

*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 2016**

---

# **Privacy International**

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

## **Index to the Financial Statements for the year ended 31 January 2016**

---

	<b>Page</b>
<b>Index to the Financial Statements</b>	<b>2</b>
<b>Charity Information</b>	<b>3</b>
<b>Trustees' Report</b>	<b>4 - 14</b>
<b>Statement of Trustees' Responsibilities</b>	<b>15</b>
<b>Independent Auditors' Report</b>	<b>16 - 17</b>
<b>Statement of Financial Activities</b>	<b>18</b>
<b>Balance Sheet</b>	<b>19</b>
<b>Accounting Policies</b>	<b>20 - 21</b>
<b>Notes to the Accounts</b>	<b>22 - 27</b>

---

# Privacy International

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

## Charity Information

for the year ended 31 January 2016

---

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  
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

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

## Trustees' Report, incorporating the Directors' Report for the year ended 31 January 2016

---

### **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 2016.

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 2015.

### **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 Trustees.

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. After a controls and systems review, conducted in 2014, we have taken steps to address weaknesses identified by the review and to implement changes to ensure for increased integrity of our financial processes. This process continued in 2015.

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.



---

# Privacy International

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

## Trustees' Report, incorporating the Directors' Report for the year ended 31 January 2016

---

A Risk Audit Committee, established by the Board in January 2013, supports this process. The Committee is made up of three Trustees, and meets at least four times a year. The Committee invites the participation of the Executive Director, the General Counsel and the Grants and Finance Officer, as well as other 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 over 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.

Our longevity means that we are uniquely placed to understand the complex and changing relationship between technology and human rights. The issues we are working on are growing more pressing and urgent. Privacy continues to rise on policy agendas across the world.

---

# Privacy International

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

## Trustees' Report, incorporating the Directors' Report for the year ended 31 January 2016

---

We believe privacy is necessary to human development. It is a protector of human dignity, and an enabler of autonomy. Surveillance is a power generator and magnifier. Modern surveillance systems -- increasingly secretive and non-consensual -- are key enablers of social, economic, and political control. Powerful and often secretive institutions, in both the public and private sectors, are now able to generate and collect intelligence on us all. Privacy is the necessary counter-balance to this enormous power.

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, while we fight for individuals to be in control of managing boundaries in their lives. Direct beneficiaries of our work include civil society, journalists, academics, policy-makers and students who are interested in the promotion and protection of privacy as a human right.

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. Through our communications and campaigning strategies, we continue to seek new ways to engage with the public to protect the privacy of all individuals, everywhere.

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 2015**

PI continues to pursue work across redesigned three multi-year programme areas:

- (I) State Surveillance Programme – a reconceptualisation of our celebrated work, bringing our work exposing of the surveillance industry together with our surveillance reform projects;
- (II) Global South Programme – a broader take on our cooperation with international network of partners working on surveillance and privacy issues, and the importance of the Global South as a policy domain;
- (III) Data Exploitation Programme – a new programme looking into the future of privacy and surveillance and the generation and analysis of data.

*Global Privacy Agenda project is now mainstreamed across all three strategic programmatic areas.*

On Surveillance, PI continues to engage a broad range of actors from civil society, government, regulators and regional and international institutions. We have continued our work seeking enforcement of export controls, working towards new controls policies in Europe, and identifying the companies who are exporting to repressive regimes. We continued to pursue and act on the results of our investigations and conducted field-leading research that informs our advocacy and have made significant progress in this challenging domain.

Under our Global South programme we continue 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. We build the capacity of our partners to engage in national and regional debates in fifteen countries, by conducting research that informs policy and leading awareness-raising campaigns.

By introducing the new programme of Data Exploitation to our strategic plan, we are asking: what are the key principles that will protect privacy into the future? With the increased generation and collection of data across our lives, it is increasingly difficult to separate out 'communications surveillance' from 'identity systems' from commercial practices, as instances. New legal frameworks and technologies will be needed to protect privacy. This programme explores connected systems, smart infrastructure, increased use of sensors to generate data everywhere – and investigates whether these systems are secure and protect the individual.

At the core of the organization, we are working to build a stronger and resilient organisation. We have worked on restructuring our internal processes, introduced new forms of engaging the public and worked on matching our internal technology infrastructure with our goals and security standards. Some of this has been successful – particularly with the new core grants supporting our internal development, but along the road we encountered significant challenges that we are continuing to resolve.

---

# Privacy International

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

## Trustees' Report, incorporating the Directors' Report for the year ended 31 January 2016

---

### 5.1 Surveillance

Privacy International has conducted advocacy related to surveillance by intelligence agencies. We have done this work both independently through our advocacy and litigation, and through our work with civil society organisations across the world. As examples, in the UK we worked through a coalition of UK human rights organisations -- the Don't Spy On Us campaign -- that Privacy International initiated and in which it continues to play a leading role; we also prepared policy briefings on changes to surveillance laws in the Netherlands, Pakistan and South Africa, which were disseminated via local partners who used them for legal and policy advocacy.

We continue to explore the changing nature of surveillance capabilities and the need for new safeguards. In July 2015 PI organized a meeting in London with key international NGOs (Amnesty International, American Civil Liberties Union, Electronic Frontier Foundation, Access, Human Rights Watch, International Commission of Jurists, etc.) which focused on the need for strategic advocacy and litigation in order to advance particular normative standards in relation to the field of surveillance and its impact on privacy and freedom of expression. Similarly, in November 2015 Privacy International hosted a meeting on surveillance reform in key European countries. The meeting facilitated discussions around four main topics: surveillance (and mass surveillance), intelligence sharing, discriminatory foreign intelligence laws and hacking. The participants discussed relevant legislation and draft bills, policies, practices and jurisprudence in a number of European countries including UK, Netherlands, France, Germany and Switzerland. The participants worked on a number of short, medium and long term goals and explored possibilities for cooperation and information sharing.

In the UK, much of the debate in the second part of 2015 was dominated by the proposed new legislation – the Investigatory Powers Bill, introduced in draft by the British Government on 4th of November 2015. The UK faced an opportunity to create a world class framework, but the current draft is far from this. Key, straightforward safeguards like judicial authorisation that should be uncontroversial, have instead been crippled by government agencies fearing checks and balances. Powers for bulk interception that the Government has long undertaken in secret have finally been explicitly avowed, but the case for them remains uncritically examined and evidentially weak.

Prior to the publication of the first draft of the Bill we worked with Don't Spy on Us Coalition members to coordinate responses. Following the publication of the draft bill, PI's Legal Team provided detailed evidence to three parliamentary committees: Science and Technology Committee, Joint Committee on Human Rights, and the Joint Committee on Investigatory Powers Bill (submitted between 4 November and 24 December 2015). In December 2015 PI gave oral evidence to the Joint Committee on the Investigatory Powers Bill.

In parallel with reviewing evidence submitted by other experts and civil society organizations to the committees, we worked on educational material around the new Bill and awareness raising campaign aimed at the public – through extensive media outreach (TV, radio, newspapers), through our website and social media, preparing for the publication of the final draft in early 2016.

### Strategic litigation

*"Hacking of internet and communications services" (GreenNet & Ors v Secretary of State for Foreign and Commonwealth Affairs and Government Communications Headquarters)*

Seven internet service and communications providers from around the world filed a legal complaint, co-ordinated by Privacy International, on 2nd July 2014 calling for an end to the UK Government's intelligence agency, GCHQ, attacking and exploitation of network infrastructure in order to unlawfully gain access to potentially millions of people's private communications. The complaint, filed by Riseup (US), GreenNet (UK), Greenhost (Netherlands), Mango (Zimbabwe), Jinbonet (Korea), May First/People Link (US), and the Chaos Computer Club (Germany), is the first time that internet and communication providers have taken collective action against GCHQ's targeting, attacking and exploitation of networks maintaining communications infrastructure.

The Tribunal held hearings in the case on 1-3 December 2015. On 12 February 2016, the Tribunal held that GCHQ hacking is lawful under both UK law and the European Convention on Human Rights. Privacy International will challenge the Tribunal's judgment.

---

# Privacy International

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

## Trustees' Report, incorporating the Directors' Report for the year ended 31 January 2016

---

Privacy International in August 2014 filed a legal challenge in the Investigatory Powers Tribunal, about whether the acquisition, use, retention, disclosure, storage and deletion of Bulk Personal Datasets is in accordance with the law and necessary and proportionate. Bulk Personal Datasets were first avowed on 12 March 2015 in the UK Parliament's Intelligence and Security Committee report.

The Respondents' have provided an amended response which provides detail on the use of the Telecommunications Act section 94 and significant avowals relating to the use of section 94 by GCHQ and the Security Service to acquire Bulk Communications Data since 1998 and 2005 respectively. Disclosure of policies and guidance in existence since June 2014 was recently provided which appears to include substantial additional avowals and detail about acquisition, use and so on of Bulk Personal Datasets and Bulk Communications data. One document disclosed notes the increased level of scrutiny and debate on use of bulk personal data by the Security Intelligence Service as a result of Privacy International's challenge and further scrutiny and debate will follow.

The hearing in this case is listed for July 2016 in the Investigatory Powers Tribunal.

### *10 Human Rights Orgs v. United Kingdom (US-UK intelligence sharing and mass surveillance challenge)*

The case, filed in May 2015, is an appeal against the Investigatory Powers Tribunal's judgments in Privacy International v. Secretary of State for the Foreign and Commonwealth Office et al. The original case was filed in the wake of revelations that the UK Government is accessing wide-ranging intelligence information from the US and is conducting mass surveillance on citizens across the UK.

Privacy International lodged its appeal against the Tribunal's judgments before the European Court of Human Rights on 20 May 2015. The appeal has now been communicated to the UK government, which must submit its response by 21 March 2016.

### Exposing the surveillance industry

We continue to undertake research and investigations across the world. In the reporting period, our investigative results and litigation action around those continued to focus on our work exposing the surveillance industry and its trade to repressive states.

### International campaigning and Campaign Against Unlawful Surveillance Exports

PI continued 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. The coalition advocates for export controls on surveillance technologies nationally, regionally (European Union), and internationally (with respect to the Wassenaar Arrangement, and at the UN Forum on Business and Human Rights).

At the EU level, strong outreach brought CAUSE and the European Commission together for several workshops and meetings, coinciding with the current EU wide review of its dual use export policy. The Commission also initiated an impact assessment aimed at informing the policy-making process by quantifying and providing objective data on the industry and the potential cost of any regulatory changes. PI worked closely with the assessment process to provide evidence. The report was submitted to the Commission in November 2015 and strongly underlines many of PI's policy positions. The Commission also initiated an online consultation on potential regulatory changes and several conferences, which prominently discussed changes concerning surveillance technologies. Simultaneously, the Surveillance Technology Working Group (STEG), has been established within the DG Trade Dual Use Working Group. Consisting of experts from the national licensing authorities in Germany, the Netherlands, Finland, Sweden, Denmark, the UK, France and Poland, the working group is aimed at discussing surveillance technology that poses a risk to human rights and how it can be effectively controlled.

Amendments to the EU Regulation will be announced by the Commission in summer 2016.

### International Advocacy and Human Rights Mechanisms

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.

---

# Privacy International

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

Trustee Report incorporating the Directors' Report



---

## Privacy International

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

### Trustees' Report, incorporating the Directors' Report for the year ended 31 January 2016

---

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).

Privacy International continued to work 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. To date, our partners conducted advocacy planning, ran workshops, and participated in and generated debates in their countries. They also 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.

In Pakistan, as a response to the announcement of the Prevention of Electronic Crimes Bill in Pakistan, our partner worked intensely with other civil society organisations and also with international non-governmental organisations including Privacy International and Human Rights Watch, to conduct an in-depth legal analysis of the draft bill and continued throughout the year to advocate for various amendments to the Bill. PI led the process of producing a joint statement with local and international civil society organisations and our partner was part of a multi-stakeholder working group established to work on a shadow bill and feed into the legislative process. As a result of the advocacy efforts, the government halted the bill's progress.

In October 2015, PI travelled to South Africa and our staff presented sessions on surveillance technologies and legal and advocacy efforts at a workshop organised by our local partner and attended by 32 South African activists on 'Resisting Surveillance'. The agenda focused on building a basic framework of foundational privacy issues and the known state of surveillance in South Africa. Our partner's efforts to engage civil society and the broader public on the draft Cybercrimes Bill were a significant achievement in mobilising popular opposition to a policy process which had largely been ignored and left to the tech and financial industries to deal with. The fact that the draft Bill had largely failed to achieve any serious scrutiny until the week that our partner's submission and petition were launched is evidence of the usefulness of public, popular approaches to policy engagement.

Our in-country investigations were supported with a desk-based research. In 2015, Privacy International published investigative reports, exposing state of state and industry surveillance practices in Morocco, Pakistan, Colombia, Uganda. These reports led to significant media coverage, provoking international and national debates, and furthered the ability of our partners to call for reform. As examples, the results of our investigation into surveillance in Uganda was the opening piece on BBC Newsnight; and our investigation in Colombia led to significant domestic media coverage.

In April 2015 Privacy International hosted an annual meeting with its international partners engaged under various projects. The meeting provided an opportunity to discuss joint engagement of the network on regional and international levels around privacy issues. Using the timely announcement of the establishment of a UN Special Rapporteur on Privacy, PI and the partners worked on the drafting of a joint letter outlining the main issues of concerns emerging at the national, regional and international level and put forward recommendations as to how he could engage on these issues.

#### **5.3 Data Exploitation**

As we expand our work in the Global South and begin looking more into Data Exploitation, civil society needs an informed and concerted view as to what we are seeking to prepare for the next generation of technologies, surveillance practices, and paradigms.

We want to see a world where we are in control of information about us. Our data reveals a lot of information about us. From our data, intelligence is gleaned about us - our habits, our health and finances, our desires and hopes - some of which may be inaccurate. Yet our technologies are now designed to generate and disclose vast amounts of data, and beyond our control. Privacy International is fighting so that our technologies work for us and do not betray us – this is done by investigating how our data is generated and exploited, engaging the public through awareness-raising campaigns, and exploring the necessary legal and technological frameworks to protect against data exploitation.

---

## **Privacy International**

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

### **Trustees' Report, incorporating the Directors' Report for the year ended 31 January 2016**

---

In 2015 we were developing this new programme. It builds upon our extensive and multi-year work in reforming the European Union's data protection rules. We had also previously explored the permanence of data at the chip-level, whether on mobile phones or motherboards of computers following Edward Snowden's revelations about the capabilities of intelligence agencies. In 2015 we began exploring smart city initiatives and looking at city-level communications infrastructure and their ability to track movement and monitor interactions. We will be reporting further on this in 2016.

We are consulting and engaging various communities as we develop more work under this programme. We began work with our network of partners across the world exploring data exploitation and so-called 'data-driven' initiatives. This culminated in a workshop we organised in Buenos Aires in February 2016 exploring data exploitation initiatives in the Global South. We participated in numerous other workshops including artists, academics, technologists, data-scientists, and journalists. We have also engaged significantly with media on these issues to promote more research and discussion.

#### **5.4 Organisational Developments**

Following a period of extensive external and internal evaluations we commissioned in the summer of 2014, which included consultation process with staff and trustees as well as over 20 stakeholders, domain experts, funders, civil society organisations and others, the Trustees approved the draft frame of the new strategy in December 2014, approving the plan in its final shape in March 2015, with its three programmes, with the implementation date set for August 2015.

As we developed the new strategic plan, it became apparent that we would have to change the way we worked and organised. Throughout 2015 we conducted an extensive review and organisational change process, assisted by a human resources consultant. The goal was to develop a new organizational design to support the new strategic plan, with revised job descriptions, competency framework and redesigned management and performance systems, to enable PI to deliver the new programme areas more effectively and efficiently.

As a result, in August 2015, PI introduced a matrix internal structure which includes i) skills-based teams (Legal, Advocacy and Campaigns, Research and Investigations, and Technology) managed by a Heads of Teams and ii) Programme Leads for each of the programmes that are responsible for developing and ensuring the delivery of our strategy. This new structure is now operational. In 2016 we will be redesigning the remuneration scheme. Our managers continue to get management training and coaching to support them, while the full staff also continue to be trained on communications, performance, and media.

#### **Staff**

Privacy International maintains a small group of staff at our office in London. The continued success of our work depends on our ability to recruit highly capable staff. We are committed to creating a working environment where people are supported to grow. During 2015 we appointed six new members of staff combining expertise in research and campaigning, communications, technology and law. Six staff members departed during the course of 2015. At the end of the financial year we had a compliment of fifteen full-time members of staff, with new job descriptions, and new lines of reporting to support our new strategic plan. We predict that by mid-2016 we will reach 18 members of staff.

#### **Website challenges**

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 confidence 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 our supporters' data in case of a malicious attack on our website or some other security failure. This required bringing the necessary expertise in-house, in a form of a full time Tech Team member dedicated to redesigning and coordinating fundraising systems.

We also managed to take complete control of our digital infrastructure - we redeveloped our website on a Drupal installation focusing on a good technical design first. The new website was relaunched in April 2015, and the redesigned resource (now meeting essential security standards) became available as of mid-August 2015, resources being updated and added to the website on a regular basis.

---

# Privacy International

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

## Trustees' Report, incorporating the Directors' Report for the year ended 31 January 2016

---

### Fundraising

During 2015 we received continued support in the form of multi-year core grants from the Open Society Foundations and Omidyar Network, which allowed us to develop the new strategic plan and set a stage for its implementation in 2015/2016. Both grants support us particularly to work on development of new programme areas, which don't yet have specific sources of funding.

We continued working through the second year of a 3-year project funded by the Swedish International Development Cooperation Agency, supporting our collaboration with partners in 13 countries across Africa, Latin America and Asia, to investigate the use of surveillance technologies in their respective countries, and to build momentum for stronger human rights protections in national surveillance laws. In 2015 we also started a process of the project evaluation, which aimed at assessing PI's capacity to work with a large network of international partners and our ability to help build their capacity to continue build their research and advocacy capacity to become leaders in campaigning for privacy rights. The evaluation concluded in March 2016 and will be a tool to re-evaluate our approach and plan for future cooperation with the network.

Following the success of a 2-year research project funded by International Development Research Centre that concluded in April 2015, we secured continuation of funding in November 2015 for a 2-year project focused on building research capacity and planning advocacy campaigns with partners in Argentina, Brazil, Colombia, Chile, Mexico, South Africa, Jordan, India and Pakistan.

We also successfully secured funding to support our work around data exploitation issues in a form of a 3-year grant from the Adessium Foundation, which will contribute significantly to the implementation process of the new strategy.

Public fundraising continues to be a significant challenge for us. The issues that we work on are complex and we have to date not placed sufficient emphasis on explaining them to the public, our primary focus being mostly on civil society actors and policy makers. While we have engaged in significant levels of media debate around these topics, it has yet to reach the general public, nor translate into significant public funding. Our new strategic plan includes significant investment in strengthening our communications and campaigning strategies to increasingly engage with the public.

### **6. FUTURE PLANS**

In August 2015 we launched our new strategic plan that will focus on building a sustainable organisation and movement. The Board identified three thematic areas for the new plan.

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.



---

# Privacy International

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

## Trustees' Report, incorporating the Directors' Report for the year ended 31 January 2016

---

### 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 2015 (SORP).

#### **Incoming resources**

Privacy International has been successful in increasing overall net incoming resources to £84,908 for the financial year ending 31 January 2016. This is a result of successful engagement with a wider network of independent and statutory grant-making bodies, and in particular, reflects the support for charitable activities from Omidyar Network, Open Society Foundations and Adessium Foundation and continued support under multi-year projects from Swedish International Development Cooperation Agency and International Development Research Centre.

Total incoming resources increased from £1,398,207 (FY14/15) to £1,405,439. 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 and investigations. Voluntary income amounted to £10,954 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**

Total resources expended decreased from £1,625,947 (FY 14/15) to £1,320,531. This is similarly reflected in a change in expenditure on charitable activities from £1,620,337 to £1,300,125, and reflects the slight decrease in staffing due to delays in hiring new staff, changes to Privacy International's advocacy and activities within the global network of partners (decreased number of partners in comparison to 2014/2015 due to changes in funding; and significant exchange rate fluctuations). Governance costs for the year – which includes the costs of complying with regulations and conducting an external financial audit – amounted to £3,600 (£4,200 for FY 14/15).

#### **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 2016, Privacy International's total unrestricted funds were ££222,734 compared to £170,368 during the previous financial year. Our current reserves are sufficient to fund approximately 3.5 months of operating costs.

The Executive Director and Grants and Finance Officer 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
- Esmee Fairbairn Foundation
- Ford Foundation
- International Development Research Centre
- Media Democracy Fund
- Oak Foundation
- Open Society Foundations
- Omidyar Network
- Swedish International Development Agency
- 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 2016

---

### 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, Deighton Pierce Glynn Solicitors 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

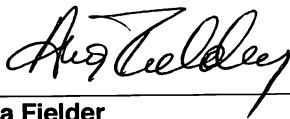
The statutory auditor, Anthony Armstrong FCA of Armstrong & Co, has indicated his willingness to be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006.

The trustees have determined that the charitable company be audited under the Companies Act 2006 for the year ended 31st January 2016 and for future years. The charitable company is required to be audited under charities legislation for the year ended 31st January 2016.

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 15.

Approved by the trustees on **21 September** 2016, and signed on their 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 2016**

---

### **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 2016 on pages 18 to 27 which have been prepared in accordance with the accounting policies set out on pages 20 - 21. 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 2015).

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 15 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 2016 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

21 September 2016

# 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 2016*

				2016	2015
		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	Notes	£	£	£	£
<b>Income:</b>					
Donations and legacies	4	10,954	218,452	229,406	137,071
Investment income	5	1,889	-	1,889	2,295
Income from charitable activities	6	31,602	1,142,542	1,174,144	1,258,841
<b>Total income</b>		<b>44,445</b>	<b>1,360,994</b>	<b>1,405,439</b>	<b>1,398,207</b>
<b>Expenditure:</b>					
Expenditure on charitable activities	7	24,366	1,296,165	1,320,531	1,625,947
<b>Total expenditure</b>		<b>24,366</b>	<b>1,296,165</b>	<b>1,320,531</b>	<b>1,625,947</b>
<b>Net income/(expenditure) for the year</b>		<b>20,079</b>	<b>64,829</b>	<b>84,908</b>	<b>(227,740)</b>
<b>Transfers between funds</b>					
Restricted to general funds	15	32,287	(32,287)	-	-
<b>Net movement in funds</b>		<b>52,366</b>	<b>32,542</b>	<b>84,908</b>	<b>(227,740)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		170,368	599,051	769,419	997,159
<b>Total funds carried forward</b>		<b>222,734</b>	<b>631,593</b>	<b>854,327</b>	<b>769,419</b>

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

# Privacy International

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

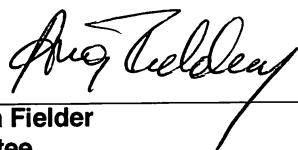
## Balance Sheet

as at 31 January 2016

	Notes	31 January 2016		31 January 2015	
		£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	10		6,535		9,343
<b>Current assets</b>					
Debtors	11	25,797		116,505	
Cash at bank and In hand	12	<u>868,056</u>		<u>702,508</u>	
		893,853		819,013	
<b>Creditors: amounts falling due within one year</b>	13	<u>46,061</u>		<u>58,937</u>	
<b>Net current assets</b>			847,792		760,076
<b>Net assets</b>			<u>854,327</u>		<u>769,419</u>
<b>The funds of the charity:</b>					
General funds		216,199		161,025	
Designated funds	14	<u>6,535</u>		<u>9,343</u>	
Total unrestricted funds			222,734		170,368
Restricted funds	15		631,593		599,051
<b>Total charity funds</b>			<u>854,327</u>		<u>769,419</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 January 2015).

Approved by the trustees on **21 September** 2016, and signed on their behalf by:



Anna Fielder  
Trustee

*The notes on pages 20 to 27 form part of these accounts.*

---

# Privacy International

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

## Accounting Policies

for the year ended 31 January 2016

---

### 1 Accounting policies

#### Accounting Convention

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

- a) the FRSSE 2015 - Financial Reporting Standard for Smaller Entities (effective January 2015);
- b) the Charities SORP (FRSSE) & Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRSSE 2015.
- c) the Companies Act 2006.

#### Public benefit entity

The charitable company meets the definition of a public benefit entity.

#### Going concern

The charity's income is mainly derived from non self-generated sources, such as grants, service level agreements and other governmental or NGO sources. The trustees consider that there are no material uncertainties about the likelihood that this support will continue, and accordingly, the accounts have been prepared on a going concern basis.

#### Income recognition

Income is recognised when the company has a contractual or other right to its receipt, it is probable that the income will be received and that the amount can be measured reliably. Income with conditions attached to its receipt is recognised when those conditions have been fulfilled.

#### Deferred income

Income received which is contractually or otherwise not expendable until a future period is deferred to the period in which it meets the criteria for income recognition.

#### 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.

#### Unrestricted Funds

Unrestricted funds are funds received which have no restrictions placed on their use and are available as general funds.

#### Designated Funds

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

#### 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.

#### 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



---

# **Privacy International**

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

## **Accounting Policies**

for the year ended 31 January 2016

---

### **Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

### **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 2016

	2016	2015
<b>3 Net incoming resources</b>	£	£
<i>Net incoming resources are stated after charging:</i>		
Auditors fees - Armstrong & Co statutory audit services	3,600	4,200
Auditors fees - other services	-	418
Auditors fees - HW Fisher project audit services	14,520	-
Depreciation - owned assets	5,843	7,754
	<u>          </u>	<u>          </u>
<b>Trustees' emoluments</b>	<u>          </u>	<u>          </u>

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.

	Unrestricted	Restricted	2016 Total	2015 Total
	£	£	£	£
<b>4 Donations and legacies</b>				
Donations	10,954	218,452	229,406	137,071
	<u>10,954</u>	<u>218,452</u>	<u>229,406</u>	<u>137,071</u>

	Unrestricted	Restricted	2016 Total	2015 Total
	£	£	£	£
<b>5 Investment income</b>				
Interest received	1,889	-	1,889	2,295
	<u>1,889</u>	<u>          </u>	<u>1,889</u>	<u>2,295</u>

	Unrestricted	Restricted	2016 Total	2015 Total
	£	£	£	£
<b>6 Income from charitable activities</b>				
Grants	30,000	1,141,782	1,171,782	1,254,209
Sundry income	1,602	760	2,362	4,632
	<u>31,602</u>	<u>1,142,542</u>	<u>1,174,144</u>	<u>1,258,841</u>

	Unrestricted	Restricted	2016 Total	2015 Total
	£	£	£	£
<b>7 Expenditure on charitable activities</b>				
Staff salaries	-	572,290	572,290	504,910
Staff social security	-	59,038	59,038	52,717
Staff pensions	-	26,725	26,725	24,399
Other staff costs	2,289	1,142	3,431	1,331
Staff training	-	5,831	5,831	6,689
Recruitment	-	15,045	15,045	6,614
Project expenses	1,311	290,834	292,145	724,213
Translation costs	-	18,273	18,273	7,206
Travel & accommodation	4,786	80,555	85,341	72,567
Office expenses	3,162	96,679	99,841	102,728
Rent	-	62,839	62,839	54,890
Depreciation charge for the year	5,842	-	5,842	7,754
Gains or losses on foreign exchange	-	-	-	64
Legal & professional fees	122	1,159	1,281	652
Consultancy fees	456	50,215	50,671	53,278
Bank & Paypal charges	512	1,020	1,532	325
Governance costs (see note 8)	5,886	14,520	20,406	5,610
	<u>24,366</u>	<u>1,296,165</u>	<u>1,320,531</u>	<u>1,625,947</u>

# Privacy International

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

## Notes to the Accounts for the year ended 31 January 2016

8 Governance costs	Unrestricted	Restricted	2016	2015
	£	£	Total £	Total £
Board meetings	1,862	-	1,862	992
Audit fees	3,600	14,520	18,120	4,200
Accountancy fees	424	-	424	418
	<u>5,886</u>	<u>14,520</u>	<u>20,406</u>	<u>5,610</u>

9 Staff costs	2016	2015
	£	£
Staff salaries	572,290	504,910
Staff social security	59,038	52,717
Staff pensions	26,725	24,399
	<u>658,053</u>	<u>582,026</u>

Average number of employees during the year was: 15 15

No remuneration was paid to any Trustee or their associates for services as a trustee during the year ended 31 January 2016 nor at 31 January 2015.

Employees paid in excess of £60,000 during the current year and previous year: 1 None

10 Tangible fixed assets	Software	Computer Equipment	Furniture & fixtures	Total
	£	£	£	£
<b>Cost</b>				
As at 1 February 2015	3,645	13,609	10,838	28,092
Additions	-	3,035	-	3,035
As at 31 January 2016	<u>3,645</u>	<u>16,644</u>	<u>10,838</u>	<u>31,127</u>
<b>Depreciation</b>				
As at 1 February 2015	2,194	12,643	3,912	18,749
Charge for the year	1,215	1,985	2,643	5,843
As at 31 January 2016	<u>3,409</u>	<u>14,628</u>	<u>6,555</u>	<u>24,592</u>
<b>Net book value</b>				
As at 31 January 2016	<u>236</u>	<u>2,016</u>	<u>4,283</u>	<u>6,535</u>
As at 31 January 2015	<u>1,451</u>	<u>966</u>	<u>6,926</u>	<u>9,343</u>

11 Debtors	2016	2015
	£	£
Deposits	15,478	15,478
Prepayments	10,319	10,319
Accrued income	-	90,708
	<u>25,797</u>	<u>116,505</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 2016

12 Bank and cash in hand	2016 £	2015 £
Co-operative bank account	768,839	697,040
Barclays bank account	98,720	(3)
Paypal account	497	5,471
	<u>868,056</u>	<u>702,508</u>

13 Creditors: amounts falling due within one year	2016 £	2015 £
Operating creditors	11,657	-
Payroll & taxation	16,162	16,067
Pensions	3,608	7,530
Accruals	14,634	35,340
	<u>46,061</u>	<u>58,937</u>

14 Designated funds	Opening balance £	Resources arising £	Resources utilised £	Closing balance £
Fixed assets fund	9,343	3,035	5,843	6,535
	<u>9,343</u>	<u>3,035</u>	<u>5,843</u>	<u>6,535</u>

<b>Fixed assets fund</b>	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.
--------------------------	--

15 Restricted funds	Opening balance £	Incoming resources £	Resources expended £	Transfers & adjustments £	Closing balance £
Adessium Foundation	23,333	130,796	69,246	-	84,883
Evan Cornish	302	-	325	23	-
Ford Foundation	-	30,344	30,668	324	-
IDRC	(14,430)	283,309	178,808	(1,573)	88,497
Media Democracy Fund	-	15,466	13,090	(2,377)	-
OAK Foundation	10,785	75,800	84,341	(2,244)	-
The Omidyar Network	197,280	195,447	328,736	-	63,991
The Open Society Foundations	139,685	214,803	166,696	(719)	187,073
Roughley Charitable Trust	2,000	-	1,938	(62)	-
Renewable Freedom Foundation	41,523	-	15,864	(25,659)	-
The Swedish International Development Cooperation Agency	191,503	370,028	401,065	-	160,466
Street Foundation	7,070	45,000	5,390	-	46,680
	<u>599,051</u>	<u>1,360,994</u>	<u>1,296,165</u>	<u>(32,287)</u>	<u>631,593</u>

# Privacy International

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

## Notes to the Accounts

for the year ended 31 January 2016

### 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
<b>Adessium Foundation</b>	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.
<b>Evan Cornish</b>	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.
<b>Ford Foundation</b>	The Ford Foundation is a New York headquartered, globally oriented private foundation with the mission of advancing human welfare. In 2015 the Foundation granted PI funds to organise a meeting in London of the global network of partners in the Global South Programme.
<b>IDRC</b>	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.
<b>Media Democracy Fund</b>	Media Democracy Fund is a nonprofit grant making initiative that works with foundations, individual donors and companies to support digital rights, internet access, online freedom of expression, internet privacy, internet security, and equality. In 2015 MDF funded PI's "Storm Clouds over Smart Cities" project, a study into a city-based communications infrastructure.
<b>OAK Foundation</b>	The Oak Foundation provides a 24 month grant to the Big Brother Incorporated project.
<b>The Omidyar Network</b>	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.
<b>The Open Society Foundations</b>	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.
<b>Roughley Charitable Trust</b>	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.
<b>Renewable Freedom Foundation</b>	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.
<b>The Swedish International Development Cooperation Agency</b>	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.

# Privacy International

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

## Notes to the Accounts

for the year ended 31 January 2016

<b>Street Foundation</b>	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 and since 2015 it supports PI's new strategic plan, especially Data Exploitation programme.
--------------------------	---

	Unrestricted funds	Restricted funds	Endowment funds	Total
	£	£	£	£
<b>16 Net assets attributable to funds</b>				
Tangible fixed assets	6,535	-	-	6,535
Current assets	262,260	631,593	-	893,853
Current liabilities	(46,061)	-	-	(46,061)
Net assets represented by funds	<u>222,734</u>	<u>631,593</u>	<u>-</u>	<u>854,327</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:

	£	<u>2016</u>	£	<u>2015</u>
		3,608		7,530

### 20 Other financial commitments

#### Operating lease commitments due within 12 months

At 31 January 2016, the company had annual commitments of land and buildings under non-cancellable operating leases as detailed below:

	Land & Buildings		Other leases	
	2016	2015	2016	2015
	£	£	£	£
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 travel expense of Anna Fielder, a trustee totaling £497.80 (2015 : £Nil).

During the year the charity paid travel expense of Barry Steinhardt, a trustee totaling £1,365.21 (2015 : £Nil).

### 22 Contingent liabilities

The charity had no material contingent liabilities at 31 January 2016 nor at 31 January 2015.

---

# Privacy International

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

## Notes to the Accounts

for the year ended 31 January 2016

---

### 23 Related parties

During the year professional and audit fees of £14,520 (2015: £Nil) were paid to HW Fisher & Company in respect of consultancy and project audit services provided to the charity. Barry Kernon is a trustee of the charity and a consultant in HW Fisher & Company. The fees have been agreed on normal commercial terms and Mr Kernon took no part in the decision to use HW Fisher & Company nor in the fee negotiations.

The charity has engaged the services of Stackhouse Fisher which are associates of HW Fisher & Company as the charity's insurance brokers. Barry Kernon is a trustee of the charity and a consultant in HW Fisher & Company. The insurance premiums have been agreed on normal commercial terms and Mr Kernon took no part in the decision to use Stackhouse Fisher nor in the fee negotiations. The amount of insurance premium paid during the year amounted to £12,289.70.

### 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.