

Company number: 4354366

Charity number: 1147471

Privacy International

(A Charity Company Limited by Guarantee, company number 4354366)

Audited Financial Statements

and

Trustees' Report

for the year ended 31 January 2015

Privacy International

(A Charity Company Limited by Guarantee, company number 4354366)

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Charity Information

for the year ended 31 January 2015

Privacy International is a company limited by guarantee and a registered charity governed by its memorandum and articles of association. The directors of the charity are its trustees for the purposes of charity law and throughout this report are collectively referred to as the trustees.

Charity name: Privacy International

Other operating names: PI

Company registration no.: 4354366
(England & Wales)

Charity registration no.: 1147471

Registered office: 62 Britton Street
London EC1M 5UY

Trustees who held office during the year: Karen Banks
Daniel Cooper
Anna Fielder
Barry Steinhardt
Heather Brooke
Sue Carpenter - Resigned 26 January 2015
Dr Jerry Fishenden
Barry Kernon

Chair: Anna Fielder
Treasurer: Barry Kernon
Secretary: Karen Banks

Executive Director: Gus Hosein

Senior Statutory Auditor: **Anthony Armstrong FCA**
Armstrong & Co
Chartered Accountants & Statutory Auditors
4a Printing House Yard
Hackney Road
London E2 7PR

Solicitors: **Covington & Burling**
265 Strand
London WC2R 1BH

Bankers: **The Co-operative Bank**
PO Box 101
1 Balloon Street
Manchester M60 4EP

Barclays Bank
1 Churchill Place
London E14 5HP

Privacy International

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Trustees' Report, incorporating the Directors' Report for the year ended 31 January 2015

1. INTRODUCTION

The Board of Directors (who are also Trustees for the purposes of charity law) submit their annual report and audited financial statement for the year ended 31 January 2015.

The Trustees confirm that the Annual Report and Financial Statements of the charity comply with current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2005.

2. STRUCTURE, GOVERNANCE AND MANAGEMENT

Privacy International is a registered charity and a company limited by guarantee in the United Kingdom. The organisation is governed by its Articles of Association, incorporated on 16 January 2002. The Articles were updated in September 2014 to implement further changes to reflect our charitable status.

Privacy International's governing body is the Board of Trustees, which meets up to five times a year. The primary responsibility of the Board is to provide strategic leadership by formulating and reviewing Privacy International's strategic aims in consultation with staff, setting overall policy, regularly evaluating the charity's performance, and ensuring compliance with UK law.

At any one time the number of Trustees shall not be less than five, and no more than nine. New Trustees are recruited through an open application process. Appointments are made not only on the basis of individual merit, but also taking into consideration the existing expertise and experience of the Directors.

New Trustees receive information on Privacy International's work, their duties as Trustees, and take part in induction meetings with the Executive Director and other members of the Privacy International staff.

Financial controls

As Privacy International grows and our responsibility to donors, partners and other key stakeholders increases, we have sought to strengthen our financial management systems. In March 2014 we commissioned HW Fisher to conduct a controls and systems review. The review found no significant weaknesses but identified a few areas where small changes could be made to improve our systems. We have subsequently taken steps and we continue to implement changes to ensure for the integrity of our financial processes.

All expenditure is carried out with reference to Privacy International's annual workplan, and income and expenditure budget, approved by the Board prior to the start of the financial year. Financial procedures have been developed to monitor and evaluate the charity's finances. This includes quarterly management accounts, which are prepared for review by the Trustees, prior to each meeting of the Board.

The Board is assisted in taking decisions relating to budgeting and forecasting by the Finance Sub-Committee, which consists of three Trustees including the Treasurer. The Committee meets at least four times a year and is responsible for the following duties and actions:

- To review Privacy International's quarterly management accounts.
- To ensure that the annual audited accounts are prepared and circulated to members in good time for the Privacy International Trustees meeting in the autumn of each year, together with the supporting reports.
- To manage the Privacy International bank accounts and to undertake periodic reviews to ensure the arrangements are competitive.
- To ensure that the bank mandates are satisfactory and complied with, including the control of online banking arrangements.
- To invest any surplus funds in a satisfactory manner while ensuring that Privacy International has sufficient funds to meet its day-to-day obligations.
- To ensure that adequate insurances are in place and to make adjustments as necessary through a process of annual review.
- To advise the Board on matters concerning the financial management of Privacy International.

Risk assessment

Risk management is an essential part of the operations of Privacy International and a key responsibility of the Board. It enables the Board to identify risk areas, distinguish between acceptable risk-taking and recklessness, and act appropriately in the circumstances. The Board is therefore responsible for managing all types of risks, whether operational, reputational, financial, physical, legal or otherwise.

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A Risk Audit Committee, established by the Board in January 2013, supports this process. The Committee is made up of three Directors, and meets at least four times a year. The Committee invites the participation of the Executive Director and the Development Director, as well as specific members of staff, when particular areas of risk are identified and discussed.

The following responsibilities have been delegated to the Risk Audit Committee:

- To identify and evaluate those risks which may affect any part of Privacy International's operations, its management and employees and its objects.
- To establish and maintain a risk register which sets out the likelihood of occurrence and the likely impact of the risks identified by the Committee.
- To evaluate and mitigate measures put in place by Privacy International to address risks identified by the Committee.
- To report to the Board periodically on the issues concerning risk and make recommendations to the Board concerning mitigation measures.

The Risk Audit Committee is responsible for developing and monitoring an organizational risk register. It is regularly updated. The risk register has been developed with reference to the UK Charity Commission guidance and UK Charity Law. The committee also meets to respond to new developments.

3. OBJECTIVES AND ACTIVITIES

Privacy International's objects are to promote privacy as a human right (as set out in the Universal Declaration of Human Rights) throughout the world, specifically:

- (a) To raise awareness of, to conduct research about, and to provide educational materials regarding threats to personal privacy;
- (b) To monitor and report on surveillance methods and tactics employed against individuals and groups;
- (c) To work at national and international levels towards the provision of strong and effective privacy protections;
- (d) To monitor the nature, effectiveness and extent of measures to protect privacy, and to seek ways through information technology to protect personal information.

Since 1990, Privacy International has provided citizens and policy-makers with tools and perspectives to enable them to hold to account those who threaten privacy.

Mission

Privacy International is committed to fighting for the right to privacy across the world.

We investigate the secret world of government surveillance and expose the companies enabling it. We litigate to ensure that surveillance is consistent with the rule of law. We advocate for strong national, regional, and international laws that protect privacy. We conduct research to catalyse policy change. We raise awareness about technologies and laws that place privacy at risk, to ensure that the public is informed and engaged.

To ensure that this right is universally respected, we strengthen the capacity of our partners in developing countries and work with international organisations to protect the most vulnerable.

Vision

Privacy International envisions a world in which the right to privacy is protected, respected, and fulfilled. Privacy is essential to the protection of autonomy and human dignity, serving as the foundation upon which other human rights are built. In order for individuals to fully participate in the modern world, developments in law and technologies must strengthen and not undermine the ability to freely enjoy this right.

4. PUBLIC BENEFIT

Privacy International has been at the forefront of discourse and debate on privacy, technology and human rights for nearly 25 years. We entered this field when the internet was still in its infancy, and police surveillance meant stationing officers outside a suspect's home.

The fact that Privacy International has been there since the beginning means that we are uniquely placed to understand the complex, evolving relationship between technology and human rights. The issues we are working are growing more pressing and urgent. For example, Privacy International has been at the centre of UK civil society response to 2013 revelations of US and UK intelligence agencies' surveillance programmes.

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Direct beneficiaries of our work include civil society, journalists, academics, policy-makers and students who are interested in, and committed to, the promotion and protection of privacy as a human right. By engaging at the national and international levels towards the provision of strong and effective privacy protections, our work benefits the public at large, whose rights are at risk from unlawful surveillance methods and tactics.

The benefits of Privacy International's work are demonstrated by the fact that our communications involve educating the public and policy-makers on the importance of privacy in a technology-laden democratic society. We engage with policy-makers and civil society and other stakeholders across the world, and are continually deepening our work in the Global South. Our legal action, whether in advocacy or in cases before courts and administrative bodies, is built on a nuanced understanding of the relationship between human rights, law and technology.

Our main activities are described below. In setting our annual workplan, the Board of Trustees have regard to both the Charity Commission's general guidance on public benefit, and the promotion of human rights for the public benefit. The Trustees confirm that they have complied with section 17 of the Charities Act 2011 and are satisfied that the aims and objects of the charity, and the activities reported on to achieve those aims, meet these principles.

5. ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE IN 2014

Big Brother Incorporated: Exposing the surveillance industry

Big Brother Incorporated is Privacy International's investigation into the global trade in surveillance technology. Our focus is on the sale of advanced surveillance technologies developed by companies in Western countries to brutal and oppressive regimes, intent on using them as tools of political control. Our aim is to ensure that the international trade in surveillance technologies is effectively regulated, and that these technologies are developed, sold and used ethically.

Privacy International staff are using a blend of investigation, strategic litigation, international campaigning and information dissemination to seek redress for victims of surveillance technologies, promote accountability amongst governments and corporations, and to ensure more effective control of surveillance technology exports to countries with notoriously poor human rights records.

Strategic litigation

In May 2014 the UK High Court declared that H.M Revenue & Customs (HMRC) acted 'unlawfully' and 'irrationally' in issuing blanket refusals into the status of any investigation into the potentially illegal export of the spyware FinFisher to repressive regimes by the UK-based company Gamma International. The judgment ordered HMRC to again consider PI's request and provided clear authority that the public is entitled to know what HMRC is doing to investigate, and if appropriate, prosecute companies that are sending dangerous surveillance technologies to countries where it is likely to be used for internal repression or abuse.

In February 2014 PI filed a complaint before the National Cyber Crime Unit of the UK's National Crime Agency on behalf of an Ethiopian political refugee calling on them to investigate the potentially unlawful interception of his communications, as well as the role of Gamma International in developing and exporting the invasive surveillance software, FinSpy, that was found on his computer. PI submitted a dossier of evidence to the National Cyber Crime Unit, arguing that his computer was hacked and infected with FinSpy without lawful authority. The unlawful interception of someone's communications is an offence under Section 1 of the Regulation of Investigatory Powers Act 2000 (RIPA). Additionally, we believe that the development and export of FinSpy may have constituted assistance to this unlawful interception, which could be an offence in itself. With a view to the fact that the individual was granted asylum in the UK because of his well-founded fear of persecution on political grounds in Ethiopia, and the UK's responsibility to protect him from measures taken against him by the Ethiopian government, we have asked the police to investigate. This marked the first case in relation to the unlawful interception of the communications of a refugee who has been granted asylum in the UK because of his persecution by his government. This case could therefore have implications for other refugees in the UK.

In October 2014 PI filed a further criminal complaint to the National Cyber Crime Unit calling for the immediate investigation of the unlawful surveillance of three Bahraini pro-democracy activists living in the UK by Bahraini authorities using the same malware. While it has long been known that Gamma has provided surveillance capabilities to Bahrain, the extent of Gamma's complicity in Bahrain's unlawful surveillance of individuals located abroad was only confirmed in August 2014, when internal Gamma documents were published revealing that Gamma is both aware of, and actively facilitating, surveillance of targets located outside Bahrain through the provision of FinFisher to the Bahraini authorities. In our complaint PI argued that the actions of the Bahraini authorities qualify as an unlawful interception of communications under section 1 of the UK's Regulation of Investigatory Powers Act 2000, as well as a violation of the Computer Misuse Act 1990, and that Gamma, in aiding and abetting that conduct, had also acted unlawfully.

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In January 2015 the Metropolitan Police had decided to close their investigation of the Ethiopian refugee's case. Following extensive legal research and after identifying a legal error in the reasons given for closing the investigation and in the course of pre-action correspondence, the Met agreed to re-open the case and combine it with the investigation of the Bahraini activists' case. The joint investigation is ongoing.

Exposing the industry

In November 2014, Privacy International published a detailed report on the surveillance systems and effect of mass surveillance in Central Asia, including the facilitation by European, American, and Israeli companies. While the report sought to outline, for the first time, the composition of a national surveillance infrastructure, and the role of different corporate and government actors, such as large international telecommunications companies, surveillance companies, security cooperation agreements, and the intelligence agencies of the region.

The report brought together the findings of PI's team of investigative researchers, consultants, and technical, legal and policy experts, and is the outcome of consultations with confidential sources, regional experts, individuals who have been targeted by state surveillance, and surveillance and telecommunications companies. It involved an extensive open-source and literature analysis, a technical review of nearly 100 sensitive documents detailing government contracts and technical specifications, and in-country trips to the region and elsewhere. The purpose of the report is to foster an effective policy and legislative response to the developing global surveillance industry by highlighting specific types of actors and technologies. We launched the report at events in Washington DC and New York.

Since 2011 PI collected and catalogued product brochures, presentations, marketing videos and technical specifications from international trade shows where Western companies sell their surveillance products. We worked to develop a practical research tool, whilst at the same time continued to compile new materials on surveillance technology developers, as part of a freely accessible online resource – the Surveillance Industry Index (SII) -- designed to provide journalists, civil society organisations and policy-makers with up-to-date, searchable information about the technologies and the companies that produce and sell them.

In October 2014 Surveillance Industry Index was included as part of our new website as a resource containing more than 1,400 documents, including marketing materials and product brochures in 35 countries around the world. On the day of its launch, SII was accessed by over 19,000 unique visitors to the PI website. We received useful feedback from users and partners, and have recognised the need for further development of the index in a number of key areas (one such example is the need to refine the search functionality). Unfortunately our website crashed in November 2014 and while we have been able to rebuild much of the site, the Surveillance Industry Index remains offline because of its detail and sophistication. While the resource has been offline, PI has continued to deliver presentations on the surveillance industry and the types of technology found in SII using the material collected. We have also shared documents with Amnesty International as they began to pilot their own work in this area.

International campaigning and Campaign Against Unlawful Surveillance Exports

PI continues to act as Secretariat for a global coalition aimed at ensuring surveillance technologies are not used to facilitate human rights abuses or internal repression. The Campaign Against Unlawful Surveillance Exports (CAUSE) brings together human rights, arms control, tech policy and media freedom civil society organisations to campaign for stronger safeguards. Members include Amnesty International, Human Rights Watch, Reporters Without Borders, FIDH, Digitale Gesellschaft and the Open Technology Institute.

CAUSE was formally launched in April 2014, at a meeting in Brussels, hosted by FIDH. The event was attended by representatives from all CAUSE member organisations, and included a series of open dialogue sessions. The first part of the dialogue session focused on current EU and national regulation, focusing in particular on national implementation of the Wassenaar Arrangement as well as EU dual-use regulation. Discussions amongst the panelists addressed the potential impact of recent revisions to the Wassenaar arrangement, as well as current reform of the EU dual-use regulation. The second open dialogue session considered strategies for ensuring the prevention of human rights abuses, and ensuring government and corporate accountability. For more information see www.globalcause.net.

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Global Surveillance Monitoring and Advocacy

We continued to monitor developments in laws and capabilities of governments around the world. We have conducted analyses and research on laws in over a dozen countries, and provided analyses to consultations and supported partners seeking critical insight.

In January 2014, Privacy International started a 3-year multi-country project with partners in 13 official development assistance (ODA) countries to conduct capacity building, investigations and advocacy to raise privacy issues on national policy agendas, funded by the Swedish International Development Cooperation Agency (Sida). For each of the 13 partners, Privacy International established contracts, conducted a needs assessment of our partners, ran capacity building workshops, conducted investigations, and administered a subgranting regime with a draft and annual audit.

Privacy International spent the first months of the project conducting needs assessment, literature reviews, policy development, and curriculum development. This resulted in the material for our regional workshops where we conducted in-depth capacity building with our partners. With the support of three of its partners PI organised Regional Workshops in Colombia, Morocco and in the Philippines. These regional workshops provided an opportunity to deliver and test the training and education material, to build the capacity of project partners and subsequently their partners to advocate and investigate communication surveillance in their national contexts but also regionally and internationally. Each of the 13 project partner delivered a national workshop building on the content presented at the regional workshops and customising other supporting educational material targeted at their respective national networks and stakeholders.

Throughout the year, Privacy International worked closely with project partners to provide them with the support necessary in terms of knowledge on communications surveillance, and skills in developing and implementing advocacy strategies. Privacy International particularly engaged in policy debates occurring in, amongst others: Pakistan around the Security and counter-terrorism package, Kenya on the Parliamentary debate on the adoption of the Security Bill, and in Uganda by submitting a response to the consultation on the draft data protection bill. Partners have engaged with a variety of stakeholders and key communities, including the technology and legal epistemic communities as well as with parliamentarians, media organisations, regulators, human rights advocates, and technology and legal experts. This has permitted them to start building a coalition around these issues that will help them participate in policy debates to promote stronger safeguards.

Desk-based research supported with in-country investigations. In 2014, in-country investigations were conducted in Morocco, Tunisia, and Colombia. The results of these investigations, and subsequent ones conducted in Uganda, Pakistan, Thailand, and Egypt, have been or will be published in 2015.

Global Privacy Agenda

Privacy International is advocating for the mainstreaming of privacy across all UN human rights mechanisms and promoting global standards that will protect privacy in the face of increased state surveillance and data processing by governments and industry. In 2014 the focus of our attention was at the United Nations, where for too long privacy has not received the attention it requires.

We led the civil society campaign to establish a UN Special Rapporteur on the right to privacy by the UN Human Rights Council (The Council in a resolution adopted by consensus established the mandate of the Special Rapporteur on the right to privacy at the 29th ordinary session in March and appointed the mandate holder at the 30th ordinary session in June 2015).

In 2014, we submitted stakeholder reports on the Universal Periodic Reviews of Kenya, Sweden and Turkey. Recommendations that emerged from the UPR review (January 2015) included: calls for Kenya to review its national laws and policies in order to ensure that surveillance of digital communications is consistent with its international human rights obligations and is conducted on the basis of a legal framework which is publicly accessible, clear, precise and non-discriminatory; calls for Sweden to prevent interferences with the right to privacy and to implement reforms to comply not only with European law but the International Principles for the Application of Human Rights to Communication Surveillance (an initiative developed in conjunction with civil society, privacy and technology experts around the world). Reflecting our concerns Estonia, Canada, Republic of Korea, Spain, Iceland, Czech Republic, recommended that Turkey ensure that internet law and the security legislative package be reviewed to align themselves with Turkey's international human rights obligations.

Following the July 2014 publication of the report by the UN Office of the High Commissioner on Human Rights on privacy in the digital age, we were also asked to participate in a panel discussion on the right to privacy in the digital age, around the 27th session of the Human Rights Council on 12 September 2014.

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Eyes Wide Open: bringing intelligence under the rule of law

In the wake of revelations that the UK government is accessing wide-ranging intelligence from the US, and is conducting mass surveillance on UK citizens – Privacy International in 2013 commenced legal action against the UK Government. The claim, filed in the Investigatory Powers Tribunal, challenged the UK Government on two fronts. Firstly, we challenge the failure to have a publicly accessible legal framework in which communications data on those located in the UK is accessed after it is obtained and passed on by the US National Security Agency. Secondly, we challenge the government on the indiscriminate interception and storage of huge amounts of data via tapping undersea fibre optic cables through the Tempora programme.

In advance of the public hearing on 14-18 July 2014, GCHQ was forced to release an internal policy that revealed they had secretly reinterpreted the law. The secret policy justifies the mass surveillance of every Facebook, Twitter, YouTube and Google user in the UK, by defining the use of 'platforms' such as Facebook, Twitter and Google as 'external communications', British residents were shown to be being deprived of the essential safeguards that would otherwise be applied to their communications - simply because they are using services that are based outside the UK.

As the case progressed, another secret policy was revealed, this time showing that Britain's intelligence services do not need a warrant to receive unlimited bulk intelligence from the NSA and other foreign agencies, and can keep this data on a massive searchable database for up to two years. The release raised serious doubts about the level of oversight provided by the UK oversight body the Intelligence and Security Committee who had previously conducted an investigation of GCHQ's access to the NSA's PRISM programme, and reassured the public that "in each case where GCHQ sought information from the US, a warrant for interception, signed by a Minister, was already in place, in accordance with the legal safeguards contained in the Regulation of Investigatory Powers Act 2000." In December 2014, the IPT followed its previous judgments in finding that UK security services may in principle carry out mass surveillance of all fibre optic cables entering or leaving the UK.

In September 2014, Privacy International filed a legal challenge in the European Court of Human Rights demanding the release of secret documents detailing the spying agreements between the United States, United Kingdom, Canada, Australia, and New Zealand (members of the 'Five Eyes'). The Five Eyes routinely share private data on individuals around the world. However, the documents detailing critical components of this arrangement remain secret and hidden from public scrutiny, including the circumstances and manner in which individuals can be spied on, which governments' intelligence agencies provide access to collected phone and internet communications, and what – if any – safeguards are in place to ensure such information isn't misused by foreign governments. Privacy International has asked the European Court of Human Rights to rule that intelligence agencies should not be entitled to keep the details of such arrangements hidden from the public.

The challenge was launched after Privacy International filed Freedom of Information requests in all Five Eyes countries demanding they release the details of the agreement. All five governments declined. In the United Kingdom, GCHQ invoked a blanket exemption that excuses it from any obligation to be transparent about its activities. The same exemption was also invoked by the agency when Privacy International asked for mundane information such as GCHQ's cafeteria menu. Privacy International contends that this agreement must be brought to light, made public, and made open for debate. The case is stayed, pending a decision on another similar case (not related to Privacy International).

Rapid Response

We continue to engage with technology communities in the UK, Europe and internationally in order to identify, understand and respond to new and emerging surveillance practices.

Following the disclosures by the former NSA contractor, Edward Snowden, PI conducted a technical investigation of the Guardian newspaper hardware destroyed by GCHQ in the UK as part of their attempts to destroy the newspaper's copy of these classified documents. An examination of the targeted hardware carried out by PI – with cooperation from the Guardian – revealed that instead a few very specific components on devices, such as those chips related to keyboard, trackpad and monitor were targeted along with apparently trivial chips in the laptops and desktops. In light of GCHQ's actions, we reached out to companies including Apple, Dell, HP, Logitech and Microsoft in order to ascertain the storage characteristics of these components e.g. what information can be stored on a device, how much information they can retain, and for how long etc.

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PI published a detailed analysis of its investigation in May 2014 in order to strengthen knowledge of GCHQ's own understanding of IT security threats, and to support individuals to better understand the devices they use everyday and how they can protect their personal information. The analysis was shared extensively on social media, becoming one of the most widely read blog-posts / reports published by PI in the last year.

The remains of computers that used to store top-secret documents revealed by Edward Snowden, became in 2015 a part of an exhibition 'All of This Belongs to You' at the Victoria and Albert Museum. PI's Technologist was invited to participate on a panel at the exhibit to provide analysis and comment on results of his examinations.

EU data protection reform

We continued our work in the UK and in Europe on ensuring for strong regulatory protections around privacy. Our Executive Director and the Chair of our Board of Trustees lead this work. PI has liaised closely with European civil society and MEPs on data protection reform, taking part in discussions in the European Parliament on "Transatlantic Data Flows and the Trade Investment Partnership (TTIP) on the possibility that regulations on e-commerce and electronic data flows in trade agreements could pose a risk to privacy rights. PI also cooperated with the European Digital Rights (EDRI) advocacy group, contributing to the analysis of the European Parliament's vote on the LIBE committee's report, which represented another crucial step towards protecting European right to privacy. The analysis was quoted in several international online publications.

Organisational Developments

With great regret we announce the resignation of one of our trustees. Susan Carpenter resigned as a Trustee in December 2014. She had brought years of experience as a trustee of other human rights groups, and initiated our risk assessment processes.

The organisation spent half of the year undertaking evaluation and strategic planning processes. In early 2014 the Board assessed that PI was achieving many of its objectives under the existing strategic plan. They asked the Executive Director to start the process towards establishing a new strategic plan. This began with an external evaluation, conducted by Firetail Ltd, which involved extensive interviews with stakeholders, staff, funders, critics and opponents, as well as surveys of our community, partners, and the public.

The Firetail evaluation found that PI had developed and professionalised significantly since the last evaluation in 2011, and that the organisation was well regarded. The evaluation recommended that PI should develop a new strategy that makes clear choices between various options we could pursue in the future. The choices include the scope of the privacy issues PI addresses, the breath of advocacy techniques, the jurisdictions that PI works in, and the funding model.

The evaluation kickstarted the strategic planning process. The Board and the staff held an offsite meeting to reflect upon the evaluation and discuss the variety of strategies and options for PI's future and the future of the issue. The Executive Director was then tasked to identify new potential programme areas. In December 2014 the Board selected the organisation's priority areas for the next strategic plan and tasked the Executive Director to develop those programme areas by Q2 of 2015.

Website problems

To do any digital engagement an organisation needs to use technical platforms to manage relationships with customers (Customer Relationship Manager – CRM), which help sending messages, newsletters, track what users receive, read and what they click on in the emails; etc. As these systems are mostly run by third parties, PI would have to hand over all followers' information to the operator. As a privacy organisation, we are unable to use these services from both principled and public relation perspectives. We were able to adopt the open source platform CiviCRM for our purposes, which allowed us to run our own CRM with additional safeguards to protect customer data in case of a malicious attack on our website.

In 2014 a new version of our website was launched (developed by a third party, but with a purpose of us running it ourselves and hosted at our internet provider), with the purpose of re-establishing our brand, engaging with new communities, and integrating with CiviCRM. Unfortunately the launch almost from the start was plagued with problems including: faulty integration with CiviCRM, suspension of payment facilitator account due to errors generated by a faulty integration. Finally, when a critical security fault of the website platform itself was discovered, we decided it was essential that we update our site installation, but because of a faulty implementation, the update attempt caused eventually the entire website to crash in November 2014.

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We have decided to take over complete control of our digital infrastructure to ensure that these security problems do not arise again. We redeveloped our website and focused on good technical design first - we managed to acquire technical expertise to redesign our website, and related systems, and it became finally operational in March 2015.

Fundraising

During the year we were successful in securing support from funders for our core costs and development strategy, in comparison to previous years, where main sources of funding were restricted and project-specific. We received a substantial grant from the Omidyar Network, which in the form of a 2-year grant focuses strongly on PI's organizational growth, and aims to even further develop PI into a sustainable and strong organization, able to respond to new challenges. This capacity building grant allowed us to expand attempts at public fundraising – unfortunately due to unexpected technical challenges and more work needed in the area of brand recognition and public engagement, these efforts did not result into a significant source of funding.

Continued support in the form of multi-year core grant from Open Society Foundations allowed us to develop the new strategic plan and set a stage for its implementation in 2015. Both grants support us particularly to work on development of new programme areas, which don't yet have specific sources of funding.

Staff

The continued success of our work depends on our ability to recruit highly capable staff. Privacy International maintains a small group of staff at our office in London. During 2014 we appointed five new members of staff combining expertise in research and investigations, advocacy and litigation (2 staff members departed during the course of 2014). At the end of the financial year we had a compliment of sixteen full-time members of staff.

6. FUTURE PLANS

In advance of the launch of our new strategic plan, Privacy International remains committed to focusing on the broad goals outlined in strategic plan for 2011 – 2015. Into the first half of 2015 we will continue to implement our existing plan including:

1. To maintain and deploy a sophisticated and rigorously up-to-date understanding of the most significant threats to privacy, and the methods by which these threats can be mitigated or counteracted.
2. To produce research and recommendations for policy-makers, the media and the public that clarify critical issues and help build an evidential basis for policy-makers, the media and the public that clarify critical issues and help build an evidential foundation for action.
3. To devise effective strategies for defending privacy, and to lead focused campaigns with measurable successes.
4. To motivate and support (both financially and strategically) other activists and organisations across the world.

By mid-2015 we will launch our new strategic plan that will focus on building a sustainable organisation and movement. The Board identified three thematic areas for the new plan.

First, we will continue our work on communications and **state surveillance** -- identifying the bad practices, seeking legal reform, exposing the technology companies who enable surveillance, and developing understanding across civil society and international forums.

Second, we will deepen our work building capacity on privacy across the world, and particularly in the Global South. We will expand our relationships with partners in countries across Asia, Africa and Latin America to build their understanding on privacy, identify cutting edge issues emerging in their countries and regions, conduct research on new challenges, investigate ongoing practices, and advocate for policy change.

Third, we will develop our work on **data exploitation** -- consolidating the leading security research on data leakage and vulnerabilities, conducting our own technical research, building greater understanding across civil society on the risks of exploitation of personal data, and identifying and developing policy responses.

The Board also identified the strategic priority for the organisation to **ensure the sustainability of the remarkable growth** and our position as a leading rights organisation. The Board has therefore identified that PI must develop its policies and positions, increase its communications capabilities and profile, build a stronger network of partners across the world, enhance and deepen our legal and technological capacities, reorganise to strengthen management capacity, establish robust technical systems, and ensure financial stability.

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7. FINANCIAL REVIEW

The financial statements are presented in the standard format required by the Companies Act 2006 and the Charity Statement of Recommended Practice 2005 (SORP).

Incoming resources

Privacy International noted overall net outgoing resources at £227,739 for the financial year ending 31 January 2015, the negative figure reflecting income received in advance (recorded under income for previous financial year) from the Swedish International Development Cooperation Agency for a 36 month project under Global Surveillance Monitoring and Advocacy, which commenced on 1 January 2014.

Total incoming resources decreases from £1,576,682 (FY13/14) to £1,398,207. The Trustees note that a large proportion of this income was restricted project funding, and that further work is needed to diversify Privacy International's funding base and secure new sources of unrestricted income.

Voluntary income from individual donors remains low, though we have seen some small increases, particularly following media coverage of our technical research, investigations, and litigation. Voluntary income amounted to £137,071 for the year. Privacy International will continue to invest in its fundraising activities with a view to further diversifying our income, with the aim of increasing voluntary donations.

Resources expended

In-line with our growth in income, total resources expended increased by 59% from £1,026,170 (FY 13/14) to £1,625,947. This is similarly reflected in a growth in expenditure on charitable activities from £1,022,190 to £1,620,337, and includes the appointment of new members of staff and the continued expansion of Privacy International's work. Governance costs for the year – which includes the costs of complying with regulations and conducting an external financial audit – amounted to £4,200 (£3,600 for FY 13/14).

Reserves policy

The Board of Trustees has set a reserves policy for Privacy International. This is designed to enable core activities to continue during any period of financial difficulty, and to cover unforeseen expenditure.

For the year ending 31 January 2015, Privacy International's total unrestricted funds were £170,368 compared to £168,556 during the previous financial year. Due to continued growth in staffing and activities, our current reserves are sufficient to fund approximately 3.5 months of operating costs.

The Executive Director and Development Director continue to work with the Board of Trustees to maintain a policy of increasing unrestricted reserves until they are built to a level that ensures approximately six months' worth of core activity could continue during a period of unforeseen financial difficulty.

Grants and donations

The staff and Board of Directors of Privacy International are extremely grateful to the following organisations for their support over the past year:

- The Adessium Foundation
- German Permanent Mission to the UN
- Esmee Fairbairn Foundation
- International Development Research Centre
- Oak Foundation
- Open Society Foundations
- Omidyar Network
- Renewable Freedom Foundation
- Roughley Charitable Trust
- Swedish International Development Agency
- Renewable Freedom Foundation
- Street Foundation

We are also extremely grateful to the many individuals who have supported our work.

Privacy International

(A Charity Company Limited by Guarantee, company number 4354366)

Trustees' Report, incorporating the Directors' Report for the year ended 31 January 2015

Volunteers and pro bono support

We would like to extend our thanks to the many individual volunteers who have contributed their time to Privacy International over the past year. Privacy International recruits and hosts volunteers throughout the year who work across our projects.

The Trustees also wish to record their appreciation to the many eminent lawyers who have contributed their expertise to our legal work. We hugely appreciate the support received from Blackstone Chambers, Bhatt Murphy Solicitors, Doughty Street Chambers, Matrix Chambers and Leigh Day Solicitors.

We also remain extremely grateful to Covington & Burling LLP for their continued support for Privacy International's organisational development, including pro bono support for the further professionalization of our systems and processes for staffing and governance.

Independent Auditors

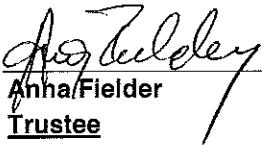
The statutory auditor, Anthony Armstrong FCA of Armstrong & Co, has indicated his willingness to be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006.

The trustees have determined that the charitable company be audited under the Companies Act 2006 for the year ended 31st January 2015 and for future years. The charitable company is required to be audited under charities legislation for the year ended 31st January 2015.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The trustees acknowledge and confirm their responsibilities for preparing the financial statements and providing appropriate information to the auditors as detailed in the Statement of Trustees' Responsibilities set out on page 14.

The financial statements were approved by the Board of Trustees on 13 October 2015 and signed on its behalf by:



Anna Fielder
Trustee

Privacy International

(A Charity Company Limited by Guarantee, company number 4354366)

Statement of Trustees' Responsibilities for the year ended 31 January 2015

Statement of trustees' responsibilities

The trustees (who are the directors of the charity for the purpose of company law) are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- a) Select suitable accounting policies and apply them consistently;
- b) Observe the methods and principles in the Charities SORP;
- c) Make judgements and estimates that are reasonable and prudent;
- d) State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- e) Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditors

So far as the trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditor is unaware, and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Privacy International

(A Charity Company Limited by Guarantee, company number 4354366)

Independent Auditors' Report to the Members of Privacy International

We have audited the financial statements of Privacy International for the year ended 31 January 2015 on pages 17 to 24 which have been prepared in accordance with the accounting policies set out on page 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as modified by the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities set out on page 14 the charity's trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and report in accordance with that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB) Ethical Standards for Auditors, including APB Ethical Standard Provisions Available for Small Entities, in the circumstances set out in note 3 to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 January 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Privacy International

(A Charity Company Limited by Guarantee, company number 4354366)

Independent Auditors' Report to the Members of Privacy International

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors report.



Anthony Armstrong FCA (Senior Statutory Auditor)
Armstrong & Co
Chartered Accountants & Statutory Auditors

4a Printing House Yard
Hackney Road
London E2 7PR

13 October 2015

Privacy International

(A Charity Company Limited by Guarantee, company number 4354366)

Statement of Financial Activities

incorporating the income and expenditure account
for the year ended 31 January 2015

		2015		2014
		Unrestricted Funds	Restricted Funds	Total Funds
	Notes	£	£	£
Incoming resources				
Voluntary income	4	8,254	128,817	137,071
Investment income	5	2,295	-	2,295
Charitable activities	6	43,674	1,215,167	1,258,841
Total incoming resources		54,223	1,343,984	1,398,207
Resources expended				
Charitable activities	7	47,116	1,573,221	1,620,337
Governance costs	8	5,192	418	5,610
Total resources expended		52,308	1,573,639	1,625,947
Surplus/(deficit) on ordinary activities before funds transfers		1,915	(229,655)	(227,740)
Gross transfers between funds				
General to restricted	15	(103)	103	-
Net movement in funds		1,812	(229,552)	(227,740)
Total funds brought forward		168,556	828,603	997,159
Total funds carried forward		170,368	599,051	769,419

The statement of financial activities incorporates an income and expenditure account.

Privacy International

(A Charity Company Limited by Guarantee, company number 4354366)

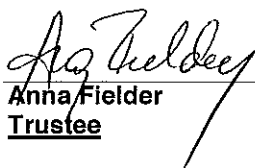
Balance Sheet

as at 31 January 2015

	Notes	31 January 2015		31 January 2014	
		£	£	£	£
Fixed assets					
Tangible fixed assets	10		9,343		14,207
Current assets					
Debtors	11	116,505		15,478	
Cash at bank and In hand	12	<u>702,508</u>		<u>1,009,253</u>	
		819,013		1,024,731	
Creditors: amounts falling due within one year	13	<u>58,937</u>		<u>41,779</u>	
Net current assets			760,076		982,952
Net assets			<u>769,419</u>		<u>997,159</u>
Funds					
General funds		161,025		154,349	
Designated funds	14	<u>9,343</u>		<u>14,207</u>	
Total unrestricted funds			170,368		168,556
Restricted funds	15		599,051		828,603
Total funds			<u>769,419</u>		<u>997,159</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the trustees on 13 October 2015 and signed on their behalf by:



Anna Fielder
Trustee

The notes on pages 19 to 24 form part of these accounts.

Privacy International

(A Charity Company Limited by Guarantee, company number 4354366)

Accounting Policies

for the year ended 31 January 2015

1 Accounting policies

Accounting Convention

The financial statements have been prepared under the historical cost convention and in

- a) the Financial Reporting Standard for Smaller Entities (effective April 2008);
- b) the recommendations of the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005), published in March 2005.
- b) the Companies Act 2006.

Income recognition

Income is recognised when the company has a contractual or other right to its receipt. Income with conditions attached to its receipt is recognised when the company has fulfilled those conditions.

Incoming Resources

Incoming resources are the amounts derived from the provision of charitable services, the receipt of gifts, subscriptions and grants falling within the charity's ordinary activities and are shown net of VAT where applicable.

Restricted Funds

Restricted funds are to be used for specified purposes as laid down by the funder. Direct and support expenditure which meets these criteria are identified to the fund together with a fair allocation of other costs.

Designated Funds

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Voluntary income

Voluntary income received by way of donations and gifts is included in full when received.

Revenue grants

Revenue grants are credited to incoming resources on the earlier of when they are received or when they are due. If they relate to a specified future period they are deferred.

Allocation of costs

Costs are allocated directly to projects where they can be identified as relating solely to that project. Other costs are allocated between the funds based on staff time spent on the fund activities or other appropriate criteria.

Governance costs

These are costs associated with the governance arrangements of the charity which relate to the general running of the charity as opposed to those costs associated with fundraising or charitable activity.

Tangible Fixed Assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Software	- 33% on cost
Computer Equipment	- 50% on cost
Furniture & fixtures	- 25% on cost

Pensions

The charity operates defined contribution schemes which are administered by outside independent pensions providers. Contributions payable for the year are charged to the Statement of Financial Activities.

2 Incoming resources

The incoming resources and surplus are attributable to the principal activities of the company.

Privacy International

(A Charity Company Limited by Guarantee, company number 4354366)

Notes to the Accounts

for the year ended 31 January 2015

3 Net outgoing resources		2015	2014
		£	£
<i>Net outgoing resources are stated after charging:</i>			
Auditors fees - audit services		4,200	3,600
Depreciation - owned assets		7,754	6,898
		<u>7,754</u>	<u>6,898</u>

Trustees' emoluments

Emoluments include salaries, fees, bonuses, expense allowances and estimated non-cash benefits receivable. All trustees serve in a voluntary capacity and do not receive payment for their services as trustees.

APB Ethical Standard - Provisions available for small entities

In common with many other charities of our size and nature we use our auditors to assist with the preparation of the financial statements and to provide advice relating to statutory and regulatory compliance.

4 Voluntary income	Unrestricted	Restricted	2015 Total	2014 Total
	£	£	£	£
Donations	8,254	128,817	137,071	25,352
	<u>8,254</u>	<u>128,817</u>	<u>137,071</u>	<u>25,352</u>

5 Investment income	Unrestricted	Restricted	2015 Total	2014 Total
	£	£	£	£
Interest received	2,295	-	2,295	1,224
	<u>2,295</u>	<u>-</u>	<u>2,295</u>	<u>1,224</u>

6 Charitable activities	Unrestricted	Restricted	2015 Total	2014 Total
	£	£	£	£
Grants	40,000	1,214,209	1,254,209	1,548,956
Sundry income	3,674	958	4,632	1,150
	<u>43,674</u>	<u>1,215,167</u>	<u>1,258,841</u>	<u>1,550,106</u>

7 Charitable activities	Unrestricted	Restricted	2015 Total	2014 Total
	£	£	£	£
Staff salaries	11,550	493,360	504,910	362,365
Staff social security	1,231	51,486	52,717	38,897
Staff pensions	866	23,533	24,399	9,922
Other staff costs	50	1,281	1,331	3,934
Staff training	-	6,689	6,689	1,482
Recruitment	-	6,614	6,614	4,189
Project expenses	614	723,599	724,213	439,038
Translation costs	-	7,206	7,206	-
Travel & accommodation	11,222	61,345	72,567	39,556
Office expenses	11,259	91,469	102,728	59,374
Rent	(640)	55,530	54,890	27,947
Depreciation charge for the year	7,754	-	7,754	6,897
Gains or losses on foreign exchange	64	-	64	142
Loss on disposal of fixed assets	-	-	-	546
Legal & professional fees	571	81	652	-
Consultancy fees	2,250	51,028	53,278	27,827
Bank & Paypal charges	325	-	325	74
	<u>47,116</u>	<u>1,573,221</u>	<u>1,620,337</u>	<u>1,022,190</u>

Privacy International

(A Charity Company Limited by Guarantee, company number 4354366)

Notes to the Accounts

for the year ended 31 January 2015

8 Governance costs	Unrestricted	Restricted	2015 Total	2014 Total
	£	£	£	£
Board meetings	992	-	992	-
Audit fees	4,200	-	4,200	3,600
Accountancy fees	-	418	418	380
	<u>5,192</u>	<u>418</u>	<u>5,610</u>	<u>3,980</u>

9 Staff costs	2015	2014
	£	£
Staff salaries	504,910	362,365
Staff social security	52,717	38,896
Staff pensions	24,399	9,922
	<u>582,026</u>	<u>411,183</u>

Average number of employees during the year was: 15 11

No remuneration was paid to any Trustee or their associates for services as a trustee during the year ended 31 January 2015 nor at 31 January 2014.

Employees paid in excess of £60,000 during the current year and previous year: None None

10 Tangible fixed assets	Software	Computer Equipment	Furniture & fixtures	Total
	£	£	£	£
Cost				
As at 1 February 2014	3,645	13,609	7,948	25,202
Additions	-	-	2,890	2,890
As at 31 January 2015	<u>3,645</u>	<u>13,609</u>	<u>10,838</u>	<u>28,092</u>
Depreciation				
As at 1 February 2014	979	8,663	1,353	10,995
Charge for the year	1,215	3,980	2,559	7,754
As at 31 January 2015	<u>2,194</u>	<u>12,643</u>	<u>3,912</u>	<u>18,749</u>
Net book value				
As at 31 January 2015	<u>1,451</u>	<u>966</u>	<u>6,926</u>	<u>9,343</u>
As at 31 January 2014	<u>2,666</u>	<u>4,946</u>	<u>6,595</u>	<u>14,207</u>

11 Debtors	2015	2014
	£	£
Deposits	15,478	15,478
Prepayments	10,319	-
Accrued income	90,708	-
	<u>116,505</u>	<u>15,478</u>

Included above in debtors amounts falling due in more than 12 months

	£	£
Deposits	15,478	15,478
	<u>15,478</u>	<u>15,478</u>

Privacy International

(A Charity Company Limited by Guarantee, company number 4354366)

Notes to the Accounts

for the year ended 31 January 2015

12 Bank and cash in hand	2015	2014
	£	£
Co-operative bank account	697,038	1,008,726
Barclays bank account	(3)	-
Paypal account	5,473	527
	<u>702,508</u>	<u>1,009,253</u>

13 Creditors: amounts falling due within one year	2015	2014
	£	£
Payroll & taxation	16,067	13,257
Pensions	7,530	9,922
Accruals	35,340	18,600
	<u>58,937</u>	<u>41,779</u>

14 Designated funds	Opening balance	Resources arising	Resources utilised	Closing balance
	£	£	£	£
Fixed assets fund	14,207	2,890	7,754	9,343
	<u>14,207</u>	<u>2,890</u>	<u>7,754</u>	<u>9,343</u>

Fixed assets fund	This fund represents the amount of charity funds locked up in fixed assets which are needed for operational purposes. The funds are carried at the net book value of the fixed assets at the balance sheet date, after deducting any outstanding loans, endowment funds or restricted funds used to finance their acquisition.
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15 Restricted funds	Opening balance	Incoming resources	Resources expended	Transfers & adjustments	Closing balance
	£	£	£	£	£
Adessium Foundation	-	158,325	134,992	-	23,333
Evan Cornish	2,423	-	2,121	-	302
The German Permanent Mission to the UN	-	15,770	15,873	103	-
IDRC	53,271	508,960	576,661	-	(14,430)
OAK Foundation	-	74,000	63,215	-	10,785
The Omidyar Network	-	291,624	94,344	-	197,280
The Open Society Foundations	115,102	183,991	159,408	-	139,685
Roughley Charitable Trust	-	2,000	-	-	2,000
Renewable Freedom Foundation	-	68,815	27,292	-	41,523
SIDA	653,012	500	462,009	-	191,503
Street Foundation	4,795	40,000	37,725	-	7,070
	<u>828,603</u>	<u>1,343,984</u>	<u>1,573,639</u>	<u>103</u>	<u>599,051</u>

Privacy International

(A Charity Company Limited by Guarantee, company number 4354366)

Notes to the Accounts

for the year ended 31 January 2015

Restricted funds (continued)

Projects financed by restricted funds are supported by unrestricted funding where necessary. This occurs where the funding is in arrears or the incidence of expenditure on the project occurs disproportionately at the beginning of the project compared to the income flows. Where restricted projects end the year with a deficit, this is met by after year-end restricted income or transfers from unrestricted funds.

Funder	Description and purpose of restricted fund
Adessium Foundation	Adessium Foundation supports various programmes to promote social justice and cohesion, and provides a 3-year core grant to support our work on the export of surveillance technologies, our research and rapid response, and to help build the organisation's infrastructure.
Evan Cornish	The Evan Cornish Foundation is a grant making charitable organisation. It provides a restricted grant to support the Eyes Wide Open project, including PI's work to bring surveillance under the rule of law.
The German Permanent Mission to the United Nations	A branch of the German Federal Foreign Office, the German Permanent Mission to the UN provides funding to promote human rights across the world. The funding received by Privacy International was directed to support our engagement with UN Human Rights mechanisms and to work with civil society organisations to establish the mandate of UN Special Rapporteur on the right to privacy.
IDRC	The International Development Research Centre (IDRC) is a Canadian Crown corporation helping developing countries find solutions to social, economic and environment problems. In 2012, IDRC supported three of our initiatives. First, we completed the PrivAsia project that supported 2.5 years of research and policy engagement in 9 developing countries in Asia. Second, IDRC began funding a new 2.5 year project to support 19 partner organisations in 17 countries to conduct research and inform policy on privacy and surveillance in Africa, Asia, and Latin America. Third, they agreed to fund a research paper into the relationships between development aid and surveillance initiatives.
OAK Foundation	The Oak Foundation provides a 24 month grant to the Big Brother Incorporated project.
The Omidyar Network	The Omidyar Network is committed to funding nonprofit and for profit organizations across multiple areas, including Consumer Internet & Mobile, Education, Financial Inclusion, Governance & Citizen Engagement, and Property Rights. In 2014, the Omidyar Network awarded PI a grant for period July 2014 – June 2016. It is designed to support PI's growth, development, and capacity building.
The Open Society Foundations	The Open Society Foundations (OSF) works to help foster democratic and accountable governments. It provides multiple grants to support core operations and our work on export controls on surveillance technologies and developing countries.
Roughley Charitable Trust	Roughley Trust is a medium-sized grant-making trust from Birmingham with wide-ranging interest and concerns, addressing special needs, deprivation and disadvantage. In 2014 they awarded Privacy International a small grant of £2,000 for work on surveillance.
Renewable Freedom Foundation	The Renewable Freedom Foundation aims to protect and preserve civil liberties, especially in the digital landscape. The donation helped Privacy International support the creation of public educational resources.
The Swedish International Development Cooperation Agency	The Swedish International Development Agency began funding a 36 month initiative under the Global Surveillance Monitoring and Advocacy project in January 2014. They are supporting PI to collaborate with 13 civil society actors in 13 countries across east and north Africa, south and south-east Asia and South America to investigate the use of surveillance technologies in their respective countries, and to build momentum for stronger human rights protections in national surveillance laws.
Street Foundation	The Street Foundation is a grant making charity that provides support for the Big Brother Incorporated project, most notably towards PI's work to build an international campaign on export control of surveillance technologies.

Privacy International

(A Charity Company Limited by Guarantee, company number 4354366)

Notes to the Accounts

for the year ended 31 January 2015

	Unrestricted funds	Restricted funds	Endowment funds	Total
	£	£	£	£
16 Net assets attributable to funds				
Tangible fixed assets	9,343	-	-	9,343
Current assets	219,962	599,051	-	819,013
Current liabilities	(58,937)	-	-	(58,937)
Net assets represented by funds	<u>170,368</u>	<u>599,051</u>	<u>-</u>	<u>769,419</u>

17 Taxation

The company is a registered charity. Accordingly it is exempt from taxation in respect of income and capital gains to the extent that these are applied to its charitable objects.

18 Post balance sheet events

There were no significant post balance sheet events.

19 Pension commitments

The charity contributes to employees defined contribution stakeholder pension schemes. The assets of the schemes are held separately from those of the charity in an independently administered fund.

The unpaid contributions outstanding at the year end were:

	2015	2014
£	£	£
	<u>7,530</u>	<u>9,922</u>

20 Other financial commitments

Operating lease commitments due within 12 months

At 31 January 2015, the company had annual commitments of land and buildings under non-cancellable operating leases as detailed below:

	Land & Buildings		Other leases	
	2015	2014	2015	2014
	£	£	£	£
Lease expiring:				
Between two and five years	<u>61,915</u>	<u>61,915</u>	<u>-</u>	<u>-</u>
	<u>61,915</u>	<u>61,915</u>	<u>-</u>	<u>-</u>

21 Transactions with trustees

During the year the charity paid £Nil (2014 : £15,000) to Anna Fielder, a trustee. The payments made last year relate to her services as a specialist consultant in respect of the new privacy framework being developed in Europe. The services were provided at arms length and were approved by the trustees in accordance with Charity Commission guidance. No payments were made in respect of her usual activities as a trustee.

During the year the charity paid travel expense of Anna Fielder, a trustee totaling £Nil (2014 : £698).

22 Contingent liabilities

The charity had no material contingent liabilities at 31 January 2015 nor at 31 January 2014.

23 Related parties

There were no disclosable related party transactions during the year other than disclosed elsewhere in these accounts.

24 Company status

The company is limited by guarantee and has no share capital. The guarantors liability in the event the company is wound up is restricted to a maximum of £1 each.