

Company registration number: 08480724

Charity registration number: 1154784

# The Libertarian Research and Education Trust

known as

Statewatch

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2021

Field Sullivan Limited  
9 Hare & Billet Road  
Blackheath  
SE3 0RB

**The Libertarian Research and Education Trust**  
**known as Statewatch**

**Contents**

Reference and Administrative Details	1
Trustees' Report	2 to 17
Independent Examiner's Report	18 to 19
Statement of Financial Activities	20 to 21
Balance Sheet	22 to 23
Notes to the Financial Statements	24 to 34

## **The Libertarian Research and Education Trust**

**known as Statewatch**

### **Reference and Administrative Details**

<b>Chair</b>	Ann Singleton
<b>Trustees</b>	Jonathan Bloch Victoria Canning Nadine Finch Fiona Godfrey Lilana Keith Ann Singleton
<b>Secretary</b>	Jonathan Bloch
<b>Charity Registration Number</b>	1154784
<b>Company Registration Number</b>	08480724
<b>Registered Office</b>	The charity is incorporated in England and Wales. 88 Fleet Street London EC4Y 1DH
<b>Independent Examiner</b>	Field Sullivan Limited 9 Hare & Billet Road Blackheath SE3 0RB

## **The Libertarian Research and Education Trust**

**known as Statewatch**

### **Trustees' Report**

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 December 2021 which have been prepared in compliance with current statutory requirements, The Companies Act 1985, the Charities SORP (FRS 102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011; and with the charity's governing document, its Memorandum and Articles of Association.

Statewatch is the working name of the Libertarian Research and Education Trust (LRET), which was established as a trust in 1981. On 3 December 2013 the charity was incorporated, again with the name The Libertarian Research and Education Trust. The company is registered as a charity with the Charity Commission as a successor to the Trust (company number: 08480724, charity number: 1154784). The assets and liabilities of the Trust have been transferred to this company, and from 3 December 2013 the company has taken over all of the activities of the trust. The Trust does not have a corporate opinion.

#### **Public benefit**

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

#### **Appointment of Trustees**

Any person who is willing to act as a Trustee, and who would not be disqualified from acting under the provisions of Article 26 of Articles of Association, may be appointed to be a Trustee by a decision of the Trustees.

The Board is aware of the need to find additional new Trustees, as well as a need for a succession plan, to replace existing Trustees as they stand down at the end of the time of office. We will discuss and decide on these matters in the first half of 2022. We are aware of the need to consider identifying key skills and experience we need on the Board and to advertise for applicants who meet those criteria.

#### **Policies and procedures adopted for the induction and training of trustees**

We provide Trustees with the Charity Commission and NCVO guidance for Trustees. We have also contracted external expertise to provide legal advice on contracts and policies. They have prepared a Staff and volunteers Handbook and are currently working on a Handbook for Trustees. This will cover recruitment, policies, induction and training.

#### **Trustees and officers**

The trustees and officers serving during the year and since the year end were as follows:

Trustees:	Jonathan Bloch (appointed 1 January 2021)
	Victoria Canning
	Nadine Finch (appointed 1 January 2021)
	Fiona Godfrey
	Lilana Keith (appointed 1 January 2021)
	Ann Singleton
Chair:	Ann Singleton
Secretary:	Jonathan Bloch (appointed 1 January 2021)

## The Libertarian Research and Education Trust

### known as Statewatch

#### Trustees' Report

##### **2021: Three decades of Statewatch, a year of transition**

2021 marked Statewatch's 30th birthday and an important transitional year following the retirement of the founder and Director, Tony Bunyan, in autumn 2020. Three decades after Statewatch was founded, our commitment to the sense of purpose that has animated Statewatch since 1991 – to investigate, expose, analyse and explain state powers and threats to civil liberties and human rights – continued to propel our work. It was an extremely busy year for staff, trustees and contributors: we undertook an in-depth strategic planning process and continued to update and improve internal policies and procedures, at the same time as maintaining our impressive level of output.

Our work led to some notable victories over the course of the year, in particular regarding secrecy and transparency: EU agencies Europol (policing) and Frontex (border control) committed themselves to complying with the EU's transparency laws, following the conclusion of a complaints procedure we initiated in 2019. We also successfully pushed the European Commission to comply with its own rules of procedure and to publish the names of participants in two expert groups, dealing with search and rescue in the Mediterranean, and the use of artificial intelligence in home affairs.

Our research and investigations continued to contribute to public and political debate in Europe and beyond, providing the basis for coverage in major press outlets; submissions to public consultations held by the UK, EU and UN institutions and agencies; and questions in the European Parliament. Our work has been used by national and international human rights organisations and lawyers' associations, and in important legal challenges and parliamentary inquiries – particularly with regards to Frontex, the EU's border agency. Throughout 2021 we also continued to deepen our alliances with other organizations and within our networks, leading to important collaborative work that has gone on to bear fruit in 2022.

Issues of strategy and governance were a core focus for staff, trustees and contributors throughout 2021. A huge amount of work was put into a year-long strategic planning process that led to the drafting of a new five-year strategic plan for Statewatch, in order to provide a clear direction and renewed sense of purpose at a time when civil liberties, human rights and democratic standards are under threat in the UK, across Europe and beyond. This will guide our work as we seek to expand the organisation in the years to come. The updated governance policies we continued to work on throughout 2021 will ensure *Statewatch* remains a well-functioning and welcoming organisation.

While 2021 proved to be a more financially stable year than those that immediately preceded it, we remain heavily reliant on short-to-medium term project funding. The quality and importance of Statewatch's work is clear, but there remain a number of obstacles to obtaining the stability and sustainability necessary for us to reach our full potential. As our President, Gareth Peirce, remarked many years ago:

*"In routinely placing complex policies and increased state powers in the public domain, Statewatch performs a function that no other organisation fulfils. One is driven to wonder what it could have accomplished, and could accomplish in the future, were it to have even a tiny percentage of the resources enjoyed by other organisations."*

Increasing the resources available to *Statewatch* to ensure that we can adequately fulfil our mission will remain the key task in the years to come.

# The Libertarian Research and Education Trust

known as Statewatch

## Trustees' Report

### Our objectives and achievements in 2021

#### 1. Monitor civil liberties and the state in Europe

- a. *Conduct research and investigations into key issues affecting civil liberties, fundamental rights and democratic standards*

Our research projects in 2021 focused on:

- **post-Brexit policing and security cooperation between the EU and UK**, as mandated by the Trade and Cooperation Agreement signed in December 2020;  
the use of **artificial intelligence technology for immigration, asylum and border control** purposes,
- and how the EU's proposed Artificial Intelligence Act would (or would not) regulate those technologies;
- **the EU's security, defence and border budgets for the 2021-27 period**: policy and spending priorities, and the extent of democratic oversight and accountability over those budgets; and
- **the historical and contemporary development and deployment of biometric identification technologies** by police and border authorities in Europe.

The primary outputs of this research were all due to be published in the first half of 2022 and will be discussed further in the 2022 annual report.

We also continued to monitor:

- the activities of EU agencies (in particular Europol and Frontex);
- the EU laws and policies that make up the 'New Pact on Migration and Asylum' introduced in September 2020;  
the UK government's measures to crack down on civil liberties and human rights, in particular with regards to the Nationality and Borders Bill, the Policing, Crime, Sentencing and Courts Bill, and plans to alter data protection law;
- the EU's 'interoperability' scheme, which seeks to interconnect a number of vast policing and migration databases; and  
a number of other key issues, such as the situation for migrants and refugees arriving in Europe and prosecutions and harassment of those acting in solidarity with them, telecommunications surveillance, government plans to undermine encryption, EU counter-terrorism and counter-extremism policies, and the EU's "e-evidence" proposals.
- b. *Maintain and update our observatories, in particular on the 'refugee crisis', interoperability, the European Security Research Programme and Frontex*

Our observatories serve as long-term repositories for documentation, reports and information on key issues. Sixteen observatories remain 'live' on our website and are widely used, receiving **almost 30,000 hits in 2021**. However, pressure on staff time has made it difficult to maintain them, with only the observatory on Frontex (some **5,500 hits in 2021**) being regularly updated.

# The Libertarian Research and Education Trust

## known as Statewatch

### Trustees' Report

In July 2021, we took the decision to stop updating the observatory on the 'refugee crisis', which was launched in 2015 and which we had previously merged with an older observatory on immigration and asylum in Europe - together, they received **over 11,200 hits in 2021**. This page now also hosts the PhD thesis of *Statewatch* researcher Yasha Maccanico, along with associated documentation. We hope to implement a technical solution for the website and obtain the necessary financial resources that will allow us to start regularly updating these valuable resources again.

#### 2. Inform and empower individuals and civil society

- a. *Provide a news service that acts as a key information hub on civil liberties issues and campaigns, bringing together our own material with that of other organizations and outlets*

2021 was the 22nd year of Statewatch's online news service, and we continued to use it to publish our own material and to highlight key work produced by our networks and allies. **We published 345 articles on our site in 2021** as part of the news service, which received **almost 219,000 hits over the course of the year**.

Our work focused on the themes outlined in the previous section, with a number proving to be particularly important and relevant in 2021:

- our **'Tracking the Pact' series (30 articles in 2021)** provides news, documentation and – time permitting – analysis of the laws and policies being debated and discussed, largely in secret, as part of the EU's Pact on Migration and Asylum;
- our regular scrutiny of the activities of EU border agency Frontex has continued to provide vital information to other civil society organisations, elected officials and the broader public – in particular, our **publication of internal Frontex documents related to the investigation by the European Parliament's Frontex Scrutiny Working Group**, set up to look into allegations that the border agency has been involved in pushbacks in the Mediterranean, with a number of those documents subsequently being cited in a case against Frontex lodged at the Court of Justice of the EU;
- our coverage of the negotiations on proposed changes to Europol's mandate included the **release of national authorities' positions and comments on the plans**, alongside multiple internal Council of the EU documents as negotiations progressed;
- we used our longstanding ability to acquire internal EU documents to report on the ongoing negotiations on the proposed Artificial Intelligence Act, in particular on **plans within the Council of the EU to weaken proposed safeguards on the use of AI technologies for law enforcement and internal security purposes and the failure of the European Commission expert group on AI in home affairs to follow its own rules of procedure**; and
- our ongoing reporting on the implementation of the EU's 'interoperability' scheme exposed **worsening delays in the plans to interconnect new and existing policing and migration databases**.

We continued to use our social media presence to publicise the material published via our news service, and to circulate other material produced by civil society organisations, activist and campaign groups, academics and mainstream media outlets. We obtained a **12.5% increase in Twitter followers over the course of the year (from 9,378 to 10,548)** and a mild increase in Facebook followers (from 2,904 to 3,009) and likes (2,832 to 2,907). It should be noted that this growth in followers is entirely 'organic'. We have no dedicated member of staff to work on communications (the role is shared between the team) and have not had sufficient time to draft a dedicated communications strategy that would guide a more directed and targeted approach to communicating our work more effectively, better-engaging our existing audiences and reaching new ones.

## The Libertarian Research and Education Trust

### known as Statewatch

#### Trustees' Report

- b. *Stimulate discussion and debate by working with the media, civil society and parliamentarians and by encouraging individuals to participate in the democratic discourse and make their views known*

Our work and commentary has been taken beyond our direct audience through citations, mentions and interviews in over 20 media outlets over the course of 2021:

Austria: Radio FM4	Germany: Heise Online, Netzpolitik	Senegal: Futurs Media
Balkans: Balkan Insight	Global: Business Insider, Sputnik, TRT World	Spain: Público
China: China Daily	Italy: Wired Italia	Sweden: Arbetet
Europe: EUobserver, Politico Europe, Euractiv	Netherlands: de Groene Amsterdamer, de Volksrant, Radio Patapoe	UK: Byline Times, Declassified UK, The Guardian. The Morning Star
France: Contexte		

Our work has also been publicly-cited by a wide range of other civil society organisations, including:

Deutscher Anwaltverein (German Bar Association)	Equinox	Meijers Committee of Experts on International Migration, Refugee and Criminal Law
European Digital Rights	Fédération internationale des ligues des droits de l'homme	Migreurop
European Network Against Racism	Human Rights Watch	

As well as citations, our staff published or publicised work on behalf of Statewatch in academic and platforms: *Forced Migration Review* published an article written by Statewatch researcher Jane Kilpatrick and the legal academic Mariana Gkliati. Material published by Statewatch was cited in over 450 academic publications in 2021.

We have been consulted by MEPs and their staff to share our views on EU law and policy. Our staff were consulted on multiple occasions by advisors working in the European Parliament's civil liberties committee setting up the Frontex Scrutiny Working Group, and we held discussions with Green MEPs on the reform of Europol's legal basis. In a resolution on access to documents, the European Parliament referred specifically to the result of our complaint lodged against Frontex with the European Ombudsman:

*"[urging] the agency to follow up on the findings of the European Ombudsman and implement her recommendations on updating the register of documents and publishing the number of sensitive documents it holds that are not included in its register of documents."*



## The Libertarian Research and Education Trust

### known as Statewatch

#### Trustees' Report

Our work formed the basis of three parliamentary questions in 2021, all on the topic of EU border agency Frontex, indicating the ongoing importance of our long-standing work on this issue:

- Record of deportations by Frontex
- Covert intelligence-gathering at EU justice and home affairs agencies
- Frontex's role in illegal mass expulsions at EU borders

In recent years we have engaged with a broader range of groups and individuals from civil society in order to inform our research, share information, and build connections and alliances. In October 2021 we held two workshops on state databases, biometrics, policing and migration control as part of the project 'Protecting migrant communities by future proofing the immigration data system'. The aim of the workshops was to explain, discuss and share ideas about the issues raised by the development and deployment of Europe-wide biometric police and border control technologies. The workshops brought together some 30 individuals, involved with the following organisations and institutions:

Access Now	Associazione per gli Studi Giuridici sull'Immigrazione (ASGI)	AWO
Arbeiterwohlfahrt	Justice, Equity and Technology Table	Belgrade Centre for Security Policy
Choose Love	Migreurop	Stop Mare Mortum
EDRI	NGO-Mitarbeiterin	Università degli Studi di Padova
Forscherin und Aktivistin	North African Policy Initiative	University of Barcelona
Generation 2.0 RED	Paris d'Exil et collectif Requisitions	University of Helsinki
Hermes Center for Transparency and Digital Rights	Pro Asyl	Vluchtelingenwerk Vlaanderen (Refugee Action Flanders)
Human Rights Legal Project		

As well as demonstrating the broad range of different organisations and institutions that follow and engage with our work, the states that attendees said they work in demonstrates our extensive geographical reach:

Albania	France	Montenegro
Austria	Germany	Netherlands
Belgium	Greece	North Macedonia
Bosnia and Herzegovina	Hungary	Serbia
Denmark	Italy	Spain
EU and Europe-wide	Kosovo	USA

A short questionnaire was filled in by 26 participants following the workshops. Asked to rate the usefulness of the workshops on a scale of one (not useful at all) to five (extremely useful), 21 respondents gave a rating of four or five.

## The Libertarian Research and Education Trust

### known as Statewatch

#### Trustees' Report

c. ***Expanding and increasing engagement with our contributors' network to ensure broader level of expertise and geographical reach***

While we continue to engage with a wide variety of individuals who contribute to Statewatch's work in various ways (by providing information, knowledge and contacts; by writing articles; by assisting in the promotion of our work), limitations on staff time means it remained difficult in 2021 to 'activate' the contributors' network to the extent we would have liked. Nevertheless, we remain heavily indebted to members of the network for assisting us in our work, and published eight in-depth analyses written by external contributors in 2021:

- Mariana Gkliati: No more Morias? Notes from the field and the EU responses
- Antonio Mazzeo: Border surveillance, drones and militarisation of the Mediterranean
- Steve Peers: The revised Blue Card Directive: the EU's search for more highly skilled non-EU migrants
- Sophie-Anne Bisiaux and Lorenz Naegeli: Blackmail in the Balkans: how the EU is externalising its asylum policies
- Samuel Allan: The Canary cage: the making of deportation islands on Spain's Atlantic border
- Marie Martin:
  - o To SAR or not to SAR, part 1: Why is Frontex expected to save lives at sea?
  - o To SAR or not to SAR, part 2: Legal firewalls of a very political agency
- Wasil Schauseil: Greece: The new hotspots and the prevention of "primary flows": a human rights disaster.

We also published an in-depth report in collaboration with two contributing authors. *Algorithmic persecution in Turkey's post-coup crackdown: The FETÖ-Meter system* documents the use by the Turkish military of an algorithm to persecute alleged dissidents and supporters of the attempted July 2016 coup, which was widely-reported on in the media.

d. ***Hosting and participating in research and discussion networks on key issues/themes to encourage information-sharing and collaboration***

We hosted two meetings of the Frontex researchers' network throughout 2021, and the group made a collaborative submission to the European Parliament's Frontex Scrutiny Working Group, in order to highlight a number of themes common the work of the network's members that merited further examination by MEPs. The submission was cited in the FSWG's report on its investigation.

## The Libertarian Research and Education Trust

### known as Statewatch

#### Trustees' Report

Across the two calls, 14 individuals contributed from:

Academic institutions	EuroMed Rights	Open Society Foundations
Associazione per gli Studi Giuridici sull'Immigrazione	European Parliament	Platform for International Cooperation on Undocumented Migrants
Associazione per gli Studi Giuridici sull'Immigrazione	Global Legal Action Network	Privacy International

There were 38 individuals subscribed to the mailing list for the network at the end of 2021.

- Organizing events for discussion, debate and education about key contemporary and historical civil liberties issues, using materials from the Library & Archive to provide a resource for researchers and a historical perspective on contemporary issues*
- e.

We organized two public events in 2021, both in collaboration with the University of Bristol as part of the Economic and Social Research Council's Festival of Social Sciences.

The first was an online event, 'Secrecy in the European Union: how to exercise your right to information', which looked at how governments have sought to maintain secrecy in the EU, how individuals and organizations have fought back, and provided training for attendees on how exercise to exercise their right to access information. The event sold out, with 95 people registering to attend. The content of the event will serve as the basis for a training courses to be organised in 2022 and beyond.

The second event, 'Monitoring the state and learning from history: policing and racism in the Statewatch Library & Archive', took place in person and online at the Barton Hill Settlement in Bristol. Through a selection of materials from the Statewatch Library & Archive, 50 of which were digitised to facilitate online participation, the event sought to explore the long history of community and political activism on the issues of policing and racism, and the connections, similarities and differences between past and present struggles. 48 people registered to attend both online and in person. As well as interventions from *Statewatch* staff and trustees, speakers were invited from Bristol Copwatch (a local police monitoring group) and The Bristol Cable (a community newspaper) to provide local context and experiences.

Staff also participated in a number of public and closed events organised by other groups:

- New Police Surveillance Technologies: Combatting the Science Fiction Collectively - A Civil Society Perspective (panel at the online Computers, Privacy and Data Protection conference)
- International Human Rights Film Festival (online)
- The European Social Forum on Migration (webinar)
- Potentials and limitations of subnational responses to the migrant question in Europe (online conference organised by the Inter Alia Project)
- EU return policies: the European framework for return policies across the Euro-Mediterranean region (webinar organised by EuroMed Rights)
- Oxford Migration Studies Society (online seminar)

## **The Libertarian Research and Education Trust**

### **known as Statewatch**

#### **Trustees' Report**

#### **3. Take action on civil liberties and justice and home affairs issues**

- a. ***Contributing to building more open, transparent and democratic EU and national institutions and ensure that public institutions act in accordance with the law;***

Early in 2021 we secured a major victory for transparency and openness, with the conclusion of a complaint we filed with the European Ombudsman in 2019 concerning a failure by EU policing agency Europol and border control agency Frontex to comply with their legal obligations on public access to documents. The key point of the complaints was that neither agency was maintaining a complete public register of documents – a legal requirement under a 2001 Regulation that aims “to give the fullest possible effect to the right of public access to documents,” as set out in the EU Charter on Fundamental Rights.

In response to our complaint and the Ombudsman’s proposed solution, both agencies committed to establishing public registers of documents – commitments that we continued to put pressure on them to comply with, through engagement with MEPs in relevant parliamentary committees. The Ombudsman’s proposed solution also included a broader set of requirements that apply to all EU justice and home affairs agencies, providing a clear basis for holding other agencies to account in the future. Our victory received prominent coverage in EUobserver, and was subsequently cited in a European Parliament resolution on access to documents.

Our research and investigative work also landed two other victories for basic transparency measures. In early 2021, in response to ongoing deaths in the Mediterranean, the European Commission set up a ‘Contact Group on Search and Rescue’ made up of member state authorities, in order to establish a “structured framework for cooperation at EU level in order to ensure rapid response in case of events at sea as well as maintaining safety of navigation and ensuring effective migration management.” The Commission failed to meet a number of basic transparency requirements – publishing the group’s terms of reference, meeting agendas, and the names of the authorities participating in the group – until we published an article on the issue. Similarly, following our publication of an article on the transparency failings of the Commission’s ‘Expert Group on Artificial Intelligence in the Domain of Home Affairs’, steps were taken to comply with the rules: specifically, by publishing the names of the national authorities participating in the group.

- b. ***Challenging new measures that do not meet fundamental human rights standards***

We made eight submissions to public bodies in 2021 as part of our efforts to challenge measures and practices that do not meet fundamental rights standards:

- UN Special Rapporteur on the human rights of migrants: Pushback practices and their impact on the human rights of migrants
- Submission to the European Commission’s consultation on a new migrant smuggling action plan
- Joint submission by the Frontex researchers’ network (coordinated by *Statewatch*) to the European Parliament’s Frontex Scrutiny Working Group
- UK Parliament Joint Committee on Human Rights: Nationality and Borders Bill: Biometric ‘permission to travel’ scheme will affect tens of millions of people
- Submission to public consultation on reform of the UK Data Protection Act 2018
- Submission to the European Asylum Support Office 2021 Asylum Report
- Contributed to the European Digital Rights submission to the European Commission consultation on the expansion of the ‘Prüm’ police data-sharing network

## The Libertarian Research and Education Trust

### known as Statewatch

#### Trustees' Report

- Participated in a roundtable meeting organised by the Organization for Security and Cooperation in Europe on border management and human rights, in order to inform a policy brief in which our work was directly cited

We also worked with the Border Violence Monitoring Network (BVMN) to investigate multiple testimonies they had collected of violence against migrants committed by agents suspected of participating in Frontex operations. BVMN volunteers received testimonies of incidents involving some 130 people attempting to travel through Macedonia until the end of May 2021. Many of them were subjected to brutal violence and reported that what appeared to be Frontex agents were either present or participated in that violence. We accompanied an article we published with a letter to the Frontex Fundamental Rights Officer (FRO). However, despite positive engagement with the FRO and repeated follow-up from our side, it became evident that they were unable to gather any further information about the allegations.

#### *c. Playing an active role in our networks and partnerships.*

We continued to play an active role in the networks of which we are a formal member in 2021, in particular Migreurop and European Digital Rights (EDRi).

Throughout the year we continued to participate in discussions and information-sharing via Migreurop's mailing lists, and in November 2021 we were elected to the co-presidency of Migreurop's *Conseil Administrative*, the governing body for the network. In December 2021 we attended the network's general assembly.

We also maintained a high level of engagement with EDRi office staff in Brussels and other members of the network. In February we participated in a members' workshop on EU justice and home affairs policies, and attended the General Assembly in April (held online due to the pandemic). Throughout the year we continued to participate in working group meetings, including on biometrics and the implications of the EU's proposed Artificial Intelligence Act for migration and asylum law and policy.

We were represented in the Refugee Law Initiative via staff members' involvement in and presentations on Statewatch's ongoing collaboration with Mariana Gkliati (Radboud University) and the Transnational Institute at the Initiative's "externalisation working group" and annual conference.

We also joined two key coalitions in the UK – one on the Police, Crime, Sentencing and Courts (PCSC) Bill, and the other on the Nationality and Borders Bill. The coalition working on the PCSC Bill (the Police Bill Alliance) was seeking to overturn or limit provisions restricting protest rights and criminalising Gypsy, Roma and Traveller communities through the criminalisation of trespass. The coalition dealing with the Nationality and Borders Bill (Together With Refugees) was primarily seeking to prevent the criminalisation of irregular arrivals to the UK. Due to a lack of staff time our participation in both groups was limited to signing open letters and briefings, and sharing and promoting information and campaign demands via our website and social media accounts. They also provided a useful way for us to maintain our connections with UK-based groups and campaigns.

## **The Libertarian Research and Education Trust**

### **known as Statewatch**

### **Trustees' Report**

#### **4. Governance, funding and organisational development**

##### ***a. Identify new opportunities for funding and collaboration***

In late 2020 we obtained funding from two new sources, European Digital Rights (EDRi) and Citizens for Europe. The funding acquired from EDRi was for a project examining the use of “artificial intelligence” technologies for the purposes of asylum, immigration and border control and how the EU’s proposed Artificial Intelligence Act could better regulate those uses in order to protect fundamental rights; the results of the research are to be published in 2022. The latter funded the time necessary to undertake an in-depth strategic planning process, discussed further below, and to employ a Finance & Administration Worker, recruited in September 2021.

In 2021 we maintained the funding relationship we started in 2020 with Privacy International, with funding for our research investigating the historical and contemporary development and deployment of biometric identification technologies by police and immigration authorities. Finally, we acquired funding from the Network for Social Change, who have funded our work previously (the last time, in 2015), and received a one-off core grant from the Open Society Initiative for Europe. We also collaborated through the year with the Transnational Institute on the research for a report to be published in 2022 that will provide a critical examination of the EU’s security and migration budgets for the 2021-27 period.

At the end of 2021 we recruited an external fundraising consultant to produce a fundraising strategy for Statewatch, in accordance with one of the recommendations of the 2020 governance review (see further below).

##### **b. Update and continue to implement the strategic agenda 2020-22 and develop a new long-term vision for Statewatch**

Our strategic agenda 2020-22, adopted at the end of 2019, continued to guide our work in 2021. However, in recognition of the fast-changing operating environment for Statewatch and with the opportunity to engage in an in-depth reflection process enabled by funding from Citizens for Europe, trustees, staff and contributors engaged in a year-long strategic planning process that resulted in the drafting of a new five-year strategic plan to guide Statewatch’s work from 2022-26. Our deliberations were also informed by a survey of our users - the first we had undertaken in 10 years - which received almost 170 responses. The final strategy document will be adopted in early 2022.

##### **c. Enhance monitoring and evaluation framework**

We have continued to monitor and evaluate both our projects and our work as a whole on a regular basis, although it can prove difficult to measure the full extent of the impact of our work. As we move ahead with implementing the 2022-26 strategy we will continue to build upon our existing monitoring and evaluation framework, including through staff training and improved procedures, to better understand who our work reaches and how it makes a difference.



## **The Libertarian Research and Education Trust**

### **known as Statewatch**

#### **Trustees' Report**

##### ***d. Maintain and update policies and procedures as necessary***

In 2021 we contracted the services of an external employment law and human resources firm, who have assisted in the drafting and finalisation of a new staff and volunteer handbook to bring together all our policies and procedures. We will continue to review these on a regular basis in order to ensure we remain compliant with the law and meet the highest possible standards in order to make Statewatch an enjoyable and rewarding place to work and volunteer.

##### ***e. Continue to implement recommendations of the Governance Review***

In 2020 the Board of Trustees engaged a consultant to conduct a governance review and to make recommendations about the steps Statewatch needed to take for a sustainable future and to strengthen our organisation and governance. The review identified strengths and weaknesses of Statewatch and made 18 recommendations. These are set out in the table below with the action taken.

<b>Recommendation</b>	<b>Action taken in 2021</b>
1. As a matter of urgency, the Board of Trustees implement a fundraising strategy, which when aligned to Statewatch's mission and objectives, will provide a long-term, strategic approach that will help the organisation deliver on fundraising goals. (see Appendix 2 for a suggested framework for a financial and fundraising strategy).	Following acquisition of sufficient funding, a fundraising consultant was engaged to prepare a detailed fundraising strategy for Statewatch, to be provided in 2022.
7. Trustees should prioritise the Financial Strategy for its upcoming meetings.	
2. The Board engage in targeted advertising to achieve a more diverse board, with the necessary balance of experience, knowledge and expertise. Sources for advertising for potential Board members, Patrons, and Associate members could be the Contributors Network and Friends of Statewatch, and possibly networks in which staff and Trustees are currently active.	The Board advertised for new Trustees and appointed four new members of the Board. Three of those are still very active and meet the criteria set out in Recommendation 3: Lilana Keith (Vice-Chair); Jonathan Bloch (Treasurer) and Nadine Finch. They have brought a wealth of knowledge and insights to our work.
3. The Board consider the following criteria in recruiting new Trustees who should: <ul style="list-style-type: none"><li>• be fully knowledgeable of the EU with a substantive understanding of how it works / people working in the field and representative of the Statewatch community,</li><li>• have organisational expertise, and formal understanding of how civil society organisations work, and how they should work</li><li>• share the vision and values of Statewatch and committed to its Strategic Agenda</li></ul>	

## **The Libertarian Research and Education Trust**

### **known as Statewatch**

#### **Trustees' Report**

4. The Board work together on their own programme of work, including monitoring the Strategic Plan with an appropriate performance management system, and implementing a succession strategy for new Trustees, providing them with an induction session on Trustee roles and responsibilities.

5. The Co-Chairs support a transition to more in depth discuss on current issues, collaboration with civil society campaigns and networking, to retain its position in the field, attract partnerships, and thereby also future funding.

6. The Chair and Executive Director meet on a regular basis to develop an Agenda for Board meetings, and to flag up issues that need to be brought to the Board's attention. Minutes of Board meetings should be reviewed and agreed by both.

8. Trustees design and implement an organisational performance management system for measuring progress on its strategic objectives. The Board should carefully monitor the outcomes of the Strategic Plan by monitoring objectives and key results. Many Boards use a Traffic Lights System for this purpose; that is they monitor each objective and its related key results in terms of: green to indicate where things are on track, amber to indicate some issues to be addressed in a particular area, and red to indicate where action is needed to turn things around.

9. To seek funding for core staff, in particular for an Executive Director as part of the Board's succession plan to replace Tony Bunyan. At present, a percentage of project costs goes towards core staff costs, but this is not a sustainable funding model in the longer term.

10. Tony's retirement at the end of June (or September) should be marked in some way to honour his legacy, both then, and/or at the 30-year anniversary in 2021.

We are preparing a Trustees Handbook (to be ready at the end of September 2022) and our legal advisers (Loch Associates) will provide training for existing and new Trustees.

With the support of the Board, Statewatch has continued to engage with existing civil society partners (European Digital Rights, Migreurop, Transnational Institute, Privacy International) and to undertake new partnerships (Citizens for Europe, Border Violence Monitoring Network, and multiple others through our Frontex research network).

The Chair and Vice-Chair met with the Director on a bi-weekly basis, to discuss ongoing and emerging issues and to prepare the agendas for the Board meetings.

Progress of work was monitored at every meeting of the Board and discussed at the bi-weekly meetings between the Chair, Vice-Chair and Executive Director, but a form of systematic review as recommended is yet to be implemented.

The post of the new Executive Director (Chris Jones) was funded from a mix of project and other funding. We aim to secure more core funding to underpin this role and the work of the organisation as a whole.

There was an online meeting of long-time and recent supporters of Statewatch, in which tributes to Tony were given by individuals and on behalf of other organisations. Covid restrictions meant it was not possible to organise an in-person event.



**The Libertarian Research and Education Trust**  
**known as Statewatch**

**Trustees' Report**

11. Given how under-resourced the staff team are, the current practice of project management, support and supervision on a regular 1-2-1 basis, should be encouraged and developed; with formal supervisory management systems introduced more fully when resources allow.

12. With the launch of the new website, there is an opportunity to carry out a user-focused scoping exercise to identify who the beneficiaries are, and what their information and communication needs from Statewatch are.

13. Statewatch should leverage the free-to-use Google Analytics to gather and analyse quantitative usage metrics for the website.

14. Statewatch should use the new website as an opportunity to market a fundraising initiative to beneficiaries. A major (crowd) fundraising campaign should accompany the launch of the new website in July/August.

15. Build on the base of Friends of Statewatch with a crowdfunding campaign to all beneficiaries from July/August until December; this would be the quickest method of fundraising in the current context to achieve a minimum level of core funding.

18. The Friends of Statewatch should be revitalised and expanded through a crowdfunding campaign to help secure an independent source of core funding for Statewatch.

16. The Contributors Group should be revived and expanded. Once staff resources improve, dedicated time be allocated for management of the network, its terms of reference, solicitation of information and so on.

17. The Contributors Group should be considered as an important and valuable source not only of contributions to Statewatch, but also of becoming Patrons or Associate Members of Statewatch, and possibly future Board members.

The Chair and Vice Chair met regularly with the Executive Director to discuss issues as they arose and undertook an interim review to lay the basis for a full review of the Director's role in due course.

Individual support and supervision was provided to staff members and volunteers through monthly one-to-one meetings, as well as twice-weekly meetings of all staff.

A survey of Statewatch's audience and users was launched in autumn 2021 and received close to 170 responses, which were used to inform the strategic planning process.

Given the negative privacy implications of Google products, we make use of Matomo to monitor website usage.

A specific fundraising campaign was carried out in autumn 2020, but not repeated in 2021. Fundraising was increasingly integrated into the everyday communication of the organisation throughout 2021, but remains a work in progress.

As noted above, five in-depth analyses from new contributors were published in 2021. The contributors group is much valued by Statewatch and staff and Trustees endeavoured to keep these links active throughout 2021, with a view to future further expansion of the group.

# **The Libertarian Research and Education Trust**

## **known as Statewatch**

### **Trustees' Report**

#### **Income and expenditure**

Our total income for 2021 was £139,779 and our total expenditure was £72,106.

#### **Policy on reserves**

At year end our reserves stood at £77,701. Reserves are held to meet any unexpected shortfall in income and to meet any necessary expenditure to protect or expand the trust's work. Trustees will endeavour to increase the reserves if income permits. Increasing staff wages is also a priority, subject to meeting our other legal commitments.

#### **Funding**

We are grateful to the support received during 2021 from Friends of Statewatch, Citizens for Europe, European Digital Rights, Garden Court Chambers, Network for Social Change, Open Society Initiative for Europe and Privacy International.

#### **Risk analysis**

##### **1. Staff development and retention**

Statewatch employees are employed part time and are highly skilled in our specialist field of work. Our priority is to retain and develop current staff. In 2021 we implemented an across-the-board pay increase of 10% and committed to introduce a further 10% increase in 2022, funding permitting. This was an important first step in bringing our salaries up to an adequate level for the sector.

##### **2. Review and monitor action to reduce our projected pension deficit**

We have an action plan in place with the Pensions' Trust, our pension provider, to reduce our deficit by paying additional annual contributions over ten years 2013 - 2023. The estimate from the Pensions Trust of employer liability on withdrawal is £11,201(as at September 2021) and was £17,184 (as at September 2020).

##### **3. Brexit**

Towards the end of 2020 and early in 2021 we consulted with lawyers to prepare for establishing a branch of Statewatch within EU jurisdiction, should it prove necessary for our work. While the UK has now left the EU and a large proportion of our work continues to focus on the powers, policies and practices of the institutions and agencies of the EU and its member states, the practical impact on our work has so far proven minimal. The option to establish within EU jurisdiction remains available should the need arise, and the situation is reviewed regularly by the Board.

##### **4. Coronavirus**

The Board of Trustees continued to ensure that all necessary action was taken to protect the health and wellbeing of Statewatch employees and volunteers during the ongoing pandemic. A member of the Board was appointed as a wellbeing contact point to serve as a first point of call for any staff wishing to discuss problems or concerns (e.g. mental health) arising from the pandemic and the restrictive measures taken to address it. The Board was regularly updated on measures taken by the organisation to ensure a 'COVID-secure' working environment after restrictions were eased.

## **The Libertarian Research and Education Trust**

### **known as Statewatch**

### **Trustees' Report**

#### **Statement of trustees' responsibilities**

The trustees (who are also the directors of The Libertarian Research and Education Trust for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The report and accounts have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they 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 its 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 apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can 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.

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

#### **Small companies provision statement**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The financial statements on pages 20 to 34 were approved by the trustees, and authorised for issue on 15 September 2022 and signed on their behalf by:



Ann Singleton  
Chair and Trustee

## **The Libertarian Research and Education Trust**

**known as Statewatch**

### **Independent Examiner's Report to the trustees of The Libertarian Research and Education Trust ('the Company')**

I report to the charity trustees (who are also Directors for the purpose of company law) on my examination of the accounts of the The Libertarian Research and Education Trust ('the charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet and related notes. 20 34

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

#### **Responsibilities and basis of report**

As the charity's trustees of The Libertarian Research and Education Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of The Libertarian Research and Education Trust are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the financial statements present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

#### **Independent examiner's statement**

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of The Libertarian Research and Education Trust as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

**The Libertarian Research and Education Trust**

**known as Statewatch**

**Independent Examiner's Report to the trustees of The Libertarian Research and Education Trust ('the Company')**

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Timothy Sullivan FCA  
Field Sullivan Limited  
9 Hare & Billet Road  
Blackheath  
SE3 0RB

Date: 23/5/22

The Libertarian Research and Education Trust

known as Statewatch

Statement of Financial Activities for the Year Ended 31 December 2021  
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2021 £	Unrestricted £	Restricted £	Total 2020 £
<b>Income and Endowments from:</b>							
Donations and legacies	3	109,485	27,547	137,032	43,651	51,740	95,391
Charitable activities	4	2,747	-	2,747	1,774	-	1,774
Investment income	5	-	-	-	2	-	2
<b>Total income</b>		<b>112,232</b>	<b>27,547</b>	<b>139,779</b>	<b>45,427</b>	<b>51,740</b>	<b>97,167</b>
<b>Expenditure on:</b>							
Charitable activities	6	(43,523)	(28,583)	(72,106)	(9,589)	(66,564)	(76,153)
<b>Total expenditure</b>		<b>(43,523)</b>	<b>(28,583)</b>	<b>(72,106)</b>	<b>(9,589)</b>	<b>(66,564)</b>	<b>(76,153)</b>
Gains/losses on investment assets		(46)	-	(46)	90	-	90
<b>Net income/(expenditure)</b>		<b>68,663</b>	<b>(1,036)</b>	<b>67,627</b>	<b>35,928</b>	<b>(14,824)</b>	<b>21,104</b>
Transfers between funds		(10)	10	-	-	-	-
<b>Net movement in funds</b>		<b>68,653</b>	<b>(1,026)</b>	<b>67,627</b>	<b>35,928</b>	<b>(14,824)</b>	<b>21,104</b>
<b>Reconciliation of funds</b>							
Total funds brought forward		9,048	1,026	10,074	(26,880)	15,850	(11,030)
Total funds carried forward	18	77,701	-	77,701	9,048	1,026	10,074

The notes on pages 24 to 34 form an integral part of these financial statements.

**The Libertarian Research and Education Trust**

**known as Statewatch**

**Statement of Financial Activities for the Year Ended 31 December 2021**  
**(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2020 is shown in note 18.

The notes on pages 24 to 34 form an integral part of these financial statements.

**The Libertarian Research and Education Trust**

**known as Statewatch**

**(Registration number: 08480724)**

**Balance Sheet as at 31 December 2021**

	Note	2021 £	2020 £
<b>Current assets</b>			
Debtors	11	2,353	1,514
Investments	12	1,076	1,122
Cash at bank and in hand	13	<u>88,233</u>	<u>40,854</u>
		91,662	43,490
<b>Creditors: Amounts falling due within one year</b>	14	<u>(2,760)</u>	<u>(3,233)</u>
<b>Total assets less current liabilities</b>		88,902	40,257
<b>Creditors: Amounts falling due after more than one year</b>	15	-	(13,000)
<b>Provisions</b>	16	<u>(11,201)</u>	<u>(17,183)</u>
<b>Net assets</b>		<u><u>77,701</u></u>	<u><u>10,074</u></u>
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds		-	1,026
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>77,701</u>	<u>9,048</u>
<b>Total funds</b>	18	<u><u>77,701</u></u>	<u><u>10,074</u></u>

For the financial year ending 31 December 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

**Directors' responsibilities:**

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The notes on pages 24 to 34 form an integral part of these financial statements.



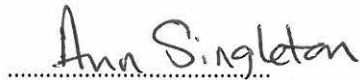
**The Libertarian Research and Education Trust**

**known as Statewatch**

**(Registration number: 08480724)**

**Balance Sheet as at 31 December 2021**

The financial statements on pages 20 to 34 were approved by the trustees, and authorised for issue on 15 September 2022 and signed on their behalf by:



Ann Singleton  
Chair and Trustee

The notes on pages 24 to 34 form an integral part of these financial statements.

# **The Libertarian Research and Education Trust**

**known as Statewatch**

## **Notes to the Financial Statements for the Year Ended 31 December 2021**

### **1 Charity status**

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

88 Fleet Street  
London  
EC4Y 1DH

These financial statements were authorised for issue by the trustees on 15 September 2022.

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

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) (effective 1 January 2019) - (Charities SORP (FRS 102) - Second edition October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

#### **Basis of preparation**

The Libertarian Research and Education Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

#### **Going concern**

In common with many similar organisations who receive the majority of their income from public funding, the viability of The Libertarian Research and Education Trust is dependent on finding continuing sources of funding. As set out in the trustee's report, the company's financial situation remains challenging, but the trustees are working to address these issues. Accordingly, the trustees believe it is appropriate to prepare the accounts on a going concern basis.

#### **Exemption from preparing a cash flow statement**

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

## **The Libertarian Research and Education Trust**

**known as Statewatch**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **Judgements and key sources of estimation uncertainty**

In the application of the charity's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the periods in which the estimate is revised where revisions affects only that period, or in the period of the revision and future periods where the revisions affects both current and future periods.

#### **Income and endowments**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

#### ***Donations and legacies***

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

#### ***Grants receivable***

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

#### ***Investment income***

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

#### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### ***Charitable activities***

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

## **The Libertarian Research and Education Trust**

**known as Statewatch**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **Support costs**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

#### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Current asset investments**

Current asset investments are included at the lower of cost and net realisable value / market value.

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

## **The Libertarian Research and Education Trust**

**known as Statewatch**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **Provisions**

Provisions are recognised when the charity has an obligation at the reporting date as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

#### **Pensions and other post retirement obligations**

The charity operates a defined benefit pension scheme. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the Balance Sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets. The defined benefit obligation is measured using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to market yields at the reporting date on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses are charged or credited to other comprehensive income in the period in which they arise.

**The Libertarian Research and Education Trust**

**known as Statewatch**

**Notes to the Financial Statements for the Year Ended 31 December 2021**

**3 Income from donations and legacies**

	<b>Unrestricted</b>		<b>Total</b>	<b>Total</b>
	<b>General</b>	<b>Restricted</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Donations and legacies;				
Committed giving	6,905	-	6,905	29,993
Citizens for Europe	-	-	-	8,837
Gift aid reclaimed	971	-	971	821
Grants, including capital grants;				
Network for Social Change	14,195	-	14,195	-
Transnational Institute	-	8,071	8,071	-
European Digital Rights	11,076	-	11,076	-
Garden Court	4,000	-	4,000	4,000
Privacy International	-	19,476	19,476	9,432
OSIFE	72,338	-	72,338	42,308
	<u>109,485</u>	<u>27,547</u>	<u>137,032</u>	<u>95,391</u>

**4 Income from charitable activities**

	<b>Unrestricted</b>	<b>Total</b>	<b>Total</b>
	<b>General</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Fees and supplies	937	937	1,019
Other income	1,810	1,810	755
	<u>2,747</u>	<u>2,747</u>	<u>1,774</u>

**5 Investment income**

	<b>Total</b>	<b>Total</b>
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Interest receivable and similar income;		
Interest receivable on bank deposits	<u>-</u>	<u>2</u>

**The Libertarian Research and Education Trust**

known as Statewatch

**Notes to the Financial Statements for the Year Ended 31 December 2021**

**6 Expenditure on charitable activities**

	Note	Total 2021 £	Total 2020 £
Wages and salaries	9	56,640	48,093
Pension	9	(1,316)	3,057
Other staff costs	9	570	-
Computer software and maintenance		2,805	5,457
Printing, postage and stationery		262	35
Trade subscriptions		1,169	1,011
Sundries		100	318
Travel and subsistence		318	473
Support costs	7	11,558	17,709
		<u>72,106</u>	<u>76,153</u>

**7 Analysis of support costs**

**Support costs**

	Total 2021 £	Total 2020 £
Rent	5,937	5,000
Insurance	663	618
Telephone and fax	-	2,935
Office expenses	-	203
Independent examination	2,670	3,090
Legal and professional	2,041	5,627
Bank charges	247	236
	<u>11,558</u>	<u>17,709</u>

**The Libertarian Research and Education Trust**

**known as Statewatch**

**Notes to the Financial Statements for the Year Ended 31 December 2021**

**8 Trustees remuneration and expenses**

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

**9 Staff costs**

The aggregate payroll costs were as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Staff costs during the year were:</b>		
Wages and salaries	56,640	48,093
Pension costs	(1,316)	3,057
Other staff costs	570	-
	<u>55,894</u>	<u>51,150</u>

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	<b>2021</b>	<b>2020</b>
	<b>No</b>	<b>No</b>
Charitable activities	<u>4</u>	<u>3</u>

No employee received emoluments of more than £60,000 during the year.

**10 Taxation**

The charity is a registered charity and is therefore exempt from taxation.

**11 Debtors**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Prepayments	1,203	802
Other debtors	<u>1,150</u>	<u>712</u>
	<u>2,353</u>	<u>1,514</u>



**The Libertarian Research and Education Trust**

**known as Statewatch**

**Notes to the Financial Statements for the Year Ended 31 December 2021**

**12 Current asset investments**

	2021 £	2020 £
Unlisted other shares	<u>1,076</u>	<u>1,122</u>

**13 Cash and cash equivalents**

	2021 £	2020 £
Cash at bank	<u>88,233</u>	<u>40,854</u>

**14 Creditors: amounts falling due within one year**

	2021 £	2020 £
Other taxation and social security	-	322
Accruals	<u>2,760</u>	<u>2,911</u>
	<u>2,760</u>	<u>3,233</u>

**15 Creditors: amounts falling due after one year**

	2021 £	2020 £
Other creditors	<u>-</u>	<u>13,000</u>

**16 Provisions**

	Pension contributions provision £	Total £
At 1 January 2021	(17,183)	(17,183)
Credited to the statement of recognised gains and losses	<u>5,982</u>	<u>5,982</u>
At 31 December 2021	<u>(11,201)</u>	<u>(11,201)</u>

**17 Related party transactions**

During the year the charity made the following related party transactions:

**A C Bunyan**

The loan was made by a founder of the charity and it was repaid in full during the period. At the balance sheet date the amount due to/from to A C Bunyan was £Nil (2020 - £13,000).

The Libertarian Research and Education Trust

known as Statewatch

Notes to the Financial Statements for the Year Ended 31 December 2021

18 Funds

	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 December 2021 £
<b>Unrestricted</b>						
<i>General</i>						
General Funds	9,048	112,232	(43,523)	(10)	(46)	77,701
<b>Restricted</b>						
OSIFE	736	-	(736)	-	-	-
PI Project	290	19,476	(19,776)	10	-	-
Transnational Institute	-	8,071	(8,071)	-	-	-
	<u>1,026</u>	<u>27,547</u>	<u>(28,583)</u>	<u>10</u>	<u>-</u>	<u>-</u>
<b>Total funds</b>	<u>10,074</u>	<u>139,779</u>	<u>(72,106)</u>	<u>-</u>	<u>(46)</u>	<u>77,701</u>

	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 December 2020 £
<b>Unrestricted</b>					
<i>General</i>					
General Funds	(26,880)	45,427	(9,589)	90	9,048
<b>Restricted</b>					
OSIFE	5,850	42,308	(47,422)	-	736
PI Project	<u>10,000</u>	<u>9,432</u>	<u>(19,142)</u>	<u>-</u>	<u>290</u>
	<u>15,850</u>	<u>51,740</u>	<u>(66,564)</u>	<u>-</u>	<u>1,026</u>
<b>Total funds</b>	<u>(11,030)</u>	<u>97,167</u>	<u>(76,153)</u>	<u>90</u>	<u>10,074</u>

# The Libertarian Research and Education Trust

known as Statewatch

## Notes to the Financial Statements for the Year Ended 31 December 2021

The specific purposes for which the funds are to be applied are as follows:

OSIFE - This grant was awarded for the 'European Union justice and home affairs agencies: Transparency, accountability and fundamental rights' project, which examines the transparency, accountability, and implications for fundamental rights of the activities of three EU agencies: Frontex, Europol and eu-Lisa.

Privacy International - The project title is 'Biometric Europe: Imposing digital identities in the name of security'. The project will educate and inform relevant groups and individuals about the challenges the EU's biometric identity initiatives pose for individual rights in order to increase civil society action (such as campaigns, advocacy, awareness-raising activities, legal cases) and media coverage on the topic, to contribute to attempts to ensure that the EU's biometric identity initiatives are implemented in a manner that prioritises fundamental rights.

Transnational Institute - funding the production of a publication on the EU's new security budgets for the period 2021-2027.

### 19 Analysis of net assets between funds

	Unrestricted funds General £	Total funds at 31 December 2021 £
Current assets	91,662	91,662
Current liabilities	(2,760)	(2,760)
Provisions	(11,201)	(11,201)
Total net assets	<u>77,701</u>	<u>77,701</u>

	Unrestricted funds General £	Restricted funds £	Total funds at 31 December 2020 £
Current assets	42,464	1,026	43,490
Current liabilities	(3,233)	-	(3,233)
Creditors over 1 year	(13,000)	-	(13,000)
Provisions	(17,183)	-	(17,183)
Total net assets	<u>9,048</u>	<u>1,026</u>	<u>10,074</u>

**The Libertarian Research and Education Trust**

**known as Statewatch**

**Notes to the Financial Statements for the Year Ended 31 December 2021**

**20 Covid**

During the year the charity's activities were adversely affected by the outbreak of COVID 19. As a result the charity had to temporarily close its office with staff working from home to continue the charity's activities. Working practices were subsequently adapted according to law, policy, guidance and health and safety considerations.