

Penal Reform International

Report and financial statements
For the year ended 31 December 2022

Contents

For the year ended 31 December 2022

Strategic objectives.....	5
Progress towards achieving the outcomes of the strategic plan.....	6
Highlights of 2022.....	10
Overview of PRI's work in 2022.....	11
Monitoring and evaluation.....	14
Information and communications.....	15
Beneficiaries of our work.....	16
Reserves policy and going concern.....	17
Structure, governance and management.....	19
Appointment of the Board.....	19
Independent auditor's report.....	21
Statement of financial activities (incorporating a profit and loss account).....	25
Balance Sheet.....	26
Statement of cash flows.....	27
Notes to financial statements.....	28

Penal Reform International

Board's annual report

For the year ended 31 December 2022

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

Operational address in 2022

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:

David Fathi, USA	Chair*
Prof Anton van Kalmthout, Netherlands	Treasurer * until 31 January 2022
Erika Marseille, Netherlands	Treasurer * from February 2022
Erika Marseille, Netherlands	Deputy Treasurer * until 31 January 2022
Dr Roselyn Karugonjo–Segawa, Uganda	Secretary General*
Dr Catherine Appleton, Norway	Deputy Chair*
Michelle Carpentier, Canada	Board member
Suzanne Jabour, Lebanon	Board member
Paula Litvachky, Argentina	Board member
Dr Dmitry Nurumov, Kazakhstan	Board member
Prof Robert van Voren, Lithuania	Board member

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

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)
John Usher	Director of Finance and Operations

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 2022.

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) 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), Astana (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 2022 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 2022) 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 2022 our activities focused on:

- 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.
- Targeting women in conflict with the law in Uganda and offering legal support and legal presentation and in Yemen we supported building capacity of female police.
- Promoting reforms to address the criminalisation of status and poverty, including contributing to a convening of members of the global campaign on the topic, and co-drafting the Cape Declaration adopted at the convening.
- Publishing a range of expert blogs examining children and older people deprived of liberty, palliative care in prison and mental health.

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 2022 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:

- PRI published a 10-point plan on crisis-ready non-custodial sanctions and measures, with practical, evidence-based guidance on building and strengthening services that are non-discriminatory and better able to adapt and respond to crises
- In partnership with the Netherlands Helsinki Committee and Georgian NGO Prevention for Progress, PRI also assessed the long-term effects of the COVID-19 pandemic on the entitlements of detained persons and working conditions of prison staff in Georgia
- Supported by the University of Nottingham and in collaboration with the prisonDEATH initiative, PRI conducted research involving stakeholders in 25 countries in all regions, as well as 19 European prison administrations and, in December 2022, published a briefing examining the causes, responses, and prevention of deaths in prison worldwide.
- Global Prison Trends 2022, PRI's flagship report published annually with the Thailand Institute of Justice, was published in May. With the global prison population at an all-time high, the report exposed that, rather than a reducing the number of people in

prison, many governments are instead increasing prison capacity, with a significant expansion in the global prison estate in the past year.

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.
- Continuing projects focused on the prevention of torture and ill-treatment in places of detention through building the capacities of detention monitoring bodies. In Georgia, PRI joined the Open Society Georgia Foundation led monitoring and advocacy initiative of NGOs to monitor the implementation of the EU-Georgia Association Agenda (specifically, the part on monitoring the fulfilment of anti-torture commitments by Georgian authorities). A policy brief and an implementation report was produced . In Kazakhstan, we started with a new project funded by UNICEF to increase the capacities of central and local authorities to plan, regulate, resource and oversee child protection prevention and response services for addressing institutionalisation and violence against children, including through monitoring by torture prevention bodies.
- Continuing the delivery of legal aid and help to facilitate release of women, for example in Uganda, with a project providing women in prison with mental health support services, legal representation, and business skills training as well as improving contact with their families.

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 the Philippines we undertook a week-long mission which included a training needs assessment to

ensure that our capacity-building initiatives were bespoke and responding to the unique challenges the country's jails and prisons face.

- 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 World Coalition on the abolition of the Death Penalty, the International Drug Policy Consortium and the Vienna NGO alliance on crime prevention and criminal justice. In 2022 we became the Secretariat for the Informal Civil Society Network on Health in Prisons, under the UN Office on Drugs and Crime.
- Training oversight mechanisms such as National Preventive Mechanisms and other prison monitoring bodies to conduct prison monitoring visits in line with international best practice. In Kazakhstan, we addressed gaps in the area of administering child justice and to strengthen independent child rights monitoring in emergency crisis situations.
- Supporting international mechanisms, including at the United Nations, by submitting information and advocating for their engagement on different (overlooked) issues. For example, we provided significant input to the Special Rapporteur on extra-judicial summary or arbitrary executions (who will dedicate his 2023 report to deaths in prisons).

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 expanded our work to new countries including the Philippines, Indonesia and Algeria. We also looked to extend our work in new countries across Europe, through fundraising proposals.
- 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. Expanding our work in fragile and conflict-affected settings, we began a new project in Sudan to support criminal justice reform.

- 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 2022

We initiate and support governments to kickstart reform

- We started a new two-year project in Algeria funded by the Embassy of the Netherlands aimed at empowering local civil society organizations to support efforts for reforming the justice sector and promoting human rights.
- EuroPris, in partnership with PRI and Justice Reform Initiative organised an online discussion with diverse justice professionals on how justice systems can be reformed to be more efficient, rehabilitative and humane
- As part as of our support to the Penitentiary Service in Central African Republic (CAR), PRI built the capacity of penitentiary staff on many topics
- PRI issued new guidance including on good governance and how probation can be crisis-ready, documenting lessons from various countries during the COVID-19 pandemic.

In 2022 we continued to be a trustworthy partner of international civil society organisations

- In Central African Republic the 'Plateforme d'appui aux réformes du système pénitentiaire en République centrafricaine' established by PRI continued to be expanded with a total of 15 civil society organisations
- A project in Algeria involves support to national civil society organisation in criminal justice reform efforts, and similarly in Armenia our work with partners has a large focus on equipping CSO's with monitoring and reporting capacities

We worked in new regions and countries

- We conducted a one-week scoping mission to the Philippines with UNODC in September, where we met with the leadership of the jail system (BJMP), prison system (BuCor), the parole and probation administration, and the public defender's office, and conducted a civil society consultation and visited the largest jail and prison in the country. This informed the ongoing work with UNODC in the Philippines and PRI's future possibilities.
- We secured a new project in Indonesia aimed at improving the situation for children and young people in conflict with the law. The project kicked off in December 2022 and is co-implemented by the International Legal Foundation and an Indonesian NGO, Institute for Criminal Justice Reform.

Overview of PRI's work in 2022

Policy and international advocacy work

- Global Prison Trends 2022, 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 drug policy and offences that criminalise status and poverty. This included co-convening side-events at the Commission on Crime Prevention and Criminal Justice.
- 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.

2022 projects (and donors)

Funder	Project
Advocates for International Development	Practical training on building professional capacity for criminal justice stakeholders in Rwanda
Council of Europe	<ul style="list-style-type: none"> • Short guide to the European Prison Rules • Research on the impact of the COVID-19 pandemic on prison reform priorities
DAI/ Human Dynamics	Provision of Technical Assistance to the Chilungamo (Justice and Accountability) Programme Malawi
Department of Foreign Affairs, Trade and Development, Canada	Capacity building and advocacy for national institutions toward enhanced protection for girl child in contact with the law at the police level in Jordan
Embassy of France (Uganda and Sudan)	<ul style="list-style-type: none"> • Campaign against the death penalty (Uganda) • Protecting women victims of gender based violence: Inclusive services (Sudan)
European Union	<ul style="list-style-type: none"> • Promoting sustainable access to justice for socially deprived women and children in northern Uganda • Promoting non-discriminatory alternatives to imprisonment across Europe
Foreign, Commonwealth and Development Office, UK	<ul style="list-style-type: none"> • Assessment on impact of the us withdrawal from Afghanistan on radicalisation and terrorism in central Asian prisons

Penal Reform International

Board's annual report

For the year ended 31 December 2022

International Development Law Organisation (IDLO)	Promoting the use of gender sensitive non-custodial alternatives in Uganda
International Penal and Penitentiary Foundation (IPPF)	Promoting non-discriminatory alternatives to imprisonment across Europe
Linklaters LLP	<ul style="list-style-type: none"> • Research on sentencing women convicted of drug offences • Coronavirus and imprisonment: Publishing Phase 1 country reports
Ministry of Foreign Trade and Development Cooperation, The Netherlands	<ul style="list-style-type: none"> • Enhance the capacity of female police in Yemen • Empowering local CSOs in Algeria to support efforts for reforming the justice sector • Enhancing Law enforcement response to COVID-19 in Jordan From access to equality (FATE) in Uganda
Office of Foreign Affairs, Liechtenstein	<ul style="list-style-type: none"> • Reinforcing the protection of human rights in penitentiary systems in case of natural disasters • Research on good governance and human rights in criminal justice systems facing disaster and crises
Open Society Foundation	Institutional Grant
Thailand Institute of Justice	Global Prison Trends and the UN Bangkok Rules
The Netherlands Helsinki Committee	<ul style="list-style-type: none"> • Assistance in implementing the strategy of the penal system in the Republic of Armenia • Monitoring C • OVID-19 prevention and treatment in Georgia's prisons • Following up on post-pandemic entitlements for prisoners and prison staff in Georgia
The Royal Kingdom of Denmark through Democratic Governance Facility (DGF)	Deepening engagement towards the implementation of Torture Prevention safeguards and due process in Uganda
United Nations Children's Fund (UNICEF)	"Strengthening the capacity of specialists on children's access to justice and monitoring the situation of children's rights in closed institutions" in Kazakhstan
United Nations Democracy Fund (UNDEF)	Strengthening the Rule of Law in Kyrgyzstan, Tajikistan and Uzbekistan
United Nations Multidimensional Integrated Stabilization Mission in	Demilitarisation and Prison Reform in Central African Republic

the Central African Republic (MINUSCA)	
United Nations Office of Drugs and Crime (UNODC)	<ul style="list-style-type: none"> • Secretariat, Informal CSO Group on Health in Prison • Protecting prisoners' human rights in the Philippines through capacity building for correctional staff and detention monitoring
University of Nottingham	Deaths in Prison

Publications

- **Country reports on the impact of the COVID-19 pandemic on non-custodial sanctions and measures:** In-depth country reports on the impact of the COVID-19 pandemic on the use, implementation and experience of non-custodial sanctions and measures in Georgia, Hungary, Kyrgyzstan and Portugal, including preparations for release from prison and experiences of staff and those under probation supervision.
- **10-point plan: crisis-ready non-custodial sanctions and measures:** Based on research into the impacts of the ongoing COVID-19 pandemic on probation in Europe, Central Asia and South Caucasus, PRI has developed the 10-point plan for Crisis-ready non-custodial sanctions and measures, a tool that offers probation leadership, practitioners, policy makers and others involved in the delivery of non-custodial sanctions and measures across the world evidence-based and practical guidance on building and strengthening services that are flexible, non-discriminatory and better able to respond to and adapt in the face of crises.
- **The impact of the COVID-19 pandemic on non-custodial sanctions and measures: Summary report of a comparative study in Member States of the European Union:** This summary comparative report on the impact of the COVID-19 pandemic on the imposition and implementation of non-custodial sentences and the preparation of individuals for release from prison is part of a wider comparative study conducted by the University of Coimbra as part of the EU-funded project 'Promoting non-discriminatory alternatives to imprisonment across Europe', and is based on national-level research across 21 EU Member States.
- **Good governance for prisons during and beyond the COVID-19 pandemic:** This guide is based on research into the COVID-19 justice response around the world, including a particular focus on the responses in Kenya and Kazakhstan. The analysis examines the elements of justice system governance which enabled the sector to react quickly and effectively to the COVID-19 pandemic in prisons as well as the factors which

inhibited timely, relevant responses. The guide aims to inform better governance in any future crisis situations, as well as the direction of penal reform more broadly.

- **Global Prison Trends 2022:** Penal Reform International's annual flagship report, published with the Thailand Institute of Justice, identifying the key trends and challenges in prison systems worldwide.
- **Non-custodial sanctions and measures in the member states of the European Union: A comparative study:** This comparative research on the use and implementation of non-custodial sanctions and measures in European Union member states was completed as part of the project Promoting non-discriminatory alternatives to imprisonment across Europe, implemented through our Europe programme in partnership with the University of Coimbra, Portugal (UC) and the Hungarian Helsinki Committee (HHC), with funding from the European Union's Justice programme.
- **Deaths in prison: Examining causes, responses, and prevention:** This briefing is a call to action for the international community and national actors to strengthen their approach to deaths in prisons, to take pro-active measures to prevent loss of life and, when deaths do occur, to respond appropriately and conduct robust investigations in line with international human rights standards to identify any systemic concerns and prevent future harm.

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.

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. Due to capacity and resource issues unfortunately data collection has not been possible. In 2022, plans for evaluating progress towards ambitions set out in the current strategy were discussed as we begin to develop our strategy for beyond 2023.

Information and communications

Online website hits	236,607 (increase of 10% compared to 2021)
Followers on Twitter	6,055 (increase of 7% compared to 2021)
Followers on Facebook	1,269 (increase of 7% compared to 2021)
Followers on LinkedIn	5,105 (increase of 54% compared to 2021)

Our blogs

PRI's expert blog series received a total of 66,667 page views, an increase of 18% since 2021.

In 2022 we published 16 expert blogs, covering topics from prison staff, children and older people deprived of liberty, palliative care in prison, impacts of the economic crisis on detention conditions, mental health, alternatives to imprisonment, and the expansion of prison capacity, among others.

Our publications

In 2022, PRI published some key resources including new guidance on:
Good governance for prisons,
Crisis-ready non-custodial sanctions and measures, and
Deaths in prison.

PRI resources were downloaded 19,902 times in 2022, an increase of 9.7% since 2021. Our top downloaded publications were:

- Alternatives to the death penalty Information Pack
- Ten-Point Plan to Reduce Prison Overcrowding
- Global Prison Trends 2021
- Global Prison Trends 2022

- The unintended negative consequences of the 'war on drugs': mass criminalisation and punitive sentencing policies

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 total deficit of €376,838 (2021 €66,832 surplus) on the unrestricted funds. The operating deficit was €195,274 with a foreign exchange loss of €21,583.

In April 2023 PRI received notification from the EC to state that they intended to recover funds from PRI. This was due to the findings of an audit of a project in Kyrgyzstan which was implemented between 2018–2020. PRI is currently in the process of preparing a response as requested by the EC. PRI is hopeful that the figure can be significantly reduced, however for the sake of financial prudence and transparency PRI has included a liability of €159,980 on the balance sheet in 2022.

Organisational income was €2.36m, a reduction of 22% compared to 2021 (€3.03m). 2022 was a challenging year for PRI, however income is forecasted to significantly increase in 2023 with PRI targeting a budget surplus for the year.

PRI continued to secure significant funds from the Dutch Ministry of Foreign Affairs, UN agencies, Open Society Foundation and the European Union.

PRI secured significant funding from the Dutch and French Ministry of Foreign Affairs for 2 to 4 year projects in the MENA region. 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 Commission (EC) and secured further funding from the EC for another project which will finish in 2025.

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 2022 the association held free reserves of €143,336 (2021 €520,174)

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 fallen significantly below the lower threshold. Going forward PRI will aim to increase the reserves level so that it falls within the current reserves policy.

Principal risks and uncertainties

PRI has a risk register, which was reviewed and updated last in October 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. 2022 has again showed how the strategy is enabling PRI to be at the forefront of penal reform and criminal justice change. Reflection and lessons from the global COVID-19 pandemic through research and guidance so that systems can be better at coping and responding to crises was led by PRI. We have made new partnerships, leading to new areas of work such as deaths in prison – an overlooked issue – and also new countries where PRI's value in bringing practical, pragmatic approaches to difficult challenges like in the Philippines and Indonesia.

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 2022, the Board (the General Board) consisted of 9 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 Amsterdam on 14 June 2023 and signed on their behalf by


Erika Marseille
Treasurer

Opinion

We have audited the financial statements of Penal Reform International (the 'association') for the year ended 31 December 2022 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 2022 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.

Independent auditor's report

To the members of

Penal Reform International

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.

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.
- 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.

Independent auditor's report

To the members of

Penal Reform International

- 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)

28 June 2023

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 2022

	Note	Unrestricted €	Restricted €	2022 Total €	Unrestricted €	Restricted €	2021 Total €
Income from:							
Donations and legacies	2	171,559		171,559	356,510		356,510
Activities	3						
Advocating for Prison and Penal Reform		–	590,220	590,220	–	1,126,576	1,126,576
Reducing the use of imprisonment		–	270,803	270,803	–	351,918	351,918
Prevention of torture, cruel, inhumane or degrading treatment		–	81,244	81,244	–	258,614	258,614
Abolition of the death penalty		–	13,575	13,575	–	20,188	20,188
Justice for Children		–	220,220	220,220	–	145,414	145,414
Women in the Criminal Justice System		–	860,111	860,111	–	466,073	466,073
Countering Violent Extremism and Radicalisation Inside Prisons		–	76,545	76,545	–	20,188	20,188
Rehabilitation and reintegration		–	13,088	13,088	–	20,188	20,188
Health in Prisons		–	59,429	59,429	–	259,294	259,294
Investments		412	–	412	108	–	108
Other		–	–	–	36	–	36
Total income		171,971	2,185,235	2,357,206	356,654	2,668,452	3,025,106
Expenditure on:							
Raising funds	4	85,649	–	85,649	72,507	–	72,507
Activities							
Advocating for Prison and Penal Reform	4	119,267	590,220	709,487	97,320	1,126,576	1,223,896
Reducing the use of imprisonment	4	54,722	270,803	325,525	30,401	351,918	382,319
Prevention of torture, cruel, inhumane or degrading treatment	4	16,418	81,244	97,662	22,341	258,614	280,955
Abolition of the death penalty	4	2,743	13,575	16,318	1,744	20,188	21,932
Justice for Children	4	44,500	220,220	264,720	12,562	145,414	157,976
Women in the Criminal Justice System	4	173,805	860,111	1,033,916	40,262	466,073	506,335
Countering Violent Extremism and Radicalisation Inside Prisons	4	15,468	76,545	92,013	1,744	20,188	21,932
Rehabilitation and reintegration		2,645	13,088	15,733	1,744	20,188	21,932
Health in Prisons		12,009	59,429	71,438	22,399	259,294	281,693
Total expenditure		527,226	2,185,235	2,712,461	303,024	2,668,452	2,971,477
Net expenditure for the year	9	(355,255)	(0)	(355,255)	53,630		53,629
Foreign exchange gain/(loss)		(21,583)	–	(21,583)	13,202	–	13,202
Net movement in funds		(376,838)	(0)	(376,838)	66,832		66,832
Total funds brought forward		520,174	–	520,174	453,342	–	453,342
Total funds carried forward	14	143,336	(0)	143,336	520,174		520,174

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 2022

	Note	€	2022 €	€	2021 €
Fixed assets:					
Tangible assets	11		<u>2,047</u>		<u>1,121</u>
			2,047		1,121
Current assets:					
Debtors	12	100,512		454,380	
Cash at bank and in hand		<u>1,994,178</u>		<u>1,112,435</u>	
		2,094,690		1,566,815	
Liabilities:					
Creditors: amounts falling due within one year	13	<u>(1,953,404)</u>		<u>(1,047,763)</u>	
Net current assets			<u>141,286</u>		<u>519,052</u>
Total net assets			<u><u>143,334</u></u>		<u><u>520,174</u></u>
The funds of the association:					
Restricted income funds	14		-		-
Unrestricted income funds:					
General funds		<u>143,336</u>		<u>520,174</u>	
Total unrestricted funds			<u>143,336</u>		<u>520,174</u>
Total funds			<u><u>143,336</u></u>		<u><u>520,174</u></u>

Approved by the board on 14 June 2023 and signed on their behalf by


Erika Marseille
Treasurer


David Fathi
Chair

Penal Reform International

Statement of cash flows

For the year ended 31 December 2022

	Note	2022		2021	
		€	€	€	€
Cash flows from operating activities					
Net expenditure for the reporting period (as per the statement of financial activities)		(355,255)		53,630	
Depreciation charges		1,697		4,946	
Dividends, interest and rent from investments		(412)		(108)	
(Increase)/decrease in debtors		353,868		(11,489)	
Increase in creditors		905,641		(357,492)	
Net cash used in operating activities		905,539		(310,513)	
Cash flows from investing activities:					
Dividends, interest and rents from investments		412		108	
Loss on disposal of fixed assets		-		-	
Purchase of fixed assets		(2,623)		-	
Disposals		-		-	
Loss on disposal of fixed assets		-		-	
Net cash provided by / (used in) investing activities		(2,211)		108	
Change in cash and cash equivalents in the year		903,328		(310,405)	
Cash and cash equivalents at the beginning of the year		1,112,435		1,409,638	
Change in cash and cash equivalents due to exchange rate movements		(21,583)		13,202	
Cash and cash equivalents at the end of the year		1,994,177		1,112,435	

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. Whilst the association's reserves were significantly reduced in 2022, current financial forecasts point to a budget surplus for 2023 with funds secured for large, longer term projects. The association will aim to increase its reserves during 2023/24.

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	0.8%
● Advocating for Prison and Penal Reform	26.8%
● Reducing the use of imprisonment	12.3%
● Prevention of torture, cruel, inhumane or degrading treatment	3.7%
● Abolition of the death penalty	0.6%
● Justice for Children	10.0%
● Women in the Criminal Justice System	39.0%
● Countering Violent Extremism and Radicalisation Inside Prisons	3.5%
● Rehabilitation and reintegration	0.6%
● Health in Prisons	2.7%

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 €	2022 Total €	Unrestricted €	Restricted €	2021 Total €
Small donations	6,804	-	6,804	9,034	-	9,034
Leigh Trust	-	-	-	-	-	-
Open Society Foundations	108,674	-	108,674	90,595	-	90,595
Linklaters LLP	47,080	-	47,080	-	-	-
Organisation for economic co-operation and development (OECD)	-	-	-	126,382	-	126,382
DAI Global	9,000	-	9,000	130,500	-	130,500
	171,559	-	171,559	356,510	-	356,510

3 Income from activities

	Unrestricted €	Restricted €	2022 Total €	Unrestricted €	Restricted €	2021 Total €
Dutch Embassy – Yemen	-	375,835	375,835	-	366,701	366,701
European Union	-	421,723	421,723	-	533,380	533,380
Foreign and Commonwealth Office	-	64,970	64,970	-	465,106	465,106
Open Society Foundations	-	-	-	-	-	-
USAID	-	-	-	-	105,796	105,796
UNODC	-	16,270	16,270	-	-	-
UN Democracy Fund	-	42,485	42,485	-	121,738	121,738
Thai Institute of Justice	-	97,490	97,490	-	124,934	124,934
US Embassy in Bishkek	-	-	-	-	26,436	26,436
UNDP	-	-	-	-	27,355	27,355
Council of Europe	-	6,789	6,789	-	41,969	41,969
Dutch Ministry of Foreign Affairs	-	142,521	142,521	-	64,171	64,171
UNOHCHR	-	-	-	-	25,323	25,323
Matrix Chambers	-	-	-	-	2,116	2,116
Swiss Embassy Jordan	-	-	-	-	16,617	16,617
MINUSCA	-	329,471	329,471	-	384,443	384,443
University of Helsinki	-	-	-	-	9,833	9,833
UNICEF	-	47,536	47,536	-	-	-
A4ID Advocates for International Development	-	4,032	4,032	-	-	-
Democratic Governance Facility (DGF)	-	90,720	90,720	-	134,321	134,321
Avocats sans Frontieres	-	188,885	188,885	-	57,911	57,911
The International Penal and Penitentiary Foundation (IPPF)	-	20,145	20,145	-	53,810	53,810
Liechtenstein office Foreign Affairs	-	14,565	14,565	-	38,959	38,959
(BCBN) Better Community Business Network	-	-	-	-	-	-
Canadian MFA	-	35,085	35,085	-	-	-
Linklaters	-	8,877	8,877	-	16,228	16,228
Open Society Foundations NEF	-	-	-	-	-	-
The Netherlands Helsinki Committee	-	56,037	56,037	-	16,362	16,362
French Embassy, Sudan	-	74,423	74,423	-	-	-
Nottingham University	-	24,827	24,827	-	-	-
International Development Law Organisation (IDLO)	-	122,549	122,549	-	34,787	34,787
Total income from activities	-	2,185,235	2,185,235	-	2,668,296	2,668,296

4 Resources expended

	Direct costs €	Support & Governance costs €	2022 Total €	Direct costs €	Support & Governance costs €	2021 Total €
Raising funds	82,042	3,607	85,649	70,521	1,986	72,507
Activities						
Advocating for Prison and Penal Reform	590,220	119,267	709,487	1,126,576	97,320	1,223,896
Reducing the use of imprisonment	270,803	54,722	325,525	351,918	30,401	382,319
Prevention of torture, cruel, inhumane or degrading treatment	81,244	16,418	97,662	258,614	22,341	280,955
Abolition of the death penalty	13,575	2,743	16,318	20,188	1,744	21,932
Justice for Children	220,220	44,500	264,720	145,414	12,562	157,976
Women in the Criminal Justice System	860,111	173,805	1,033,916	466,073	40,262	506,335
Countering Violent Extremism and Radicalisation Inside Prisons	76,545	15,468	92,013	20,188	1,744	21,932
Rehabilitation and reintegration	13,088	2,645	15,733	20,188	1,744	21,932
Health in Prisons	59,429	12,009	71,438	259,294	22,399	281,693
	2,267,277	445,184	2,712,461	2,738,974	232,503	2,971,477

5 Governance costs

	2022 Total €	2021 Total €
Audit and accountancy fees	31,738	27,403
Board expenses	34,222	5,969
Annual report	1,015	363
	66,975	33,735

6 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2022 €	2021 €
Depreciation	1,697	4,946
Operating lease rentals:		
Property	58,360	63,294
Equipment	-	-
Auditor's remuneration (excluding VAT):		
Audit	13,106	13,939
Other services	741	843
Foreign exchange gains or losses	<u>(21,583)</u>	<u>13,202</u>

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

Staff costs were as follows:

	2022 €	2021 €
Salaries and wages	909,269	910,347
Social security costs	99,710	78,089
Employer's contribution to defined contribution pension schemes	17,181	18,820
Termination payments	15,196	4,680
	<u>1,041,357</u>	<u>1,011,936</u>

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

	2022 No.	2021 No.
£60,000 – £69,999	2	3
£70,000 – £79,999	1	-
	<u>3</u>	<u>3</u>

The total employee benefits including pension contributions of the key management personnel were €362,543 (2021: €319,898).

No members of the Board were paid consultancy fees in the year (2021: none).

Board members' expenses represents the payment or reimbursement of travel and subsistence costs totalling €28,834 (2021 €3,102) incurred by 9 (2021: 4) 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 30.42 (2021: 30.17)

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 €28,589 were recharged to Penal Reform International (2021: €26,104).

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 €328,527 were recharged to Penal Reform International during the year (2021 – €349,922)

As at 31 December 2022 Penal Reform International owed €10,664 (2021: €11,071) 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	2,623	2,623
Disposals	-	-
At the end of the year	<u>81,275</u>	<u>81,275</u>
Depreciation		
At the start of the year	77,531	77,531
Charge for the year	1,697	1,697
Disposals	-	-
At the end of the year	<u>79,228</u>	79,228
Net book value		
At the end of the year	<u>2,047</u>	2,047
At the start of the year	<u>1,121</u>	<u>1,121</u>

12 Debtors

	2022 €	2021 €
Accrued income	65,405	169,929
Amounts held by partners	(6,619)	122,721
Prepayments	17,028	26,369
Other debtors	24,698	135,361
	<u>100,512</u>	<u>454,380</u>

13 Creditors: amounts falling due within one year

	2022 €	2021 €
Trade creditors	3,559	29,635
Taxation and social security	16,788	18,041
Other creditors	269,566	147,422
Accruals	42,068	45,113
Deferred income	1,621,423	807,552
	<u>1,953,404</u>	<u>1,047,763</u>

14a Movements in funds (current year)

	At 1 January 2022 €	Income & gains €	Expenditure & losses €	Transfers €	At 31 December 2022 €
Restricted funds:					
Fundraising	-	-	-	-	-
Advocating for Prison and Penal Reform	-	590,220	(590,220)	-	-
Reducing the use of imprisonment	-	270,803	(270,803)	-	-
Prevention of torture, cruel, inhumane or degrading treatment	-	81,244	(81,244)	-	-
Abolition of the death penalty	-	13,575	(13,575)	-	-
Justice for Children	-	220,220	(220,220)	-	-
Women in the Criminal Justice System	-	860,111	(860,111)	-	-
Countering Violent Extremism and Radicalisation Inside Prisons	-	76,545	(76,545)	-	-
Rehabilitation and reintegration	-	13,088	(13,088)	-	-
Health in Prisons	-	59,429	(59,429)	-	-
Total restricted funds	<u>-</u>	<u>2,185,235</u>	<u>(2,185,234)</u>	<u>-</u>	<u>-</u>
Unrestricted funds:					
MENA office	32,322	-	(32,322)	-	-
South Caucasus Office	-	-	-	-	-
General funds	<u>487,852</u>	<u>171,971</u>	<u>(516,487)</u>	<u>-</u>	<u>143,336</u>
Total unrestricted funds	<u>520,174</u>	<u>171,971</u>	<u>(548,809)</u>	<u>-</u>	<u>143,336</u>
Total funds	<u>520,174</u>	<u>2,357,206</u>	<u>(2,734,043)</u>	<u>-</u>	<u>143,336</u>

14b Movements in funds (prior year)

	At 1 January 2021 €	Income & gains €	Expenditure & losses €	Transfers €	At 31 December 2021 €
Restricted funds:					
Fundraising	-	-	-	-	-
Advocating for Prison and Penal Reform	-	1,126,576	(1,126,576)	-	-
Reducing the use of imprisonment	-	351,918	(351,918)	-	-
Prevention of torture, cruel, inhumane or degrading treatment	-	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 Radicalisation Inside Prisons	-	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

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 2022 €	2021 €	Equipment 2022 €	2021 €
Less than one year	26,220	14,702	-	-
One to five years	-	-	-	-
	26,220	14,702	-	-