

Company number: 4354366

Charity number: 1147471

Privacy International

Report and financial statements

For the year ended 31 January 2022

Privacy International

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Privacy International

Reference and administrative information

For the year ended 31 January 2022

Company number 4354366
Country of incorporation United Kingdom

Charity number 1147471
Country of registration England & Wales

Registered office and operational address 62 Britton Street, London, EC1M 5UY

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Eve Salomon	Resigned 30 June 2022
Peter Noorlander	Resigned 30 June 2022
Benjamin Elihu Wizner	
Susan Gardner	
Holly Marie Ruthrauff	
Stephen Josef Tibbett	
Antonio Michaelides	
Ahana Datta	Appointed 1 February 2021
Werbayne Ruthven McIntyre	Appointed 1 February 2021
Joshua Castellino	Appointed 1 February 2021
Amanda Borton	Appointed 1 February 2021

Bankers Barclays Bank
1 Churchill Place
London E14 5HP

Solicitors Covington & Burling
22 Bishopsgate
London EC2N 4BQ

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
Invicta House
108–114 Golden Lane
LONDON
EC1Y 0TL

Privacy International

Trustees' annual report

For the year ended 31 January 2022

The trustees present their report and the audited financial statements for the year ended 31 January 2022.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

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.

Governance of Privacy International (PI)'s activities

Privacy International's trustees review the aims, objectives and activities of the charity each year. This review also looks at what the charity has achieved and the outcomes of its work in the reporting period. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Privacy International sets multi-year strategies that the Trustees expect the organisation to deliver upon. Through annual planning of projects that contribute towards multi-year outcomes, the Trustees are able to monitor PI's delivery of its strategic priorities.

PI's current strategy spans 2019–2022. The priority for this strategy is for PI to become a resilient impact-oriented in pressing domains across the world. Those domains were identified as i) elections and civic spaces, ii) economic and social rights, iii) government exploitation of systems and data, and iv) corporate exploitation business models.

Each annual plan identifies within those domains the specific actors whose behaviours PI aims to change, the tactics and the indicators of achieving our results. These indicators are reviewed at every Trustee meeting, alongside the organisation's risk matrix.

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.

What Privacy International worked toward in 2021/2022 – focus of strategic areas

PI's **Strategic Area of Defending of Democracy and Dissent** investigates the role technology plays in facilitating and/or hindering everyone's participation in civic society. Ultimately, we fight to preserve the privacy, dignity, and autonomy of individuals so that they can exercise and defend their own rights and freedoms.

In 2021/2022 we continued to focus on:

- Protecting the Election Cycle – to counter exploitation of data in elections, we advocated for inclusion of our guidance into election observation methodology, engaged with international groups (Election Observation Advisory Committees) and in-field election observer missions, and explored and developed others' capacities in relation to use of new voting technologies.
- Resisting Civic Dystopias – to ensure that use of technologies by the police and governments agencies is clearly regulated and complies with human rights safeguards, we advocated for better regulations, intervened to illustrate harms of mobile phone extraction, advocated against massive increases in data aggregation in law enforcement agencies.
- Protecting Civic Spaces – to stop mass surveillance practices by governments, we worked to ensure laws or regulations were enacted or enforced to prevent human rights abuses by pursuing strategic court judgements, and by encouraging civil society mobilisation across

the world to research, advocate and educate people in relation to various surveillance technologies and practices.

Our **Strategic Area of Safeguarding People's Dignity** explores how people's access to public services are increasingly dependent on providing more and more data about themselves. This is of particular concern for people and communities who are disadvantaged within our socio-economic and political ecosystems. Innovative solutions can be designed to empower and serve individuals and communities, rather than state and corporate power.

In 2021/2022 we continued to focus on:

- **Protecting Identities** – to protect people in response to the deployment of expansive national ID systems, we supported key stakeholders across the world to articulate the risks of digital identity systems, together advocating that proponents and adopters design and implement systems that by default protect people and uphold the highest security standards.
- **Protecting Dignity** – to protect peoples' rights to access economic and social rights, we targeted government bodies and companies that are undermining and exploiting people's access through the use of technology and vast data processing practices, with specific focus on reproductive rights and welfare services, by promoting our standards at the international level.
- **A Humane Approach to Immigration** – to counter governments' increasing use of data against migrants, we supported expert migration-sector civil society organisations and others to integrate privacy and data issues into their programmes, and challenged public authorities to review and amend their data processing activities.

Our **Strategic Area of Government Exploitation** challenges how unprecedented surveillance capabilities of governments outstrip the safeguards for our rights. We are shining a light on the surveillance trade, exposing the companies, the buyers, and the impacts on human rights. We are advocating for good practices and strong laws that protect democracy and human rights worldwide.

In 2021/2022 we focused on:

- **Drivers of Surveillance** – to minimise the European Union's, the World Bank's, and the United Nation Security Council's more problematic financial and technical support of surveillance to governments across the world, we challenged their practices that undermine human rights protections, including by advocating before the relevant oversight and regulatory bodies.
- **Securing our Digital life** – to challenge and reduce the capacity of governments to conduct hacking and other forms of system exploitation that undermine human rights, we demanded companies strengthen privacy and security standards of their products, continued our litigation against government hacking, and engaged with relevant regulators and government bodies.
- **Public Private Surveillance Partnerships** – to make surveillance collaborations between governments and companies more transparent and grounded with robust and effective safeguards, we exposed, together with our partners, such partnerships, investigated and disclosed their conditions, and advocated for governments to adopt the standards

proposed by PI. We put pressure on governments, through public campaigning, to ban biometric mass surveillance (including live facial recognition) in public spaces.

PI's **Strategic Area of Corporate Exploitation** challenges how companies are innovating on surveillance capitalism, reducing people to data for exploitation. We are investigating how our data is generated and exploited, engaging the public, and exploring the necessary legal and technological frameworks to protect against data exploitation.

In 2021/2022 we focused on:

- **Data Brokers and Ad-Tech** – to stop the race to the bottom in the targeted advertising industry, we worked to reduce the profitability of exploitative and inherently unfair business models by exploring data sharing practices, advocating for solutions that don't rely on intense data collection, and worked to educate the public to mobilise against pervasive and manipulative advertising.
- **Digital Data Dominance** – to prevent companies from expanding their data exploitation practices through acquisition, we educated regulators to better understand the interplay between data and competition, and advocated for stronger legal protections including at the EU.
- **Privacy Isn't A Luxury** – to ensure that security and privacy protections apply to everyone without regard to wealth, we pressured Google, Tecno, and the GSMA to ensure that low-cost mobile phone manufacturers globally protect their devices from security and privacy faults.
- **Corporate SOCMINT** – to ensure that privacy abusive business models are widely constrained and condemned we, together with partner organisations, explored private actors that deploy Facial Recognition Technologies (FRT) and forced regulators to initiate investigations and ban activity of those companies (Clearview AI) in various jurisdictions.
- **Workplace Surveillance** – to ensure that there are comprehensive regulatory frameworks that force employers to adopt necessary safeguards in their surveillance practices, we revealed abuses and harms, and publicly campaigned against the use of FRT and algorithmic management by Uber and mobilised others to promote our demands and join our campaign.

Our Network and Change

In 2021/2022 PI provided direct support to 18 partner organisations from 14 countries, to deepen their privacy-related work and enable them to effectively challenge governmental and private actors. As a result, partners should have been more capable to achieve specific outcomes at the national level.

PI's support was not limited to financial support. We also collaborated with partners and supported them by

- assisting in their projects
- building their accountability processes
- sharing standards, best practices, analysis and other knowledge resources

- providing with research and education materials and expertise, including research methodologies, review of briefs and statements
- supporting dissemination of created materials
- connecting to wider space of civil society outside their regions.

Beneficiaries of our services

Changes in practices and policies by governments and companies as a result of our work have benefited people globally, including as national publics and consumers. 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.

To ensure that we are achieving change that helps our beneficiaries, we track our activities through to results. Our activities include uncovering technological risks, leading global campaigns, intervening in courts, and motivating regulatory reform to prevent misuse of technology and consequent abuses. Through extensive outreach and media engagement, we ensure our work reaches expanded audiences across the world. These activities create pressure on governments and companies to improve their safeguards for people's benefit.

We also 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 2021/2022, we worked with 21 partner organisations in 18 countries -- including both organisations we support financially and through other support measures -- to better understand policy and technology, conduct outreach and public engagement, and strengthen their organisations. Our partners sought our guidance on draft regulations and laws around issues as diverse as pandemic response (e.g. Brazil, Colombia), anti-terrorism laws (e.g. Philippines), and HIV and AIDS prevention (Kenya).

Our technical research methodologies were replicated and used by others and our technical guides have been used and recommended by key players in the UK migrants' rights sector.

Achievements and performance

The charity's charitable activities focus on achieving change by strategically targeting our tech, legal and policy advocacy at governments and companies who are vying for power to determine the future to their advantage.

At PI we are focused on results and impact. These often come in the form of changes of behaviours of our targeted adversaries. An impact occurs when a result leaves a mark on the adversary, or the sector, or enhances protections for people. To verify that the tactics are integral to results, we group our results by tactic.

We Mobilise Allies Globally: key results in 2021/2022

Carefully coordinating work by multiple actors in multiple countries helps to achieve global change. This takes continuous relationship building. For us 'impact' is when our capacitation strengthens the sector and our collaboration affects the targeted adversaries.

Mobilisation Impact Stories

- *CSOs effectively targeted Clearview AI, the facial recognition firm.* Together with organisations from Austria, Greece, and Italy, we amplified our advocacy against the facial recognition firm with a legal campaign before national data protection regulators. As a result, authorities in Austria, France, Greece, Italy and the UK launched a series of investigations. Consequently, regulators in France, Italy and the UK ordered Clearview AI to stop collecting and processing the data of people in their countries and fined the firm millions of pounds.
- *New standards established to protect elections, through working with sector leaders.* In 2021 PI was collaborating with the Carter Center on the Myanmar election. While the coup derailed this resulting work, the Carter Center used our work to advocate for stronger data safeguards. This influential work is setting the ground for new standards in how elections are observed globally.
- *A tech-aware migration civil society sector capably addresses ongoing and future threats to migrants' rights.* In our 2021 work on migration, PI worked with at least 24 groups in the migration sector. Some of these were involved in our research and advocacy including on policing powers and GPS tracking; others benefitted from our capacity building events including on mobile phone extraction. We received positive feedback from these organisations, noting how we improved their awareness and interest in emerging data and technology related issues.
- *Partners force Kenyan government to include excluded populations.* Led by Haki Na Sheria and others, we helped put pressure on the Kenyan government to provide national ID cards to excluded individuals caught in a double registration problem – people registered as refugees despite also being Kenyan nationals. The Kenyan government was denying them the ability to register for a Kenyan national ID. This pressure contributed to the government's decision to issue around 14,000 IDs to double registration victims. While it doesn't fully resolve the double registration problem, this will be life changing for those given an ID through this process.

We also have a series of results from our mobilisation work where others have joined us in their advocacy. As examples, in 2021 we worked with partners to conduct joint advocacy, e.g. on ID in Colombia, Kenya, Lebanon, Mexico, Panama, Philippines, South Africa and Uganda; to create education tools, e.g. on protest surveillance in Colombia, Argentina, Palestine, and Paraguay; and to run joint campaigns, e.g. nine CSOs from Kenya, Nigeria and Uganda joined our campaign against Tecno on our advocacy against the Chinese mobile phone giant's sale of low-cost insecure mobile phones.

We Expose Harms and Abuses

When we are able to reveal to people and stakeholders what happens behind the curtain of industry or government policy or inside the black box of technology, the case for change becomes clear. This type of work takes a lot of patience, technical and legal know-how, and sometimes risk. We record as 'impact' when our work spurs changes by our targeted adversaries.

Exposure Impacts

- *Companies improve protections.* Two of three online diet companies that we investigated subsequently changed their privacy controls. Both vshred.com and BetterMe.world implemented a cookie banner as a result of PI's research and engagement; BetterMe.com stopped sharing test answers with third parties by explicitly giving users an option to decline tracking and targeted advertising via cookies.
- *Tech giant extends protections.* In January 2022 Google announced that it was now extending Privacy Sandbox to Android apps, and working on solutions that will limit sharing users' data and "operate without cross app identifiers, including advertising ID". In our long-term engagement with Google, we repeatedly raised our concerns and asked for tracking minimisation (based on Google Privacy Sandbox); we can affirm some contribution to the announced change.

We also have a series of results from our work to ensure that key institutions and stakeholders are situated to act upon our work. An interesting result also arises when we force our targets to disclose even more. In 2021 we continued to research digital welfare systems including with our partners in India, Pakistan and Colombia who were able to engage with relevant government bodies and with CSOs working on social justice issues, and with groups in vulnerable socio-economic situations including women and migrant communities. Our work on data in reproductive health was used by public health groups in Norway, Latin America, and the UNDP. Our research to expose surveillance techniques forced governments to further disclose their practices, e.g. the UK Government responded to our requests and revealed the use of mobile phone extraction against people arriving in small boats, and the government of Valenciennes in France disclosed their contract with Huawei for city-level surveillance. In one of our legal cases, our research resulted in the cross-examination of a member of staff from the UK intelligence and security community.

We Demand Changes and Higher Standards

Getting ourselves into a position to be heard is one challenge; a greater challenge is coming to the table with meaningful demands and solutions. This type of work requires conducting extensive research, developing expertise, exploring options, stress-testing our solutions. *Impact* is when our demands become the new standard.

Demands & Standards Impact

- *Strengthened data security for users of lower-cost tech.* In response to our engagement and pressure, Google confirmed that the JioPhone Next, a new low-cost phone launched with Reliance in India, will receive the latest Android and security updates. Moreover, Google recommended use of the Android Profile in the Internet of Things Alliance (ioXt) security standards, developed with contributions from PI.

- *Better protections within global standards for vaccination certificates.* WHO guidance on Covid vaccination certificates integrates some of PI's demands to recognise the risks not just in relation to privacy but also exclusion/discrimination, and to demand of governments to comply with their legal obligations in relations to privacy, data protection, and broadly human rights and freedoms.
- *Bulk interception safeguards in South Africa's constitutional court ruling.* PI's legal interventions contributed towards a historic decision from the Constitutional Court of South Africa, which ruled that bulk interception by the South African National Communications Centre is unlawful and invalid. This decision held that secret and unchecked surveillance practices used by South African authorities must be explicitly stated in law so they can be considered and debated.
- *Secret data capture found unlawful, in UK tribunal decision.* The UK's Investigatory Powers Tribunal judgment declared that section 94 of the Regulation on Investigatory Powers 2000 was incompatible with EU law. The result is that decade's worth of secret data capture by UK government agencies has been held to be unlawful.
- *New legal standard set for European surveillance, by European Court of Human Rights.* The Grand Chamber of the European Court of Human Rights ruled that the UK's mass surveillance regime, first exposed by Edward Snowden in 2013, breached people's rights to privacy and freedom of expression. PI supported and led many aspects of this case over the eight-year journey. We expect Council of Europe countries to review their surveillance laws and practices in light of this judgment and bring them to line with the Court's jurisprudence.
- *New law to regulate police access to mobile phones, in UK.* PI contributed to the development of the new UK Police, Crime, Sentencing and Courts Bill (Policing Bill). The Bill represent UK Government's response to the UK privacy regulator's report on mobile phone data extraction by police forces. The regulator's report was produced as a response to PI's complaint. Through our advocacy we contributed to a series of amendments.

We have a series of results where organisations and institutions relay and adopt our positions. In 2021 our work on elections resulted in adoption and use of our guidance by the election observation community, the UN Special Rapporteur on Freedom of Expression, and the Council of Europe. Our advocacy has also forced reviews of surveillance policies, including the UK government's proposed Law Enforcement Data Service's integration of entire policing databases, and a parliamentary review of the use of mobile phone extraction. The European Ombudsman opened an inquiry into the European Commission's transfers of surveillance capabilities based on our complaint. Our guidance on regulatory regimes is also being heeded, including our input on the EU's Digital Markets Act being included in the European Parliament's proposed law, and the UK Competition Authority's investigation into the Facebook-Giphy merger. And influential bodies have taken stronger positions following from our work, including a UN Human Rights Council's resolution adopting a stronger language on encryption and hacking, the UK House of Lords Justice and Home Affairs Committee expanding its inquiry into new technologies to include Border management, and our intervention in a case at the French High Court and the Court of Justice of the European Union on data retention resulting in new obligations on the French Government. Others sought our advice and included our work in theirs, including France's constitutional body

Défenseur des droits that incorporated our concerns in its report on facial recognition, as did UNDP in its work on rights-based and ethical use of digital technologies in HIV and health programmes, and the WHO's report on ethics and AI.

We Campaign with the Public for Solutions

Engaging people, beneficiaries, and publics with care means that we must reach, inform, inspire, and provide them meaningful channels for their voices to be heard. We pick our campaigns with care. We seek to provide people with the tools they need. We seek impact in the form of informing, focusing and channelling the public's concerns towards powerful institutions to demand change.

Public Campaigning Impact

- *Public support and unions act against gig-economy work, bringing Uber to the table.* PI together with Worker Info Exchange (WIE) and the App Drivers and Couriers Union (ADCU)

launched "Managed by Bots" campaign challenging the surveillance techniques deployed by some of the biggest companies in the gig economy sector. Our petition asking members of the public and gig workers in particular to sign up to our letter gathered over 1 800 signatures. A significant proportion of these signatures came from gig-economy workers. At the moment of writing, PI and our partners WIE and ADCU have been invited to meet with Uber to discuss existing issues and potential solutions.

We also have a series of results around public traction amidst our work on demystifying the complexity of these issues. This work includes instances when public-facing organisations join our campaigns to raise awareness of complex issues, e.g. 40 organisations joined our campaign calling on the European Commission to regulate biometric technologies;, or when it is recognised how these issues affect specific communities, e.g. 22 migration and asylum organisations joined our campaign on the UK Government's surveillance of asylum seekers. We also have a considerable global media presence, with journalists from 29 countries contacting us with 319 media enquiries. Our media coverage in 2021 grew to 728 media hits, which represents 44% increase from the previous year.

Lessons, monitoring & evaluation

Over the reporting period PI continued to regularly reflect and learn to improve our interventions. Internally, key lessons and adaptations in 2021 were related to enhancing project management, developing a new strategy for our international network, testing and building internal infrastructure for our coordination areas and processes. Externally, we tried new approaches of engagement with companies and learning from challenging political contexts as risks increase globally.

All elements of our learning have been integrated in 2022 project planning and will be further monitored and evaluated, particularly as we develop our next strategic plan.

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 slightly to £1.9m (2020/2021: £1.86m) mostly as a result of changes to staff costs and a very slow return to more regular level of activities, as the organisation and its allies kept recovering and re-adjusting the intensity of work in the ongoing global health emergency.

The incoming resources for the year were £2.28m (2020/2021: £2.95m, restated) – steady level of income in 2021/2022 reflects ongoing multi-year grant agreements in support of the current organisational strategy (2018–2022), with a decrease in project specific and emergency funding, which saw numbers in 2020/2021 increase.

The total funds of the charity at the end of the year were £2.9m. This included £643k in project and other restricted funds and £2.2m in general funds. The trustees have set aside £1.57m of designated funds for delivery of current strategic objectives, projects and activities. The Trustees expect the fund to be fully utilised by January 2024. There is also £56k of designated fixed assets funds. The remaining £623k of general funds is held for operational working capital requirements to address financial risks surrounding income and expenditure in line with the reserves policy set out below.

Principal risks and uncertainties

The second year of the pandemic created a new inertia. PI staff haven't travelled to see our partners across the world – a core part of PI's and our staff's identity and integral part of PI's work. Due to mostly still operating remotely, it also took months for new colleagues to onboard and integrate fully into work. Dislodging this inertia and moving to a post-pandemic posture was and will continue to be very challenging. In July 2021 we established what that future working pattern would entail and began experimenting with those new working practices – until covid numbers fluctuated and variants emerged disrupting patterns all over again and created further uncertainties and delays to PI's and PI's allies' work.

There were also challenges in navigating pandemic divisions. Had we chosen to get involved in deeply divided debates about covid passports and vaccine mandates, we could have certainly fomented outrage and gained followings. Rather we stuck to focusing on where we could say something unique and meaningful, such as engaging with WHO's standard-making process as we knew it would outlast the pandemic and hopefully constrain some of the more ambitious governments' grand plans.

Maintaining staff morale through this period has also been challenging. Introducing new Human Resources procedures and deciding future work practices in this environment was hard but

necessary. We provide substantial resources to PI staff and prioritise wellbeing and hope we are making the right decisions for an equitable future for PI staff, today and tomorrow.

Changes in funding environment and shift due to ongoing global crisis and economic uncertainties have potentially positive and negative consequences for PI: while the funding space is shrinking, PI's relevance and expertise continues to be very valued by existing institutional funders. PI recognises the ongoing global crises could cause funders to divert funding to other causes, and we are monitoring these shifts very closely

Reserves policy and going concern

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 unrestricted and undesignated reserves equivalent to 6 months' running costs – resulting in a target of £750k (currently: £623k, constituting 5 months of operational costs, representing the amount of general reserves not designated or otherwise committed to activity expenditure in FY 2022/2023).

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 that core activity could continue during a period of unforeseen financial difficulty.

After making appropriate enquiries and reviewing the potential ongoing impact of COVID-19, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Fundraising

Pi is working hard to ensure that PI's work is independent, cutting-edge and can be sustained for years to come. As a result, PI's work is funded by a variety of different sources. We do not accept funding from corporations because we believe that it would jeopardise the independence of our activities. We do not work with specialist fundraising service providers and fundraising is conducted by PI staff.

Main sources of funding for PI are multi-year grants (core support and project support alike) from a small number of big institutional donors. Public donations remain below 1% of overall annual income, which Privacy International aims to change with the goal of diversifying the funding to move away from high dependency on limited number of donors through building new public fundraising initiatives.

While public fundraising is a new avenue for PI, we strive for the highest standards in fundraising. We do not participate in fundraising and marketing tactics that we see as privacy intrusive. Furthermore, we go beyond what GDPR legislation lays out, and have developed our supporter platform set up so supporters have control over their data, including being able to stop

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Trustees' annual report

For the year ended 31 January 2022

communications and withdraw consent whenever they want. In 2021/2022 we did not receive any complaints.

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

- Ford Foundation
- Luminate
- Oak Foundation
- Open Society Foundations
- Paul Hamlyn Foundation
- Swedish International Development Cooperation Agency

Volunteers and pro bono support

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, Brick Court Chambers, Garden Court Chambers, Bhatt Murphy, Liberty, Hausfeld & Co LLP, Linklaters, Covington & Burling LLP, independent counsel, and various university departments, law clinics and legal experts at the Harvard Law School International Human Rights Clinic, University of Buffalo Law School Clinic, Yale Law School – Media Freedom and Information Access Clinic (MFIA), the University of Edinburgh – Edinburgh International Justice Initiative and Humboldt University, Berlin – Internet Law Clinic.

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.

Plans for the future

2022 is the last year of PI's current strategic plan. We expect to undertake evaluations and reflections, exploring our unique contributions to the sector and in the world. We will also seek to identify future challenges for PI to face and overcome as PI expects to develop its next strategic plan in 2022 to cover 2023–2026.

What we foresee as largest challenges

The largest challenges in 2022 are mostly related to external, unpredictable events and developments that might negatively impact our work including political or military conflicts in the countries we work in. PI has accumulated extensive learning in relation to risk assessment and mitigation. We will use these experiences as we engage increasingly in countries and regions with high levels of risk, e.g. we will continue to explore engagement in Eurasia in 2022, and identify alternative plans if risks mount.

A positive challenge for PI is the development of a new strategic plan (2023–2026) which should reflect our uniqueness, and a clearly articulated vision and priorities for the near future. This is a

challenging process considering there are so many pressing problems in the world for us to address, while there is also growing competence in the sector, and even faster growing set of technological developments across sectors that we may engage.

What are we doing about them

PI plans extensively to minimise the risks and develop solutions. In our experience, effective planning and project management makes it possible to achieve real change. We identify desired impact, results, ways of achieving them, associated risks and mitigation strategies. Our regular reflections and quarterly evaluations help us to timely understand if everything is going according to the plan or requires adopting planned alternatives. We also regularly train staff on project management, conflict management, and methods for working cooperatively. We also regularly seek to improve our technical and legal skills.

To ensure that our new strategic plan will reflect PI's role and is relevant to the current development in the world we will carefully assess our current achievements (through internal and external evaluations), build staff's understanding on the process of strategic planning, will constantly be reflecting about our values, tactics, operations, competitors, allies, targets, risks, business-models. We will be engaging with key stakeholders and further exploring global trends, seek our problem-areas, and map directions of technological developments and their impacts on people.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 16 January 2002 and registered as a charity on 26 May 2012.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 6 to the accounts.

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 risk management, and ensuring compliance with UK law. The Board of Trustees delegates day-to-day management of the charity to the Executive Director.

Financial controls

Privacy International continues to strengthen its financial management systems. As the organisation grows, we work hard to ensure that PI is accountable to the public, our partners, and our funders.

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Trustees' annual report

For the year ended 31 January 2022

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. 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.

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.

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 revised in late 2021 and applies to all employees, volunteers and contractors, both in the UK and overseas.

Appointment of trustees

At any one time the number of Trustees shall not be less than five, and no more than twelve. 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.

Trustee induction and training

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.

Remuneration policy for key management personnel

The remuneration of staff is guided by PI's Values and 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 Trustees.

Statement of responsibilities of the trustees

The trustees (who are also directors of Privacy International for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

Privacy International

Trustees' annual report

For the year ended 31 January 2022

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

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- 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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 January 2022 was 11 (2020/2021 : 9). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 12 September 2022 and signed on their behalf by


Joshua Castellino (Sep 14, 2022 12:27 GMT+1)

Joshua Castellino

Chair of the Board

Independent auditor's report to the members of

Privacy International

For the year ended 31 January 2022

Opinion

We have audited the financial statements of Privacy International (the 'charitable company') for the year ended 31 January 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the 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 Auditor's 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 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Privacy International's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Independent auditor's report to the members of

Privacy International

For the year ended 31 January 2022

Other Information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters 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' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report, has been prepared in accordance with applicable legal requirements.

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 trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Independent auditor's report to the members of

Privacy International

For the year ended 31 January 2022

in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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 is 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.

Auditor's 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

Independent auditor's report to the members of

Privacy International

For the year ended 31 January 2022

- We enquired of management and Finance and Audit committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report to the members of

Privacy International

For the year ended 31 January 2022

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.



Noelia Serrano (Senior statutory auditor)

15 September 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Privacy International

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 January 2022

				2022			2021
	Note	Unrestricted £	Restricted £	Total £	Restated Unrestricted £	Restated Restricted £	Restated Total £
Income from:							
Donations and legacies		18,088	–	18,088	17,351	–	17,351
Charitable activities	2	1,437,843	808,924	2,246,767	2,075,002	853,580	2,928,582
Other income		12,709	–	12,709	3,199	–	3,199
Investments		152	–	152	1,126	–	1,126
Total income		1,468,791	808,924	2,277,715	2,096,678	853,580	2,950,258
Expenditure on:							
Charitable activities	3	1,377,034	526,744	1,903,778	986,978	870,395	1,857,373
Total expenditure		1,377,034	526,744	1,903,778	986,978	870,395	1,857,373
Net income / (expenditure) for the year	5	91,757	282,180	373,937	1,109,700	(16,815)	1,092,885
Transfers between funds	14	11,212	(11,212)	–	12,840	(12,840)	–
Net movement in funds		102,969	270,968	373,937	1,122,540	(29,655)	1,092,885
Reconciliation of funds:							
Total funds brought forward		2,155,341	372,065	2,527,406	1,032,801	401,720	1,434,521
Total funds carried forward		2,258,310	643,033	2,901,343	2,155,341	372,065	2,527,406

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 14a to the financial statements. □

Detailed information on restatement of income for prior year is included in Note 17 to the financial statements

Privacy International

Balance sheet

Company no. 4354366

As at 31 January 2022

	Note	£	2022 £	Restated £	2021 Restated £
Fixed assets:					
Tangible assets	10		<u>55,868</u>		<u>78,358</u>
			55,868		78,358
Current assets:					
Debtors	11	60,740		62,236	
Cash at bank and in hand		<u>2,881,825</u>		<u>2,456,705</u>	
			2,942,565	2,518,941	
Liabilities:					
Creditors: amounts falling due within one year	12	<u>(97,090)</u>		<u>(69,893)</u>	
Net current assets			<u>2,845,475</u>		<u>2,449,048</u>
Total net assets			<u><u>2,901,343</u></u>		<u><u>2,527,406</u></u>
The funds of the charity:	14a				
Restricted income funds			643,033		372,065
Unrestricted income funds:					
Designated funds		<u>1,635,444</u>		<u>78,358</u>	
General funds		<u>622,866</u>		<u>2,076,983</u>	
Unrestricted general funds			<u>2,258,310</u>		<u>2,155,341</u>
Total charity funds			<u><u>2,901,343</u></u>		<u><u>2,527,406</u></u>

Approved by the trustees on 12 September 2022 and signed on their behalf by

Joshua Castellino

Joshua Castellino (Sep 14, 2022 12:27 GMT+1)

Professor Joshua Castellino
Trustee

Privacy International

Statement of cash flows

For the year ended 31 January 2022

	2022		2021	
	£	£	Restated £	Restated £
Cash flows from operating activities				
Net income for the reporting period (as per the statement of financial activities)	373,937		1,092,885	
Depreciation charges	33,651		35,871	
Dividends, interest and rent from investments	(152)		(1,126)	
Decrease / (increase) in debtors	1,498		(26,174)	
Increase/(decrease) in creditors	27,195		(27,253)	
Net cash provided by operating activities		436,130		1,074,203
Cash flows from investing activities:				
Dividends, interest and rents from investments	152		1,126	
Purchase of fixed assets	(11,161)		(22,424)	
Net cash (used in) investing activities		(11,009)		(21,298)
Change in cash and cash equivalents in the year		425,120		1,052,905
Cash and cash equivalents at the beginning of the year		2,456,705		1,403,800
Cash and cash equivalents at the end of the year		2,881,825		2,456,705

Analysis of cash and cash equivalents and of net debt

	At 1 February 2021 £	Cash flows £	Other non- cash changes £	At 31 January 2022 £
Cash at bank and in hand	2,456,705	425,120	-	2,881,825
Total cash and cash equivalents	2,456,705	425,120	-	2,881,825

1 Accounting policies

a) Statutory information

Privacy International is a charitable company limited by guarantee and is incorporated in England & Wales.

The registered office address and principal place of business is 62 Britton Street, London, EC1M 5UY.

b) Basis of preparation

The financial statements have been prepared in accordance with 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) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006/Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

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

d) 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.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1 Accounting policies (continued)

g) Interest receivable

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.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable
Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure recognition

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred. Expenditure is classified under the following activity headings:

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. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of support costs

Support costs are allocated to the charity's charitable activities.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

1 Accounting policies (continued)

j) 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
● Leasehold improvements	20% on cost

k) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

l) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

m) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

n) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

o) Pensions

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

2 Income from charitable activities

			2022		2021	
	Unrestricted	Restricted	Total	Restated Unrestricted	Restated Restricted	Restated Total
	£	£	£	£	£	£
Grants		-	-		-	-
Open Society	540,541		540,541	823,698		823,698
Oak Foundation	261,038		261,038	263,550		263,550
Luminate	503,446		503,446	642,978		642,978
Ford Foundation	109,318		109,318	344,776		344,776
Donated in-kind	23,500		23,500			-
Ford Foundation	-	153,328	153,328	-	261,753	261,753
Ford Foundation BUILD	-	72,879	72,879	-	-	-
Open Society	-	37,347	37,347	-	101,419	101,419
IDRC	-	-	-	-	59,151	59,151
SIDA	-	487,370	487,370	-	431,258	431,258
Paul Hamlyn Foundation	-	58,000	58,000	-	-	-
	1,437,843	808,924	2,246,767	2,075,002	853,581	2,928,583

Privacy International

Notes to the financial statements

For the year ended 31 January 2022

3a Analysis of expenditure (current year)

	Charitable Activities £	Governance costs £	Support costs £	2022 Total £	2021 Total £
Staff costs (Note 6)	1,267,775	-	-	1,267,775	1,140,978
Other staff related costs	30,536	-	-	30,536	14,110
Grants to partners (note 4)	232,269	-	-	232,269	345,598
Project expenses	27,107	-	-	27,107	37,405
Rent	-	-	85,416	85,416	85,346
Depreciation	-	-	33,651	33,651	35,871
Consultancy	51,782	-	-	51,782	50,501
Trustee expenses	-	-	-	-	8,181
Audit	-	22,320	-	22,320	13,380
(Gains)/losses on foreign exchang	61	-	-	61	-
Office expenses	-	-	104,401	104,401	97,240
Legal and professional fees	9,455	-	23,500	32,955	11,924
Travel and accommodation	528	-	-	528	6,094
Translation	12,312	-	-	12,312	7,488
Other costs	335	13	2,317	2,665	3,257
	<u>1,632,160</u>	<u>22,333</u>	<u>249,285</u>	<u>1,903,778</u>	<u>1,857,373</u>
Support costs	249,285	-	(249,285)	-	-
Governance costs	22,333	(22,333)	-	-	-
Total expenditure 2022	<u>1,903,778</u>	<u>-</u>	<u>-</u>	<u>1,903,778</u>	
Total expenditure 2021	<u>1,857,373</u>	<u>-</u>	<u>-</u>		<u>1,857,373</u>

3b Analysis of expenditure (prior year)

	Charitable activities £	Governance costs £	Support costs £	2021 Total £
Staff costs (Note 6)	1,140,978	-	-	1,140,978
Other staff related costs	14,110	-	-	14,110
Grants to partners (note 4)	345,598	-	-	345,598
Project expenses	37,405	-	-	37,405
Rent	-	-	85,346	85,346
Depreciation	-	-	35,871	35,871
Consultancy	50,501	-	-	50,501
Trustee expenses	-	8,181	-	8,181
Audit	-	13,380	-	13,380
(Gains)/losses on foreign exchange	-	-	-	-
Office expenses	-	-	97,240	97,240
Legal and professional fees	-	-	11,924	11,924
Travel and accommodation	6,094	-	-	6,094
Translation	7,488	-	-	7,488
Other costs	272	13	2,972	3,257
	<u>1,602,446</u>	<u>21,574</u>	<u>233,353</u>	<u>1,857,373</u>
Support costs	233,353	-	(233,353)	-
Governance costs	21,574	(21,574)	-	-
Total expenditure 2021	<u>1,857,373</u>	<u>-</u>	<u>-</u>	<u>1,857,373</u>

The presentation of analysis of expenditure (prior year) is amended to display grants to other parties as a separate expenditure item (details in note 4)

Following prior year adjustment of income (see note 17 for more details), note 3b reflects restated expenditure, where foreign exchange as related to accrued income was not applicable with changed income recognition criteria

4 Grant making to institutions

	2022 £	2021 £
Cost		
Asociación por los Derechos Civiles	12,900	19,660
Asociația pentru Tehnologie și	–	9,757
The Centre for Intellectual Property and Information Technology Law (CIPIT)	–	11,922
The Centre for Internet and Society	18,572	9,000
Coding Rights	–	14,625
Fundacion Datos Protegidos	14,980	9,017
Corporación Centro De Estudios de Derecho, Justicia y Sociedad –Dejusticia	7,000	11,246
Derechos Digitales	–	7,145
The Institute for Policy Research and Advocacy (ELSAM)	–	45,738
Foundaiton for Media Alternatives	11,992	24,149
Hermes Center for Transparency and Digital Human	8,111	–
Hiperderecho	–	9,076
Impetus	9,050	–
Internet Labs	–	11,000
lpandetec	1,208	6,800
Fundacion Karisma	17,772	26,002
Kenya Legal and Ethical issues network on HIV&AIDS	15,000	14,000
Defenders Coalition – Kenya	5,274	25,772
Social Media Exchange	11,784	24,721
The Libertarian Research & Education Trust	19,776	9,142
TEDIC	12,500	–
Unwanted Witness	19,465	27,117
Other	46,885	29,709
At the end of the year	<u>232,269</u>	<u>345,598</u>

Other grants include grants to partners below £5,000 in the year and also those organisations which need to remain anonymous due to sensitive nature of their work.

5 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2022 £	2021 £
Depreciation	33,651	35,871
Auditor's remuneration (gross of VAT):		
Audit	12,000	3,600
Other services	10,320	9,780
	<u>55,971</u>	<u>49,251</u>

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	1,074,560	973,997
Social security costs	118,357	103,076
Employer's contribution to defined contribution pension schemes	74,859	63,905
	<u>1,267,776</u>	<u>1,140,978</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2022 No.	2021 No.
£60,000 – £69,999	–	–
£70,000 – £79,999	–	–
£80,000 – £89,999	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 £89,495 (2021: £87,740).

No remuneration was paid to any trustee or their associates for services as a trustee during the year ended 31 January 2021 nor to 31 January 2020.

During the year the charity didn't pay any expenses to trustees. (2021: £381).

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.

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 26

8 Related party transactions

There are no related party transactions to disclose for this financial year (2021: none).

9 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.

10 Tangible fixed assets

	Leasehold improvements £	Software £	Computer equipment £	Furniture & fixtures £	Total £
Cost					
At the start of the year	107,315	3,645	54,751	21,273	186,984
Additions in year	-	-	11,161	-	11,161
At the end of the year	107,315	3,645	65,912.00	21,273	198,145
Depreciation					
At the start of the year	44,676	3,645	44,170	16,135	108,626
Charge for the year	21,463	-	10,056	2,132	33,651
At the end of the year	66,139	3,645	54,226	18,267	142,277
Net book value					
At the end of the year	41,176	-	11,686	3,006	55,868
At the start of the year	62,639	-	10,581	5,138	78,358

All of the above assets are used for charitable purposes.

11 Debtors

	2022 £	2021 Restated £
Rent deposit	15,478	15,478
Prepayments	45,262	45,801
Accrued income	-	957
	60,740	62,236

12 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	10,433	4,339
Credit cards	2,573	(3,772)
Payroll taxes	31,046	27,109
Accruals	53,038	42,217
	97,090	69,893

13a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	–	55,868	–	55,868
Current assets	622,866	1,676,666	643,033	2,942,565
Current liabilities	–	(97,090)	–	(97,090)
Net assets at 31 January 2022	622,866	1,635,444	643,033	2,901,343

13b Analysis of net assets between funds (prior year)

	General unrestricted Restated £	Designated Restated £	Restricted Restated £	Total funds Restated £
Tangible fixed assets	–	78,358	–	78,358
Current assets	2,146,876	–	372,065	2,518,941
Current liabilities	(69,893)	–	–	(69,893)
Net assets at 31 January 2021	2,076,983	78,358	372,065	2,527,406

14a Movements in funds (current year)

	At 1 February 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 January 2022 £
Restricted funds:					
Ford Foundation	236,067	153,328	(208,645)	-	180,750
Ford Foundation BUILD	-	72,879	(22,729)		50,150
Foundation to Promote Open Society	9,574	-	1,638	(11,212)	-
Foundation to Promote Open Society – Eurasia	-	37,347	(4,002)		33,345
Luminate	45,417	-	(12,939)	-	32,478
Paul Hamlyn Foundation	-	58,000	(56,970)	-	1,030
The Swedish International Development Cooperation Agency – Core support	-	487,370	(171,618)	-	315,752
The Swedish International Development Cooperation Agency – Project	81,007	-	(51,479)	-	29,528
Total restricted funds	372,065	808,924	(526,744)	(11,212)	643,033
Unrestricted funds:					
Designated funds:					
2024 Activity fund	-			1,579,576	1,579,576
Fixed asset fund	78,358	-	-	(22,490)	55,868
Total designated funds	78,358	-	-	1,557,086	1,635,444
General funds	2,076,983	1,468,791	(1,377,034)	(1,545,874)	622,866
Total unrestricted funds	2,155,341	1,468,791	(1,377,034)	11,212	2,258,310
Total funds	2,527,406	2,277,715	(1,903,778)	-	2,901,343

The narrative to explain the purpose of each fund is given at the foot of the note below.

14b Movements in funds (prior year)

	At 1 February 2020 Restated £	Income & gains Restated £	Expenditure & losses Restated £	Transfers Restated £	At 31 January 2021 Restated £
Restricted funds:					
Adessium Foundation	13,086	–	–	(13,086)	–
Ford Foundation	–	261,753	(25,686)	–	236,067
Foundation to Promote Open Society	103,686	101,419	(195,531)	–	9,574
IDRC	33,172	59,151	(92,323)	–	–
Luminate	49,597	–	(4,180)	–	45,417
Paul Hamlyn Foundation	55,150	–	(55,396)	246	–
The Swedish International Development Cooperation Agency	147,028	431,258	(497,279)	–	81,007
Total restricted funds	401,720	853,580	(870,395)	(12,840)	372,065
Unrestricted funds:					
Designated funds:					
Fixed asset fund	91,805	–	–	(13,447)	78,358
Total designated funds	91,805	–	–	(13,447)	78,358
General funds	940,996	2,096,678	(986,978)	26,287	2,076,983
Total unrestricted funds	1,032,801	2,096,678	(986,978)	12,840	2,155,341
Total funds	1,434,521	2,950,258	(1,857,373)	–	2,527,406

Purposes of restricted funds

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.

Ford Foundation

The Ford Foundation is a globally oriented private foundation with the mission of advancing human welfare. In late 2020 Privacy International received a 2 year-grant to support civil society in the Global South to advocate and litigate against unfair surveillance responses to COVID-19. In October 2020 PI received a five-year general support grant, combined with targeted organizational strengthening through Ford Foundation BUILD program.

Foundation to Promote Open Society

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 November 2018, until January 2021, Privacy International received grant to work with other civil society actors to challenge the drivers of digital identity systems and advocate for protection of rights and in September 2021 PI received a grant to explore our engagement in new geographical areas.

Luminate

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 mid-2013 the Omidyar Network and since 2019 Luminate (an offshoot of the Omidyar Network), have been supporting Privacy International in building organisational capacity to become more resilient and strong leader within civil society.

Paul Hamlyn Foundation

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 February 2021 PI received a 3-year grant to look into invasive data exploitation practices in immigration processes

The Swedish International Development Cooperation - Agency

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 January 2017 and completed in April 2021, aimed to strengthen civil society's capacity to protect the right to privacy, while confronting data-driven transformations in power. In June 2021 PI received from SIDA grant to support PI's strategy through to January 2025.

Purposes of designated funds

Activity fund

The 2024 activity fund represents funds set aside by the trustees in the 2021/22 financial year for delivery of current strategic objectives, projects and activities. The Trustees expect the fund to be fully utilised by January 2024.

Fixed Asset fund

The fixed asset fund represents the net book value of fixed assets at year-end as these are not freely available for the charity's use.

15 Operating lease commitments payable as a lessee

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property	
	2022	2021
	£	£
Less than one year	41,750	229,625
One to five years	-	-
Over five years	-	-
	41,750	229,625

16 Legal status of the charity

The charity is a company 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.

Privacy International

Notes to the financial statements

For the year ended 31 January 2021

17 Impact of prior year adjustment

In previous years, income has been recognised on receipt of a grant agreement confirming funding for future years. The charity has reviewed and changed its accounting policy with respect to such income and as such, a prior year adjustment has been made. Where funding is identified as receivable in a future accounting period, the charity now considers that the income recognition criterion of entitlement is not met until that future accounting period.

Reserves position	Unrestricted £	Restricted £	Total £
Total funds at 1 February 2020 as previously stated	3,676,053	401,720	4,077,773
Adjustments to funds for income now recognised in future periods	(2,643,252)	–	(2,643,252)
Total funds at 1 February 2020 as restated	<u>1,032,801</u>	<u>401,720</u>	<u>1,434,521</u>
Total funds at 31 January 2021 as previously stated	3,680,014	528,875	4,208,889
Adjustments to funds for 2020/21 income now recognised in future periods	(1,524,673)	(156,810)	(1,681,483)
Total funds at 31 January 2021 as restated	<u>2,155,341</u>	<u>372,065</u>	<u>2,527,406</u>
Impact on income and expenditure 2020/21	Unrestricted £	Restricted £	Total £
Net income as previously reported	3,961	127,156	131,117
Adjustment for income previously recognised in 2020/21 now recognised in future periods	–	(156,811)	(156,811)
Adjustment for income previously recognised in prior periods, now recognised in 2020/21	1,118,579	–	1,118,579
Net income as restated	<u>1,122,540</u>	<u>(29,655)</u>	<u>1,092,885</u>