

# **Open Rights**

Report and Accounts

31 October 2014

**Open Rights**  
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**31 October 2014**

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**Open Rights  
Company Information  
31 October 2014**

**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  
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**Company number**

05581537

## **Open Rights**

### **Report of the Board of Directors for the year ended 31 October 2014**

#### **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**

For the second year we have been dealing with revelations from Edward Snowden about GCHQ and NSA mass surveillance. This has created a huge opportunity to understand precisely what is taking place at the security agencies. It also helped us understand better the drive to deploy mass surveillance tools for the police, given that the UK Home Office had evidence that such tools could be made to work, and presumably believed in their efficacy.

As a small team, we have prioritised two key areas: mass surveillance; and online filtering in the UK. Other issues continued to be very important to us, particularly data protection, copyright reform, net neutrality and international treaties such as TTIP.

We completed a strategy review, which helped us understand our organisational and policy goals. This identified among other things a need to strengthen our communications and technical staff and accommodate the needs of Scotland, where the devolved administration has its own powers and is actively building a centralised

We fundraised for a full time legal officer, and increased our membership income. We employed a technical officer, Communications Director and Local Groups Co-ordinator. We also fund raised for a Scotland Officer.

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.

#### **Mass surveillance**

Our campaigning and advocacy concentrated on building an alliance and co-ordinating efforts across civil society, as well as taking opportunities for action and informing MPs whenever possible.

We helped create the Don't Spy on Us coalition – informally at first – and secured funding for a secretariat and some activities. The coalition:

- Designed Six UK Principles for surveillance reform
- Gathered 10,000 UK signatories supporting the principles
- Published a comprehensive policy paper
- Held a major Conference and Day of Action on 7 June
- Attended major Party conferences

ORG, Big Brother Watch, Constanze Kurz and English Pen continued with our complaint to the ECHR about UK mass surveillance. Fund raised donations for the legal challenge reached £35,000. We campaigned against the continuation of data retention laws in the UK, which was rushed through the UK Parliament after the Court of Justice of the European Union removed the existing EU data retention laws as a disproportionate interference into citizens' privacy.

#### **Data protection**

Throughout this period we engaged with our EU partners in the process around the new regulation. We also responded to a public consultation by the Ministry of Justice on sanctions for data protection breaches, together with PI.

## **Open Rights**

### **Report of the Board of Directors for the year ended 31 October 2014 (Continued)**

The new legislation has been on effective hold since 2014, when it passed from the Parliament to the EU Council of Ministers, which represents the individual governments. So far, as the member states have begun to discuss it in Council, they are attempting to water it down. If they have their way, European Data Protection could be worse under a new regulation.

#### **Online filtering**

In late 2013, the UK government persuaded ISPs that they should implement filters. ISPs promised to make sure they were set through user choice. We wanted to make sure that users knew that filters were crude and not to be relied on. We also needed to demonstrate the need for transparency about what is being blocked. We crowdfunded a video and campaign site, Department of Dirty, which explains the problems that filters create, including the privacy implications. Our website [blocked.org.uk](http://blocked.org.uk) allows users to test URLs at each major provider. We have tested over 120,000 websites for blocking and have a good idea of the errors being made. We have a wealth of evidence and are looking for funding to fully analyse the information we have.

Mobile providers continued to default filter their connections, but reduced the scope of their filters in 2014, and introduced an appeals system using the BBFC. Our [blocked.org.uk](http://blocked.org.uk) tests show they are now filtering around 4 per cent of top websites, mostly pornography. In contrast, ISP recommended settings are filtering up to 12 per cent of content.

Because of our work on [blocked.org.uk](http://blocked.org.uk) we are attending meetings with the ISPs and affected groups to try to resolve some of the problems created by filters. Progress of this officially sanctioned process however is painfully slow.

#### **Government's use of data**

activities both at the UK and international levels. We co-authored guidance on privacy for the Open Government Guide and inputted on several projects and organisations, ranging from the Office of National Statistics census modernisation programme to the RECODE project for open access to research data.

In the period we also investigated the use of customers' data by mobile telephone to build big data analytics services.

In 2013 we participated in the engagement process to help shape the Midata project to give consumers a right to obtain their consumption data from utilities and other service providers.

We were also part of the engagement in the ID assurance framework for accessing public services, including writing a full consultation response.

#### **Copyright reform**

We scored very significant success in 2014. ORG has campaigned for new copyright exceptions like parody and format shifting since 2005. In 2012, we gave evidence to the government's consultation on a parody exception and ensured parodists contributed via [RighttoParody.org.uk](http://RighttoParody.org.uk) including the [b3ta.com](http://b3ta.com) community, mashup artists including the duo Cassette Boy and Swedemason and comedian Graham Linehan.

In early 2014, we lobbied and ran email actions to ensure the exceptions were not dropped when they were delayed by rights holder lobbying prompting internal disagreements within government.

When the exceptions passed into law in summer 2014, the Minister, Baroness Neville-Rolfe, quoted examples of film maker Ben Wheatley starting his career with parody mashups at [b3ta.com](http://b3ta.com) – without naming the website. One half of Cassette Boy (Boy) was interviewed on BBC TV. Boy, disguised as a cassette, explained that parody takedowns “feel like censorship”.

## **Open Rights**

### **Report of the Board of Directors for the year ended 31 October 2014 (Continued)**

#### **Financial situation**

Open Rights Group has grown fourfold in the last five years. In the year to 31 October 2014 alone the Group's total income grew by over a third compared with the previous year. However, expenditure grew by a similar amount, resulting in a small loss for the year of £5,674 (1.4 per cent).

ORG received grants income from four trusts during the year, and this support, together with support from ordinary citizens concerned about digital rights, is essential to our work and much appreciated by the ORG activist community as well as the ORG team. The Open Society Foundations (OSF) continued funding us, in respect of two projects: one entitled 'Don't Spy On Us' relating to mass surveillance and the other being a one-year grant on Open Data and Privacy which commenced just before the start of this financial year; plus a grant of £36,669 towards specified core costs. OSF has provided ORG with its longest continual grant funding stream, and was our single largest grant funder in the year. The Joseph Rowntree Reform Trust continued funding us to the tune of £54,950, including a grant of £72,800 over 15 months to 31 July 2015 towards our central campaign against mass surveillance (most of which will be accounted for in the report for the year to 31 October 2015). We received £30,000 from the Sigrid Rausing Trust towards core activities. Finally the Andrew Wainright Reform Trust gave us £3,680 for grassroots campaigning on surveillance. A grant of just over £24,000 received from the Renewable Freedom Foundation towards digital security training is not shown as income: since this is for a project to commence in 2015, this is shown within the total Funding received in advance.

Overall gifts and donations including regular donations from supporters grew by 10 per cent compared with the previous year. Regular Supporter donations showed a growth of 40 per cent, as ordinary people continued to react against the threats to their privacy being debated in the wake of Edward Snowden. In addition to the total raised, over £27,000 raised in 2012 – 13 which was held as Funding received in advance at the start of the year was treated as Gifts and donations income in the year, in order to finance the costs of a legal challenge against the government surveillance programme known as 'Prism'. It should be noted that the legal bill for the challenge (£34,600) arrived at the very end of the year so is shown under Accounting and other professional fees, but also makes up the bulk of the amount for Creditors on the Balance Sheet.

ORG's annual conference 'ORGCon' in 2013 took place in June 2013, but since ORGCon 2014 took place on November 15 2014, after the accounting year end, only part of the costs (and income) relating to this event fell in the 2013-14 accounting year, the remaining income and expenditure to be reported next year.

Since Open Rights Group made a small loss in the year, reserves fell to £31,211. It is the intention of the Group to build up reserves in the next accounting year.

#### **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 2014 – three.

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

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

**Open Rights  
Accountants' Report  
31 October 2014**

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

You consider that the company is exempt from audit for the year ended 31 October 2014. 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.

Urban Ledgers Ltd  
14 Thornhill Square  
London  
Date

**Open Rights  
Income and Expenditure Account  
for the year ended 31 October 2014**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Income</b>		
Gifts and donations income	<b>61,938</b>	24,732
Grants	<b>160,989</b>	145,091
Miscellaneous income/merchandise sales	<b>205</b>	711
Public event income	<b>9,376</b>	8,128
Reimbursed expenses	<b>4,355</b>	3,920
Supporter donations	<b>153,815</b>	108,728
Interest income	<b>130</b>	85
	<b><u>390,808</u></b>	<b><u>291,395</u></b>
<b>Expenditure</b>		
Accounting and other professional fees	<b>36,000</b>	6,034
Associations and memberships	<b>3,640</b>	215
Bank charges	<b>57</b>	107
Bookshop and merchandise	<b>206</b>	311
Business insurance	<b>805</b>	794
Costs of acquisitions	<b>7,276</b>	2,710
Donation processing charges	<b>10,480</b>	7,832
External communications	<b>14,552</b>	4,220
General campaigning	<b>1,560</b>	4,254
Office supplies	<b>6,906</b>	5,350
ORGCon	<b>2,266</b>	11,392
Pay and Employer's NI Contributions	<b>202,442</b>	171,183
Policy specialists	<b>23,883</b>	5,083
Postage and printing	<b>3,664</b>	4,306
Public event costs	<b>4,885</b>	11,347
Rent and rates	<b>25,200</b>	19,482
Service providers	<b>23,562</b>	12,651
Staff recruitment	<b>1,410</b>	168
Supporter recruitment	<b>45</b>	50
Training	<b>3,577</b>	402
Travel and hotel	<b>13,624</b>	12,128
Volunteer costs	<b>4,910</b>	4,496
Website costs	<b>4,476</b>	7,794
Other expenditure	<b>1,056</b>	672
	<b><u>396,482</u></b>	<b><u>292,981</u></b>
Surplus of income over expenditure for the year	<b><u>(5,674)</u></b>	<b><u>(1,586)</u></b>
Balance brought forward	<b><u>36,885</u></b>	<b><u>38,471</u></b>
Balance carried forward	<b><u><u>31,211</u></u></b>	<b><u><u>36,885</u></u></b>



**Open Rights  
Balance Sheet  
as at 31 October 2014**

	Notes	2014 £	2014 £	2013 £	2013 £
<b>Current Assets</b>					
Deposits			4,113		4,113
Staff loans	6		318		1,047
Grants receivable			3,500		180
Cash at bank and in hand			<u>112,724</u>		<u>73,026</u>
			<u>120,655</u>		<u>78,366</u>
<b>Current liabilities</b>					
Creditors		40,202		2,392	
Funding received in advance	7	<u>49,242</u>		<u>39,089</u>	
			(89,444)		(41,481)
<b>Net assets</b>			<u><u>31,211</u></u>		<u><u>36,885</u></u>
<b>Capital and reserves</b>					
Profit and loss account			31,211		36,885
<b>Accumulated Funds</b>			<u><u>31,211</u></u>		<u><u>36,885</u></u>

For the year ending 31 October 2014 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question 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:**

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

**Open Rights  
Notes to the Accounts  
for the year ended 31 October 2014**

**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:

	£
OSF 'Don't Spy on Us' Project	20,732
OSF Open Data and Privacy	23,940
Sigrid Rausing Trust (SRT)	30,000
Andrew Wainwright Reform Trust	3,680

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.

An adjustment has been to grants which reduces overall income by £8,982 to correct an error made in 2012.

**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 amounting to £46,261, ORG received net donations of £10,346 for specific projects. These monies were for a legal challenge against the Prism and Tempora surveillance programmes, and supplemented the £27,115 raised in the preceding year. Most of this money was treated as income in the year to 31 October 2014 to pay the legal costs (£34,600) associated with this action, leaving £2,981 remaining for future use.