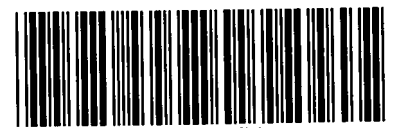


# Open Rights

Report and Accounts

31 October 2013

TUESDAY



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**Open Rights**  
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**31 October 2013**

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**Open Rights  
Company Information  
31 October 2013**

**Directors**

James Cronin  
Simon Phipps  
Alec Muffett  
Maria Farrell  
Harry Metcalfe  
Ben Laurie  
Milena Popova  
Owen Blacker  
John Elliott

**Secretary**

James Cronin

**Accountants**

Urban Ledgers Ltd  
14 Thornhill Square  
London  
N1 1BQ

**Bankers**

Cooperative Bank plc  
PO Box 101  
1 Balloon Street  
Manchester  
M60 4EP

**Company number** 05581537

## **Open Rights**

### **Report of the Board of Directors for the year ended 31 October 2013**

#### **Principal activities**

The principal activities of Open Rights (which trades as the Open Rights Group or ORG) are:-

- To raise awareness of digital rights matters in the media, with policy makers and with the general public.
- To preserve and extend civil, human and consumer rights in the digital environment.
- To nurture and assist a community of campaigning volunteers. .

This is achieved by, among other things: the organisation of grassroots campaigns; lobbying politicians and policy makers; the provision of a media clearinghouse service; and the publication of research and white papers.

#### **Financial results for the year**

The financial results for the year are set out on page 6.

#### **Overview**

In the year to 31 October 2013, Open Rights Group continued to grow both in terms of supporters and overall income, allowing us to significantly develop our campaigning.

In addition to continued campaigning on reform of copyright laws, data protection regulations, and open data, ORG achieved a major success in our campaign against the Communications Data Bill, which was dropped. However, the year was dominated by revelations of mass digital surveillance by the security agencies of both the UK and the USA (often known as the Edward Snowden revelations, referring to the man who leaked details of the programmes). In response, ORG has developed a major campaign against these surveillance programmes, with backing from two grant making trusts. The multi-stranded campaign will be developed further in 2013-14.

For the second year in a row, over 350 supporters and activists attended ORGCon, ORG's annual conference, held in June 2013. In addition, ORG staged a smaller conference away from London, ORGCon North. These events, along with other activities, helped us to substantially increase the number of paying supporters and donations, further details of which are included on page 3. We are grateful to all our supporters for their contribution.

At the end of the year ORG had three full-time and four part-time staff based in London, and an increased number of volunteers organising activities in groups around the country.

#### **Campaigns**

##### *Filtering and online censorship*

The government was pushing for 'default' filters that people would have to switch off. By December 2012, the Department for Education had rejected default filtering (switch on without consent) noting a large majority of people objecting to the effects of filtering. However, this did not end campaigns for defaults. Government deliberately conflated calls for filtering of pornography with concern over child abuse. ORG became the main UK expert voice, because of our evidence, campaigning and complaints service.

##### *Error 451*

Error 451 is a suggested web error code like "404" to indicate censorship takes place. An error page would state that the material is "Unavailable for legal reasons". ORG started documenting UK copyright blocking in order to establish legal transparency. The website caught global attention.

##### *Data protection*

ORG visited MEPs and ran a major campaign, nakedcitizens.eu to stop the new data protection regulation from being watered down.

##### *Mass surveillance*

The first half of 2013 saw us fight the draft Communications Data Bill, where we helped get it pushed to a scrutiny committee at which we gave oral evidence. The committee was highly critical, reporting in December 2012. By June 2013 the Liberal Democrats had forced the Bill to be dropped due to the report and public campaigning.

## **Open Rights**

### **Report of the Board of Directors for the year ended 31 October 2013 (Continued)**

#### *Copyright reform*

The year's work also included support for changes to copyright law to enable format shifting and parody. Although these did not materialise by the end of 2013, they are expected in 2014.

In 2012 we challenged Goldeneye's right to user data for copyright infringement claims in court, and although we were unsuccessful on this occasion this signals a significant step to ORG becoming a more legally active organisation: we expect to make more challenges through the courts in future, and are increasing legal resources and funding to allow this.

#### *ECHR Legal challenge to PRISM, Tempora and UK law*

Together with English Pen, Constanze Kurz and Big Brother Watch, ORG is challenging UK law at the European Court of Human Rights (ECHR), saying that is not clear that RIPA could be used to authorise mass surveillance. It does not pass the test of being 'in accordance with the law'. ORG produced the website and ran the costs fundraising campaign, raising £27,000 in three days. If successful the challenge will force the UK to rewrite the law.

#### **Future plans**

ORG intends to develop its legal capacity, communications and campaigns, and technical projects. From being primarily a policy body, we intend to defend and extend digital rights through legal challenges to help people enforce their rights, technical projects that defend privacy, or expose abuse and help people complain when their rights are infringed.

We expect the ECHR challenge sometime in 2014 or 2015.

#### **Financial situation**

Open Rights Group's income grew substantially for the fourth successive year and, at a total of over £290,000, grew over 20 per cent compared with one year earlier and is almost double what it was three years earlier. Supporter donations and gifts grew slightly more than grant income, preserving the balance of income between grants from grant making trusts (50 per cent of income) and individual donations (46 per cent). Other income, amounting to over £12,000 came mostly from the two ORGCon conferences held during the year. ORG is very appreciative of the individuals and grant-giving bodies who have funded our work.

We received grant funding from four trusts. The Open Society Foundations (OSF) renewed their funding, for a further two years from March 2013. In addition, OSF provided a grant of \$24,900 (£15,736) for a short project on Data Protection carried out in April – May 2013, and a grant of just over \$47,000 for a one-year project on Open Data and Privacy starting in September 2013, of which £4,789 fell in this accounting year. OSF (formerly Open Society Institute) has funded us every year for over six years. ORG received two consecutive grants from the Joseph Rowntree Reform Trust (JRRT), totaling £42,822 in the year. Sigrid Rausing Trust funding towards core activities continued, at £30,000. Finally the Oak Foundation gave us an informal one-off grant of £10,000.

Activities aimed at recruiting new paying supporters together with widespread concern about mass digital surveillance contributed to a surge in support: the number of regular donors increased by over 30 per cent to 1905 in the year to 31 October 2013. These supporters predominantly donate monthly, typically £5 or £10 a month by direct debit, standing order or PayPal. One-off donations totalled nearly £25,000, including a generous donation of £15,000 from the Charles Dunstone Charitable Trust, and £5,174 towards the 'Goldeneye' legal intervention. In addition, during October 2013 we received donations totalling over £28,000 specifically for a legal challenge against government surveillance programmes (under the banner 'Privacy not Prism'). This fundraising campaign continued into the following financial year, and as the donations were raised to finance a future initiative, these funds (after deduction of donation processing charges) are included in the total for Funding received in advance on the Balance Sheet.

## **Open Rights**

### **Report of the Board of Directors for the year ended 31 October 2013 (Continued)**

#### **Financial situation (continued)**

Increased support and income enabled us to increase our output, which resulted in a matching increase in costs, to over £290,000 for the year. By far the largest cost remains expenditure on salaries, which increased by around £24,000, partly as a result of the recruitment of a new part-time member of staff and increased hours worked by other part-time employees. Other expenditure also increased, for example major website improvements increased our website expenditure to nearly £8,000, the Goldeneye legal challenge added £5,000 to accounting and legal costs, and public event costs up from around £2,400 to over £11,300, reflecting increased engagement with the public on a range of campaign issues.

As a result, ORG incurred a small loss in the year to 31 October 2013, amounting to £1,586. This reduced reserves to £36,885. We believe we can build up reserves in future in line with increased income, without compromising our core campaigning objectives.

#### **Directors' remuneration**

Directors of Open Rights are volunteers and none received remuneration for their services during this year.

#### **Company status**

The company is limited by guarantee and all members have agreed to contribute a sum not exceeding £1 in the event of a winding up. Number of guarantors at 31 October 2013 – three.

#### **By order of the Board**



.....  
**Harry Metcalfe, Director**

**Open Rights  
Accountants' Report  
31 October 2013**

**Accountants' Report to the Directors of Open Rights**

You consider that the company is exempt from audit for the year ended 31 October 2013. You have acknowledged, on the balance sheet, your responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of the accounts. These responsibilities include preparing accounts that give a true and fair view of the state of affairs of the company at the end of the financial year and its profit or loss for the financial year.

In accordance with your instructions, we have prepared the accounts which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the accounting records of the company and on the basis of information and explanations you have given to us.

The accounting records and explanations provided appear to be reasonable, however we have not carried out an audit or any other review, and consequently we do not express any opinion on these accounts.



PP Urban Ledgers Ltd  
14 Thornhill Square  
London  
N1 1BQ

Date 26/6/14

**Open Rights  
Income and Expenditure Account  
for the year ended 31 October 2013**

	2013 £	2012 £
<b>Income</b>		
Gifts and donations income	24,732	3,092
Grants	145,091	129,927
Miscellaneous income/merchandise sales	711	1,446
Public event income	8,128	7,481
Reimbursed expenses	3,920	4,037
Supporter donations	108,728	92,699
Interest income	85	102
	<u>291,395</u>	<u>238,784</u>
<b>Expenditure</b>		
Accounting and other professional fees	6,034	1,083
Associations and memberships	215	217
Bank charges	107	87
Bookshop and merchandise	311	2,302
Business insurance	794	801
Costs of acquisitions	2,710	1,978
Donation processing charges	7,832	4,944
External communications	4,220	3,148
General campaigning	4,254	1,724
Office supplies	5,350	3,339
ORGCon	11,392	10,630
Pay and Employer's NI Contributions	171,183	147,351
Policy specialists	5,083	-
Postage and printing	4,306	5,163
Public event costs	11,347	2,423
Rent and rates	19,482	15,739
Service providers	12,651	11,210
Staff recruitment	168	144
Supporter recruitment	50	370
Training	402	308
Travel and hotel	12,128	10,511
Volunteer costs	4,496	2,994
Website costs	7,794	1,285
Other expenditure	672	1,001
	<u>292,981</u>	<u>228,752</u>
Surplus of income over expenditure for the year	<u>(1,586)</u>	<u>10,032</u>
Balance brought forward	38,471	28,439
Balance carried forward	<u>36,885</u>	<u>38,471</u>



**Open Rights  
Balance Sheet  
as at 31 October 2013**

	Notes	2013 £	2013 £	2012 £	2012 £
<b>Current Assets</b>					
Deposits			4,113		2,571
Staff loans	6		1,047		-
Grants receivable			180		21,000
Cash at bank and in hand			<u>73,026</u>		<u>34,162</u>
			<b>78,366</b>		<b>57,733</b>
<b>Current liabilities</b>					
Creditors		2,392		367	
Funding received in advance	7	<u>39,089</u>		<u>18,895</u>	
			<b>(41,481)</b>		<b>(19,262)</b>
<b>Net assets</b>			<u><b>36,885</b></u>		<u><b>38,471</b></u>
<b>Capital and reserves</b>					
Profit and loss account			36,885		38,471
<b>Accumulated Funds</b>			<u><b>36,885</b></u>		<u><b>38,471</b></u>

For the year ending 31 October 2013 the company was entitled to exemption from audit under section 476 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions in part 15 of the Companies Act 2006 applicable to companies subject to the small companies' regime.

Approved by the Board on: 30<sup>th</sup> Jun 2014

  
.....  
Harry Metcalfe, Director

**Open Rights  
Notes to the Accounts  
for the year ended 31 October 2013**

**1 Accounting Policies**

**Basis of preparation of financial statements**

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

**2 Surplus income and the Accumulated Fund**

As a not for profit company, all income is dedicated to its object of raising general awareness of digital rights matters and is credited to an accumulated fund to be used for future projects. As a company limited by guarantee and without share capital, income cannot be distributed to shareholders.

**3 Corporation Tax**

It is our understanding that corporation tax is not payable by Open Rights as it is a not for profit company.

**4 Grants**

There were six grants received for the accounting year as follows:

	£
Joseph Rowntree Reform Trust (JRRT)	42,822
Oak Foundation	10,000
Open Society Foundations (OSF)	32,757
OSF Data Protection Project	15,736
OSF Open Data and Privacy	4,789
Sigrid Rausing Trust (SRT)	30,000
Other	8,987

Grants are usually given for a specified period and are apportioned month by month accordingly. Any grant monies received in respect of months in the following accounting year are shown under Funding received in advance.

**5 Supporter Donations**

Regular supporter donations are treated on a cash basis, i.e. are treated as pertaining to the month in which they are received.

**6 Staff Loans**

Staff loans are extended typically for the purchase of season tickets, and are repaid by equal deductions from the employees' salaries.

**7 Funding Received In Advance**

In addition to grants received in advance, ORG received net donations of £27,115 specifically for a legal challenge against the Prism and Tempora surveillance programmes, and these monies are held as funding in advance of the costs of this action.