and complement existing project monitoring and evaluations by providing evidence for our implementation of the strategy – “are we working 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.

## Information and communications

From 1 January to 31 December 2020 there were a total of 169,235 visits to PRI's website, of which 139,909 (82%) were unique page views.

Overall, visits in 2020 rose slightly compared to 2019, with a .65% increase overall, and a 1.81% increase in unique views. The website may still be experiencing the impacts of GDPR which took effect in the middle of 2019 and resulted in the data we were able to capture dropping significantly as regards visits to the website thereafter.



The spike in May 2020 coincides with the release of Global Prison Trends, demonstrating its popularity with PRI's audience and showing that our launch and dissemination efforts have been effective.

Downloads: PRI's resources were downloaded 17,375 times in 2020. PRI's five most popular resources in 2020 were:

1. Global Prison Trends 2020 - 1,174 downloads
2. United Nations Standard Minimum Rules Treatment of prisoners (the Nelson Mandela Rules) – 1,116 downloads
3. Coronavirus: healthcare and human rights of people in prison – 1,003 downloads
4. Ten-point plan to reduce prison overcrowding – 901 downloads
5. UN Bangkok Rules women offenders and prisoners: Short guide – 745 downloads

Page views: PRI's five most popular resources' pages in 2020 were as follows:

1. Women who kill in response to domestic violence – 4,354 views
2. Global prison trends 2020 – 3,569
3. Coronavirus healthcare and human rights of people in prison – 3,495
4. Standard minimum rules – 3,434
5. Sharia law and the death penalty – 1,853

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Blogs: We continued our series of expert guest blogs (as well as ad-hoc blogs). The blog series attracted over 31,105 views in 2020. The most popular expert blogs were:

1. Juvenile Delinquency – Causes, Prevention, and the Ways of Rehabilitation by Ivrita Gogua – 2,867
2. How to build for success: prison design and infrastructure as a tool for rehabilitation by Dr Marayca López – 2,049
3. Suicide in prison: a new study on risk factors in the prison environment by Taanvi Ramesh– 1,614
4. Corruption is a significant factor in human rights violations in many criminal justice systems by Andrea Huber – 1,455
5. Poverty and the Death Penalty by Robin M. Maher – 1,405 views

Social media: PRI continued to grow on social media in 2020

- The number of followers of PRI on Twitter is currently 5,274 (as of 22 March 2021) which constitutes a 13.2% increase since the last reporting period (4,658 followers previously). The @PRIMENA handle has 204 (compared to 162 followers in 2019), @PRICentralAsia has 235 (compared to 218 followers in 2019) and @PRIinAfrica has 60 followers (compared to 37 in 2019).
- In 2020, PRI's Twitter impressions reached 834,100 with spikes in April, July and December, coinciding with key events – the launch of Global Prison Trends, the launch of our second COVID-19 briefing and our events marking the 10th anniversary of the Bangkok Rules respectively.
- Our Facebook page currently has 1,106 followers, compared to 892 followers in 2019. We have also increased engagement on our LinkedIn page, which currently has 2,548 followers, compared to less than 1,614 at the time of writing 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 deficit of €166,043 (2019 €240,523) on the unrestricted funds. The operating deficit was €80,867 with a foreign exchange loss of €85,176.

Organisational income was €4.07m, a reduction of 4% compared to 2019 (€4.26m). PRI's income remained stable in 2020, however there was a significant reduction in the operating deficit compared to the previous year.

Despite the many challenges presented by the COVID-19 pandemic, PRI was able to maintain its income streams, whilst also responding to new opportunities and developing new areas of work.

PRI was uniquely placed to respond to the challenges faced by criminal justice systems as a consequence of the COVID-19 pandemic and was able to act quickly, in consultation with its donors and stakeholders, to

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review and adapt its programmes accordingly. Furthermore, PRI was also able to quickly develop programmes specifically related to COVID-19 within prisons.

This was testament to the dedication and flexibility of PRI staff during a very difficult and uncertain period.

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 European Union 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 was also able to launch its European programme at the beginning of 2021, focussing on alternatives to imprisonment.

Considering the significant impact of events over the last 12 months, PRI's strategic plan is as relevant now as it was when it was agreed in 2019. PRI will continue to work closely with all donors and stakeholders to achieve the ambitions set out within the strategic plan.

As at 31st December 2020 the association held free reserves of €453,342 (2019 €619,385).

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 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.

PRI is reviewing all its activities and assessing the impact of COVID-19 on project timelines and budgets and liaising with donors where necessary. PRI contacted its donors to outline how the organisation is reacting to the COVID-19 crisis which included producing a briefing note on the risks of COVID-19 to the health and human rights of people in prison. In parallel, PRI has developed practical responses to COVID-19 for prison management, criminal justice authorities and governments to improve their responsiveness and resilience. This has already led to PRI securing funds for COVID-19 response projects.

### Principal risks and uncertainties

PRI has a risk register, which the Board reviewed and updated in May 2019. 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.
- Increasing fear of terrorism and violent extremism that leads to a political focus on security rather than human rights. We uphold and promote human rights values in response to these threats.
- Risk of conflict or civil war: this has been an ongoing risk in the MENA region, where the situation is very volatile, for example in Egypt and Yemen. This is a risk outside our control but our close relationship with partners 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 until the situation is resolved.

- 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, 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 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 Russia, Azerbaijan, Tajikistan, Uganda

## Organisational developments

In 2019, the organisation adopted a new 2020-2023 strategy and designed a structure allowing it to reach its objectives.

Criminal law, due process and detention practices play core, even emblematic, roles in human rights protection. The decade we are entering will determine whether the world is able to sustain and promote human rights, basic humanity, and international law. The health of criminal justice systems and conditions in prisons are essential indicators of the status of human rights in any country.

Created in 1989, Penal Reform International is therefore more indispensable than ever and in the coming decade will play a key role in the renewal of global human rights because our work reinforces the foundations of the rule of law and good governance.

In PRI's 30 years of existence, we have learned that we believe in more than a set of international human rights standards that guide our work: we believe in a set of values and must live up to these internally and externally. We believe that safe societies are built when the rights of every individual are recognised, whatever criminal offence they may have committed; we believe societies grow healthier when sentences are proportionate and their primary purpose is rehabilitation, not retribution. Through the priorities highlighted in this strategy and the practical reform approach we offer, we will challenge policies that lead to prison overcrowding and will engage in offering alternatives to detention.

Our values help build safe societies with fair and effective criminal justice systems. The same values also form the core of PRI's operational standards. The way we work impacts the quality of our work, and ultimately the health of the communities with whom we work.

We are an agenda-setting organisation. We take a proactive role with government actors, engaging and convincing them of our agenda by adopting a practical and respectful approach, and building trust and long-term collaboration.

Our presence in various regions adds to the quality and efficiency of our work and helps us achieve sustainable and meaningful change.

PRI's strategy for 2020 to 2023 confirms the strength of our operations and lays out an agenda to meet our objectives.

As PRI enters its fourth decade, we have adopted practical positions designed to enable us to remain effective in the work we do.

We are proud of having a broad, diversified and dedicated donor base that permits us to implement practical criminal justice reform projects in many countries. At the same time, because we receive little institutional funding, like many other organisations we find it increasingly difficult to respond to challenges and remain flexible. We believe that our structural flexibility is an asset. Our fundraising efforts will seek to sustain the long-standing relations of cooperation we have established, foster new engagements with donors to achieve the priorities of our strategy, and increase contributions from individuals.



## **Penal Reform International**

### **Board's annual report**

#### **For the year ended 31 December 2020**

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The strategy presented here shows how we can flourish in what is often - nationally, regionally and internationally - a dysfunctional and institutionally disrupted political environment. It lays out how we think and affirms PRI's relevance in this environment, building on the strengths we already have.

### **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 12 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; it 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 for each member; currently, one member's term ended in 2020 and three members will see their term as Board member ending in 2021.

### **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 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

## Penal Reform International

### Board's annual report

#### For the year ended 31 December 2020

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- 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 organisation'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 by email circulation in May 2021 and signed on their behalf by



Prof Anton van Kalmthout  
Treasurer  
20 May 2021

## Independent auditors' report

To the members of

Penal Reform International

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### Opinion

We have audited the financial statements of Penal Reform International (the 'association') for the year ended 31 December 2020 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 2020 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

## **Independent auditors' report**

**To the members of**

**Penal Reform International**

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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.

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.

## Independent auditors' report

To the members of

Penal Reform International

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### 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.
- 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Independent auditors' report

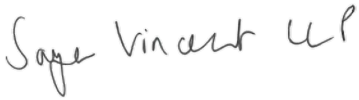
To the members of

Penal Reform International

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### 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)

16 June 2021

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 2020

	Note	Unrestricted €	Restricted €	2020 Total €	Unrestricted €	Restricted €	2019 Total €
<b>Income from:</b>							
Donations and legacies	2	9,058	67,796	<b>76,854</b>	11,056	27,466	38,522
Activities	3						
Advocating for Prison and Penal Reform		-	1,824,650	<b>1,824,650</b>	-	2,217,041	2,217,041
Reducing the use of imprisonment		-	17,399	<b>17,399</b>	-	17,933	17,933
Prevention of torture, cruel, inhumane or degrading treatment		-	298,793	<b>298,793</b>	-	833,544	833,544
Abolition of the death penalty		-	3,849	<b>3,849</b>	-	27,965	27,965
Justice for Children		-	14,357	<b>14,357</b>	-	228,202	228,202
Women in the Criminal Justice System		-	1,022,014	<b>1,022,014</b>	-	831,815	831,815
Countering Violent Extremism and Radicalisation Inside Prisons		-	-	<b>-</b>	-	58,695	58,695
Health in Prisons		-	810,570	<b>810,570</b>	-	-	-
Investments		1,579	-	<b>1,579</b>	2,922	-	2,922
Other		496	-	<b>496</b>	418	-	418
<b>Total income</b>		<b>11,133</b>	<b>4,059,428</b>	<b>4,070,561</b>	14,396	4,242,661	4,257,057
<b>Expenditure on:</b>							
Raising funds	4	34,157	67,796	<b>101,953</b>	47,826	27,466	75,292
Activities							
Advocating for Prison and Penal Reform	4	26,441	1,824,650	<b>1,851,091</b>	112,091	2,217,041	2,329,132
Reducing the use of imprisonment	4	252	17,399	<b>17,651</b>	907	17,933	18,840
Prevention of torture, cruel, inhumane or degrading treatment	4	4,330	298,793	<b>303,123</b>	42,143	833,544	875,687
Abolition of the death penalty	4	55	3,849	<b>3,904</b>	1,414	27,965	29,379
Justice for Children	4	208	14,357	<b>14,565</b>	11,537	228,202	239,739
Women in the Criminal Justice System	4	14,811	1,022,014	<b>1,036,825</b>	42,055	831,815	873,870
Countering Violent Extremism and Radicalisation Inside Prisons	4	-	-	<b>-</b>	2,968	58,695	61,663
Health in Prisons		11,746	810,570	<b>822,316</b>			
<b>Total expenditure</b>		<b>92,000</b>	<b>4,059,428</b>	<b>4,151,428</b>	260,941	4,242,661	4,503,602
<b>Net expenditure for the year</b>	9	<b>(80,867)</b>	-	<b>(80,867)</b>	(246,545)	-	(246,545)
Foreign exchange gain/(loss)		(85,176)	-	<b>(85,176)</b>	6,022	-	6,022
<b>Net movement in funds</b>		<b>(166,043)</b>	-	<b>(166,043)</b>	(240,523)	-	(240,523)
Total funds brought forward		619,385	-	<b>619,385</b>	859,908	-	859,908
<b>Total funds carried forward</b>	14	<b>453,342</b>	-	<b>453,342</b>	619,385	-	619,385

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 2020

	Note	€	2020 €	€	2019 €
<b>Fixed assets:</b>					
Tangible assets	11		<u>6,067</u>		<u>11,460</u>
			6,067		11,460
<b>Current assets:</b>					
Debtors	12	442,891		350,738	
Cash at bank and in hand		<u>1,409,639</u>		<u>2,257,815</u>	
		1,852,530		2,608,553	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	13	<u>(1,405,255)</u>		<u>(2,000,629)</u>	
<b>Net current assets</b>			<u>447,275</u>		<u>607,925</u>
<b>Total net assets</b>			<u>453,342</u>		<u>619,385</u>
<b>The funds of the association:</b>					
Restricted income funds	14		-		-
Unrestricted income funds:					
General funds		<u>453,342</u>		<u>619,385</u>	
Total unrestricted funds			<u>453,342</u>		<u>619,385</u>
<b>Total funds</b>			<u>453,342</u>		<u>619,385</u>

Approved by the board on 20 May 2021 and signed on their behalf by



Prof Anton van Kalmthout  
Treasurer



Prof Dirk van Zyl Smit  
Chair



Penal Reform International

Statement of cash flows

For the year ended 31 December 2020

	Note	2020	2019
		€	€
<b>Cash flows from operating activities</b>			
Net expenditure for the reporting period (as per the statement of financial activities)		(80,867)	(246,545)
Depreciation charges		5,016	6,024
Dividends, interest and rent from investments		(1,579)	(2,922)
(Increase)/decrease in debtors		(92,153)	14,643
Decrease in creditors		(595,374)	(208,374)
<b>Net cash used in operating activities</b>		<b>(764,957)</b>	<b>(437,174)</b>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		1,579	2,922
Purchase of fixed assets		(803)	(15,933)
Disposals		1,770	-
Loss on disposal of fixed assets		(590)	-
<b>Net cash provided by / (used in) investing activities</b>		<b>1,956</b>	<b>(13,011)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(763,001)</b>	<b>(450,185)</b>
Cash and cash equivalents at the beginning of the year		2,257,815	2,701,978
Change in cash and cash equivalents due to exchange rate movements		(85,176)	6,022
<b>Cash and cash equivalents at the end of the year</b>		<b>1,409,638</b>	<b>2,257,815</b>

**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	37.1%
● Advocating for Prison and Penal Reform	28.7%
● Reducing the use of imprisonment	0.3%
● Prevention of torture, cruel, inhumane or degrading treatment	4.7%
● Abolition of the death penalty	0.1%
● Justice for Children	0.2%
● Women in the Criminal Justice System	16.1%
● Countering Violent Extremism and Radicalisation Inside Prisons	0.0%
● Health in Prisons	12.8%

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
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**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.

2 Income from donations and legacies

	Unrestricted €	Restricted €	2020 Total €	Unrestricted €	Restricted €	2019 Total €
Small donations	6,705	-	6,705	6,512	-	6,512
Particip Gmbh	-	-	-	4,544	-	4,544
Leigh Trust	2,353	-	2,353	-	-	-
Open Society Foundations	-	22,175	22,175	-	20,608	20,608
Open Society Foundations (NEF)	-	45,621	45,621	-	6,858	6,858
	<b>9,058</b>	<b>67,796</b>	<b>76,854</b>	<b>11,056</b>	<b>27,466</b>	<b>38,522</b>

3 Income from activities

	Unrestricted €	Restricted €	2020 Total €	Unrestricted €	Restricted €	2019 Total €
Dutch Embassy – Yemen	-	1,155,272	1,155,272	-	920,948	920,948
European Union	-	897,186	897,186	-	1,154,793	1,154,793
Foreign and Commonwealth Office	-	444,527	444,527	-	1,176,279	1,176,279
INL – US State Department	-	4,698	4,698	-	16,253	16,253
Open Society Foundations	-	74,498	74,498	-	77,449	77,449
USAID	-	125,923	125,923	-	-	-
Women in Business – Georgia	-	-	-	-	8,507	8,507
UN Democracy Fund	-	50,322	50,322	-	-	-
Thai Institute of Justice	-	108,777	108,777	-	75,392	75,392
US Embassy in Bishkek	-	9,193	9,193	-	-	-
UNDP	-	35,174	35,174	-	124,003	124,003
Swedish Prison and Probation Service	-	-	-	-	-	-
Dutch Ministry of Foreign Affairs	-	526,549	526,549	-	69,435	69,435
DRL – US State Department	-	-	-	-	5	5
Matrix Chambers	-	3,025	3,025	-	-	-
Swiss FDFA	-	-	-	-	-	-
MINUSCA	-	220,443	220,443	-	306,715	306,715
Human Dynamics	-	8,000	8,000	-	-	-
University of Helsinki	-	5,167	5,167	-	-	-
The Embassy of Ireland, Uganda	-	3,673	3,673	-	27,034	27,034
Eleanor Rathbone Charitable Trust	-	1,161	1,161	-	948	948
Democratic Governance Facility (DGF)	-	160,120	160,120	-	171,346	171,346
Article 42 – Georgia	-	-	-	-	1,066	1,066
Chance for Childhood	-	-	-	-	10,147	10,147
Liechtenstein office Foreign Affairs	-	15,383	15,383	-	1,144	1,144
(BCBN) Better Community Business Network	-	290	290	-	3,207	3,207
Canadian MFA	-	8,069	8,069	-	7,610	7,610
Linklaters	-	6,514	6,514	-	14	14
Open Society Foundations NEF	-	107,312	107,312	-	62,900	62,900
The Netherlands Helsinki Committee	-	3,164	3,164	-	-	-
RIVG – Georgia	-	12,381	12,381	-	-	-
HRIDC – Georgia	-	4,811	4,811	-	-	-
Total income from activities	-	<b>3,991,632</b>	<b>3,991,632</b>	-	<b>4,215,195</b>	<b>4,215,195</b>

4 Resources expended

	Direct costs €	Support & Governance costs €	2020 Total €	Direct costs €	Support & Governance costs €	2019 Total €
<b>Raising funds</b>	67,796	34,157	<b>101,953</b>	27,466	47,826	75,292
<b>Activities</b>						
Advocating for Prison and Penal Reform	1,824,650	26,441	<b>1,851,091</b>	2,217,041	112,091	2,329,132
Reducing the use of imprisonment	17,399	252	<b>17,651</b>	17,933	907	18,840
Prevention of torture, cruel, inhumane or degrading treatment	298,793	4,330	<b>303,123</b>	833,544	42,143	875,687
Abolition of the death penalty	3,849	55	<b>3,904</b>	27,965	1,414	29,379
Justice for Children	14,357	208	<b>14,565</b>	228,202	11,537	239,739
Women in the Criminal Justice System	1,022,014	14,811	<b>1,036,825</b>	831,815	42,055	873,870
Countering Violent Extremism and Radicalisation Inside Prisons	-	-	-	58,695	2,968	61,663
Health in Prisons	810,570	11,746	<b>822,316</b>	-	-	-
	<b>4,059,428</b>	<b>92,000</b>	<b>4,151,428</b>	<b>4,242,661</b>	<b>260,941</b>	<b>4,503,602</b>

5 Governance costs

	2020 Total €	2019 Total €
Audit and accountancy fees	<b>25,680</b>	17,452
Board expenses	<b>3,328</b>	19,425
Annual report	-	271
	<b>29,008</b>	<b>37,148</b>

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

This is stated after charging / (crediting):

	2020 €	2019 €
Depreciation	5,016	6,024
Operating lease rentals:		
Property	102,469	147,840
Equipment	2,489	1,657
Auditor's remuneration (excluding VAT):		
Audit	10,400	10,755
Other services	1,135	1,199
Foreign exchange gains or losses	(85,176)	6,022
	<u>                    </u>	<u>                    </u>

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

Staff costs were as follows:

	2020 €	2019 €
Salaries and wages	1,101,303	1,113,111
Social security costs	75,461	61,425
Employer's contribution to defined contribution pension schemes	21,590	19,509
Termination payments	-	-
	<u>                    </u>	<u>                    </u>
	<u>1,198,354</u>	<u>1,194,045</u>

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

	2020 No.	2019 No.
£60,000 – £69,999	1	-
£70,000 – £79,999	1	2
	<u>                    </u>	<u>                    </u>

The total employee benefits including pension contributions of the key management personnel were €341,830 (2019: €371,285).

No members of the Board were paid consultancy fees in the year (2019: one member, €900).

Board members' expenses represents the payment or reimbursement of travel and subsistence costs totalling €1,720 (2019: €12,083) incurred by 3 (2019: 9) 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 35.9 (2019: 37.2)

**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 1 Ardleigh Road, London, N1 4HS. The premises are occupied by Penal Reform International, and during the year rental costs of €40,721 were recharged to Penal Reform International (2019: €48,535).

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 €403,231 were recharged to Penal Reform International during the year (2019 – €339,622)

As at 31 December 2020 Penal Reform International owed €11,017 (2019: €12,746) 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	79,619	79,619
Additions in year	803	803
Disposals	(1,770)	(1,770)
At the end of the year	<u>78,652</u>	<u>78,652</u>
<b>Depreciation</b>		
At the start of the year	68,159	68,159
Charge for the year	5,016	5,016
Disposals	(590)	(590)
At the end of the year	<u>72,585</u>	<u>72,585</u>
<b>Net book value</b>		
At the end of the year	<u>6,067</u>	<u>6,067</u>
At the start of the year	<u>11,460</u>	<u>11,460</u>

**12 Debtors**

	2020 €	2019 €
Accrued income	371,680	259,878
Amounts held by partners	24,738	44,931
Prepayments	27,867	30,842
Other debtors	18,606	15,087
	<u>442,891</u>	<u>350,738</u>

13 Creditors: amounts falling due within one year

	2020 €	2019 €
Trade creditors	15,219	6,050
Taxation and social security	9,411	9,485
Other creditors	165,548	160,460
Accruals	31,896	30,689
Deferred income	1,183,181	1,793,945
	<u>1,405,255</u>	<u>2,000,629</u>

14a Movements in funds (current year)

	At 1 January 2020 €	Income & gains €	Expenditure & losses €	Transfers €	At 31 December 2020 €
<b>Restricted funds:</b>					
Fundraising	-	67,796	(67,796)	-	-
Advocating for Prison and Penal Reform	-	1,824,650	(1,824,650)	-	-
Reducing the use of imprisonment	-	17,399	(17,399)	-	-
Prevention of torture, cruel, inhumane or degrading treatment	-	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 Radicalisation Inside Prisons	-	-	-	-	-
Health in Prisons	-	810,570	(810,570)	-	-
<b>Total restricted funds</b>	<u>-</u>	<u>4,059,427</u>	<u>(4,059,428)</u>	<u>-</u>	<u>-</u>
<b>Total unrestricted funds</b>	<u>619,385</u>	<u>11,133</u>	<u>(177,176)</u>	<u>-</u>	<u>453,342</u>
<b>Total funds</b>	<u>619,385</u>	<u>4,070,560</u>	<u>(4,236,604)</u>	<u>-</u>	<u>453,342</u>



14b Movements in funds (prior year)

	At 1 January 2019 €	Income & gains €	Expenditure & losses €	Transfers €	At 31 December 2019 €
<b>Restricted funds:</b>					
Fundraising	-	27,466	(27,466)	-	-
Advocating for Prison and Penal Reform	-	2,217,041	(2,217,041)	-	-
Reducing the use of imprisonment	-	17,933	(17,933)	-	-
Prevention of torture, cruel, inhumane or degrading treatment	-	833,544	(833,544)	-	-
Fundraising	-	27,965	(27,965)	-	-
Justice for Children	-	228,202	(228,202)	-	-
Women in the Criminal Justice System	-	831,815	(831,815)	-	-
Countering Violent Extremism and Radicalisation Inside Prisons	-	58,695	(58,695)	-	-
<b>Total restricted funds</b>	<b>-</b>	<b>4,242,661</b>	<b>(4,242,661)</b>	<b>-</b>	<b>-</b>
<b>Unrestricted funds:</b>					
MENA office	6,885	-	(6,886)	1	-
South Caucasus Office	6,200	-	(6,536)	336	-
<b>General funds</b>	<b>846,823</b>	<b>20,418</b>	<b>(247,519)</b>	<b>(337)</b>	<b>619,385</b>
<b>Total unrestricted funds</b>	<b>859,908</b>	<b>20,418</b>	<b>(260,941)</b>	<b>-</b>	<b>619,385</b>
<b>Total funds</b>	<b>859,908</b>	<b>4,263,079</b>	<b>(4,503,602)</b>	<b>-</b>	<b>619,385</b>

Purposes of restricted funds

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

15 Legal status of the association

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

16 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		Equipment	
	2020 €	2019 €	2020 €	2019 €
Less than one year	12,338	78,537	-	1,399
One to five years	-	68,759	-	1,049
	<b>12,338</b>	<b>147,296</b>	<b>-</b>	<b>2,448</b>