

Penal Reform International

Report and financial statements
For the year ended 31 December 2023

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

Operational address in 2023

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

Membership Council membership

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

David Fathi, USA	Chair*
Erika Marseille, Netherlands	Treasurer*
Dr Roselyn Karugonjo-Segawa, Uganda	Secretary General*
Dr Catherine Appleton, Norway	Deputy Chair*
Michelle Carpentier, Canada	Membership Council member
Suzanne Jabour, Lebanon	Membership Council member
Paula Litvachky, Argentina	Membership Council member
Dr Dmitry Nurumov, Kazakhstan	Membership Council member (re-appointed in August 2023 for five years)
Prof Robert van Voren, Lithuania	Membership Council member

* Members of the Board, appointed by the Membership Council.

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)

Penal Reform International

Membership Council's 's annual report

For the year ended 31 December 2023

Raoul Nolen	Director of Programme Development (from 1 March 2024)
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 Membership Council.

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
110 Golden Lane
LONDON
EC1Y 0TG

The Membership Council present their report and the audited financial statements for the year ended 31 December 2023.

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. Head office functions are split between London, United Kingdom, and the Hague and Amsterdam, the Netherlands with the Executive Director based in Belgium, since September 2023. PRI has registered branch offices in Amman (Jordan), Astana (Kazakhstan), Bishkek (Kyrgyzstan), Kampala (Uganda), and Tbilisi (Georgia).

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

Although PRI is not a charity registered in the UK, the Membership Council has 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 Articles of Association set out the Association's aims to promote:

- a. The development and application of international human rights regulations in relation to the application and enforcement of criminal law and the execution of criminal sanctions;
- b. The elimination of unfair and unethical discrimination from all forms of criminal justice;
- c. The abolition of the death penalty;
- d. The reduction of imprisonment throughout the world; and
- e. The application of constructive non-custodial sanctions which promote social reintegration, taking into account the interests of victims of crime.

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 2023 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 2023) 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 2023 we focused on and achieved:

- Better integrating the work and experiences of people who have lived/direct experience of criminal justice systems, through the development of PRI's new Group *Experts by Experience*. Furthermore, incorporating our work with the Experts by Experience group, PRI delivered a new project in Armenia which involved bringing people with lived experience to a dialogue with authorities who are responsible for ongoing reforms.
- Integrating and ensuring the needs of minority, racialised and vulnerable groups in criminal justice systems was a key part of much of PRI's work in 2023.
- Women in criminal justice remained a priority and building criminal justice systems that are gender-sensitive were a focus of our work in Uganda, Yemen and Sudan.
- People in prison in conflict and fragile contexts remained a priority for PRI in 2023 with our work continuing and scaling up in Yemen, Sudan and Central African Republic.
- In Central African Republic we published a comprehensive report that detailed the findings of research carried out to assess the status of the prisons and conditions people in prisons face across the country, against the commitments made in the "Demilitarisation of prisons" strategy. The report was published as a tool for all stakeholders to use in forging the path forward.
- To support the knowledge base, understanding and effective approaches for Roma people in criminal justice systems we held a multi-stakeholder roundtable to discuss the unique issues for Roma serving probation. We also worked in Bulgaria to produce rehabilitation programmes (and accompanying training curriculum) with a focus for Roma and young people.
- PRI published a manual for practitioners about promoting non-discrimination in the application and delivery of non-custodial sanctions and measures (targeting European stakeholder).
- Promoting reforms to address the criminalisation of status and poverty, including our active membership and status as Gender focal point for the Global campaign to decriminalise poverty and status.

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

PRI has identified key developments in criminal justice systems globally and contributed to the policy analysis and issued recommendations on Electronic Monitoring, in the area of prison deaths, and worked on developing new guidance on corruption in prisons and allocation of transgender persons in prison. We have continued to address these in 2023 to ensure that persons who enter the criminal justice system have their rights upheld.

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

- Global Prison Trends 2023 edition was published in June 2023, highlighting significant trends in prison systems worldwide, with broad dissemination across multiple platforms and in several languages. This report was presented at various international meetings, helping

to influence global discussions on prison reform. This 2023 edition exposes the impact of economic crises and rising costs of food, transport and energy bills on prison systems, detained persons, and their families. With a record 11.5 million people in prison worldwide and 120 countries operating above capacity, the report shows little progress has been made in moving away from using imprisonment as the 'default' response and towards improved proportionality in sentencing.

- Supported by the University of Nottingham and in collaboration with the prison DEATH initiative, PRI published a second briefing on deaths in prison worldwide, this time focusing on how to conduct human rights-based investigations.
- We co-organised a multi-stakeholder meeting on the human rights implications of electronic monitoring, bringing together diverse stakeholders to discuss challenges and promising practices and toured a monitoring centre in Belgium to gain practical insights.

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 several projects around the world including in Central African Republic where we worked to reduce prison overcrowding through speeding up justice processes (e.g. through a mobile court).
- To promote a rethinking of life imprisonment we published a new policy briefing on informal life imprisonment, a sentence that has received inadequate attention was published based on the work of the "Life Imprisonment Worldwide" project at University of Nottingham and St Olav's University Hospital
- We carried out advocacy for law reform and policy change in all the countries we worked with, advising national authorities on various aspects of their justice systems, working with them to implement practical change and promoting best practice and the implementation of international standards. For example, in Indonesia we worked with the International Legal Foundation and the local NGO, The Institute for Criminal Justice Reform (ICJR), to support the government with development of tools to better monitor the implementation of their relatively new juvenile justice law. We also developed a new assessment tool for staff to use with children in conflict with the law to support greater use of diversion.
- To support people with their justice processes, we facilitated or delivered legal aid programmes in Uganda and Sudan. In Uganda this was accompanied by providing women in prison with mental health support services, and business skills training as well as improving contact with their families (a holistic approach).

- Our work in Yemen with the female police academy continued, including the establishment of a gender-sensitive duty location spaces at police stations to enhance safety and access for women who come to the police for help or due to being in conflict with the law.

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 Armenia, in collaboration with the Netherlands Helsinki Committee (NHC), we have been developing the capacity of the Armenian Ministry of Justice which has included formulating strategies and improving the operational standards of prison and probation services from punitive to rehabilitative approaches. Capacity-building workshops, conducting study visits to the Netherlands and promoting collaboration among justice sector bodies were key activities in 2023 for this multi-year programme.
- We support civil society and National Human Rights Institutions so they can play a greater role in penal reform. For example, capacity building workshops were held for the national council for human rights and local civil society organisations in Algeria, focusing on human rights standards and fair trial guarantees, along with a workshop for local civil societies in Ouargla on managing justice sector work and protecting human rights.
- 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 2023 we continued our work as the Secretariat for the Informal Civil Society Network on Health in Prisons, under the UN Office on Drugs and Crime and expanded the number of members and scope of this work.
- Supporting international mechanisms, including at the United Nations, by submitting information and advocating for their engagement on different issues. For example, we provided significant input to the Special Rapporteur on torture who dedicated her report in late 2023 to prison management.

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:

- In 2023, PRI developed a new group of people with lived experience to support our work. It has members from Ireland, Zambia, UK, Kazakhstan, US and Indonesia, with gender representation and various backgrounds including experience of being a child of an imprisoned parent, prison and probation. A Charter has been co-developed by the group (which contains background information and safeguarding ground rules). This work has been an important step to fulfil PRI's ambition of involving people with lived experience of being in conflict or contact with the law, to support the quality of criminal justice reform in the form of advocacy, research and practical programs. By involving people with lived experience, we will be able to promote practical knowledge and lived experience in addition to theoretical knowledge. PRI started building the global group of experts by experience, to supplement the already existing PRI advisory council. The idea is to build the Global Group in a gradual and participatory manner, to accommodate the essential learning needs of PRI recognizing the novel, sensitive and emotional nature of this type of work.
- In 2023 we were busy developing a new strategy to be launched in 2024 which involved a monitoring and evaluation exercise of PRI's value and way forward. Before identifying strategic goals, we went "go back to the basics", by updating our Theory of Change (TOC) to align it to our strategy. Feedback was sought from a wide range of stakeholders and several workshops across PRI were held. Over 50 people from our external global network of stakeholders, funders, experts, etc. provided insights and input through responding to an online questionnaire. The online consultation with stakeholders included a ranking of priorities with the following top 3 as result: 1) Rehabilitation, reintegration and post-release: 64%; 2) Diversion and non-custodial alternatives: 52%; 3) Children and young adult justice systems: 39%.
- We continued to work across the world including in the regions and countries we are well established in – Sub-Saharan Africa, Central Asia, South Caucasus, Europe and the Middle East and North Africa. We expanded our work to new countries including Indonesia and Bulgaria. We also secured work in new countries through successful fundraising such as Turkey and Libya.
- Expanding our work in fragile and conflict-affected settings, we scaled up our work in Sudan, and despite the conflict erupting again were able to adapt and continue.

Overview of PRI's projects and donors in 2023

2023 projects (and donors)

Funder	Project
Chr. Michelsen Institute – U4	Monitoring guide on corruption in prisons
Cornell University	Makwanyane Defender empowerment project
Council of Europe	European prison rules guidance document
DAI/ Human Dynamics	Provision of Technical Assistance to the Chilungamo (Justice and Accountability) Programme Malawi
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• Enhancing rule of law and people's access to justice in Sudan• Data for Monitoring the Safety of Imprisoned Children Project (Europe)
French Ministry of Foreign Affairs	<ul style="list-style-type: none">• Protecting women victims of gender based violence in Sudan: Inclusive services• Abolition of the Death Penalty
International Development Law Organization (IDLO)	Strengthening gender responsive treatment of women in conflict with the law in Western Uganda
International Penal and Penitentiary Foundation (IPPF)	<ul style="list-style-type: none">• Promoting human rights-based criminal justice systems
Knowledge Management Fund– Knowledge Platform Security & Rule of Law	<ul style="list-style-type: none">• Adding seats to the table: bringing in people with lived experience for criminal justice reform in Armenia
Ministry of Foreign Trade and Development Cooperation, The Netherlands	<ul style="list-style-type: none">• From access to equality (FATE) in Uganda• Empowering local civil society organisations in Algeria to support efforts for reforming the justice sector and promoting human rights• Enhance the role of the female police in Yemen in supporting peace and access to Justice
Norway Grants – Directorate of Norwegian Correctional service	<ul style="list-style-type: none">• Increasing the capacity of staff in prisons, building a pilot prison related to training centre and improvement in the rehabilitation of prisoners (in Bulgaria)
Netherlands Helsinki Committee	Assistance in Implementing strategy of Penal System in Armenia

Optional Protocol to the Convention against Torture (OPCAT)	Promoting human rights of detainees in Kazakhstan through implementation of SPT recommendations
Palestine Government	Develop Monitoring Guidelines for Public Prosecutor over Detention centres (Palestine)
Thailand Institute of Justice (TIJ)	Global Prison Trends
United Nations Children's Fund (UNICEF)	<ul style="list-style-type: none">• Strengthening the capacity of specialists on children's access to justice and monitoring the situation of children's rights in closed institutions• Improving the Treatment of Children in Conflict with the Law in Correctional Facilities in Indonesia• Enhancing & Institutionalizing Judicial Inspection on children's custodial places and other places of emplacement through developed guidelines in Palestine
United Nations Office of Drugs and Crime (UNODC)	<ul style="list-style-type: none">• Protecting prisoners' human rights in the Philippines through capacity building for correctional staff and detention monitoring• Secretariat, UNODC informal CSO group on HIV in prison• Strengthening crime prevention and criminal justice in Uganda
United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic (MINUSCA)	Demilitarisation and Prison Reform in Central African Republic
University of Nottingham	Deaths in Prison

Publications

Key publications from PRI in 2023:

- **Trainer's Manual: Nelson Mandela Rules International Training Programme:** This serves as a guide for trainers conducting a 4-day in-person course on prison standards, developed with the OSCE Office for Democratic Institutions and Human Rights (ODIHR) the curriculum provides practical exercises, guidance notes, and a set of PowerPoint slides, along with additional resources and background information to facilitate various training sessions.
- **Investigating Deaths in Prison: A Guide to a Human Rights-Based Approach:** This guide, developed by PRI and the University of Nottingham, offers critical insight into the human

rights obligations of states to investigate deaths in prisons. It provides practical guidance for prison authorities, policymakers, law enforcement officials, and families of imprisoned people on the essential elements of a human rights-based investigation into prison deaths. It outlines relevant international and regional legal precedents and includes recommendations for establishing an effective investigative system. Additionally, it presents promising practices to encourage authorities to undertake and refine necessary reforms.

- **Global Prison Trends 2023:** This annual flagship report by PRI, published in collaboration with the Thailand Institute of Justice, explores significant trends and challenges in prison systems globally. The 2023 edition highlights the severe impact of economic crises and rising costs of food, transport, and energy on prison systems, detained persons and their families. Despite the adoption of the Kyoto Declaration and the UN Common Position on Incarceration, the report reveals that with a record 11.5 million people imprisoned worldwide and 120 countries operating prisons over capacity, there has been minimal progress in reducing the reliance on imprisonment.
- **Guidance Document on the European Prison Rules:** This comprehensive guidance supports implementation of the European Prison Rules adopted by the Council of Europe (and recently revised). It serves as a reference for legislation review, policy development, and training across Europe. It aids various stakeholders including legislators, prison staff, monitoring bodies and NGOs incorporating international insights and examples of promising practices from member states to illustrate implementation of standards, inspire solutions, generate new thinking and point to new tools and resources.
- **Judicial Practice of Applying Custodial and Alternative Non-custodial Measures of Restraint and Sentences in Georgia:** This report, written in Georgian language, has been produced through the collaborative efforts of the Institute of Democracy and Justice (IDJ) and PRI, under the EU-funded project, "Post-pandemic situation monitoring in the penitentiary system" managed by the Netherlands Helsinki Committee. It assesses the impact of recent legislative, policy, and practical reforms within Georgia's justice sector.
- **Country Report on the Implementation of the National Demilitarisation Strategy in Prison Establishments in the Central African Republic:** This publication documents the progress and challenges associated with the implementation of the "National Strategy for the Demilitarisation of Prison Establishments" in the Central African Republic, developed in collaboration with the United Nations Multidimensional Integrated Stabilisation Mission in the Central African Republic (MINUSCA) and Penal Reform International (PRI). The report includes an executive summary of key findings from the study conducted between April and May 2023, assessing the relevance, degree of implementation, impact of interventions, and barriers faced in the demilitarisation of prisons as part of the Justice Sector Policy 2020-2024.

- **Brochure: Children's Rights and State of Emergency:** This brochure targeting authorities in Kazakhstan was produced to enhance awareness about children's rights and their responsibilities, and the critical role adults play in safeguarding these rights. It provides guidance on appropriate actions to take in cases of child detention in contexts where a state of emergency is announced. It was produced as part of the project "Strengthening the Capacity of Specialists on Children's Access to Justice and Monitoring the Situation of Children's Rights in Closed Institutions". (Available in Kazakh and Russian)
- **Discussion Guide: Roma and Non-Custodial Sanctions:** The paper presents findings from a study on the accessibility and experience of non-custodial sanctions and measures for Roma individuals in Europe, produced as part of the 'PRI Alt Eur: Promoting non-discriminatory alternatives to imprisonment in Europe' project.
- **Manual for Practitioners: Promoting Non-Discrimination in Non-Custodial Sanctions and Measures:** This manual was designed to aid criminal justice practitioners in applying community-based measures effectively and equitably, particularly towards minority or marginalised groups, or those vulnerable due to personal characteristics or circumstances. It discusses international standards and the practical challenges of delivering non-custodial sanctions to individuals with mental health issues or minority backgrounds. The manual also suggests actionable steps for justice professionals to ensure non-discrimination throughout the justice system.

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 a member of staff in Uganda who is a specialist 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 2023 we embarked on developing PRI's new strategy (to be launched in 2024) and as part of this we have recognised that the monitoring and evaluating of our current strategy has not been adequate. This gap – due to capacity and lack of expertise in PRI – has been identified as a priority for the Management Team as we enter into a new phase for the organisation. In 2023, we re-introduced quarterly reports so that we can monitor and track our progress against comparable data and this was the first step to improving our MEL capacities.

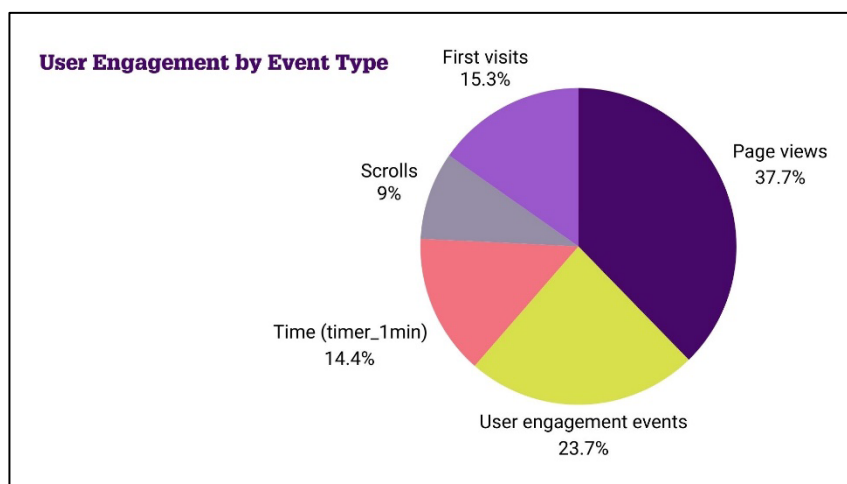
Information and communications

In 2023 our communications capacity increased through the addition of a new staff member – a Communications Officer – hired for the Data Mosaic project (Europe programme), and to support organisational communications work. This enabled us to be more strategic, particularly with website engagement and social media.

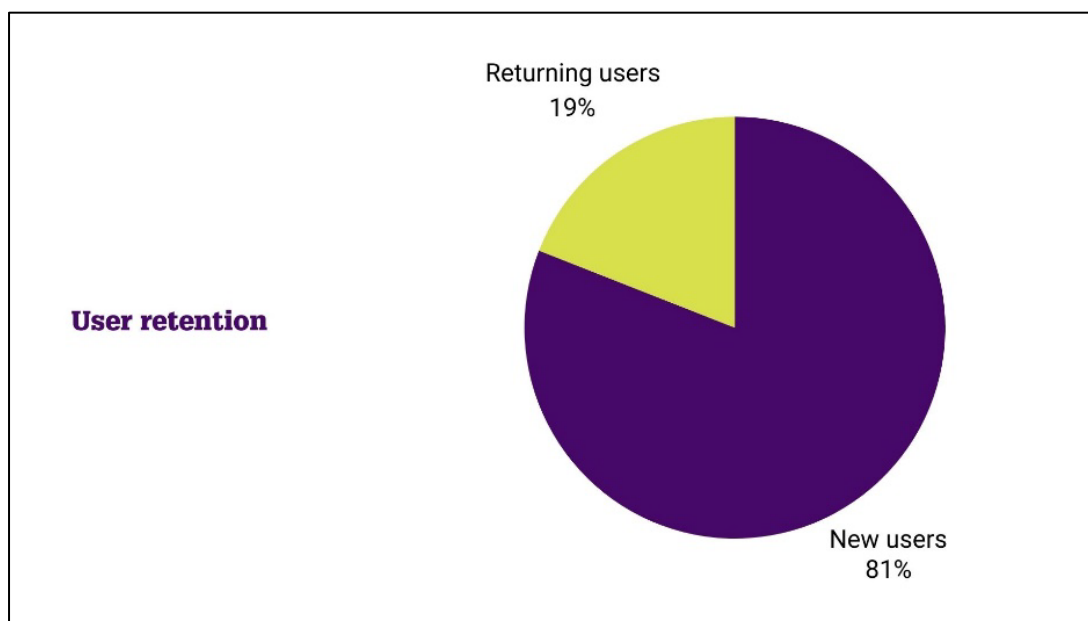
Website Engagement and User Behaviour

In 2023, the website recorded a total of 210,000 page views with a total of 85,917 unique users. The average number of page views per user was 9.58, demonstrating a high level of engagement with the website content, meaning that on average, each user viewed approximately 9.58 pages on

the site. This number suggests a relatively high level of user engagement, as users are navigating to multiple pages during their visits.



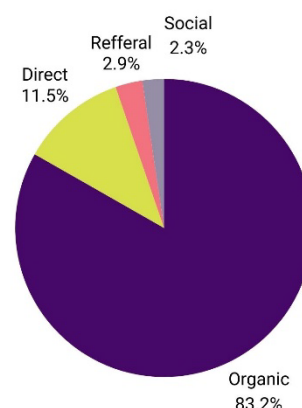
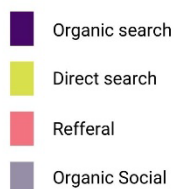
Furthermore, users actively interacted with the website, as indicated by 823,170 recorded events. Notably, a significant amount of time was spent on the website, with over 79,000 instances of users staying for at least a minute, pointing to sustained interest in the site's content. First-time visits occurred 85,081 times, aligning with the number of new users. The most compelling user interaction was resource downloads, with nearly 12,000 instances, **indicating these resources are a critical asset for engagement and a principal point of interaction for the users involved.**



The website's visibility in search engines was evident through the predominant inflow of users via organic search, leading to the majority of the sessions

being generated by pure and intended interest in the thematic areas we work on. The top landing pages with the highest number of sessions include content related to **prison overcrowding, solitary confinement and crimes related to gender-based violence**, among others, suggesting these topics were highly relevant to the audience. These subjects not only drew the highest number of sessions but also signalled the content areas where the website had the most substantial impact.

Organic users by channel on website



Blog Engagement Overview

In the year 2023 we continued providing in-depth insights and expertise through our blog series, gathering a total of **45,396 views** across all blog content.

12 expert blogs were published in 2023, attracting 971 views for the year's content. The topics addressed maintained our focus on critical issues such as **juvenile justice, the role of probation in mental health support, the impacts of economic crises on detention conditions, climate-conscious penal reform, and the effects of punitive drug policies**, among others.

The overall blog reach indicates sustained engagement with our audience, reflecting the ongoing relevance and influence of our content within the field.

Social Media

Twitter Engagement and Growth

In 2023, our Twitter strategy focused on deepening engagement and enhancing the quality of our connections. 2023 saw an audience increase of 143 followers, marking approximately a 2.36% increase.

The shared content's reach extended, garnering more than 85,000 impressions. The impressions generated underscore the resonance of our messaging, reflecting successful content strategies and an understanding of the audience's preference. It also suggests effective utilisation of trending topics, hashtags, and community engagement practices that amplified our visibility on the platform.

LinkedIn

LinkedIn platform witnessed both reach and follower growth in 2023. There has been an expansion of our organic reach, with over 84,000 impressions.

Page views on our LinkedIn page totalled an impressive 4,270. There was an increase of 1,269 new followers, representing the potential for leveraging this network for advocacy, partnerships, and community engagement.

Metrics on publications

In 2023, the metrics on publications noted a significant level of user interaction with downloadable content. There was a total of 12,077 instances where resources were downloaded by 8,063 distinct users. This suggests each resource being downloaded on average 1.5 times per user.

The total file downloads (including all resources, presentation in all languages) amounted to 19,902 across approximately 11,000 users. This activity spanned over 200 resources available on the website, which were published in various years. The average downloads per user stand at around 1.8, which is indicative of users taking interest in multiple publications.

These figures highlight the importance of the website's resources to its audience, reflecting the user base's engagement and the utility of the content offered. The diversity of the resources and their continued relevance to new and returning visitors also suggest the value they find in the website's repository of information.

Beneficiaries of our work

PRI's end beneficiaries' are people of all genders and ages 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, probation systems, police forces, judges, prosecutors and lawyers, and any other stakeholder that is working within or influencing the criminal justice systems. 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. Furthermore, in 2023, we took significant strides in meaningfully involving people with lived experience in our work, as explained in more detail above.

Financial review

During the year under review there was a total surplus of €397,088 (2022 €376,838 deficit) on the unrestricted funds. The operating surplus was €451,169 with a foreign exchange loss of €54,081.

The significant surplus is mostly due to PRI receiving a substantial unrestricted grant during the last quarter of 2023. Consequently, a large proportion of this surplus has been designated for use in 2024 as part of PRI's leading role, in partnership with Open Society Foundations, in the Global Campaign to Decriminalise Poverty and Status. The designated funds (€301,545) are shown separately on the balance sheet.

Organisational income was €3.77m, an increase of 60% compared to 2022 (€2.36m). 2023 was a positive year for PRI, with PRI owing so much to its dedicated staff who continue to work in some very challenging environments.

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

PRI also secured significant funding from the French Ministry of Foreign Affairs and the European Union for large projects in Sudan. Further funding was also secured from the UN peacekeeping mission, UN MINUSCA, for the work on demilitarisation of the prison system in the Central African Republic.

PRI continued to grow its Europe programme, mostly funded by the European Commission (EC) and secured further funding from the EC for another project which will continue into 2026.

PRI is launching a new strategic plan in 2024 and will continue to work closely with all donors and stakeholders to achieve the ambitions set out within the 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 and impact the way we operate or work in certain regions and countries.

As of 31st December 2023 the association held reserves totalling €540,424, of which €238,879 were free reserves and €301,879 were designated for use in 2024 (2022 €143,336).

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

Membership Council's annual report

For the year ended 31 December 2023

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

PRI's unrestricted reserves are almost at the level of the lower threshold, although a significant proportion of the reserves are designated for use in 2024.

Principal risks and uncertainties

PRI has a risk register, which was reviewed and updated last in June 2023. This identifies the major internal risks (for which we have procedures and policies to implement and monitor) and external risks for the organisation, including:

- Conflicts and unrest: this has been an ongoing risk in many of the regions we work, where the situation is very volatile, for example as seen in 2023 in Sudan (where we had just scaled up our work) and in Gaza, which led to the cancellation of project activities in the West Bank due to the war. Also, in Central African Republic, Yemen and in parts of South Caucasus where our operations are impacted. This is a risk outside our control but our close relationship with donors, partners including UN and international actors, government embassies and NGOs in the countr(ies) concerned means that in most cases we can continue our work when we are not able to do so directly (for example in Sudan). However, where the situation becomes too difficult, we are required to pause or suspend operations until the situation is resolved. We also adapt our projects, like we did in Sudan in 2023, if the donor agrees and PRI can continue to deliver.
- 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).
- 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.
- 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 2023, the last year of the current strategy, PRI showed that it remains at the forefront of penal reform and criminal justice change. Building on recent history with the COVID-19 pandemic and an increase in armed conflict globally, PRI showed it is agile and can play an important role in crisis situations. PRI is currently in the process of finalising its new strategy for launch in 2024.

We continue to forge new partnerships, leading to new areas of work such as on corruption in prisons, discrimination of Roma people, electronic monitoring – and also in new countries where PRI's value in bringing practical, pragmatic approaches to difficult challenges is welcomed and needed.

Structure, governance and management

PRI's governing document is its Articles of Association, which set out its objectives, mission and powers as a registered Association in the Netherlands. The Articles of Association also set out the arrangements for the appointment of Membership Council members and their duties and competencies.

In 2023 PRI carried out a full review of its Articles of Association, in consultation with Baker McKenzie Amsterdam NV. The objective of the review was to clarify the decision-making processes and roles of the supervisory bodies, and to ensure full compliance with current Dutch legislation. The review established that the Articles were already largely compliant and that only two small amendments were necessary to bring them fully in line with the Management and Supervision of Legal Entities Act 2021. Some of the terminology was changed to reflect more clearly the roles of the supervisory bodies: the Membership became the Global Assembly; the General Board became the Membership Council; and the Executive Board became the Board. Approval of the appointment of the external auditors and approval of the current year's budget both changed from being the responsibility of the Membership Council to being the responsibility of the Board. Three small administrative amendments were also made. At its meeting in Amsterdam on 14 June 2023 PRI's Membership Council approved the adoption of the restated Articles of Association which were subsequently executed by notarial deed and came into effect on 7 July 2023.

In 2023, the Membership Council consisted of nine members, with a balanced representation of the different regions of the world. The Membership Council holds the powers and responsibilities set out in the Dutch Civil Code. It approves the annual report and audited financial statements of the Association. It elects the officers (Chair, Treasurer and Secretary General) and their deputy officers from its membership and these officers constitute the Board. It is authorised to approve amendments to the Articles of Association, the dissolution of the Association, and the organisational strategy.

Membership Council's annual report

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The Board meets at least three times a year and provides guidance and direction for ongoing activities. It is responsible for the appointment and supervision of the Executive Director; it reviews the annual report and financial statements of the previous financial year and refers these to the Membership Council for approval; it approves the appointment of the external auditor and the budget for the current year. The Membership Council may delegate all or part of its powers to the Board, in so far as compliant with the provisions of Dutch law.

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

Appointment of the Membership Council

The Membership Council is elected by the Global Assembly. When there is a vacancy(ies) on the Membership Council, members are informed by the Board of forthcoming elections and given the opportunity to nominate themselves as Membership Council members. Candidates' details, information about the election and ballot papers are sent to the members, who have fourteen days to complete and return the ballot paper to the Board. Each member of the Association has one vote and the candidate(s) receiving most valid votes is/are elected.

Membership terms on the Membership Council are limited to five years and a Membership Council member may be re-appointed for one further five-year term only. One Membership Council member was re-appointed for a second and final term in 2023.

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 Membership Council

The Articles of Association require the Membership Council 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 Membership Council should follow best practice and:

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent

Membership Council's annual report

For the year ended 31 December 2023

- 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 Membership Council's annual report has been approved by the Membership Council at the Membership Council meeting on 13 June 2024 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 2023 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 2023 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 Membership Council'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 Membership Council's 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 Membership Council's annual report, other than the financial statements and our auditor's report thereon. The Membership Council 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 Membership Council

As explained more fully in the statement of responsibilities of the Membership Council set out in the Membership Council's annual report, the Membership Council 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 Membership Council 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 Membership Council 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 Membership Council 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,

Independent auditor's report

To the members of

Penal Reform International

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.
- 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

Independent auditor's report

To the members of

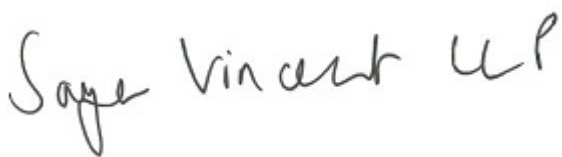
Penal Reform International

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.

A handwritten signature in dark ink, reading "Sayer Vincent LLP". The signature is written in a cursive, flowing style.

Jonathan Orchard (Senior statutory auditor)

20 June 2024

for and on behalf of Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TG

Penal Reform International

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

For the year ended 31 December 2023

	Note	Unrestricted €	Restricted €	2023 Total €	Unrestricted €	Restricted €	2022 Total €
Income from:							
Donations and legacies	2	622,716		622,716	171,559		171,559
Activities	3						
Advocating for Prison and Penal Reform		–	639,303	639,303	–	590,220	590,220
Reducing the use of imprisonment		–	258,457	258,457	–	270,803	270,803
Prevention of torture, cruel, inhumane or degrading treatment		–	53,577	53,577	–	81,244	81,244
Abolition of the death penalty		–	98,249	98,249	–	13,575	13,575
Justice for Children		–	368,087	368,087	–	220,220	220,220
Women in the Criminal Justice System		–	1,400,150	1,400,150	–	860,111	860,111
Countering Violent Extremism and Radicalisation Inside Prisons		–	20,749	20,749	–	76,545	76,545
Rehabilitation and reintegration			156,052	156,052		13,088	13,088
Health in Prisons		–	146,040	146,040	–	59,429	59,429
Investments		4,647	–	4,647	412	–	412
Other		281	–	281	–	–	–
Total income		627,644	3,140,664	3,768,308	171,971	2,185,234	2,357,205
Expenditure on:							
Raising funds	4	96,455	–	96,455	85,649	–	85,649
Activities							
Advocating for Prison and Penal Reform	4	16,289	639,303	655,592	119,267	590,220	709,487
Reducing the use of imprisonment	4	6,585	258,457	265,042	54,722	270,803	325,525
Prevention of torture, cruel, inhumane or degrading treatment	4	1,365	53,577	54,942	16,418	81,244	97,662
Abolition of the death penalty	4	2,503	98,249	100,752	2,743	13,575	16,318
Justice for Children	4	9,378	368,087	377,465	44,500	220,220	264,720
Women in the Criminal Justice System	4	35,674	1,400,150	1,435,824	173,805	860,111	1,033,916
Countering Violent Extremism and Radicalisation Inside Prisons	4	529	20,749	21,278	15,468	76,545	92,013
Rehabilitation and reintegration		3,976	156,052	160,028	2,645	13,088	15,733
Health in Prisons		3,721	146,040	149,761	12,009	59,429	71,438
Total expenditure		176,475	3,140,664	3,317,139	527,226	2,185,234	2,712,461
Net expenditure for the year	9	451,169		451,169	(355,255)		(355,256)
Foreign exchange gain/(loss)		(54,081)	–	(54,081)	(21,583)	–	(21,583)
Net movement in funds		397,088		397,088	(376,838)		(376,838)
Total funds brought forward		143,336	–	143,336	520,174	–	520,174
Total funds carried forward	14	540,424		540,424	143,336		143,336

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

Balance sheet

As at 31 December 2023

	Note	€	2023 €	€	2022 €
Fixed assets:					
Tangible assets	11		13,146		2,047
			<u>13,146</u>		<u>2,047</u>
Current assets:					
Debtors	12	404,679		100,514	
Cash at bank and in hand		3,140,221		1,994,178	
		<u>3,544,900</u>		<u>2,094,692</u>	
Liabilities:					
Creditors: amounts falling due within one year	13	(3,017,624)		(1,953,404)	
Net current assets			<u>527,276</u>		<u>141,288</u>
Total net assets			<u><u>540,424</u></u>		<u><u>143,336</u></u>
The funds of the association:	14				
Restricted income funds			-		-
Designated funds		301,545			
General funds		<u>238,879</u>		<u>143,336</u>	
Total unrestricted funds			<u>540,424</u>		<u>143,336</u>
Total funds			<u><u>540,424</u></u>		<u><u>143,336</u></u>

Approved by the board on 13 June 2024 and signed on their behalf by



Erika Marseille
Treasurer



David Fathi
Chair

Statement of cash flows

For the year ended 31 December 2023

	Note	2023		2022	
		€	€	€	€
Cash flows from operating activities					
Net expenditure for the reporting period (as per the statement of financial activities)		451,169		(355,255)	
Depreciation charges		2,626		1,697	
Dividends, interest and rent from investments		(4,647)		(412)	
(Increase)/decrease in debtors		(304,167)		353,868	
Increase in creditors		1,064,220		905,641	
Net cash used in operating activities		1,209,201		905,539	
Cash flows from investing activities:					
Dividends, interest and rents from investments		4,647		412	
Loss on disposal of fixed assets		–		–	
Purchase of fixed assets		(13,724)		(2,623)	
Disposals		–		–	
Loss on disposal of fixed assets		–		–	
Net cash provided by / (used in) investing activities		(9,077)		(2,211)	
Change in cash and cash equivalents in the year		1,200,124		903,329	
Cash and cash equivalents at the beginning of the year		1,994,178		1,112,432	
Change in cash and cash equivalents due to exchange rate movements		(54,081)		(21,583)	
Cash and cash equivalents at the end of the year		3,140,221		1,994,178	

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. As planned, the association increased its reserves during 2023, although a significant proportion of the reserves are designated for use in 2024, the free reserves also increased during the year.

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. Restricted income is recognised at the point that the funds are spent and where appropriate is deferred to future years until the funds are spent. Unrestricted income is recognised in full upon receipt of funds. 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	7.8%
● Advocating for Prison and Penal Reform	18.8%
● Reducing the use of imprisonment	7.6%
● Prevention of torture, cruel, inhumane or degrading treatment	1.6%
● Abolition of the death penalty	2.9%
● Justice for Children	10.8%
● Women in the Criminal Justice System	41.1%
● Countering Violent Extremism and Radicalisation Inside Prisons	0.6%
● Rehabilitation and reintegration	4.6%
● Health in Prisons	4.3%

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 €	2023 Total €	Unrestricted €	Restricted €	2022 Total €
Small donations	6,902	–	6,902	6,804	–	6,804
Great Britain China Centre	2,328	–	2,328	–	–	–
Open Society Foundations	297,567	–	297,567	108,674	–	108,674
Linklaters LLP	23,166	–	23,166	47,080	–	47,080
Rockefeller Philanthropy Advisors	254,597	–	254,597	–	–	–
DAI Global	11,100	–	11,100	9,000	–	9,000
Directorate of Norwegian Correctional service	27,056	–	27,056	–	–	–
	622,716	–	622,716	171,559	–	171,559

3 Income from activities

	Unrestricted €	Restricted €	2023 Total €	Unrestricted €	Restricted €	2022 Total €
Dutch Embassy – Yemen	–	571,500	571,500	–	375,835	375,835
European Union	–	767,125	767,125	–	421,723	421,723
Foreign and Commonwealth Office	–	–	–	–	64,970	64,970
UNODC	–	229,998	229,998	–	16,270	16,270
UN Democracy Fund	–	–	–	–	42,485	42,485
Thai Institute of Justice	–	81,526	81,526	–	97,490	97,490
Council of Europe	–	21,031	21,031	–	6,789	6,789
Dutch Ministry of Foreign Affairs	–	185,186	185,186	–	142,521	142,521
OPCAT (Optional Protocol to the Convention	–	27,528	27,528	–	–	–
CMI (CHR. Michelsen Institute)	–	7,723	7,723	–	–	–
KMF (Knowledge Management Fund)□	–	2,679	2,679	–	–	–
MINUSCA	–	268,101	268,101	–	329,471	329,471
UNICEF	–	97,468	97,468	–	47,536	47,536
A4ID Advocates for International Developme	–	–	–	–	4,032	4,032
Democratic Governance Facility (DGF)	–	–	–	–	90,720	90,720
Avocats sans Frontieres	–	287,273	287,273	–	188,885	188,885
The International Penal and Penitentiary Four	–	65,827	65,827	–	20,145	20,145
Liechtenstein office Foreign Affairs	–	–	–	–	14,565	14,565
Canadian MFA	–	–	–	–	35,085	35,085
Palestine Government	–	7,987	7,987	–	8,877	8,877
The Netherlands Helsinki Committee	–	29,042	29,042	–	56,037	56,037
French Embassy, Sudan	–	263,341	263,341	–	74,423	74,423
Nottingham University	–	17,982	17,982	–	24,827	24,827
International Development Law Organisation (IDLO)	–	121,390	121,390	–	122,549	122,549
Cornell University Law School	–	87,955	87,955	–	–	–
Total income from activities	–	3,140,662	3,140,662	–	2,185,235	2,185,235

4 Resources expended

	Direct costs €	Support & Governance costs €	2023 Total €	Direct costs €	Support & Governance costs €	2022 Total €
Raising funds	89,645	6,810	96,455	82,042	3,607	85,649
Activities						
Advocating for Prison and Penal Reform	639,303	16,289	655,592	590,220	119,267	709,487
Reducing the use of imprisonment	258,457	6,585	265,042	270,803	54,722	325,525
Prevention of torture, cruel, inhumane or	53,577	1,365	54,942	81,244	16,418	97,662
Abolition of the death penalty	98,249	2,503	100,752	13,575	2,743	16,318
Justice for Children	368,087	9,378	377,465	220,220	44,500	264,720
Women in the Criminal Justice System	1,400,150	35,674	1,435,824	860,111	173,805	1,033,916
Countering Violent Extremism and	20,749	529	21,278	76,545	15,468	92,013
Rehabilitation and reintegration	156,052	3,976	160,028	13,088	2,645	15,733
Health in Prisons	146,040	3,721	149,761	59,429	12,009	71,438
	3,230,309	86,830	3,317,139	2,267,277	445,184	2,712,461

5 Governance costs

	2023 Total €	2022 Total €
Audit and accountancy fees	29,298	31,738
Board expenses	31,950	34,222
Annual report	792	1,015
	62,040	66,975

6 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2023 €	2022 €
Depreciation	2,626	1,697
Operating lease rentals:		
Property	87,023	58,360
Equipment	-	-
Auditor's remuneration (excluding VAT):		
Audit	15,728	13,106
Other services	1,828	741
Foreign exchange gains or losses	(54,081)	(21,583)

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

Staff costs were as follows:

	2023 €	2022 €
Salaries and wages	917,221	909,269
Social security costs	104,366	99,710
Employer's contribution to defined contribution pension schemes	16,156	17,181
Termination payments	667	15,196
	1,038,410	1,041,357

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

	2023 No.	2022 No.
£60,000 – £69,999	3	2
£70,000 – £79,999	1	1
£80,000 – £89,999	1	

The total employee benefits including pension contributions of the key management personnel were €377,680 (2022: €362,543).

No members of the Board were paid consultancy fees in the year (2022: none).

Board members' expenses represents the payment or reimbursement of travel and subsistence costs totalling €21,273 (2022 €28,834) incurred by 8 (2021: 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 30 (2022: 30.42)

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 €30,329 were recharged to Penal Reform International (2022: €28,589).

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 €306,369 were recharged to Penal Reform International during the year (2022 – €328,527)

As at 31 December 2022 Penal Reform International owed €7,981 (2022: €10,664) 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	81,275	81,275
Additions in year	13,724	13,724
Disposals	–	–
At the end of the year	94,999	94,999
Depreciation		
At the start of the year	79,228	79,228
Charge for the year	2,626	2,626
Disposals	–	–
At the end of the year	81,854	81,854
Net book value		
At the end of the year	13,146	13,146
At the start of the year	2,047	2,047

Notes to the financial statements

For the year ended 31 December 2023

12 Debtors	2023 €	2022 €
Accrued income	111,755	65,405
Amounts held by partners	229,147	(6,619)
Prepayments	19,067	17,028
Other debtors	44,710	24,698
	<u>404,679</u>	<u>100,512</u>

13 Creditors: amounts falling due within one year	2023 €	2022 €
Trade creditors	13,823	3,559
Taxation and social security	38,794	16,788
Other creditors	295,606	269,566
Accruals	53,557	42,068
Deferred income	2,615,844	1,621,423
	<u>3,017,624</u>	<u>1,953,404</u>

14a Movements in funds (current year)

	At 1 January 2023 €	Income & gains €	Expenditure & losses €	Transfers €	At 31 December 2023 €
Restricted funds:					
Fundraising	-	-	-	-	-
Advocating for Prison and Penal	-	639,303	(639,303)	-	-
Reducing the use of imprisonment	-	258,457	(258,457)	-	-
Prevention of torture, cruel, inhumane	-	53,577	(53,577)	-	-
Abolition of the death penalty	-	98,249	(98,249)	-	-
Justice for Children	-	368,087	(368,087)	-	-
Women in the Criminal Justice System	-	1,400,150	(1,400,150)	-	-
Countering Violent Extremism and	-	20,749	(20,749)	-	-
Rehabilitation and reintegration	-	156,052	(156,052)	-	-
Health in Prisons	-	146,040	(146,040)	-	-
Total restricted funds	-	3,140,664	(3,140,664)	-	-
Unrestricted funds:					
MENA office		-	-	-	-
Decriminalisation campaign	-	-		301,545	301,545
General funds	143,336	627,644	(230,556)	(301,545)	238,879
Total unrestricted funds	143,336	627,644	(230,556)	-	540,424
Total funds	143,336	3,768,308	(3,371,220)	-	540,424

PRI has designated €301,545 to be used for activities in 2024 relating to the global campaign to decriminalise poverty

14b Movements in funds (prior 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	-	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	-	2,185,234	(2,185,234)	-	-
Unrestricted funds:					
MENA office	32,322	-	(32,322)	-	-
South Caucasus Office	-	-	-	-	-
General funds	487,852	171,971	(516,487)		143,336
Total unrestricted funds	520,174	171,971	(548,809)	-	143,336
Total funds	520,174	2,357,205	(2,734,043)	-	143,336

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 2023 €	2022 €	Equipment 2023 €	2022 €
Less than one year	26,535	26,220	-	-
One to five years	-	-	-	-
	26,535	26,220	-	-