

**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 2020**

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# Privacy International

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

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# Privacy International

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

## Charitable Company Information for the year ended 31 January 2020

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**Status:** 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

**Company registration number:** 4354366  
(England & Wales)

**Charity registration number:** 1147471

**Registered office:** 62 Britton Street  
London EC1M 5UY

**Operations address:** 62 Britton Street  
London EC1M 5UY

**Trustees who held office during the year:**

Eve Salomon	
Peter Noorlander	
Natalie Carsey	- Resigned 30 June 2020
Benjamin Elihu Wizner	
Susan Gardner	
David Victor Stephen Viney	
Holly Marie Ruthrauff	
Stephen Josef Tibbett	
Antonio Michaelides	- Appointed 1 March 2019

**Chairperson:** Eve Salomon

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

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

**Bankers:** **Barclays Bank**  
1 Churchill Place  
London E14 5HP

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# Privacy International

(A Charity Company Limited by Guarantee, company number 4354386)

## Trustees' Report, incorporating the Directors' Report for the year ended 31 January 2020

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### 1. INTRODUCTION

The Board of Trustees (who are also directors of the charity for the purposes of the Companies Act) submits their annual report and audited financial statement for the year ended 31 January 2020.

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 (Charities SORP FRS102) "Accounting and Reporting by Charities" issued in 2014.

### 2. STRUCTURE, GOVERNANCE AND MANAGEMENT

Privacy International is a registered charity and a company limited by guarantee in England and Wales. The organisation is governed by its Articles of Association, incorporated on 16 January 2002. The Articles were updated in September 2014 to implement changes to reflect our charitable status (Charity Registration No: 1147471).

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.

#### Trustees

The Trustees of the charity who held office during the year are set out on page 3.

#### Financial controls

Privacy International continues to strengthen its financial management systems, as the organisation grows and our responsibility to public, donors, partners and other key stakeholders increases.

All expenditure is carried out with reference to Privacy International's multi-year strategic plan and annual workplan, as approved by the Board prior to the start of each fiscal year. Financial procedures have been developed to monitor and evaluate the charity's finances, including quarterly management accounts, which are prepared for review by Trustees, prior to each meeting of the Board.

The Board is assisted in taking decisions relating to budgeting and forecasting by the Finance and Audit Committee, which consists of three Trustees including the Treasurer. The Committee is responsible for recommending finance management policy to the Board and ensuring that existing policies are implemented. The audit function of the Committee is to consider the adequacy of risk management, internal controls, and governance.

#### Risk statement

Privacy International takes the safety, security and wellbeing of its staff, consultants, partners and contracted sources and researchers very seriously and fully accepts our duty to provide a reasonable standard of care to those performing activities on our behalf that could bring them to foreseeable harm. Our mission and operating locations inherently mean that our staff, consultants, partners, contracted sources and researchers are exposed to safety and security risks. Our approach to managing risk is one of risk management rather than risk aversion; however, we do not seek to engage in high-risk activities.

Our appetite to accept risk will always take account of our mission. As such, there may be specific situations where we may decide to accept risks above our stated risk appetite. When we do this, the process will be informed by the criticality of the proposed work, consideration of the potential impacts to our staff, partners, consultants, contracted sources and researchers, and will include additional controls and be approved by the Executive Director. In cases of particularly high risk, the Chair will also be included in the approval process.

PI believes that supporting mental health is integral to building a more resilient organisation. Staff who feel supported will in return contribute to a balanced and healthy workplace. Wellbeing management is an integral part of Privacy International's global risk framework.

As well as the on-going (managed) risk to staff who travel, our two main organisational risks are around our funding and the political uncertainty as a result of the UK leaving the EU. We are always looking to diversify our funding and attract multi-year funding awards to minimise our financial risks. Leaving the EU brings uncertainty about our ability to retain international staff and maintain the impact of our legal advocacy.

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# Privacy International

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## Trustees' Report, incorporating the Directors' Report for the year ended 31 January 2020

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### Risk management

Risk management is an essential part of the operations of Privacy International and a key responsibility of the Board, with a Risk Management Policy and framework in place. Trustees review the major risks to which the organisation is exposed, and the measures taken to mitigate them, at each of their meetings. The executive team reviews these risks regularly during the year and risks are identified and monitored for each area of operation as well as for significant new activities.

The risk register has been developed with reference to the UK Charity Commission and National Audit Office guidance and UK Charity Law and is regularly updated and comprehensively reviewed annually by the Board.

### Whistle-Blowing

Privacy International is committed to maintaining the highest standards of integrity, honesty and professionalism in the workplace and to complying with its legal obligations. Whilst Privacy International makes every effort to ensure that its business is conducted according to these standards, employees may be aware of, or suspect, certain failings or wrongdoings within the organisation and they are encouraged to alert the organisation to such concerns so that they can be remedied. Information from concerned third parties is a very important element in detection, especially of corruption where formal controls can be made ineffective by collusion.

The whistle-blowing policy was approved by the Board in 2017 and applies to all employees, volunteers and contractors, both in the UK and overseas.

### Remuneration Policy

The remuneration of staff is guided by PI's Competency Framework as set out in the organisational Staff Handbook, outlining roles and responsibilities, ensuring that each employee is rewarded in line with the level of their role and our overall remuneration structure. The remuneration of the Executive Director is decided by the Board of Directors.

## 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.

### Mission

We campaign for legal and technological solutions to protect people and their data from exploitation.

Privacy International campaigns against companies and governments who exploit our data and technologies. We expose harm and abuses, mobilise allies globally, campaign with the public for solutions, and pressure companies and governments to change.

### Vision

Freedom and privacy will be the foundations of tomorrow's societies.

People are enabled by technology to explore their identities, speak their minds, and live with dignity. They will be free from exploitation and in control of their lives.

### Legacy

Privacy International has been at the forefront of privacy, technology and human rights since 1990. We entered this field when the internet was still in its infancy, and police surveillance meant stationing officers outside a suspect's home. Privacy was a poorly understood concept.

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

Over our history, PI has developed the concept of data exploitation, focusing on how companies and governments develop programmes, policies, and systems that exploit peoples' data to further their own goals. We also helped develop international human rights foundations for privacy, technological analyses of surveillance programmes, and necessary legal frameworks for addressing surveillance. We continue that work today under our four strategic areas of i) corporate exploitation, ii) government exploitation, iii) dignity and iv) democracy.

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# Privacy International

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## Trustees' Report, incorporating the Directors' Report for the year ended 31 January 2020

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### **4. PUBLIC BENEFIT**

Direct beneficiaries of our work are i) the general public across the world through our advocacy, public engagement, and educational work, and ii) public interest civil society organisations across the world through our capacity-building and support.

PI makes a concrete difference across the world, compelling companies and governments to change their practices and policies. Our extensive track record of achievements across the world includes uncovering technological risks, leading global campaigns, intervening in courts, and motivating regulatory reform to prevent misuse of technology and consequent abuses.

Our research and investigations help inform the public about the risks to privacy, often secret, and the power imbalances that arise. Through extensive outreach and media engagement, we ensure our work reaches expanded audiences across the world. Changes in practices by governments and companies as a result of our work has benefited people globally, including as national publics and customers. For instance, in 2019 over 20 companies adjusted business models, practices or products as a result of our work, affecting more than 550 million people across the world.

Our advocacy, whether in policy fora or before courts and administrative bodies, aims to strengthen the necessary legal and technological protections and create new safeguards for new challenges posed by changing policies and technologies. In 2019, we ran 20 campaigns, filed 12 new cases and 8 regulatory complaints, and won 5 cases against exploitative and harmful practices affecting people in over 50 countries.

We run education initiatives and projects in countries, working cooperatively with others to reach people who are at risk, and to help communities ensure that laws and technologies protect people. In 2019, we built the capacity of 20 partner organisations in 16 countries to better understand policy and technology, conduct outreach and public engagement, and strengthen their organisations.

In setting our annual workplan, the Board of Trustees have regard to both the Charity Commission's 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 2019**

#### **New strategy**

In 2018, after years of creating, opening up and then being a strong voice in debates, PI's Board undertook an extensive exercise to build a new strategic plan. This involved consultations with staff, funders, partners, allies and a multitude of stakeholders, including sections of the public. This was followed by a collaborative process between trustees and staff about the kind of organisation PI wanted and needed to be. This cumulatively led to the development and Board approval of PI's new strategy in September 2018 and the approval of a new 4-year strategic plan in December 2018, which was launched in February 2019. In that strategy, we decided to become a more public-facing organisation that fights where issues around the exploitation of data are most pressing, rather than focusing only on covering privacy and surveillance developments globally. It identified the interventions PI would undertake in four key areas:

**Defence of Democracy and Dissent** – Democratic rights are at risk from political parties' and other actors' increasing exploitation of data; under this strategic area, PI will also reframe our work on mass surveillance around protecting democracy and combating the monitoring of civic spaces.

**Safeguarding Peoples' Dignity** – Data is increasingly used in instances where people are most vulnerable, exposing them to further risks; PI will campaign to challenge identity systems, to protect migrants, to safeguard communities at risk and access to economic-social and cultural rights with dignity.

We continue our leadership exposing the more systemic exploitation of data by industry and governments and seeking changes in laws and practices.

Finally, we continue to focus on building a good and resilient organisation and movement. We work to support staff to grow and learn how to address new challenges, continue to build capacities of partner organisations to fight everywhere, and strengthen our abilities to respond to growing and emerging risks.

#### **5.1 Programmatic activities - highlights**

Our strategy has a strong emphasis on our programmatic work being beneficiary-focused. In each of our strategic areas, we identify the beneficiaries and their needs, and the stakeholders we must target and the capacities we must build to do so. Annually we prescribe how our interventions will achieve change and what resources are required and the indicators of achieving the desired changes in behaviours, and how we will conduct outreach to all relevant communities, actors and institutions.

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# Privacy International

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## Trustees' Report, incorporating the Directors' Report for the year ended 31 January 2020

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### Defence of Democracy and Dissent focused on:

- **Protecting the Election Cycle** – to protect voters within targeted countries and build the capacity of electoral public-interest organisations, PI worked with election observer groups to share our expertise and build a sharing space to eventually develop in-depth recommendations on how to address data exploitation around various elements of the election cycle.
- **Targeting manipulation and political exploitation** – to protect voters whose data is being exploited by companies for political purposes, PI looked at a role of companies that are facilitating exploitation of data in political campaigning (including looking at use by political parties of these tools) and how regulators and authorities review ad transparency measures and their application by companies.
- **Protecting Civic Spaces** – to protect the civil rights of people in targeted countries and support public-interest organisations who do public outreach and education, PI conducted research and advocated against unrestrained government acquisition and use of surveillance capabilities, and campaigned for protections to be deployed that will strengthen necessary civic participation and constraining mass surveillance (litigating where appropriate, and developing standards).

### Safeguarding People's Dignity focused on:

- **Protecting Identities** – to protect the publics in countries subjected to new identity systems from marginalisation and discrimination and strengthening the capacity of public-interest organisations across the world, PI advocated for solutions to be designed to serve the individual not state power. Last year we identified areas of emerging concern which must be addressed to minimise threats and risks as early on as possible, e.g. individuals/groups disproportionately and arbitrarily impacted, new purposes for data processing.
- **Protecting the Targeted** – to protect communities including activist and other communities made vulnerable by the deployment of surveillance and strengthening the capacity of organisations that support them, PI advocated for cessation of security measures that expose people to disproportionate and arbitrary risks, for reduction of risk to targeted persons and groups, e.g. human rights defenders, women, trans and gender diverse persons, activists, journalists, political dissidents. Last year we kickstarted sustained attention on how industry and government policies and practices can be changed to promote individuals' autonomy and agency in the choices they make.
- **Preventing Exclusion** – to protect the rights of beneficiaries and users of social protection programmes (e.g. welfare, healthcare) and public-interest organisations across the world engaging in this domain, PI advocated for shut down of systems without sufficient and achievable mitigation strategies and for meaningful rights of redress, that inherently put individuals and their data at risk, when data is processed by governments and industry. Last year we advocated for funders and governing bodies to have clear procedures for requiring safeguards in funding decisions. And we brought attention to how data affects economic and social rights.
- **First They Build for the Migrants** – to support the rights of migrants by building the capacity of migrants' rights organisations, PI brought attention to how data and technology could affect the rights of migrants and worked to reveal issues around systems intended to enable migrants to exercise their rights - provided by industry, governments, international orgs – and must not expose them to risks, i.e. discrimination, abuse, destitution.

### Corporate Exploitation focused on:

- **Data Brokers and Ad-tech Industry** – to inform users of the internet, all of whose data is exploited by data brokers, PI brought attention to vast dossiers that are being made on everyone for the purpose of targeting them for advertisement and how bad actors are pulling the entire market into deeply invasive practices. We started motivating the public and regulators to pressure industry to reform their practices and increase protections for users.
- **Low Cost Technologies** – to protect the rights of people who use lower cost mobile phones globally (between £30 to £125), PI advocated for telecommunications operators, manufacturers or vendors to make changes to their products or services that can increase the protection of privacy for their consumers.
- **Competition in the Digital Age** – to protect the rights of consumers who may be adversely affected by monopolistic power of industry and to strengthen understanding by public-interest organisations globally, PI advocated for regulators to take action against anti-competitive industry actors (like Facebook, Amazon). We developed our positions on data and competition and provided analyses of remedies.

### Government Exploitation focused on:

- **Financial Drivers for Global Surveillance** – to protect the rights of people in countries receiving surveillance capabilities from the EU and to inform the work of affected public-interest and humanitarian organisations, PI analysed what human rights considerations are included in financial decisions in EU security budgets, advocated for limiting of financing of surveillance capabilities to states with poor human rights record, and shed light on how global counter-narcotics policies enable expansion of surveillance capabilities.
- **Government Policies that Promote System Exploitation** – to protect global users of popular internet services, PI advocated and brought legal action against governments to enforce implementation of safeguards or withdrawal of harmful policy initiatives that sought to weaken data security and privacy; we advocated for companies to deploy transparent and auditable security that protects users.

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# Privacy International

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Core organisational development work focused on:

- Building a new brand for Privacy International - to increase our appeal to larger sections of the public and to reflect changes in our new ways of work, new approach to impact and the new strategy.
- Building a new public engagement strategy – to increase the voice of the affected individuals, communities, and groups underlying all programmatic work within the new plan.
- Building additional capacity and developing talents to deliver on the new plan – to support staff through the delivery of the strategy, with staff training for new managers, new areas of work, new ways of work, new responsibilities.

Along the way we restructured our monitoring and evaluation and learning systems, to more comprehensively track our results and progress: we introduced new ways of reporting on our activities, on a quarterly basis, allowing us to closely track progress towards our goals. We reflect now on successes and failures through regular reporting – this allows us to look back at our achievements, amend the way of working where required, restructure projects to be more efficient, and plan better for remaining periods.

### 5.2 Key achievements in 2019

#### Outreach – working with others

Throughout 2019 we monitored new and emergent topics, worked with other civil society organisations in coordinated efforts to provide new analyses, tools and solutions to challenges and threats (e.g. data exploited in elections).

We continued working cooperatively with others to reach people who are at risk, and to help communities ensure that laws and technologies protect people. We continued building our partner organisations' capacities to work on issues of data protection, biometrics and identity systems, mass surveillance, gender and privacy, improving their expertise in Monitoring and Evaluation, policy and advocacy, external communication, risk modelling and technical research - to raise the diverse voices of people across the world, to ensure they are listened to by their governments and the companies seeking to exploit them. We:

- o Strengthened the capacity of the organisations we were working with to embark on new issues as well as on diversifying the actors of change with whom we are working.
- o As part of the process to better understand how digital public benefits and health systems were experienced by people, and the implications on human rights, developed a framework for analysing and researching various components of such systems – this is now guiding the development of clear demands and recommendations.
- o Consolidated our work on identity to build capacity and ensure the actors of change who work with us had access to tools and resources. This included guides on key considerations when it comes to understanding threats posed by different biometric ID systems - a searchable database to archive and document examples of abuse related to specific actors, and technologies.
- o Developed in-depth material on data exploitation in the election cycle which was shared with partners and served to inform their own research and campaign activities and helped to reach out to organisations working on elections and civic
- o Expanded our work on information processing and digitalisation in immigration enforcement mechanisms by exploring data sharing in the UK, digital visa processes in Chile, and biometric databases in Europe.
- o Continued cooperation with international human rights mechanisms, feeding into reports, assessments and recommendations (United Nations Human Rights Commission and Organisation of American States) but also had a chance to share experience and interact with international forums beyond our traditional experience and approach, e.g. UN Counter-Terrorism Committee.
- o Continued to cooperate with allies traditionally operating in our space and seasoned experts in the field (INCLO, Liberty, Human Rights Watch, EDRI).
- o Worked with new allies: EODS - Election Observation and Democracy Support, EISA - Electoral Institute for Sustainable Democracy in Africa and the Venice Commission on election observation, the European Council on Refugees and Exiles on refugee rights, and the Platform for International Cooperation on Undocumented Migrants.

#### Key Impacts

**Our contributions were valued:** Submissions by PI and partners were heavily referenced in the report by the UN Special Rapporteur on extreme poverty and human rights on the digital technology, social protection and human rights, and by regulators (e.g. UK Information Commissioner's Office, the Australian Competition and Consumer Commission).

**Our relationships have expanded:** Exploring new topics (elections, identity, social economic and cultural rights and migration) allowed us to connect and cooperate with new actors around the world, bringing formally to the PI Network five new organisations from three new regions, including 3 organisations in Europe, one in Central America and one in North America.



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# Privacy International

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## Trustees' Report, incorporating the Directors' Report for the year ended 31 January 2020

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### Building evidence base

We believe that people must be able to understand and control how their data is used - together we must be able to hold governments and companies to account. We work to remove the veil of secrecy and reveal their capabilities. We work to help people see how their rights are affected, and guide people on how to object and what they can do to protect themselves. Throughout 2019 we brought to light new stories and created stronger and new narratives. We:

- o Explored welfare systems – on functioning of social protection systems in the digital age (using the example of ASPEN cards in the UK).
- o Continued to reveal and challenge the use of new tech in phone extraction by law enforcement agencies.
- o Exposed how low-cost tech expose people's data – and worked to bring scrutiny to data practices of the devices used by the majority of people across the world, beyond well-protected and high-end smart phones.
- o Revealed privacy and data sharing practices of mental health websites - our methodology was later replicated by the Financial Times.
- o Continued to reveal how powerful countries encourage and enable other governments to deploy advanced technologies without proper safeguards – including surveillance capabilities, and biometrics solutions in elections.
- o Compared and contrasted the application of social media transparency tools and policies around the world.

We continued to use legal mechanisms to expose shortcomings of systems already deployed and bring them to the public's attention while advocating for actions and solutions:

- o PI submitted evidence to an inquiry carried out by the Scottish Parliament into the use of Facial Recognition Technology (FRT) for policing purposes, in which we noted that the rapid advances in the field of artificial intelligence and machine learning, and the deployment of new technologies that seek to analyse, identify, profile and predict, by police, have and will continue to have a seismic impact on the way society is policed – the Committee's report's conclusions reflect PI's position, i.e. ban for live facial recognition and introduction of a series of safeguards around legality (legal framework), necessity and proportionality for static/retrospective uses.
- o Over the last four years PI pursued a case challenging the Investigatory Powers Tribunal judgement that the UK government may use 'general warrants' to hack potentially thousands or even millions of devices, without any finding of individualised suspicion - the case has gone to the High Court, followed by the Court of Appeal, and the highest court in the UK, the Supreme Court. Following the judgment by the Supreme Court (May 2019), that the IPT is subject to judicial review, PI has resumed its challenge at the High Court to the IPT's decision regarding the UK Government's use of general warrants to carry out hacking activities. PI was granted a Protective Cost Order by the Court at the level of £15,000 to allow us to proceed with the case. A hearing is expected to take place by end of 2020.
- o We continued our advocacy against mass surveillance, including with cases before the European Court of Justice and the Grand Chamber of the European Court of Human Rights (ECtHR), challenging the UK's broad and intrusive spying powers; following the ruling from ECtHR that UK government's mass interception program violates the rights to privacy and freedom of expression, together with other public-interest claimants, our written submissions were filed in May 2019 and the hearing took place in July. The Grand Chamber's decision is now pending.
- o We continued pursuing clarifications on the acquisition, use, retention, disclosure, storage, deletion of Bulk Personal Datasets ("BPD") and Bulk Communications Data ("BCD") – its legality, especially intelligence sharing under the UK law; and in parallel in the Court of Justice of the European Union (CJEU) – concerning the collection of BCD from mobile network operators (a joint hearing with two other cases concerning bulk data retention from France and Belgium).
- o Following the disclosure of the existence of a secret oversight function from an earlier case before the Investigatory Powers Tribunal (IPT) involving a 'third direction' given to the Intelligence Services Commissioner (ISC) and refusal from the government to clarify the nature of it, PI joined Reprieve in a legal action to challenge the secret oversight regime. The revealed documents disclosed the secretive 'direction' through which the Security Service purports to "authorise" its agents to carry out crimes, the secret policy offering the "agents" de facto immunity for the crimes they were committing with MI5's authorisation. In December 2019, the IPT decided that there was no violation, but with a closed dissent – a very unusual occurrence at IPT. PI received permission to appeal, with a hearing set for 2020. This case addresses human rights violations as well as raises important questions regarding secrecy in operations of intelligence agencies and their oversight - it is under covert surveillance and secret operations that the right to privacy and other human rights are more at risk of being systematically and gravely violated. The case relates closely to our mandate where privacy is understood more holistically and through its relationship to other human rights.
- o We sought further disclosures about hacking activities of law enforcement agencies. Together with the American Civil Liberties Union and the Civil Liberties & Transparency Clinic of the University at Buffalo School of Law, in 2018 we filed a lawsuit demanding 11 US federal agencies, including the FBI, U.S. Customs and Border Protection, Drug Enforcement Administration, and Immigration and Customs Enforcement to disclose what hacking tools and methods they are using, how often such tools and methods are used, the legal interpretations used to justify hacking, and any internal rules and protocols that govern this intrusive practice. In 2019, in response to our requests the agencies finally began producing the documents, which will feed into series of publications in 2020.

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- o In Kenya, we challenged the implementation of the government's new identity system, in a case filed by the Nubian Rights Forum. PI's arguments presented in its witness statement on security of systems were used in the court proceeding to question the government – the judgement has a direct impact on the roll out of the ID system, and adds to the growing body of cases around the world dealing with the challenges posed by centralised biometric identity systems. It is important to note that the High Court accepted evidence provided by PI on the risks to the right to privacy and to data protection of data attendant with the design of, and security of the system.

Following our 2018 filings against data brokers (Acxiom, Oracle), ad-tech companies (Criteo, Quantcast, Tapad) and credit referencing agencies (Equifax, Experian) to bring transparency to their ecosystem and curb their extensive practices, in 2019 the UK's privacy regulator published its draft Code of Practice on Political Campaigning, which took on board a number of PI's recommendations. Other regulators are also moving on this issue after we raised our concerns with them: the Irish regulator announced a statutory inquiry into Quantcast and in March 2020 the French regulator confirmed that it is investigating Criteo.

We continued to use legal mechanisms like freedom of information access requests ('FOI', under Freedom of Information laws) and Data Subject Access Requests ('DSAR' under Data Protection laws) in our campaign for more transparency around information sharing between authorities and corporations:

- o following Privacy International's FOI request (and another by another public-interest organisation medconfidential), the Department of Health published their contract with Amazon in relation to the use of Amazon Echo devices to access NHS information; PI also carried out DSAR research in relation to Amazon's voice assistant (Alexa) which helped furnish findings regarding the deal between the UK government and Amazon to allow access to information on the NHS website.
- o a series of Data Subject Access Requests to various businesses that appeared on PI staff Facebook profiles as having targeted them with ads or having uploaded their personal data on the social media networks – the research revealed crucial insights and helped us understand how data might be shared among various recipients, or what other third parties a company might be using to obtain additional data and enrich their user profiles.

### Key impact:

**PI drove the agenda:** Our interventions in informed investigations into some actors, like the data broker industry and competition practices of large tech companies.

**Our advocacy strengthened the rule of law:** A 5-year long legal case resulted in a landmark judgement by the UK Supreme Court that the UK Investigatory Powers Tribunal cannot escape the oversight of the ordinary UK courts, effectively confirming the role of courts in upholding the rule of law in the UK.

**Our research made companies change their behaviours:** Our research pressured companies to improve privacy protections for millions of users, including those in vulnerable positions. Out of six companies we investigated, four menstruation tracking apps took actions related to data sharing with third parties. Similarly, out of 4 mental health websites we analysed, two websites offering depression tests changed their practices after our exposure (NHS and passeportsante.fr).

**Our research had a direct effect on the general public:** Our analysis of apps on Google Play Store for Android systems that were sharing data with Facebook and our subsequent information campaign around it led to two thirds of the 36 apps changing designs (including giants like Spotify, Skyscanner and KAYAK), tangibly improving privacy for millions of users around the world. The work was covered by wide range of international media (the Financial Times, Le Monde, Süddeutsche Zeitung, FOX News, the Boston Globe and the Hindustan Times). We also made the methodology freely available to anyone who would be interested in replicating it.

### Campaigning and advocacy

We conducted extensive outreach to stakeholders and key actors and encouraged the public to act with us, as we worked to build a world where technology will empower and enable us, not exploit our data for profit and power. We:

- o Developed comprehensive briefings - including on biometrics to the UN Counter-Terrorism Executive Directorate; on the role of data and technology in electoral processes to observer organisations; on the future of the EU Trust Fund for Africa.
- o Wrote open letters in coordination with other civil society organisations to galvanise our movement, build civil society capacity, raise awareness more broadly, and to call to action – including:
  - to Facebook on its policy of sharing users' phone numbers - following pressure by PI (and other privacy groups) and a settlement with the U.S. Federal Trade Commission, which required it to boost safeguards on user data, the company announced that phone numbers provided for two-factor authentication will no longer feed the "people you may know"
  - to Google, together with 50 other organisations, to ask them to work with manufacturers of low-cost tech devices to stop

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# Privacy International

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

## Trustees' Report, incorporating the Directors' Report for the year ended 31 January 2020

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- o Responded to consultations – the UK's Competition and Market Authorities' online platforms and digital advertising market study, the UK's call for evidence on digital identity and on online harms White Paper; the Financial Authority Task Force consultation on digital identity; on the use of data and technology in the delivery of programme for the enjoyment of economic and social rights to the OAS and the UN, to the Committee on the Elimination of Racial Discrimination on preventing and combating racial profiling and the UN Human Rights Committee on Article 21 of the ICCPR (the right to peaceful assembly).
- o Engaged new actors and institutions, including previously unknown providers of fintech services and ID systems like YOTI, or background players like "political campaigning experts" such as NationBuilder; while we continued building alliances with the UK and Irish data protection regulators that need to keep them accountable).

We also worked hard to provide practical solutions to help others protect themselves:

- o We shared expertise for forensic tech research with others on our Android apps analysis, low-cost tech research, menstruation apps data sharing, website data sharing, so that other researchers could replicate our work.
- o We provided educational material on how to minimise targeted ads on various platforms (ranging from social media like Facebook, Twitter, YouTube, through messaging apps like telegram, tiktok, WhatsApp, and ride sharing apps like Uber), and how to minimise exposure to invasive "smart devices" like Alexa, in the absence of users' informed consent.

And invited the public to campaign with us:

- o Our campaign "Neighbourhood Watch" on surveillance in local communities provided tools for people to call out the surveillance technologies deployed in the UK, and shared our campaigning tools with other organisations, in the UK and working on replicating the campaign in other countries in cooperation with European civil society.

We had varying successes on these particular initiatives, and we continue working to improve our new audience-centred communications and public engagement strategy.

### Key Impact:

**Our interventions resulted in institutional changes:** Our cooperation with privacy and data protection regulatory authorities shows we managed to shape the agenda on challenging AdTech, and they appreciate our expertise. The UK's Competition and Market Authority began an inquiry into digital platforms and ad tech; the Irish Data Protection Commission announced that as a result of PI's submissions it was launching a statutory inquiry into the data practices of Quantcast; and Frontex abandoned their surveillance procurement.

### 6. MOVING FORWARD

PI focused much of the change in 2019 on working differently and in diverse domains. A key takeaway from that experience of change is that we need to constantly prioritise so that each intervention we make works towards impact that protects and strengthens our beneficiaries. We, and our sector generally, must depart from activity-focused work (output-focused).

We have to change how we engage the public and various stakeholders. Along with the development of our new public engagement strategy and consequent redesigns of our communications strategy, brand, and websites, this allows us to adjust plans, and approaches, enabling us to bring in the public in a way we could not before.

We also now have standardised monitoring and data collection tools to support learning and to comprehensively track effectiveness of our new strategic tactics (Research & Reveal, Outreach & Policy, Advocacy & Demand, and Public Action). We have to continue to reflect, learn, challenge ourselves, test, and explore new avenues of reaching people and creating change.

Priorities of our work for 2020 would continue to build towards long-term results.

**Safeguarding People's Dignity strategic area will focus on:**

- o Protecting identities – we will continue our work to ensure ID systems are designed to serve the individual and not state power, and continue ongoing monitoring to identify areas of emerging concern which must be addressed to minimise threats and risks as early on as possible, e.g. some individuals/groups being disproportionately/arbitrarily impacted, new purposes for data processing added.
- o Protecting the targeted - we will focus on improving local and global cybersecurity and cybercrime policies - if we need to improve security for people and communities who are made vulnerable, we need to be able to improve the security baseline for everybody in both government and industry whilst assisting and amplifying the voices of people who are in a vulnerable
- o Protecting dignity – we will target government bodies and companies and other actors that are undermining and exploiting peoples' access to Economic Social and Cultural rights and services (from healthcare to benefits) through the use of technology and vast data processing practices.

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# Privacy International

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

## Trustees' Report, incorporating the Directors' Report for the year ended 31 January 2020

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- o Humane immigration -- we will focus our attention on a humane approach to immigration -- work to sustain attention and advocacy actions around data, technology, and the rights of migrants with a particular focus on the UK, Chile and Europe more broadly.

### Defence of Democracy and Dissent strategic area will focus on:

- o Protecting the election cycle - we will work to remove obstacles for our allies (election observers and assistance bodies, election management bodies, advisory committees, expert legal bodies), we will create obstacles for those who build unfair systems (suppliers of untested technologies, widely deployed without appropriate safeguards).
- o Ads transparency -- we will campaign to prevent companies that facilitate the exploitation of data by advertisers by allowing opaque and invasive targeting from continuing to do so globally.
- o Protecting civic spaces -- we will continue targeting intelligence agencies and governments' surveillance capacities and making sure that governments face resistance in using practices and techniques that undermine democratic institutions and rights -- requiring compliance to new safeguards/protections.

### Government exploitation strategic area will continue to challenge the interference of rights by government, including their relationships with private sector companies, including:

- o Foreign funding and assistance programmes -- we will continue looking at the EU's and other international assistance of surveillance agencies in non-member countries, working towards minimising the EU financial support of privacy-invasive projects while integrating safeguards and good practices into other projects.
- o System exploitation -- we will continue working to establish new obstacles to governments' conduct, that directly compromise security, and that their methods include minimum human rights safeguards or are prohibited, and work towards making sure organisations, including civil society organisations, are more secure because they have a better understanding of their security vulnerabilities and access to tools to address those vulnerabilities.
- o Private actors enabling public surveillance -- we will work to combine reveal stories to raise awareness about the privatisation of surveillance and to motivate the public against abusive practices that threaten our freedoms and dignity.

### Corporate exploitation strategic area will continue to challenge companies that exploit people's data for their own advantage i.e. for power and profit, aiming to for the companies to change their business models to ensure better protection of people, including:

- o Data brokers targeting people when they are vulnerable -- we will focus deeper on data brokers, and particularly how pregnant women and maternal wards are targeted unfairly.
- o Major firms building lower cost tech -- we will continue to pressure large companies to protect their users' privacy and security, motivating producers of technology for lower income population to allow the same level of protections as expensive high-tech

### Update from March 2020 -- COVID 19 response

The pandemic is challenging for us all. In late February 2020 we began to prepare for the eventuality of the crisis escalating, making some hard decisions, testing our technical and wellbeing capacities for remote working, and assessing all travel. The Board of Trustees was regularly updated on key developments. PI's office remained open for as long as it was reasonable for those who needed it but moved towards remote working in early March 2020, and following a series of UK government announcements, we mandated remote working.

While we continue to operate mostly without significant interruption, our annual plan for 2020, as approved by the Board in December 2019, continues to be affected by this uncertain environment. Our activities are being assessed to identify if any changes are required to both annual and long-term plans, that can have potential effects on strategic delivery. It is expected plans will change - very likely much of our work with partners, as their regions and countries are also heavily impacted by the pandemic.

We coordinate with our funders, keeping them apprised of the developments. We maintain regular contact with the international network of partners to reassure them PI is open to conversations about contingencies. We reiterated their health and wellbeing is of utmost importance to PI, and we continue working closely with them to understand the impact of this unfortunate circumstances.

Our strategy enabled us to engage in some key aspects of the pandemic and particularly in the issues arising from governments' and companies' responses to the pandemic. Typically all our strategic areas were relevant, and tactically, we were able to respond rapidly to pressing developments to create educational content for the public, inform public-interest groups as they developed their positions, engage with media organisations across the world. We engaged our partners in our Network and across civil society to identify the emerging trends, and to articulate how pandemic response needs to respect fundamental rights. We maintained global monitoring of developments, tracking them on our website for the public to see what's going on across the world. Our website traffic grew significantly in this period. PI's perspectives on pandemic response were widely sought by media, as well as by industry and governments. For instance, PI's executive director was asked to join the Ethics Advisory Board for the UK Government's contact-tracing app.

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# Privacy International

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

## Trustees' Report, incorporating the Directors' Report for the year ended 31 January 2020

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### 7. FINANCIAL REVIEW

#### Results for the year

The results of the period and financial position of the charity are shown in the annexed financial statements.

Expenditure for the year increased to £1,96m (2019: £1,76m) largely due to the increase in the number of staff and increase of costs of projects done in collaboration with PI's partners across all activities in the course of delivery of the new strategic plan.

The incoming resources for the year were £4.2m (2019: £1.87m) resulting in a net gain of £2.2m for the financial year ended 31 January 2020.

It is important to note, that while the incoming resources recorded significant increase, a large portion (amounting to £2.6m) represents accrued income; for resources promised but not yet received (grant agreements signed during the financial year ended 31 January 2020, but where funds are expected to be received over the course of financial years ended 31 January 2021-2023).

The total funds of the charity at the end of the year were £4.08m. This included £401k in restricted project reserves and £3.68m in general funds, which include £3.14m we are obliged by the donor to spend on core activities by early 2021 through late 2022 and £92k in designated funds. The remaining general funds of £450k are available to provide operational working capital to address the financial risks surrounding projected income and expenditure.

#### Tangible fixed assets for use by the charity.

Fixed assets are set out in Note 8 to the accounts.

#### Reserves Policy

Taking into account the risks, funding sources, and complexity of Privacy International, the Board of Trustees has set a reserves policy for Privacy International aiming for 6 months' running costs – resulting in a target of £606k (currently: £460k).

The Executive Director and Resources 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 Trustees of Privacy International are extremely grateful to the following organisations for their support over the past year:

- Adessium Foundation
- Digital Freedom Fund
- Ford Foundation
- International Development Research Centre
- Luminate
- Oak Foundation
- Open Society Foundations
- Paul Hamlyn Foundation
- Swedish International Development Cooperation Agency

and Mozilla Open Web Fellowship Programme for providing Privacy International with the opportunity to serve as host organisation for the Fellows.

#### 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, Doughty Street chambers, Matrix Chambers, Brick Court Chambers, Bhatt Murphy, Liberty, Hausfeld & Co LLP, independent counsel, and various law clinics and legal experts at Yale Law School MFIA Clinic, Harvard Law School Cyberlaw Clinic, Harvard International Human Rights Clinic, University of Buffalo Law School Clinic and Legal Resources Centre in South Africa.

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.

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# Privacy International

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

## Trustees' Report, incorporating the Directors' Report for the year ended 31 January 2020

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### Senior Statutory Auditor

The statutory auditor, A D 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.

Although not required, the trustees have determined that the charitable company be audited under the Companies Act 2006 for the year ended 31 January 2020. The charitable company would be required to be audited under charities legislation for the year ended 31 January 2020.

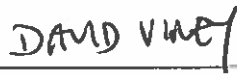
This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

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 *28 September* 2020, and signed on their behalf by:



signature



name

Trustee

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# Privacy International

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

## Statement of Trustees' Responsibilities for the year ended 31 January 2020

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The trustees (who are the directors of Privacy International 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 its 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) Follow applicable accounting standards and statements of recommended practice, subject to any material departures disclosed and explained in the accounts;
- e) Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records which 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 and charity legislation. 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 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.

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# Privacy International

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

## Independent Auditor's Report to the Members of Privacy International

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We have audited the financial statements of Privacy International for the year ended 31 January 2020 which comprise the Statement of Financial Activities, Statement of Financial Position, Statement of Cash Flows and the Notes to the Accounts to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 2020 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in Note 2 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The other information comprises the information in the annual report, but does not include the financial statements and our report of the auditors thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.



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# Privacy International

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

## Independent Auditor's Report to the Members of Privacy International

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### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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 and proper 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' exemptions in preparing the trustees report.

### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on page 15, the trustees (who are also the directors of the charitable 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, and for such internal control as the trustees determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

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 auditor's 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Anthony Armstrong FCA (Senior statutory auditor)**  
*for and on behalf of Armstrong & Co, Statutory Auditor*  
**Chartered Accountants & Statutory Auditor**

Dated: September 2020

**4a Printing House Yard**  
**Hackney Road**  
**London E2 7PR**

# 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 2020*

				2020	2019
		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	Notes	£	£	£	£
<b>Income from:</b>					
Donations and legacies	3	11,915	-	11,915	11,843
Charitable activities	4	3,053,116	1,136,286	4,189,402	1,861,122
Investments	5	1,362	-	1,362	135
<b>Total income</b>		<b>3,066,393</b>	<b>1,136,286</b>	<b>4,202,679</b>	<b>1,873,100</b>
<b>Expenditure on:</b>					
Charitable activities	6	779,041	1,179,732	1,958,773	1,758,218
<b>Total expenditure</b>		<b>779,041</b>	<b>1,179,732</b>	<b>1,958,773</b>	<b>1,758,218</b>
<b>Net income/(expenditure) and movement in funds</b>		<b>2,287,352</b>	<b>(43,446)</b>	<b>2,243,906</b>	<b>114,882</b>
<b>Transfers between funds</b>	18	<b>(814)</b>	<b>814</b>	<b>-</b>	
<b>Reconciliation of funds:</b>					
Total funds brought forward	12	1,389,515	444,352	1,833,867	1,718,985
<b>Total funds carried forward</b>	12	<b>3,676,053</b>	<b>401,720</b>	<b>4,077,773</b>	<b>1,833,867</b>

All incoming resources and resources expended are derived from continuing activities.

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

The accompanying accounting policies and notes form an integral part of these financial statements.

# Privacy International


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

## Statement of Financial Position as at 31 January 2020

		31 January 2020		31 January 2019	
	Notes	£	£	£	£
<b>Fixed assets:</b>					
Tangible assets	8		91,805		109,427
<b>Total fixed assets</b>			<u>91,805</u>		<u>109,427</u>
<b>Current assets:</b>					
Debtors	9	2,679,314		201,577	
Cash at bank and in hand	10	<u>1,403,800</u>		<u>1,636,646</u>	
<b>Total current assets</b>		<u>4,083,114</u>		<u>1,838,223</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>97,146</u>		<u>113,783</u>	
<b>Net current assets/(liabilities)</b>			3,985,968		1,724,440
<b>Total net assets</b>			<u>4,077,773</u>		<u>1,833,867</u>
<b>The funds of the charity:</b>					
Restricted income funds	16		401,720		444,352
Unrestricted funds	14		<u>3,676,053</u>		<u>1,389,515</u>
<b>Total charity funds</b>	19		<u>4,077,773</u>		<u>1,833,867</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 102.

Approved by the trustees on 28 September 2020, and signed on their behalf by:

 DAVID VILEY Trustee  
signature name

The notes on pages 21 to 29 form part of these accounts.

# Privacy International

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

## Statement of Cash Flows for the year ended 31 January 2020

	Notes	2020 £	2019 £
<b>Cash flows from operating activities:</b>			
Net cash provided by/(used in) operating activities	1	<u>(220,917)</u>	<u>338,023</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		1,362	135
Purchase of property, plant and equipment		(13,290)	(110,125)
<b>Net cash provided by/(used in) investing activities</b>		<u>(11,928)</u>	<u>(109,990)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(232,845)</b>	<b>228,033</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	2	<u>1,636,645</u>	<u>1,408,612</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	2	<u><b>1,403,800</b></u>	<u><b>1,636,645</b></u>

### Notes to the Cash Flow Statement

	2020 £	2019 £
<b>1) Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>		
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	2,243,906	114,882
<b>Adjustments for:</b>		
Depreciation charges	30,912	11,297
Dividends, interest and rents from investments	(1,362)	(135)
(Increase)/decrease in debtors	(2,477,737)	137,917
Increase/(decrease) in creditors	(16,637)	74,060
<b>Net cash provided by/(used in) operating activities</b>	<u><b>(220,917)</b></u>	<u><b>338,023</b></u>
<b>2) Analysis of cash and cash equivalents</b>		
Cash in hand	1,403,800	1,636,645
<b>Total cash and cash equivalents</b>	<u><b>1,403,800</b></u>	<u><b>1,636,645</b></u>

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# Privacy International

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

## Accounting Policies

for the year ended 31 January 2020

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### Basis of preparation

The financial statements have been prepared in accordance with:

- a) Applicable UK accounting standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)';
- b) Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP FRS 102);
- c) the Companies Act 2006.
- d) the Charities Act 2011.

### Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

### 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 charity 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.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

### Expenditure recognition

Expenditure is accrued as soon as a liability is considered probable, and the amount of obligation can be measured reliably. The charity is not registered for VAT and accordingly expenditure includes VAT where appropriate.

Expenditure included in Raising Funds includes amounts incurred in obtaining grants and other donations.

Charitable expenditure includes those costs expended in fulfilling the charity's principal objects, as outlined in the Report of the Trustees. These include grants payable, governance costs and an apportionment of support costs.

- Grants payable are payments made to third parties in furtherance of the charity's objects. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the charity.
- Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to the independent examination and legal fees.
- Rentals under operating leases are charged as incurred over the term of the lease.

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.

### 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.

### 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.

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# Privacy International

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

## Accounting Policies

for the year ended 31 January 2020

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### 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.

### 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)

## Notes to the Accounts

for the year ended 31 January 2020

### 1 Incoming resources

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

### 2 Net incoming resources

	2020	2019
<i>Net incoming resources are stated after charging:</i>	£	£
Statutory audit fees: Armstrong & Co - statutory audit services	3,600	3,600
Other audit fees: HW Fisher: project audit services	9,360	9,120
Depreciation - owned assets	30,912	11,297

### 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.

### 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.

3 Income from donations and legacies	Unrestricted	Restricted	2020	2019
	£	£	Total	Total
Donations	11,915	-	11,915	11,843
	<u>11,915</u>	<u>-</u>	<u>11,915</u>	<u>11,843</u>

4 Income from charitable activities	Unrestricted	Restricted	2020	2019
	£	£	Total	Total
Grants	3,035,985	1,136,286	4,172,271	1,859,889
Other income	17,131	-	17,131	1,233
	<u>3,053,116</u>	<u>1,136,286</u>	<u>4,189,402</u>	<u>1,861,122</u>

5 Income from investments	Unrestricted	Restricted	2020	2019
	£	£	Total	Total
Interest received	1,362	-	1,362	135
	<u>1,362</u>	<u>-</u>	<u>1,362</u>	<u>135</u>

# Privacy International

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

## Notes to the Accounts for the year ended 31 January 2020

6 Expenditure on charitable activities	Unrestricted	Restricted	2020	2019
	£	£	Total £	Total £
Staff salaries	375,159	550,524	925,683	873,203
Staff social security	41,997	55,513	97,510	93,503
Pension costs	26,638	30,459	57,097	49,871
Other staff costs	7,876	-	7,876	4,787
Staff training	23,845	2,902	26,747	20,430
Recruitment	5,441	-	5,441	2,668
Project expenses	93,243	346,760	440,003	365,718
Translation costs	79	6,400	6,479	12,713
Travel & accommodation	16,860	63,010	79,870	75,317
Office expenses	58,279	43,793	102,072	87,688
Fundraising costs	9,233	-	9,233	1,697
Rent	46,862	38,341	85,203	72,768
Depreciation	30,913	-	30,913	11,297
(Gains)/losses on foreign exchange	15,726	-	15,726	(28,783)
Legal & professional fees	10,728	787	11,515	23,925
Consultancy	9,256	30,392	39,648	72,880
Bank & paypal charges	882	1,491	2,373	2,740
Governance - Board costs	13	-	13	13
Trustee expenses	1,859	-	1,859	2,517
Audit fees	3,600	9,360	12,960	12,720
Accountancy costs	552	-	552	546
	<u>779,041</u>	<u>1,179,732</u>	<u>1,958,773</u>	<u>1,758,218</u>

7 Staff costs	2020	2019
	£	£
Staff salaries	925,683	873,203
Staff social security	97,511	93,503
Staff pensions	57,097	49,871
	<u>1,080,291</u>	<u>1,016,577</u>
Average number of employees during the year was:	<u>23</u>	<u>21</u>
Employees paid in excess of £60,000 during the current year and previous year:	<u>1</u>	<u>1</u>

The number of employees whose total employee benefits (excluding employer pension costs) fell within each band of £10,000 from £60,000 upwards were as follows:

Band	No of employees	
	2020	2019
£60,000 to £69,999	-	-
£70,000 to £79,999	1	1

The charity considers its key management personnel to be the trustees and the executive director. The total employment benefits (including employer pension contributions) of the key management personnel were £81,764 (2019: £79,500).

No remuneration was paid to any trustee or their associates for services as a trustee during the year ended 31 January 2020 nor to 31 January 2019.



# Privacy International

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## Notes to the Accounts

for the year ended 31 January 2020

8 Tangible fixed assets	Leasehold Improvements £	Software £	Computer equipment £	Furniture & fixtures £	Total £
<b>Cost</b>					
As at 1 February 2019	99,545	3,645	36,234	15,801	155,225
Additions	3,510	-	7,489	2,291	13,290
Disposals			(3,955)	-	(3,955)
<b>As at 31 January 2020</b>	<b>103,055</b>	<b>3,645</b>	<b>39,768</b>	<b>18,092</b>	<b>164,560</b>
<b>Depreciation</b>					
As at 1 February 2019	3,327	3,645	29,045	9,781	45,798
Charge for the year	19,909	-	7,890	3,113	30,912
Disposals			(3,955)	-	(3,955)
<b>As at 31 January 2020</b>	<b>23,236</b>	<b>3,645</b>	<b>32,980</b>	<b>12,894</b>	<b>72,755</b>
<b>Net book value</b>					
As at 31 January 2020	79,819	-	6,788	5,198	91,805
As at 31 January 2019	96,218	-	7,189	6,020	109,427

9 Debtors: amounts falling due within one year	2020 £	2019 £
Other debtors	-	863
Rent deposit	15,478	15,478
Prepayments	19,497	13,917
Accrued income	2,644,339	171,319
	<b>2,679,314</b>	<b>201,577</b>

Accrued income above includes 4 multi year grants receivable towards core/support costs of the charity which are receivable over next 3 years. These grants have been recognised as income and accounted accordingly for under the income recognition criteria of FRS102.

10 Bank and cash in hand	2020 £	2019 £
Barclays current bank account	991,369	1,630,838
Barclays current bank account 2	4,343	2,997
Barclays Treasury deposit bank account	400,000	-
Paypal account	7,331	1,108
Travel currency cards	757	1,703
	<b>1,403,800</b>	<b>1,636,646</b>

11 Creditors: amounts falling due within one year	2020 £	2019 £
Trade creditors	18,352	25,449
Credit cards	2,776	2,127
Payroll taxes	25,217	23,092
Pensions	-	6,012
Accruals	50,801	57,103
	<b>97,146</b>	<b>113,783</b>

# Privacy International

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

## Notes to the Accounts

for the year ended 31 January 2020

12 The funds of the charity: current year	Opening balance £	Resources arising £	Resources utilised £	Other movements £	Closing balance £
<i>Restricted funds</i>					
Restricted income funds	444,352	1,136,286	(1,179,732)	814	401,720
<i>Unrestricted funds</i>					
Designated funds	109,427	-	(17,622)	-	91,805
General funds	1,280,088	3,066,393	(761,419)	(814)	3,584,248
<i>Total unrestricted funds</i>	1,389,515	3,066,393	(779,041)	(814)	3,676,053
	1,833,867	4,202,679	(1,958,773)	-	4,077,773

13 The funds of the charity: prior year	Opening balance £	Resources arising £	Resources utilised £	Other movements £	Closing balance £
<i>Restricted funds</i>					
Restricted income funds	383,071	1,287,980	(1,231,958)	5,259	444,352
<i>Unrestricted funds</i>					
Designated funds	10,599	110,125	(11,297)	-	109,427
General funds	1,325,315	474,995	(514,963)	(5,259)	1,280,088
<i>Total unrestricted funds</i>	1,335,914	585,120	(526,260)	(5,259)	1,389,515
	1,718,985	1,873,100	(1,758,218)	-	1,833,867

14 Designated funds: current year	Opening balance £	Resources arising £	Resources utilised £	Transfers & adjustments £	Closing balance £
Fixed assets fund	109,427	-	17,622	-	91,805
	109,427	-	17,622	-	91,805

15 Designated funds: prior year	Opening balance £	Resources arising £	Resources utilised £	Transfers & adjustments £	Closing balance £
Fixed assets fund	10,599	110,125	11,297	-	109,427
	10,599	110,125	11,297	-	109,427

### 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.

16 Restricted funds: current period	Opening balance £	Incoming resources £	Resources expended £	Transfers & gains/(losses) £	Closing balance £
Adessium Foundation	65,329	-	52,243	-	13,086
Digital Freedom Fund	-	4,367	4,649	282	-
Ford Foundation	65,868	-	65,868	-	-
Foundation to Promote Open Society	139,149	204,296	239,759	-	103,687
IDRC	-	149,179	116,007	-	33,172
Luminate	-	75,844	26,248	-	49,596
Mozilla Foundation – Open Web Fellow Programme	-	16,579	16,579	-	-
OAK Foundation	5,051	101,569	107,151	531	-
Paul Hamlyn Foundation	-	60,000	4,850	-	55,150
The Swedish International Development Cooperation Agency	168,953	524,452	546,377	-	147,028
	444,352	1,136,286	1,179,732	814	401,720

# Privacy International

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

## Notes to the Accounts

for the year ended 31 January 2020

	Opening balance	Incoming resources	Resources expended	Transfers & gains/(losses)	Closing balance
	£	£	£	£	£
<b>17 Restricted funds: prior period</b>					
Adessium Foundation	95,846	131,264	161,781	-	65,329
Ford Foundation	47,067	111,809	93,008	-	65,868
Foundation to Promote Open Society	63,606	157,822	82,279	-	139,149
International Committee of the Red Cross	2,546	-	2,436	(110)	-
IDRC	600	203,184	209,153	5,369	-
Mozilla Foundation – Open Web Fellow Programme	-	16,586	16,586	-	-
OAK Foundation	6,804	99,969	101,722	-	5,051
Reading University	-	3,060	3,060	-	-
The Swedish International Development Cooperation Agency					
	166,601	564,285	561,933	-	168,953
	<u>383,071</u>	<u>1,287,980</u>	<u>1,231,958</u>	<u>5,259</u>	<u>444,352</u>

### 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.

<b>Adessium Foundation</b>	The Adessium Foundation supported various programmes to promote social justice and cohesion and provides a 3-year core grant to help build the organisation and support our work on Data Exploitation.
<b>Digital Freedom Fund</b>	The Digital Freedom Fund supports strategic litigation to advance digital rights in Europe. DFF provides financial support and seeks to catalyse collaboration between digital rights activists to enable people to exercise their human rights in digital and networked spaces. DFF in 2019 supported PI's legal complaints with the French Data Protection Authority.
<b>Ford Foundation</b>	The Ford Foundation is a globally oriented private foundation with the mission of advancing human welfare. In 2018 and 2019 Privacy International received grants to support the work with organisations in the Global South.
<b>Foundation to Promote Open Society</b>	The Open Society Foundations work to build vibrant and tolerant democracies whose governments are accountable to their citizens. The Foundations seek to shape public policies that assure greater fairness in political, legal, and economic systems and safeguard fundamental rights. In 2018 Privacy International received 2-year grant to work with other civil society actors to challenge the drivers of digital identity systems and advocate for protection of rights.
<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. Received in 2019, the 1.5 year grant from the IDRC supports a project to explore intersection of gender and privacy issues in the Global South.
<b>Luminate</b>	Established in 2018, Luminate is a global philanthropic organisation with the goal of empowering people and institutions to work together to build just and fair societies, delivering impact in four connected areas that underpin strong societies: Civic Empowerment, Data & Digital Rights, Financial Transparency, and Independent Media. Since 2013 Luminate has been supporting Privacy International in building organisational capacity to become strong leader within the civil society.
<b>Mozilla Foundation – Open Web Fellow Programme</b>	The Mozilla Foundation is a non-profit organisation that promotes openness, innovation and participation on the Internet. In 2017 Privacy International was one of the hosts organisations for the Open Web Fellow Program, funded by the Foundation - it is an international program designed to engage developers, engineers, technologists, programmers, and other selected candidates to be hosted by civil society organisations around the world.
<b>OAK Foundation</b>	Oak Foundation has a long-standing interest in protecting the fundamental rights of the individual, supporting those who champion that struggle, and ensuring that perpetrators of gross abuses are held to account. The Foundation supported PI's work on government surveillance, to conduct a global investigation into the trade of surveillance technologies used against human rights defenders and other activists.
<b>Paul Hamlyn Foundation</b>	Paul Hamlyn Foundation's mission is to help people overcome disadvantage and lack of opportunity, so that they can realise their potential and enjoy fulfilling and creative lives. In 2019 PI received a grant to look into invasive data exploitation practices in immigration processes as part of the Foundation's Shared Ground Fund.

# Privacy International

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## Notes to the Accounts

for the year ended 31 January 2020

<b>The Swedish International Development Cooperation Agency</b>	The Swedish International Development Agency is supporting PI in our collaboration with civil society actors in countries across east Africa, south and south-east Asia and South America. The 4-year project, which started in 2017 aims to strengthen civil society's capacity to protect the right to privacy, while confronting data-driven transformations in power.
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18 Transfers between funds	General funds	Designated funds	Restricted funds	Endowment funds	Total
General to restricted	(814)		814		-
General to designated	17,622	(17,622)			-
	<u>16,808</u>	<u>(17,622)</u>	<u>814</u>	<u>-</u>	<u>-</u>

19 Net assets attributable to funds: current period	General funds	Designated funds	Restricted funds	Endowment funds	Total
		£	£	£	£
Tangible fixed assets	-	91,805	-	-	91,805
Current assets	3,681,394	-	401,720	-	4,083,114
Current liabilities	(97,146)	-	-	-	(97,146)
Net assets represented by funds	<u>3,584,248</u>	<u>91,805</u>	<u>401,720</u>	<u>-</u>	<u>4,077,773</u>

20 Net assets attributable to funds: prior period	General funds	Designated funds	Restricted funds	Endowment funds	Total
		£	£	£	£
Tangible fixed assets	-	109,427	-	-	109,427
Current assets	1,393,871	-	444,352	-	1,838,223
Current liabilities	(113,783)	-	-	-	(113,783)
Net assets represented by funds	<u>1,280,088</u>	<u>109,427</u>	<u>444,352</u>	<u>-</u>	<u>1,833,867</u>

### 21 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.

### 22 Post balance sheet events

There were no significant post balance sheet events.

### 23 Pension commitments

The charitable company contributes to employee defined contribution (DC) stakeholder pension schemes. The assets of the schemes are held separately from those of the charitable company in independently administered funds.

The unpaid contributions outstanding at the year end were:	£	2020	£	2019
		-		5,606

### 24 Other financial commitments

#### Total operating lease commitments

At 31 January 2020, the charity had total commitments under non-cancellable operating leases as detailed below:

	2020	2019
	£	£
Office premises	<u>313,125</u>	<u>403,583</u>
	<u>313,125</u>	<u>403,583</u>

### 25 Contingent liabilities

The charitable company had no material contingent liabilities at 31 January 2020 nor at 31 January 2019.

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# Privacy International

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

## Notes to the Accounts

for the year ended 31 January 2020

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### 26 Related parties

There were no disclosable related party transactions during the year.

### 27 Transactions with trustees

During the year the charity paid travel expenses of Susan Gardner, (a trustee) totalling £Nil (2019: £1,307).

During the year the charity paid travel expenses of Benjamin Wizner, (a trustee) totalling £1,057 (2019: £1,175).

During the year the charity paid travel expenses of Holly Marie Ruthrauff, (a trustee) totalling £802 (2019: £Nil).

### 28 Gifts in kind and volunteers

During the year the charitable company benefited from unpaid work performed by volunteers.

### 29 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.