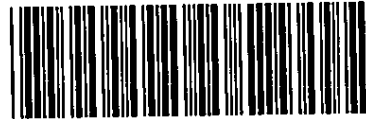


Open Rights

Report and Accounts

31 October 2012

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Open Rights
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31 October 2012

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**Open Rights
Company Information
31 October 2012**

Directors

James Cronin
Ben Laurie
Harry Metcalfe
Maria Farrell (appointed November 2011)
Alec Muffett (appointed November 2011)
Simon Phipps (appointed November 2011)
Owen Blacker (appointed July 2012)
John Elliot (appointed July 2012)
Milena Popova (appointed July 2012)
Neil McGovern (resigned July 2012)
Emma Byrne (resigned July 2012)

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 2012

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 2012, Open Rights Group continued its campaigning work, benefiting from increased income, enabling the Group to expand the range of issues we work on. For the first time we employed a technical officer to expand our staff knowledge and complement our supporters' and advisors' expertise. We held elections to the Board, appointing three directors chosen by our paying supporters.

Our 2012 work included a campaign to reform copyright, including to create a right to parody, to reduce the threat from copyright claims to parodists' and campaigners' free expression, especially from powerful publishers and brands. We worked on the new data protection reforms in Europe. We also tracked developments in open data policy closely, especially with regards to privacy threats and extending the value of cultural works to society and the economy. We highlighted the threats from proposals for mass Internet surveillance, which was released as the draft Communications Data Bill, widely known as the 'Snoopers' Charter'.

In March 2012 over 350 supporters and activists attended ORGCon, ORG's annual conference. The event enabled ORG to recruit new paying supporters, as well as educate and inspire people to campaign on an individual basis.

Campaigns

Copyright and enforcement

2012 did not see the Digital Economy Act moving into force, although Ofcom consulted and tried to implement it. We worked to highlight some of the practical problems around wifi operators. We raised funds to fight an application for user data to target people accused of downloading copyrighted pornographic works, the first time that ORG has sought to intervene in a court case on behalf of individuals, and the second time we have presented information to UK courts.

Data protection

ORG tracked the new data protection proposals drafted by the EU Commission and supported their work as they began to discuss the reform.

Snoopers' Charter

Following inside information that the Home Office planned to create powers to log Internet communication transactions, we worked with the media and politicians to explain what this would mean in practice. We helped the Liberal Democrats to maintain a strong line through conference policy in spring 2012, helping them to demand parliamentary scrutiny through a Joint Committee in summer and autumn 2012. Jim Killock gave oral evidence to the committee on behalf of ORG.

Open Rights

Report of the Board of Directors for the year ended 31 October 2012 (Continued)

Web filtering

Proposals for Internet filtering by default were raised by a group of MPs led by Claire Perry. Ostensibly to protect children from viewing pornography, we understood the proposals to be a significant danger to the open Internet, innovation and free expression, not least because of the significant levels of error in website blocking technologies. In 2012, we detailed the problems on mobile networks in a report on mobile blocking, collected error reports via blocked.org.uk and gave evidence to Claire Perry's committee. Finally, we helped supporters to give evidence to MPs and the Department for Education when they consulted on 'default blocking'. We won a major victory when these plans were rolled back.

Future plans

The most immediate need we face is to expand our legal capacity, for analysis of surveillance laws, changes to copyright laws and taking forward legal complaints. Enforcement of individual rights often takes place in courts as well as in legislation, and a knowledge of both is extremely important, to complement our policy and technical knowledge. We are also seeking to improve our campaigns and communications capacity, especially in the light of threats such as the Snoopers' Charter.

Financial Situation

In the year to 31 October 2012, Open Rights Group's income was more than double what it was three years earlier, and 18 per cent higher than in 2010 – 11. ORG's two main sources of income remain funding from grant-making trusts, and donations from supporters. Grant funding continued to rise and still makes up around 55 per cent of income. Donations from supporters also rose in the year, supplemented by gross revenues from public events.

We received grant funding from four trusts. FreeBMD funding continued for a second successive year, coming to an end at the end of August 2012. Funding from the Open Society Foundations (formerly the Open Society Institute) continued, at a slightly lower level, and effectively continues to fund one full-time campaign position. The grant from Sigrid Rausing Trust, which started funding us in March 2011, was renewed in March 2012, at the slightly higher level of £30,000 a year, for three years, and is a grant towards core activities and costs. In addition, ORG received two grants from the Joseph Rowntree Reform Trust, one of £5,000 for research into website blocking on smartphones and a larger grant of £22,700 in September 2012 (most of which will be reflected in the accounts for 2012-13), together with a grant of £3,500 from the Andrew Wainwright Reform Trust. These last two grants were both raised to enable campaigning against the government's proposed Communications Data Bill.

Donations from supporters, including one-off gifts, rose from over £89,000 in 2010 – 11, to nearly £96,000 in 2011 – 12. This was helped by a significant increase in paying supporters as a result of our annual conference, ORGCon, and by the end of the year ORG had nearly 1,500 paying supporters, most donating on a monthly basis, by direct debit, standing order, or via PayPal. The total also benefited from an increase in one-off or ad hoc donations, to just over £3,000 in the year.

Total expenditure increased, from just over £179,000 to nearly £229,000. This partly reflected more active external campaigning, including public events, most especially ORGCon 2012. The largest single increase in expenditure however was increased salary costs, reflecting the appointment of an extra, part-time but permanent member of staff during the year. ORG is also ably helped by a number of volunteers, in the running of events as well as day-to-day campaigning.

ORG retained a small surplus of slightly more than £10,000 for the year, bringing reserves up to just over £38,000.

Open Rights

Report of the Board of Directors for the year ended 31 October 2012 (Continued)

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 2012 – three

By order of the Board

A handwritten signature in black ink, appearing to be 'H. Mervale', written over a horizontal line.

Harry Mervale, Director


**Open Rights
Accountants' Report
31 October 2012**

Accountants' Report to the Directors of Open Rights

You consider that the company is exempt from audit for the year ended 31 October 2012. 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 by you 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
N1 1BQ

Date 24/7/13

**Open Rights
Income and Expenditure Account
for the year ended 31 October 2012**

	2012	2011
	£	£
Income		
Gifts and donations income	3,092	1,333
Grants	129,927	111,603
Miscellaneous income/merchandise sales	1,446	114
Public event income	7,481	405
Reimbursed expenses	4,037	-
Supporter donations	92,699	88,389
Interest income	102	47
	<u>238,784</u>	<u>201,891</u>
Expenditure		
Accounting and other professional fees	1,083	2,685
Associations and memberships	217	390
Bank charges	87	24
Bookshop and merchandise	2,302	-
Business insurance	801	779
Costs of acquisitions	1,978	299
Donation processing charges	4,944	4,444
External communications	3,148	1,283
General campaigning	1,724	1,310
Office supplies	3,339	2,785
ORGCon	10,630	-
Pay and Employer's NI Contributions	147,351	131,570
Postage and printing	5,163	455
Public event costs	2,423	301
Rent and rates	15,739	13,102
Service providers	11,210	7,105
Staff recruitment	144	2,201
Supporter recruitment	370	878
Training	308	1,908
Travel and hotel	10,511	4,507
Volunteer costs	2,994	2,981
Website costs	1,285	311
Other expenditure	1,001	-
	<u>228,752</u>	<u>179,318</u>
Surplus of income over expenditure for the year	10,032	22,573
Balance brought forward	28,439	5,866
Balance carried forward	<u>38,471</u>	<u>28,439</u>

**Open Rights
Balance Sheet
as at 31 October 2012**

	Notes	2012 £	2012 £	2011 £	2011 £
Current Assets					
Prepayments			-		1,001
Deposits			2,571		2,571
Grants receivable			21,000		8,983
Cash at bank and in hand			<u>34,162</u>		<u>36,001</u>
			57,733		48,556
Current liabilities					
Creditors		367		537	
Grants received in advance	4	18,895		19,580	
Other creditors		-		-	
			(19,262)		(20,117)
Net assets			<u><u>38,471</u></u>		<u><u>28,439</u></u>
Capital and reserves					
Profit and loss account			38,471		28,439
Accumulated Funds			<u><u>38,471</u></u>		<u><u>28,439</u></u>

For the year ending 31 October 2012 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: 25th July 2013



Harry Metcalfe, Director

Open Rights
Notes to the Accounts
for the year ended 31 October 2012

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 five grants received for the accounting year as follows

	£
Andrew Wainwright Reform Trust (AWRT)	3,500
FreeBMD	44,917
Joseph Rowntree Reform Trust (JRRT)	10,678
Open Society Foundations (OSF)	42,500
Sigrd Rausing Trust (SRT)	28,332

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 Grants 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.