

Open Rights

Report and Accounts

For the Year Ended 31 October 2011

THURSDAY



A1E08TG1

A42

26/07/2012

#43

COMPANIES HOUSE

Open Rights
Contents of the Report and Accounts
For the Year Ended 31 October 2011

| | Page |
|--------------------------------|------|
| Company Information | 1 |
| Directors' Report | 2 |
| Accountants' Report | 4 |
| Income and Expenditure Account | 5 |
| Balance Sheet | 6 |
| Notes to Financial Statements | 7 |

**Open Rights
Company Information
For the Year Ended 31 October 2011**

Directors

James Cronin
Ben Laurie
Harry Metcalfe
Neil McGovern
Emma Byrne
Maria Farrell (appointed November 2011)
Alec Muffett (appointed November 2011)
Simon Phipps (appointed November 2011)
Danny O'Brien (resigned April 2011)
Simon Collister (resigned July 2011)
Vijay Sodiwala (resigned July 2011)

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 2011

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 5

Overview

Open Rights Group continued to expand in the year to 31 October 2011, both financially and in the scope of the work undertaken

The two central campaigns, on open data and copyright reform, continued, each with the benefit of a full-time experienced campaigner throughout the year. In addition, ORG campaigned on behavioural advertising and engaged on data protection reform

Our income grew, both from grants, and from supporters donating regularly to ORG, which remains our largest single source of income. We are extremely grateful to all our supporters

Campaigns

The Open Society Institute (OSI)-funded project on copyright and free expression continued, building on the work done throughout the previous year. Copyright flexibility, ACTA and the Digital Economy Act were particular focuses. The work also began to expand into questions of web censorship and filtering

Our campaign on open data, funded by campaign group FreeBMD, continued in parallel. At the heart of this campaign is work to make genealogical data available to the public and free, but the campaign also covered the fast moving area of government open data policy, including apparent attempts to conflate open data with reuse of personal datasets for commercial purposes, with attendant privacy risks

In addition, we campaigned on internet users privacy, in relation to cookies and behavioural tracking legislation introduced by the EU. We took an active interest and engaged on data protection reform, as proposals were being developed at the European Commission

Future plans

The most significant issue on the horizon is the coalition government's plan to resurrect the previous government's Intercept Modernisation Plan under a new name. We believe that this proposal to harvest communications data - which can then be accessed by government bodies - represents a fundamental shift to general, mass surveillance of the population, and we will campaign strongly against it

Additionally, we expect significant work on data protection at EU level, and attacks on free expression in the UK, especially through default filtering of internet connections. Copyright reform and new enforcement measures are also expected, and we will work on the implementation of the Digital Economy Act measure to "identify" possible copyright infringements by users. We will work co-operatively with other organisations with complementary aims as well as involving our supporters and volunteers. To support our activities, we will work to further increase our supporter base, including our paying supporters, and seek out new grants, especially as the grant from FreeBMD comes to an end in the Autumn of 2012

Open Rights

Report of the Board of Directors for the year ended 31 October 2011 (Continued)

Financial situation

Open Right Group's income grew strongly for the second successive year. Having grown 40 per cent between 2009-09 and 2009-10 to £149,000, it increased by 35 per cent to almost £202,000 in 2010-11. Most of this growth was due to increased income from grant making trusts, which make up over half our income in the year to 31 October 2011, up 80 per cent on the previous year. This income was composed of two large grants during the year from FreeBMD and the Open Society Institute (OSI) and from March 2011 a slightly smaller grant, towards our core activities and costs, from the Sigrid Rausing Trust. This is the first time we have received funding from the Sigrid Rausing Trust. In addition, at the end of the year we received a small grant of £5,000 from the Joseph Rowntree Reform Trust towards research into blocking of websites on internet-enabled mobile phones. However as this project commenced after 31 October 2011, the grant is not reflected in the Income and Expenditure Account.

Donations from supporters, mostly from regular monthly or annual gifts by direct debit or standing order, continued to grow, from almost £84,000 in 2009-10 to over £89,000 in 2010-11. However the total number of paying supporters remained level, at approximately 1,300 private individuals. In addition, ORG has been given email addresses from nearly 30,000 people who have taken part in campaigns, or have asked us to keep in touch with them, and several thousand people also follow ORG on Facebook and Twitter. We hope to leverage this wider group in the future to increase our funding from individuals.

Total expenditure also increased, but less substantially, from just under £175,000 in 2009-10 to just over £185,000 in 2010-11. By far the largest cost remains staff salaries, with three full-time and two part-time staff at the end of the financial year. The remaining costs relate mainly to the rent of our small office in Borough, London, and other normal office costs.

The resulting surplus for the year, of £22,573, therefore recovers almost all of the deficit of £25,525 incurred in the previous year, and broadly met our aim in this respect, as indicated in our last published Report and Accounts (for the year ended 31 October 2010). Our reserves at 31 October 2011 stood at £28,439. We aim to build our reserves further in 2011-12, without compromising on our core campaigning objectives.

Directors' remuneration

Directors of ORG 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 2011 – three.

By order of the Board



Harry Metcalfe, Director

**Open Rights
Accountants' Report
For the Year Ended 31 October 2011**

Accountants' Report to the Directors of Open Rights

You consider that the company is exempt from audit for the year ended 31 October 2011. 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 been instructed to carry out an audit and consequently we do not express any opinion on these accounts.



Urban Ledgers Ltd
14 Thornhill Square
London
N1 1BQ

Date 25 July 2012

**Open Rights
Income and Expenditure Account
for the year ended 31 October 2011**

| | 2011 | 2010 |
|---|----------------|-----------------|
| | £ | £ |
| Income | | |
| Gifts and donations income | 1,333 | 416 |
| Grants | 111,603 | 62,754 |
| Miscellaneous income/merchandise sales | 114 | 355 |
| Public event income | 405 | 424 |
| Reimbursed expenses | - | 1,740 |
| Supporter donations | 88,389 | 83,554 |
| Interest receivable | 47 | 71 |
| Operating profit/(loss) | 201,891 | 149,314 |
| Expenditure | | |
| Accounting and other professional fees | 2,685 | 140 |
| Associations and memberships | 390 | 7,141 |
| Bank charges | 24 | 176 |
| Business Insurance | 779 | 528 |
| Costs of acquisitions | 299 | 2,704 |
| Database State Seminars (JRRT) | - | 1,543 |
| Donation processing charges | 4,444 | 3,203 |
| External communications | 1,283 | 3,694 |
| General campaigning | 1,310 | 3,154 |
| Open Data Campaigner (FreeBMD) | - | 3,260 |
| Policy specialists | - | 1,614 |
| Office supplies | 2,785 | 2,256 |
| ORGCon | - | 5,768 |
| Pay and Employer's NI Contributions | 131,570 | 101,031 |
| Postage and printing | 455 | 1,046 |
| Public event costs | 301 | 5,158 |
| Rent and rates | 13,102 | 14,064 |
| Service Providers | 7,105 | 10,417 |
| Staff recruitment | 2,201 | 2,299 |
| Supporter recruitment | 878 | 2,181 |
| Training | 1,908 | 15 |
| Travel and hotel | 4,507 | 1,794 |
| Volunteer costs | 2,981 | 736 |
| Website costs | 311 | 916 |
| | 179,318 | 174,839 |
| Surplus of income over expenditure for the year | 22,573 | (25,525) |
| Balance brought forward | 5,866 | 31,391 |
| Balance carried forward | 28,439 | 5,866 |

**Open Rights
Balance Sheet
as at 31 October 2011**

| | 2011 £ | 2011 £ | 2010 £ | 2010 £ |
|-----------------------------|-----------|----------------------|--------------|---------------------|
| Current Assets | | | | |
| Prepayments | | 1,001 | | 1,460 |
| Deposits | | 2,570 | | - |
| Grants Receivable | | 8,983 | | - |
| Cash at bank and in hand | | <u>36,001</u> | | <u>27,362</u> |
| | | 48,556 | | 28,822 |
| Current liabilities | | | | |
| Creditors | 537 | | 7,059 | |
| Funding received in advance | 19,580 | | 12,034 | |
| Other creditors | <u>-</u> | | <u>3,863</u> | |
| | | (20,117) | | (22,956) |
| Net assets | | <u><u>28,439</u></u> | | <u><u>5,866</u></u> |
| Capital and reserves | | | | |
| Profit and loss account | | 28,439 | | 5,866 |
| Accumulated Funds | | <u><u>28,439</u></u> | | <u><u>5,866</u></u> |

For the year ending 31 October 2011 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: 19th July 2012



Harry Metcalfe, Director

**Open Rights
Notes to Financial Statements
for the year ended 31 October 2011**

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 three grants received for the accounting year as follows: FreeBMD £48,898, OSI £46,036 and SRT £16,668.

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 Reclassification of Accounts

It is noted that the 2010 expenditure of £6,575 reflected in the Income and Expenditure Account in respect of 'Copyright campaigner (OSI)' has been reallocated as follows: General campaigning £2,005, Public event costs £3,417, Travel and hotels £533 and Website costs £620.