

5RIGHTS FOUNDATION

England & Wales · Charity number 1178581

Details

Status	Registered
Legal form	Charitable company
Company number	11271356
Registered	2018-05-31
Register	View on the Charity Commission register

Contact

Address	14 Fowler Road London London N1 2EP
Phone	00
Email	info@5rightsfoundation.com
Website	5rightsfoundation.com

Activities

Objects: 2.1 THE OBJECTS OF THE CHARITY ARE:2.1.1 TO RELIEVE THE NEEDS OF CHILDREN AND YOUNG PEOPLE PARTICULARLY IN RELATION TO THEIR DIGITAL AND TECHNOLOGICAL ACTIVITIES AND THE PARTICULAR VULNERABILITIES OF THEIR AGE; 2.1.2 TO ADVANCE IN LIFE CHILDREN AND YOUNG PEOPLE THROUGH PROVIDING SUPPORT, RESOURCES AND ACTIVITIES WHICH DEVELOP THEIR SKILLS, CAPACITIES AND CAPABILITIES TO ENABLE THEM TO PARTICIPATE IN A 'DIGITAL-FIRST' SOCIETY AS ENABLED AND RESPONSIBLE INDIVIDUALS AND AS FULL CITIZENS;2.1.3 TO PROMOTE AND PROTECT THE PHYSICAL AND MENTAL HEALTH OF CHILDREN AND YOUNG PEOPLE IN RELATION TO THEIR DIGITAL AND TECHNOLOGICAL ACTIVITIES;2.1.4 TO ADVANCE EDUCATION FOR THE PUBLIC BENEFIT IN DIGITAL AND TECHNOLOGICAL LITERACY, SKILLS AND COMPETENCIES AND IN ALL ASPECTS OF THE SUBJECT OF THE DIGITAL ENVIRONMENT AND TECHNOLOGY, PARTICULARLY AS IT RELATES TO CHILDREN, YOUNG PEOPLE AND OTHER VULNERABLE USERS, INCLUDING BY CARRYING OUT RESEARCH AND PUBLISHING THE USEFUL RESULTS.A 'DIGITAL-FIRST' SOCIETY REFERS TO A SOCIETY IN WHICH PUBLIC AND PRIVATE SERVICES ARE PRIMARILY OR EXCLUSIVELY OFFERED DIGITALLY, AND WHICH, ACCORDINGLY, REQUIRES INDIVIDUALS TO HAVE DIGITAL SKILLS, CAPABILITIES AND COMPETENCIES TO PARTICIPATE AND THRIVE IN IT.

Activities: The objects of the charity are to support children and young people in relation to their digital and technological activities and enable them to participate in a digital-first society as enabled and responsible individuals through education for the public benefit in digital and technological literacy, skills and competencies, including by carrying out research and publishing the useful results

Classification

- **How:** Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Disability, Economic/community Development/employment
- **Who:** Children/young People

Geography

- Belgium
- United States
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,806,824	£1,646,821	£1,682,503	14
2024-03-31	£2,033,265	£1,379,533	£1,522,500	10
2023-03-31	£1,469,940	£1,795,993	£868,768	12
2022-03-31	£1,153,555	£1,476,524	£1,194,821	11
2021-03-31	£1,765,161	£1,040,906	£1,517,790	11

Trustees

Name	Role	Appointed
Peter Thomas Wanless	Chair	2018-03-22
Alpesh Shah		2026-04-27
Diala Sanbar Khlal		2024-11-01
Dorothy Gordon		2024-01-29
Elizabeth Denham		2022-01-01
Maria Semedallas		2025-10-31
Mikiko Otani		2024-01-29

Accounts



Companies House

5Rights Foundation

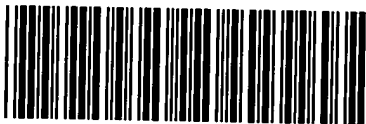
**ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED**

31 MARCH 2025

Company Registration Number
11271356 (England and Wales)

Charity Registration Number
1178581

THURSDAY



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COMPANIES HOUSE

**5RIGHTS FOUNDATION
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 MARCH 2025**

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**5RIGHTS FOUNDATION
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 MARCH 2025**

Trustees

Dr Amani Abou-Zeid
Anna Maria Corazza Bildt
Manuel Costescu – Honorary Treasurer
Elizabeth Denham CBE
Dorothy Gordon
Diala Sanbar Khlat (Appointed 1 November 2024)
Baroness Beeban Kidron OBE – Chair
Dr Ansgar Koene – Vice-Chair *
Mikiko Otani
Sir Peter Wanless CB *
Shoshana Zuboff

*Members of Governance and Remuneration Committee

Registered office

14 Fowler Road
London
N1 2EP

Charity registration number (England and Wales)
1178581

Company registration number
11271356

Auditor

Buzzacott Audit LLP
130 Wood Street
London
EC2V 6DL

Bankers

Lloyds Bank
7 Carter Street
Uttoxeter
Staffordshire
ST14 8HD

**5RIGHTS FOUNDATION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

Introduction

The trustees present their statutory report together with the financial statements of 5Rights Foundation for the year ended 31 March 2025.

The report, which constitutes a trustees' report for the purposes of charity legislation and a directors' report for the purposes of company legislation, complies with Charity's constitution, and has been prepared in accordance with Part 8 of the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice.

The financial statements have been prepared in accordance with the accounting policies set out on pages 15 to 17 of the attached financial statements and comply with the Charity's Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom (FRS 102).

Objects and Public Benefit

The Charity's objectives are set out in its Articles of Association, for which the organisation is established and supports the Charity's mission to fight for systemic change that ensures the digital world caters for under 18s by design and default.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit and advice for charities of an appropriate size when reviewing Charity's objectives and in planning its activities. To further 5Rights' charitable objects for public benefit, all work is directed towards understanding and promoting the well-being of children and young people, by working with others to ensure that the digital environment observes the rights and privileges of childhood.

5Rights Foundation achieves public benefit for the population as a whole by advocating for fair legislation, regulation, standards and technical controls that uphold children's rights in the digital environment.

Our values

Child Rights at the core: we listen to, give voice to and represent all under 18s, always putting their rights and best interests first.

No child left behind: we work globally for children in all their diversity, with inclusivity and protections for the most vulnerable and under-represented at the core.

Fight for the optimum: while small steps are needed on the path to change, we do not accept compromises or trade-offs that undermine children's full and long-term enjoyment of their rights.

Making change, not just noise: we focus on delivering practical change that impacts children's real-life experiences, recognizing that this requires collaboration and humility.

Integrity, transparency and accountability: we say what we do, do what we say, and practice what we preach.

Independence: we do not compromise on our values or mission; our governance, partnerships, funding structures and policies reflect our independence, notably from political or corporate interests.

Collaboration: we know that others know more than us and source expertise widely; we work to enable partners to embed sustainable change; we welcome partnerships with all those who share our mission and values.

Our achievements in the year

We achieved remarkable milestones during the year 2024/25, significantly expanding the breadth and scope of our work globally and investing in streamlining, professionalization, and partnerships. This progress was made possible thanks to the generosity of our donors, the commitment of our partners, and the continued support of our wider community.

Flagship publications

- **Children and AI Design Code:** Developed with input from legal, academic, and AI experts, the Code provides a comprehensive, actionable framework to embed children's rights across the entire AI system lifecycle.
- **Impact of Regulation on Children's Digital Lives:** this report examines the impacts of legislative and regulatory measures focused on children's online privacy and safety over the period 2017–24.

Global Leadership

In this financial period, 5Rights i.a.:

- Joined the Global Online Safety Regulators Network
- Hosted a session on AI and children's rights at the Internet Governance Forum (IGF)
- Led a panel on privacy challenges and regulatory approaches to emerging AI risks for children at Conference of Privacy and Data Protection Professionals (CPDP)
- Spoke on the societal impact of privacy education at the Global Privacy Assembly
- Delivered a main stage address at the UN Action Days at the UN Summit of the Future (New York)
- Spoke on 'Emerging Issues in Children's Data Privacy' at the World Economic Forum (WEF)
- Delivered a public lecture 'Tech Tantrums – When Tech Meets Humanity' on AI, which was viewed by 1600 people and downloaded 4738 times as a podcast.
- Delivered a keynote address on children and AI at the World Forum on the Future of Democracy, AI and Humankind in Berlin
- Delivered a keynote presentation on children and AI at the Vatican
- Joined the WEF Global Coalition for Digital Safety
- Became a founding signatory of the Beneficial AI for Children Coalition at the Paris AI Summit
- Joined the UN Working Group on Business and Human Rights discussion
- Moderated the Network's panel on rights-respecting regulation at RightsCon 2025 (Taipei)
- Was honoured with the Global Privacy Assembly's inaugural Privacy and Human Rights Award

UK

As the lead organisation in the Children's Coalition of 25+ NGOs, 5Rights has been at the forefront of efforts to ensure that Ofcom's implementation of the Online Safety Act (OSA) delivers on its promise to protect children online. We have engaged directly with the regulator and members of parliament, coordinated media responses, and published public commentary highlighting the need for industry accountability rather than shifting responsibility onto parents. Importantly, in the beginning of April 2025, Ofcom launched its first investigation under the OSA, marking the first formal enforcement action.

We also continued to engage with the Data Protection and Digital Information Bill, raising concerns that proposed amendments risk undermining the protections established by the Age Appropriate Design Code and foundational GDPR principles. 5Rights, alongside our joint research centre with the London School of Economics (LSE), the Digital Futures for Children centre, has supported an amendment introduced by Baroness Kidron calling for a Code of Practice for EdTech, to ensure children's data in education settings is subject to appropriate safeguards.

In February 2025, the UK became the first country to criminalise AI tools used to generate child sexual abuse material (CSAM), a landmark step in child protection. Led by Baroness Beeban Kidron, 5Rights mounted a sustained campaign for legislative reform, calling on government to close dangerous loopholes that allowed AI to be weaponised against children. As a result, new offences will be included in the Crime and Policing Bill, making it illegal to create, possess, or distribute AI tools used to produce CSAM—ensuring technology is governed by the

**5RIGHTS FOUNDATION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

law, aligned with our values, and safe for children by design and default.

International

Significant progress has been made in advocating for and influencing the adoption of key commitments and policies to deliver on the implementation of children's rights in the digital environment.

In September 2024, the Global Digital Compact was adopted with explicit recognition of children's rights and corporate responsibilities—language that reflects sustained advocacy by 5Rights.

In 2025, we co-hosted the UN Committee on the Rights of the Child's conference on AI and Children's Rights in Tbilisi, amplifying youth voices and shaping global discourse.

As part of our ongoing international engagement, we also contributed expertise to major global policy reports that guide governments, influence standards, and promote international cooperation:

- The UN Secretary-General's High-level Advisory Body on Artificial Intelligence report, *Governing AI for Humanity* (October 2024), outlines a blueprint for addressing AI-related risks and sharing its transformative potential globally. Attention to the rights and specific needs of children is mainstreamed throughout the report, with a summary of recommendations compiled in a focus box.
- Similarly, the OECD report, *Towards Digital Safety by Design for Children*, directly cites General Comment No. 25, builds on 5Rights' research and tools (including the Child Online Safety Toolkit and Playful by Design), and offers a holistic guide to Safety by Design.
- We contributed to UNICEF's global guidance on CRIA in the digital environment

In Malaysia, 5Rights was invited to the International Legal Conference on Online Harms, organised by the Government of Malaysia in September 2024, to discuss the development of the country's proposed Online Safety Bill. The Online Safety Bill was passed in December 2024.

In Indonesia, the PP Tunas regulation, Government Regulation on the Governance of the Implementation of Electronic Systems in Child Protection, was signed in March 2025, establishing new standards for child protection in the digital environment following long-term engagement from 5Rights. The regulation requires that digital products and services likely to be accessed by children provide a high level of privacy by default, prohibits profiling children and manipulative design practices.

Australia announced two legal initiatives—mandatory age verification for social media and a code based on the UK's Age Appropriate Design Code—both aligned with 5Rights principles.

In Canada, 5Rights made significant advocacy gains, influencing federal and provincial debates through strategic briefings, consultation contributions and partnerships.

Europe

In the EU, 5Rights worked to ensure that children's rights remain central to new legislative priorities. We continue to lead an influential civil society coalition for children's rights online. An example of our work is the joint statement—signed by 30+ organisations—on the upcoming INI report on the protection of minors, alongside participation in key hearings and consultations.

5Rights has played a leading role in advancing enforcement of the Digital Services Act (DSA), with a strong focus on Article 28, which mandates a high level of privacy, safety, and security for minors.

5Rights published a widely welcomed baseline report for DSA guidelines, developed with support from the European Parliament Child Rights Intergroup and Eurochild. The European Commission acknowledged this contribution as a key starting point for its official guidance, now underway. In a major win, the European Board for Digital Services established a dedicated Working Group on the Protection of Minors, covering Article 28 guidelines, age verification, adult content, and media literacy.

**5RIGHTS FOUNDATION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

The EU AI Act was the first major law to cite General comment No. 25, banning AI systems that exploit age-related vulnerabilities. 5Rights focused on ensuring its implementation, preparing a submission to the AI Office on guidelines for enforcing the ban and submitting a joint statement on the draft of the Code of Practice for General Purpose AI to Executive Vice-president Virkkunen.

Another important milestone was reached with the adoption of the Council of Europe Framework Convention in the Artificial Intelligence and Human Rights, Democracy and the Rule of Law in May 2024. The Convention, signed by UK, USA, Japan, Canada and many more, includes a dedicated clause on children's rights, with its explanatory report referencing General comment No. 25 and safety by design. 5Rights contributed throughout as an Observer to the Committee on Artificial Intelligence (CAI) and has since supported the Council of Europe with the development of a child risk assessment framework.

USA

5Rights continued to educate, inspire and support US efforts to advance age appropriate design, with strong support for federal legislation and privacy codes modelled on the Age Appropriate Design Code passing in Maryland; Nebraska and South Carolina legislators have also introduced the AADC. 5Rights has joined by invitation the Uniform Law Commission (ULC) Study Committee on the issue of Children's Online Safety and Protection.

Compliance

5Rights continued to advance work on technical standards. Certification for IEEE 2089.1 on Age Assurance is now available, marking a major step toward operationalising standards for child protection. 5Rights joined the working group for the new 2089-2 standard on Terms and Conditions. 5Rights is working to advance standards at the EU level as a liaison to CEN-CENELEC and now member of the UK National Committee, participating in JTC21 and JTC13.

We submitted formal complaints to Ofcom and the ICO against Meta regarding the presence and spread of AI-generated child sexual abuse material (CSAM) on Instagram and to the ICO regarding Snap's non-compliance with Standard 10 of the AADC, which requires geolocation to be off by default for children.

Research

In 2024, 5Rights, through the Digital Futures for Children (DFC) research centre in collaboration with the London School of Economics, delivered a sustained and impactful body of research on children's experiences in the digital environment. Key publications included The Best Interests of the Child in the Digital Environment report, a policy brief on EdTech, and the Impact of Regulation report—launched at the House of Lords—which measured how regulation is shaping children's digital lives.

Additionally, the DFC launched several significant academic and policy works, including Sonia Livingstone's book on digital media use in early childhood and the report on smartphone policies in schools.

A new child-friendly resources page was launched and the DFC released a comprehensive research database. Other notable DFC events included a workshop for secondary school teachers on smartphone policies, a public lecture on the internet's impact on children, and an insightful talk by Mark West from UNESCO on EdTech. And most recently, at the Annual Children's Rights Lecture at Doughty Street Chambers, Professor Sonia Livingstone presented "Children's Rights Apply Online as Offline – or Do They?"

The DFC work was presented at RightsCon in Taipei, focusing on the best interests of the child amid tech innovation.

Youth Engagement

The views and voices of children and young people are central to all of 5Rights' work. In 2024/2025, we prioritised adapting and scaling our Youth Engagement Programme to reflect our growing international reach. We now work with over 200 Youth Ambassadors across more than 50 countries, engaging them through podcasts, webinars, workshops, and other participatory formats.

Our Youth Ambassadors contributed meaningfully to global policy discussions, ensuring children's voices were present in key digital governance spaces. They participated in the Summit Action Days in New York, supported a

**5RIGHTS FOUNDATION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

joint press release welcoming the Global Digital Compact, addressed the Global Privacy Assembly, and joined a panel at the Internet Governance Forum on AI and children's rights. Their input helped shape conversations on the rights and safety of young people in the digital world.

Plans for 2025/26

Demand for our work and support continues to grow exponentially. We believe we are at a key moment of opportunity, where our aim of making designing with children in mind a global industry norm is within reach in the coming decade. As we enter a new strategic phase (2025–2030), we plan to maintain our high level of productivity and impact, while scaling up our work across all pillars – from research and youth engagement to advocacy, technical work, and support for compliance – globally.

Results and financial position

A summary of the period's results can be found on page 12.

The year's total income reached £1,806,824, a decline from £2,033,265 in 2023/24. This income was largely driven by donations and grants, supplemented slightly by bank interest.

Our yearly expenditure amounted to £1,646,821, an increase from £1,379,533 in 2023/24. This entire amount was directed towards supporting the charitable operations of 5Rights Foundation.

At year-end, unrestricted funds stood at £1,439,296, and restricted funds at £243,207, bringing total funds carried forward to £1,682,503. Of this, £139,970 is held as a designated fund for planned work in advocacy, research, and accountability.

Funding

All our funding is received as grants or donations. We follow best practices in data protection when processing donations, never sharing data with external organisations. We also ensure our supporters and donors have the flexibility to adjust their communication preferences at any point. We handle our fundraising internally without the use of professional fundraisers. We are committed to addressing and investigating any concerns about our fundraising practices, aiming to learn from each experience to enhance our performance. In the fiscal year 2024/25, we did not receive any complaints regarding our fundraising methods.

We closely monitor a range of factors that could influence our financial future. These encompass macro considerations like the overall economic, political, and social landscape, as well as micro considerations like our ability and preparedness to raise funds.

Reserves policy

Our trustees have evaluated the sum that 5Rights Foundation needs to maintain in reserve to assure financial sustainability. In developing our reserves policy, we took into account the necessity for reserves, the possible effects of external factors beyond our control, the level of reserves deemed necessary by the trustees, the strategy for reaching the desired level of reserves, and the approach to monitor and review both the policy and actual reserves.

The Foundation requires reserves to ensure operational continuity during times of economic and social volatility, to manage the ebbs and flows of funding cycles, and to sustain primary activities as we transition between projects. Whenever feasible, a surplus of reserves allows the Foundation to invest in new strategic initiatives.

We are carrying forward a general reserve fund of £1,299,326 into the following year (an increase from £1,054,707 in 2023/24). Given the prevailing circumstances, the trustees have opted to continue a prudent approach and have approved the reserves policy to retain a minimum six months of operating costs (excluding funds already allocated for funded commitments and designated funds for ongoing work) until at least the end of the current financial year. The operational costs for six months in the year 2025/26 are estimated to be £985,294. This policy will undergo

**5RIGHTS FOUNDATION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

regular reviews. The additional retained reserves will allow 5Rights to progress with the five-year strategy which will be implemented starting in 2025/26.

Risk Management

At the 5Rights Foundation, we underpin our operations with strategic risk management, enabling us to navigate the challenges we face as a charity. Our trustees, conscientiously fulfilling their responsibilities, engage in the continuous identification and assessment of strategic and operational risks. Through structured risk assessment practices and annual risk reviews, we focus on significant categories: governance, external, financial, and operational risks. Our proactive approach ensures the effectiveness of our strategies and systems, enabling us to control and minimise significant risks.

Principal risks and mitigations

- **Governance Risks:** With a commitment to mitigate risks associated with governance, we've made considerable headway by diversifying our board through the recruitment of new trustees and the appointment of a Vice-Chair. This strategic reinforcement of our governance structure, coupled with the creation of a governance committee, allows us to address any potential conflicts of interest among trustees and ensures a thorough risk management process.
- **Operational Risks:** We've pinpointed two operational risks that could potentially impact our productivity - potential misuse of funds or excessive spending, and increased staff turnover. We've implemented strategic interventions to prevent these risks from impeding our operations, ensuring the continuity and efficacy of our work.
- **Financial Sustainability:** The financial sustainability of our operations remains a primary focus of our risk mitigation efforts. We've cultivated strong relationships with our current funders, allowing us to optimise our budget. However, to safeguard our operations and facilitate positive change on a global scale, diversifying our funding sources is a strategic imperative. With the guidance of our Chair, we're implementing an efficient funding plan aimed at securing new, sustainable sources of funding.

Structure, governance and management

The Charity and Company is governed by Articles of Association, was incorporated as a company limited by guarantee on 22 March 2018, and registered as a charity on 31 May 2018.

The governance of 5Rights Foundation is overseen by the board of trustees. New trustees are invited onto the board by the Chair and trustees and on recommendation from industry, NGO and other contacts. They are generally individuals who bring specific high-level skills and contacts to complement, support and advise. New trustees undergo a comprehensive induction programme to ensure they can contribute effectively to their roles as trustees.

The board meets four times each year and guides the strategic direction of the Charity.

Decisions made by staff are made according to the levels of delegated authority defined in the organisation's policies and procedures and according to role descriptions and commensurate levels of authority.

The trustees receive no remuneration for their services as trustees but are reimbursed for appropriate travel and expenses in the performance of the work of the Charity. The staff payscale is reviewed annually using industry-standard benchmarking against similar organisations. Salaries for key leadership roles are set by the board of trustees.

Statement of trustees' responsibilities

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards. Company law requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Charity of the income and expenditure of the Charity 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 Account and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable United Kingdom Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that

- So far as the trustee is aware, there is no relevant audit information of which the charity's auditor is unaware
- Each trustee has taken all of the steps they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the board of trustees on 28 July 2025 and signed on its behalf by



Manuel Costescu (Aug 11, 2025 16:19:16 GMT+8) 11/08/2025

MANUEL COSTESCU
5Rights Foundation
Company Registration Number, 11271356

**5RIGHTS FOUNDATION
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

Independent auditor's report to the trustees of 5Rights Foundation

Opinion

We have audited the financial statements of 5Rights Foundation (the 'charitable company') for the year ended 31 March 2025, which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31/03/2025 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 the charitable company'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.

Other information

The other information comprises the information included in the annual report, including the trustees' 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.

**5RIGHTS FOUNDATION
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

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' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report, which is also the directors' report for the purposes of company law, 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' 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 trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, 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 is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and

**5RIGHTS FOUNDATION
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006).

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions; and
- Used data analytics to investigate the rationale behind and significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Reading the minutes of meetings of those charged with governance; and
- Enquiring of management as to the presence of any actual or potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

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.

Buzzacott Audit LLP

Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott Audit LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

29 August 2025

**5RIGHTS FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2025**

		Unrestricted Funds	Restricted Funds	Total Funds	<i>Total Funds</i>
		2025	2025	2025	<i>2024</i>
	Note	£	£	£	£
INCOME					
Income from:					
Grants and donations	3	980,789	789,441	1,770,230	2,015,389
Investment income: bank interest		36,594	-	36,594	17,876
TOTAL INCOME		1,017,383	789,441	1,806,824	2,033,265
EXPENDITURE					
Expenditure on:					
Charitable Activities		891,019	681,027	1,572,046	1,326,442
Raising funds		74,775	-	74,775	53,091
TOTAL EXPENDITURE	4	965,794	681,027	1,646,821	1,379,533
NET INCOME AND NET MOVEMENT IN FUNDS		51,589	108,414	160,003	653,732
Balances brought forward as previously stated		1,522,500	-	1,522,500	868,768
Fund reclassification	11	(134,793)	134,793	-	-
Balances brought forward		1,387,707	134,793	1,522,500	868,768
Balances carried forward		1,439,296	243,207	1,682,503	1,522,500

There are no recognised gains or losses other than those shown in the Statement of Financial Activities.

All income and expenditure in each of the above two years derive from continuing activities.

**5RIGHTS FOUNDATION
BALANCE SHEET
AS AT 31 MARCH 2025**

	Notes	£	2025 £	£	2024 (as restated) £
CURRENT ASSETS					
Cash at bank and in hand		1,326,079		1,555,054	
Short-term deposits	8	533,237		-	
Debtors	9	1,539		353,664	
		<u>1,860,855</u>		<u>1,908,718</u>	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	10	(178,352)		(386,218)	
NET CURRENT ASSETS			<u>1,682,503</u>		<u>1,522,500</u>
NET ASSETS			<u>1,682,503</u>		<u>1,522,500</u>
FUNDS					
Restricted funds	11		243,207		134,793
Unrestricted funds Designated funds	11	139,970		333,000	
General fund	11	1,299,326		1,054,707	
			<u>1,439,296</u>		<u>1,387,707</u>
			<u>1,682,503</u>		<u>1,522,500</u>

11/08/2025

Approved and authorised for issue, by the directors on _____ and signed on their behalf by:

MANUEL COSTESCU
5Rights Foundation
Company Registration Number, 11271356


Manuel Costescu (Aug 11, 2025 16:19:16 GMT+8)

**5RIGHTS FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025**

	£	2025 £	£	2024 £
Cash provided by operating activities				
Net movement in funds	160,003		653,732	
Interest income	(13,237)		-	
Decrease / (increase) in debtors	352,125		(277,699)	
(Decrease) / increase in creditors	(207,866)		228,519	
Net cash provided by operating activities		291,025		604,552
Cash flows used in investing activities				
Interest income	13,237		-	
Purchase of short-term deposits	(533,237)		-	
Net cash used in investing activities		(520,000)		-
(Decrease) / Increase in cash and cash equivalents in the year		(228,975)		604,552
Cash and cash equivalents at the beginning of the year		1,555,054		950,502
Total cash and cash equivalents at the end of the year		1,326,079		1,555,054
Analysis of changes in net debt				
		Balance at 1 April 2024 £	Cash flows £	Balance at 31 March 2025 £
Cash at bank and in hand		1,555,054	(228,975)	1,326,079
		1,555,054	(228,975)	1,326,079

The charity held no debt during the period, as such the above analysis of cash and cash equivalents serves as reconciliation of changes in net debt.

**5RIGHTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

1. STATUTORY INFORMATION

5Rights Foundation is a charitable company limited by guarantee and is incorporated in England and Wales (Company no.011271356). The registered office address is 14 Fowler Road, London, England, N1 2EP.

2. ACCOUNTING POLICIES

Basis of preparation of financial statements

These accounts have been prepared for the year 31 March 2025 with comparative information for the period to 31 March 2024.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts 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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include the allocation of support costs between charitable expenditure categories; and the formulation of the reserve policy.

Assessment of going concern

The Trustees of 5Rights Foundation confirm that they have prepared the financial statements for the year ended 31 March 2025 on a going concern basis, having concluded that the Foundation has the resources to continue in business for the foreseeable future, a period of at least twelve months from the date of approval of these financial statements.

This confirmation is based on the Foundation's financial performance, budget, and cash flow projections, as well as its confirmed funding and expected income. As of 31 March 2025, the Foundation has a robust financial position, with sufficient reserves and a well-balanced portfolio of income sources.

The detailed budget and cash flow projection for the subsequent period, considering both routine operating costs and project-related costs, have been thoroughly reviewed and approved by the Trustees. The budget reflects a level of activity consistent with the previous year and a conservative estimate of income based on confirmed and expected funding sources.

5Rights Foundation has a substantial amount of funding confirmed for the next financial year. The Trustees are confident in the ability to secure additional funding based on ongoing relationships with existing donors, planned fundraising activities, and a consistent track record of support.

The Foundation demonstrated its resilience and adaptability in the face of global challenges, such as the COVID-19 pandemic, and continues to operate effectively amidst macroeconomic uncertainties.

**5RIGHTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

2. ACCOUNTING POLICIES (Continued)

Assessment of going concern (Continued)

While 5Rights Foundation's ability to continue as a going concern, like many charities, depends on ongoing donor support and the success of future fundraising efforts, the Trustees have determined that there are no material uncertainties casting significant doubt on the Foundation's ability to continue its operations.

However, the Trustees continue to monitor the Foundation's financial health, income streams, and the external environment. They are committed to taking necessary actions to ensure the sustainability of the Foundation. The Trustees acknowledge their responsibilities concerning the assessment of the Foundation's ability to continue to adopt the going concern basis of accounting and the obligations to report any significant doubts that might arise.

In conclusion, the Trustees have a reasonable expectation that the Foundation has adequate resources to continue its activities for the foreseeable future, thus they continue to adopt the going concern basis in preparing the annual financial statements.

Income recognition

Donations have been credited to the statement of financial activities on an accruals basis. Revenue grants are credited to the Statement of Financial Activities (SOFA) when the charity is considered to have entitlement to the assets, it is probable that the resources will be received, and the monetary value of income can be measured with sufficient reliability.

Grants have been included either as income from activities in furtherance of the charity's objectives where these amount to support for specific activities and services, or as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

Expenditure consists of the costs of charitable activities. This includes all costs associated with furthering the charitable purposes of the charity, direct and indirect expenditure on the charity's children's digital rights.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support such as general management, information technology, communications, insurance and other office support as well as governance of the charity. These costs are allocated between activities they are supporting on the basis of direct staff costs.

Expenditure is allocated to each activity on a direct basis, or by allocation based on an estimate of the time spent by each member of staff on each activity or on an estimate of the proportion of costs relating to that activity.

**5RIGHTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

2. ACCOUNTING POLICIES (continued)

Foreign exchange differences

Foreign currency transactions are translated into sterling at the rates ruling when they occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the Statement of Financial Activities.

Taxation

The company is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly, the company is exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of 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.

Pensions

The charity is part of an occupational pension scheme, which is a defined contribution scheme, the assets of which are held separately from those of the charity in an independently administered fund. The cost of contributions payable by the charity to the scheme is charged to the income and expenditure account as incurred.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Short-term deposits

5Rights Foundation considers deposits with a maturity of more than three months and less than twelve months to be short-term deposits. These are classified as short-term deposits on the Balance Sheet and are measured at amortised cost. Movements in these deposits are included within investing activities in the cash flow statement. Deposits with a maturity of three months or less at acquisition are treated as cash equivalents and included within cash at bank and in hand.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

Fund structure

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the funder/donor or when funds are raised for particular restricted purposes.

Redundancy and termination payments

Redundancy and termination costs are recognised as an expense in the Statement of Financial Activities and a liability on the Balance Sheet immediately at the point 5Rights Foundation is demonstrably committed to either:

- i. terminate the employment of an employee or group of employees before normal retirement date;
- ii. or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy

5Rights Foundation is considered to be demonstrably committed only when it has a detailed formal plan for the termination and is without realistic possibility of withdrawal from the plan.

5RIGHTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

2. ACCOUNTING POLICIES (continued)

Financial instruments

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the charity and their measurement basis are as follows:

- Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.
- Cash at bank - classified as a basic financial instrument and is measured at face value.
- Financial liabilities - accruals and other creditors are financial instruments and are measured at amortised cost.

3. INCOME FROM GRANTS AND DONATIONS

	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	2025	2025	2025	2024
	£	£	£	£
Donations	6,066	-	6,066	5,952
Grants	974,723	789,441	1,764,164	2,009,437
	980,789	789,441	1,770,230	2,015,389

In the year to 31 March 2024, grants totaling £552,546 were restricted, with the balance of all other grants and donations being unrestricted.

4. EXPENDITURE

CURRENT YEAR

	Staff costs	Direct costs	Support costs	Total 2025
	£	£	£	£
Charitable Activities	677,895	611,927	282,224	1,572,046
Raising funds	51,547	1,768	21,460	74,775
Support costs	97,647	206,037	(303,684)	-
	827,089	819,732	-	1,646,821

PRIOR YEAR

	Staff costs	Direct costs	Support costs	Total 2024
	£	£	£	£
Charitable Activities	516,884	485,091	324,467	1,326,442
Raising funds	31,723	1,454	19,914	53,091
Support costs	70,235	274,146	(344,381)	-
	618,842	760,691	-	1,379,533

Details of support costs are given in Note 5.

**5RIGHTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

5. SUPPORT COSTS

	2025	2024
	£	£
Governance costs:		
Audit fee for the year (including VAT)	13,500	12,900
Under accrual of prior year audit fee	-	900
Other support costs:		
Staff costs	97,647	70,235
Staff related costs	40,597	175,950
Office and administration	151,940	84,396

6. NET INCOME FOR THE YEAR

This is stated after charging:

	2025	2024
	£	£
Auditor's remuneration (excluding VAT)	11,250	10,750
Operating lease charge	1,313	-

7. EMPLOYEE AND KEY MANAGEMENT PERSONNEL

The key management personnel of the Charity comprise the trustees ("Directors" for the purposes of the Companies Act) and Senior Management Team. The total amounts paid in respect of the key management personnel of the Charity (including employer's National Insurance contributions and employers pension contributions) were £271,299 (2024: £249,012).

None of the trustees (or any persons connected with them) received any remuneration during the year or the previous year. During the year, one trustee was reimbursed expenses totaling £5,561 (2024: £222 to two Trustees). Reimbursed costs included travel and accommodation incurred while performing direct activities on behalf of the Charity.

	2025	2024
	£	£
The aggregate payroll costs were:		
Wages and salaries	691,279	539,468
Social security costs	94,914	57,204
Employer pension contributions	40,896	22,170
	827,089	618,842

The number of employees earning £60,000 in the year or more (exclusive of employer pensions and employer National Insurance contributions) was:

	2025	2024
	No.	No.
£60,000- £70,000	1	-
£80,001- £90,000	-	1
£120,001- £130,000	-	1
£130,001- £140,000	1	-

**5RIGHTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

7. EMPLOYEE AND KEY MANAGEMENT PERSONNEL (Continued)

Particulars of employees:

The average number of staff employed by the Charity during the financial year amounted to:

2025	2024
13.8	10.2

Termination payments:

During the year, the Charity made termination payments totalling £36,183 (2024: £nil), relating to the redundancy of two posts as part of an organizational restructure.

8. SHORT-TERM DEPOSITS

	2025	2024
	£	£
95-day notice	533,237	-

Investments in short term deposits have an original maturity of more than 3 months and are automatically rolled over every 95 days. These deposits were placed at interest rates ranging between 3.46% and 3.81% p.a. throughout the financial year.

9. DEBTORS

	2025	2024
	£	£
Trade debtors	159	-
Prepayments	1,380	15,664
Accrued income	-	338,000
	<u>1,539</u>	<u>353,664</u>

10. CREDITORS: amounts falling due within one year

	2025	2024
	£	£
Trade creditors	23,165	61,294
Taxation and social security	7,241	11,876
Other creditors and accruals	22,946	23,048
Deferred income (see below)	125,000	290,000
	<u>178,352</u>	<u>386,218</u>

Deferred income	2025	2024
	£	£
Balance at the beginning of the year	290,000	-
Amount released to income during the year	(290,000)	-
Grant income deferred in the year	125,000	290,000
	<u>125,000</u>	<u>290,000</u>

5RIGHTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

11. MOVEMENT IN FUNDS

CURRENT YEAR

	Balance at 1 April 2024 (As previously stated) £	Fund reclassification £	Income £	Expenditure £	Balance at 31 March 2025 £
RESTRICTED FUNDS					
Building a Safe Digital World for Children and Youth	-	-	605,000	(479,998)	125,002
COS Toolkit	-	134,793	90,200	(131,641)	93,352
Pathways Mexico	-	-	50,004	(33,480)	16,524
Age-Assurance Spectrum	-	-	8,300	-	8,300
Stop the Biggest Source of Illegal data collection on Kids	-	-	13,437	(13,408)	29
INCLUDE+ Fellowship	-	-	22,500	(22,500)	-
Total restricted funds	-	134,793	789,441	(681,027)	243,207
DESIGNATED UNRESTRICTED FUNDS					
Policy and Advocacy	333,000	-	-	(193,030)	139,970
GENERAL UNRESTRICTED FUNDS	1,189,500	(134,793)	1,017,383	(772,764)	1,299,326
Total	1,522,500	-	1,806,824	(1,646,821)	1,682,503

PRIOR YEAR

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2024 £
RESTRICTED FUNDS					
COS Toolkit	-	302,616	(302,616)	-	-
Project Liberty	-	249,930	(249,930)	-	-
Total restricted funds	-	552,546	(552,546)	-	-
DESIGNATED UNRESTRICTED FUNDS					
Policy and Advocacy	333,000	-	-	-	333,000
GENERAL UNRESTRICTED FUNDS	535,768	1,480,719	(826,987)	-	1,189,500
Total	868,768	2,033,265	(1,379,533)	-	1,522,500

Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances held on trust to be applied for specific purposes.

Designated funds

Policy and Advocacy- Funds designated by the trustees to support future work in the areas of policy and advocacy.

**5RIGHTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

11. MOVEMENT IN FUNDS (Continued)

Prior year adjustment

During the year ended 31 March 2025, a misclassification of expenditure was identified in the prior year's financial statements. An amount of £134,793, previously recorded as expenditure within the COS Toolkit fund, should have been allocated to General Unrestricted Funds. This reclassification has no impact on the previously reported net assets or net expenditure.

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

As at 31 March 2025	Unrestricted Funds £	Restricted Funds £	Total Funds £
Net current assets	1,439,296	243,207	1,682,503
Net assets at the end of the year	1,439,296	243,207	1,682,503

As at 31 March 2024 (as restated)	Unrestricted Funds £	Restricted Funds £	Total Funds £
Net current assets	1,387,707	134,793	1,522,500
Net assets at the end of the year	1,387,707	134,793	1,522,500

13. RELATED PARTY TRANSACTIONS

On 02 September 2024, **5Rights Foundation EU ASBL** was incorporated in Brussels, Belgium. It is considered a related party to the company due to common control and influence through individuals involved in the governance of both entities.

No transactions occurred between 5Rights Foundation and 5Rights Foundation EU during the reporting period, and no balances were outstanding at the year end.

14. FINANCIAL COMMITMENTS

At 31st March 2025, the charity had no financial commitments. In prior year, the charity had committed to pay £19,404 in relation to website development work to take place after the year end.

5RIGHTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

15. STATEMENT OF FINANCIAL ACTIVITIES- PRIOR YEAR (as restated)

	<i>Unrestricted Funds 2024 £</i>	<i>Restricted Funds 2024 £</i>	<i>Total Funds 2024 £</i>
INCOME			
Income from:			
Grants and donations	1,462,843	552,546	2,015,389
Investment income: bank interest	17,876	-	17,876
TOTAL INCOME	1,480,719	552,546	2,033,265
EXPENDITURE			
Expenditure on:			
Charitable Activities	908,689	417,753	1,326,442
Raising funds	53,091	-	53,091
TOTAL EXPENDITURE	961,780	417,753	1,379,533
Net (expenditure) before transfers	518,939	134,793	653,732
Transfers between funds	-	-	-
NET MOVEMENT IN FUNDS	518,939	134,793	653,732
Balances brought forward	868,768	-	868,768
Balances carried forward	1,387,707	134,793	1,522,500

Accounts

Companies House



5Rights Foundation

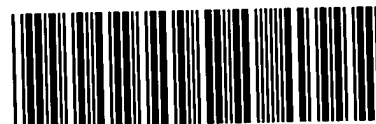
**ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED**

31 MARCH 2024

Company Registration Number
11271356 (England and Wales)

Charity Registration Number
1178581

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COMPANIES HOUSE

RIGHTS FOUNDATION
CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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Trustees

Dr Amani Abou-Zeid
 Anna Maria Corazza Bildt (Appointed – 29 January 2024)
 Manuel Costescu – Honorary Treasurer
 Elizabeth Denham CBE
 Baroness Helena Kennedy QC * (Resigned 29 January 2024)
 Baroness Beeban Kidron OBE – Chair
 Dr Ansgar Koene
 Rhiannon Lawson (Resigned – 24 July 2023)
 Dr Towela Nyirenda Jere – vice-Chair *
 (Resigned – 24 July 2023)
 Sir Peter Wanless CB *
 Shoshana Zuboff
 Dorothy Gordon (Appointed 29 January 2024)
 Mikio Otani (Appointed 29 January 2024)

*Members of Governance and Remuneration Committee

Registered office

14 Fowler Road
 London
 N1 2EP

Charity registration number (England and Wales)
 1178581

Company registration number
 11271356

Auditor

Buzzacott LLP
 130 Wood Street
 London
 EC2V 6DL

Bankers

Lloyds Bank
 7 Carter Street
 Uttoxeter
 Staffordshire
 ST14 8HD

Introduction

The trustees present their statutory report together with the financial statements of 5Rights Foundation for the year ended 31 March 2024.

The report, which constitutes a trustees' report for the purposes of charity legislation and a directors' report for the purposes of company legislation, complies with Charity's constitution, and has been prepared in accordance with Part 8 of the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice.

The financial statements have been prepared in accordance with the accounting policies set out on pages 14 to 16 of the attached financial statements and comply with the Charity's Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom (FRS 102).

Objects and Public Benefit

The Charity's objectives are set out in its Articles of Association, for which the organisation is established and supports the Charity's mission to make the digital environment fit for children and childhood.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit and advice for charities of an appropriate size when reviewing Charity's objectives and in planning its activities. To further 5Rights' charitable objects for public benefit, all work is directed towards understanding and promoting the well-being of children and young people, by working with others to ensure that the digital environment observes the rights and privileges of childhood.

5Rights Foundation achieves public benefit for the population as a whole by advocating for fair legislation, regulation, standards and technical controls that uphold children's rights in the digital world.

Our achievements in the year

We achieved remarkable milestones during the year 2023/24, significantly expanding the breadth and scope of our work globally and investing in streamlining, professionalization, and partnerships.

UK advocacy

A key focus of our UK work was strengthening and supporting the passage of the Online Safety Act. Bringing together 39 charities and supported by the Bereaved Parents for Online Safety, our alliance for child online safety generated extensive public awareness and media attention, fostering a valuable dialogue around the Act. Consequently, our steadfast advocacy influenced the bill's provisions, securing a priority for children's safety and welfare. Following its passage, we have shifted our focus and that of the alliance to supporting implementation by Ofcom through a robust Child Safety Duties Code of Practice. In addition, we worked to ensure the review of the Data Bill would not undermine children's established rights, as well as bring in promised new access to data provisions in the case of the death of a child.

International advocacy

At the level of the European Union, we successfully ensured a raft of EU laws and policies reflected and implemented children's rights, most importantly the Digital Services Act.

As Observers to the Council of Europe Committee on AI, we successfully supported the inclusion of safeguards for children in the world's first international AI Treaty.

5Rights led an international civil society coalition which secured strong political commitment for corporate responsibility for safety and privacy by design in an UN General Assembly Resolution.

We supported the African Union to draft and approve a world-leading Child Online Safety and Empowerment Policy.

5Rights also supported regulators and worked with partners for the introduction of legislation for children's safety and privacy in the US, Argentina and Indonesia.

Youth engagement

The views and voices of children and young people are central to all of 5Rights' work. Adapting and scaling up our Youth Engagement Programme to match our increasingly international scope of work was a priority over the year.

Our partnership with the Gifted Young Generation on Safer Internet Day in February 2023 kick started a global conversation series, which has since matured into a programme of webinars bringing in the perspectives of

children from around the world, which are reflected in our policy positions, reports, and communications output. Our young ambassadors participated in numerous gatherings and policy events (including in Brussels, Geneva and Buenos Aires). Within the framework of the Digital Futures Commission, we involved children and young people in the co-design of Playful by Design®, a tool intended to redefine digital play opportunities for children.

Research

5Rights has continued to deliver pioneering research, including through the establishment of a permanent joint research centre with the London School of Economics – the Digital Futures for Children centre. 5Rights updated and re-published our ground-breaking report “Disrupted Childhood” the cost of persuasive design”; published a comparative legal analysis of the Online Safety Act’s provisions for children; a report on best practices to input into the implementation of the Digital Services Act and a similar report for the Online Safety Act. The new DFC published its first report, on the Best Interests of the Child in the Digital Environment.

Compliance

Our compliance work covered support to regulators with enforcement, work on technical standards, and increased engagement with industry – tech companies, professional associations, and investors. In the UK we continued to work for the robust implementation and enforcement of the Age Appropriate Design Code by the ICO, including by highlighting positive changes and remaining gaps upon the 2nd anniversary of the law, and working directly with the gaming platform Poki to redesign their service in compliance with the Code.

We supported CEN-CENELEC through a pre-standardisation agreement for an Age Appropriate Design of Service Framework, worked with the IEEE to deliver a standard on Age Assurance and with the Dutch Ministry of Interior to develop a Child Rights Impact Assessment Framework.

We supported an investor Resolution at the Meta Annual General Assembly.

Plans for 2024/25

Demand for our work and support continues to grow exponentially. We believe we are at a key moment of opportunity, where our aim of making designing with children in mind a global industry norm, is within reach within the coming decade. We plan over the coming year to maintain our very high level of productivity and impact, and work to scale up our work across all pillars – from research and youth engagement to advocacy, technical work and support for compliance – globally. We expect to work more in-depth on AI and education technology, among others.

Results and financial position

A summary of the period’s results can be found on page 11 of the accounts.

The year’s total income reached £2,033,265 a marked rise from £1,469,940 in 2022/23. This income was largely driven by donations and grants, supplemented slightly by bank interest.

Our yearly expenditure amounted to £1,379,533 a decrease from £1,795,993 in 2022/23. This entire amount was directed towards supporting the charitable operations of 5Rights Foundation.

At the conclusion of the year, we have retained a designated fund of £333,000 for committed activities in advocacy, research, and accountability.

Funding

All our funding is received as grants or donations. We do not engage in direct fundraising activities with the public and are not registered with the Fundraising Regulator. We follow best practices in data protection when processing donations, never sharing data with external organisations. We also ensure our supporters and donors have the flexibility to adjust their communication preferences at any point. We handle our fundraising internally without the use of professional fundraisers. We are committed to addressing and investigating any concerns about our fundraising practices, aiming to learn from each experience to enhance our performance. In the fiscal year 2023/24, we did not receive any complaints regarding our fundraising methods.

We closely monitor a range of factors that could influence our financial future. These encompass macro considerations like the overall economic, political, and social landscape, as well as micro considerations like our ability and preparedness to raise funds.

Reserves policy

**5RIGHTS FOUNDATION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

Our trustees have evaluated the sum that 5Rights Foundation needs to maintain in reserve to assure financial sustainability. In developing our reserves policy, we took into account the necessity for reserves, the possible effects of external factors beyond our control, the level of reserves deemed necessary by the trustees, the strategy for reaching the desired level of reserves, and the approach to monitor and review both the policy and actual reserves.

The Foundation requires reserves to ensure operational continuity during times of economic and social volatility, to manage the ebbs and flows of funding cycles, and to sustain primary activities as we transition between projects. Whenever feasible, a surplus of reserves allows the Foundation to invest in new strategic initiatives.

We are carrying forward a general reserve fund of £1,189,500 into the following year (an increase from £535,768 in 2022/23). Given the prevailing circumstances, the trustees have opted to continue a prudent approach and have approved the reserves policy to retain a minimum three months of operating costs (excluding funds already allocated for funded commitments and designated funds for ongoing work) until at least the end of the current financial year. The operational costs for three months in the year 2024/25 are estimated to be £530,000. This policy will undergo regular reviews. The additional retained reserves will allow 5Rights to progress with the five-year strategy which will be implemented starting in 2024/25.

Risk Management

At the 5Rights Foundation, we underpin our operations with strategic risk management, enabling us to navigate the challenges we face as a charity. Our trustees, conscientiously fulfilling their responsibilities, engage in the continuous identification and assessment of strategic and operational risks. Through structured risk assessment practices and regular bi-annual risk reviews, we focus on significant categories: governance, external, financial, and operational risks. Our proactive approach ensures the effectiveness of our strategies and systems, enabling us to control and minimise significant risks.

Principal risks and mitigations

- **Governance Risks:** With a commitment to mitigate risks associated with governance, we've made considerable headway by diversifying our board through the recruitment of new trustees and the appointment of a Vice-Chair. This strategic reinforcement of our governance structure, coupled with the creation of a governance committee, allows us to address any potential conflicts of interest among trustees and ensures a thorough risk management process.
- **Operational Risks:** We've pinpointed two operational risks that could potentially impact our productivity - potential misuse of funds or excessive spending, and increased staff turnover. We've implemented strategic interventions to prevent these risks from impeding our operations, ensuring the continuity and efficacy of our work.
- **Financial Sustainability:** The financial sustainability of our operations remains a primary focus of our risk mitigation efforts. We've cultivated strong relationships with our current funders, allowing us to optimise our budget. However, to safeguard our operations and facilitate positive change on a global scale, diversifying our funding sources is a strategic imperative. With the guidance of our Chair, we're implementing an efficient funding plan aimed at securing new, sustainable sources of funding.

Structure, governance and management

The Charity and Company is governed by Articles of Association, was incorporated as a company limited by guarantee on 22 March 2018, and registered as a charity on 31 May 2018.

The governance of 5Rights Foundation is overseen by the board of trustees. New trustees are invited onto the board by the Chair and trustees and on recommendation from industry, NGO and other contacts. They are generally individuals who bring specific high-level skills and contacts to complement, support and advise. New trustees undergo a comprehensive induction programme to ensure they can contribute effectively to their roles as trustees.

The board meets four times each year and guides the strategic direction of the Charity. 5Rights vice-chair leads the Governance and Remuneration Committee which makes recommendations to the board on matters of governance and HR; recruitment and nomination of trustees; reviews governance arrangements and policies; resolve disputes or complaints; remuneration decisions for senior staff and advise on matters relating to human resources.

Decisions made by staff are made according to the levels of delegated authority defined in the organisation's policies and procedures and according to role descriptions and commensurate levels of authority. The Senior Leadership Team will be strengthened by new appointments and internal promotions.

The trustees receive no remuneration for their services as trustees but are reimbursed for appropriate travel and expenses in the performance of the work of the Charity. The pay of all staff is reviewed annually by the board of trustees and is based on comparisons with similar organisations using industry-standard benchmarking.

Statement of trustees' responsibilities

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards. Company law requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Charity of the income and expenditure of the Charity 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 Account and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable United Kingdom Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that

- So far as the trustee is aware, there is no relevant audit information of which the charity's auditor is unaware
- Each trustee has taken all of the steps they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the board of trustees on 29 July 2024 and signed on its behalf by



Manuel Costescu (Aug 16, 2024 13:24 GMT+2)

MANUEL COSTESCU

Independent auditor's report to the trustees of 5Rights Foundation

Opinion

We have audited the financial statements of 5Rights Foundation for the year ended 31 March 2024, which comprise the statement of financial activities, the balance sheet and statements of cash flows, the principal accounting policies and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of the income and expenditure for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 the charitable company'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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' 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' 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 by the charitable company; or
- ◆ the charitable company financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006).
- ◆ We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;

Auditor's responsibilities for the audit of the financial statements (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to the presence of any actual or potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP

Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

30 August 2024

5RIGHTS FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2024

	Note	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
INCOME					
Income from:					
Grants and donations	3	1,462,843	552,546	2,015,389	1,468,516
Investment income: bank interest		17,876	-	17,876	1,424
TOTAL INCOME		1,480,719	552,546	2,033,265	1,469,940
EXPENDITURE					
Expenditure on:					
Charitable Activities		773,896	552,546	1,326,442	1,795,993
Raising funds		53,091	-	53,091	-
TOTAL EXPENDITURE	4	826,987	552,546	1,379,533	1,795,993
Net income / (expenditure) before transfers		653,732	-	653,732	(326,053)
Transfers between funds	10	-	-	-	-
NET MOVEMENT IN FUNDS		653,732	-	653,732	(326,053)
Balances brought forward		868,768	-	868,768	1,194,821
Balances carried forward		1,522,500	-	1,522,500	868,768

There are no recognised gains or losses other than those shown in the Statement of Financial Activities.

All income and expenditure in each of the above two years derive from continuing activities.

5RIGHTS FOUNDATION (Registered Company No. 11271356)
BALANCE SHEET
AS AT 31 MARCH 2024

	Note	£	2024 £	£	2023 £
CURRENT ASSETS					
Debtors	8	353,664		75,965	
Cash at bank and in hand		<u>1,555,054</u>		<u>950,502</u>	
		1,908,718		1,026,467	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	9	(386,218)		(157,699)	
NET CURRENT ASSETS			<u>1,522,500</u>		<u>868,768</u>
NET ASSETS			<u><u>1,522,500</u></u>		<u><u>868,768</u></u>
FUNDS					
Restricted funds	10		-		-
Unrestricted funds					
Designated funds	10	333,000		333,000	
General fund	10	<u>1,189,500</u>		<u>535,768</u>	
			1,522,500		868,768
			<u><u>1,522,500</u></u>		<u><u>868,768</u></u>

Approved, and authorised for issue, by the directors on 29 July 2024 and signed on their behalf by:-



Manuel Costescu (Aug 16, 2024 13:24 GMT+2) MANUEL COSTESCU

5RIGHTS FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	£	2024 £	£	2023 £
Cash provided by / (used in) operating activities				
Net movement in funds		653,732	(326,053)	
(Increase) in debtors		(277,699)	(45,317)	
Increase / (decrease) in creditors		<u>228,519</u>	<u>(39,691)</u>	
Net cash provided by / (used in) operating activities		604,552		(411,061)
Increase / (decrease) in cash and cash equivalents in the year		604,552		(411,061)
Cash and cash equivalents at the beginning of the year		950,502		1,361,563
Total cash and cash equivalents at the end of the year		<u>1,555,054</u>		<u>950,502</u>

Analysis of changes in net debt

	Balance at 1 April 2023 £	Cash flows £	Balance at 31 March 2024 £
Cash at bank and in hand	950,502	604,552	1,555,054
	950,502	604,552	1,555,054

The charity held no debt during the period, as such the above analysis of cash and cash equivalents serves as reconciliation of changes in net debt.

1. STATUTORY INFORMATION

5Rights Foundation is a charitable company limited by guarantee and is incorporated in England and Wales (Company no.011271356). The registered office address is 14 Fowler Road, London, England, N1 2EP.

2. ACCOUNTING POLICIES

Basis of preparation of financial statements

These accounts have been prepared for the year 31 March 2024 with comparative information for the period to 31 March 2023.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts 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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include the allocation of support costs between charitable expenditure categories; and the formulation of the reserve policy.

Assessment of going concern

The Trustees of 5Rights Foundation confirm that they have prepared the financial statements for the year ended 31 March 2024 on a going concern basis, having concluded that the Foundation has the resources to continue in business for the foreseeable future, a period of at least twelve months from the date of approval of these financial statements.

This confirmation is based on the Foundation's financial performance, budget, and cash flow projections, as well as its confirmed funding and expected income. As of 31 March 2024, the Foundation has a robust financial position, with sufficient reserves and a well-balanced portfolio of income sources.

The detailed budget and cash flow projection for the subsequent period, considering both routine operating costs and project-related costs, have been thoroughly reviewed and approved by the Trustees. The budget reflects a level of activity consistent with the previous year and a conservative estimate of income based on confirmed and expected funding sources.

5Rights Foundation has a substantial amount of funding confirmed for the next financial year. The Trustees are confident in the ability to secure additional funding based on ongoing relationships with existing donors, planned fundraising activities, and a consistent track record of support.

The Foundation demonstrated its resilience and adaptability in the face of global challenges, such as the COVID-19 pandemic, and continues to operate effectively amidst macroeconomic uncertainties.

2. ACCOUNTING POLICIES (Continued)

Assessment of going concern (Continued)

While 5Rights Foundation's ability to continue as a going concern, like many charities, depends on ongoing donor support and the success of future fundraising efforts, the Trustees have determined that there are no material uncertainties casting significant doubt on the Foundation's ability to continue its operations.

However, the Trustees continue to monitor the Foundation's financial health, income streams, and the external environment. They are committed to taking necessary actions to ensure the sustainability of the Foundation. The Trustees acknowledge their responsibilities concerning the assessment of the Foundation's ability to continue to adopt the going concern basis of accounting and the obligations to report any significant doubts that might arise.

In conclusion, the Trustees have a reasonable expectation that the Foundation has adequate resources to continue its activities for the foreseeable future, thus they continue to adopt the going concern basis in preparing the annual financial statements.

Income recognition

Donations have been credited to the statement of financial activities on an accruals basis. Revenue grants are credited to the Statement of Financial Activities (SOFA) when the charity is considered to have entitlement to the assets, it is probable that the resources will be received, and the monetary value of income can be measured with sufficient reliability.

Grants have been included either as income from activities in furtherance of the charity's objectives where these amount to support for specific activities and services, or as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

Expenditure consists of the costs of charitable activities. This includes all costs associated with furthering the charitable purposes of the charity; direct and indirect expenditure on the charity's children's digital rights.

Allocation of support and governance costs

Support costs, represent indirect charitable expenditure. In order to carry out primary purposes of the charity it is necessary to provide support such as general management, information technology, communications, insurance and other office support as well as governance of the charity. These costs are allocated between activities they are supporting on the basis of direct staff costs.

Expenditure is allocated to each activity on a direct basis, or by allocation based on an estimate of the time spent, by each member of staff on each activity or on an estimate of the proportion of costs relating to that activity.

2. ACCOUNTING POLICIES (continued)

Foreign exchange differences

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the Statement of Financial Activities.

Taxation

The company is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly the company is exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of 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.

Pensions

The charity is part of an occupational pension scheme, which is a defined contribution scheme, the assets of which are held separately from those of the charity in an independently administered fund. The cost of contributions payable by the charity to the scheme is charged to the income and expenditure account as incurred.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

Fund structure

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the funder/donor or when funds are raised for particular restricted purposes.

Financial instruments

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the charity and their measurement basis are as follows:

- Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.
- Cash at bank – classified as a basic financial instrument and is measured at face value.
- Financial liabilities – accruals and other creditors are financial instruments, and are measured at amortised cost.

5RIGHTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

3. INCOME FROM GRANTS AND DONATIONS

	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
Donations	5,952	-	5,952	1,000
Grants	1,456,891	552,546	2,009,437	1,467,516
	<u>1,462,843</u>	<u>552,546</u>	<u>2,015,389</u>	<u>1,468,516</u>

In the year to 31 March 2023, grants totalling £130,226 were restricted, with the balance of all other grants and donations being unrestricted.

4. EXPENDITURE

CURRENT YEAR

	Staff costs £	Direct costs £	Support costs £	Total 2024 £
Charitable Activities	516,884	485,091	324,467	1,326,442
Raising funds	31,723	1,454	19,914	53,091
Support costs	70,235	274,146	(344,381)	-
	<u>618,842</u>	<u>760,691</u>	<u>-</u>	<u>1,379,533</u>

PRIOR YEAR

	Staff costs £	Direct costs £	Support costs £	Total 2023 £
Charitable Activities	548,340	854,107	393,546	1,795,993
Support costs	65,472	328,074	(393,546)	-
	<u>613,812</u>	<u>1,182,181</u>	<u>-</u>	<u>1,795,993</u>

Details of support costs are given in Note 5.

5. SUPPORT COSTS

	2024 £	2023 £
Governance costs:		
Audit fee for the year (including VAT)	12,900	9,240
Underaccrual of prior year audit fee	900	375
Other support costs		
Staff costs	70,235	65,472
Staff related costs	175,950	187,294
Office and administration	84,396	131,165
	<u>344,381</u>	<u>393,546</u>

6. NET INCOME FOR THE YEAR

This is stated after charging:

	2024	2023
	£	£
Auditor's remuneration (excluding VAT)	10,750	7,700
Operating lease charge	-	28,901

7. EMPLOYEE AND KEY MANAGEMENT PERSONNEL

The key management personnel of the Charity comprise the trustees ("Directors" for the purposes of the Companies Act) and Senior Management Team. The total amounts paid in respect of the key management personnel of the Charity (including employer's National Insurance contributions and employers pension contributions) were £249,012 (2023: £234,168).

None of the trustees (or any persons connected with them) received any remuneration during the year or the previous year. During the year, two trustees were reimbursed expenses totalling £222 (2023: £17,378 to three Trustees). Reimbursed costs included travel and accommodation incurred while performing direct activities on behalf of the Charity.

	2024	2023
	£	£
The aggregate payroll costs were:		
Wages and salaries	539,468	542,131
Social security costs	57,204	53,105
Employer pension contributions	22,170	18,576
	<u>618,842</u>	<u>613,812</u>

The number of employees earning £60,000 in the year or more (exclusive of employer pensions and employer National Insurance contributions) was:

	2024	2023
	No.	No.
£80,000- £90,000	1	-
£100,000- £110,000	-	1
£120,000- £130,000	1	-

Particulars of employees:

The average number of staff employed by the Charity during the financial year amounted to:

2024	2023
No.	No.
<u>10.2</u>	<u>11.0</u>

5RIGHTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

8. DEBTORS

	2024 £	2023 £
Prepayments	15,664	8,871
Accrued income	338,000	67,094
	<u>353,664</u>	<u>75,965</u>

9. CREDITORS: amounts falling due within one year

	2024 £	2023 £
Trade creditors	61,294	128,450
Taxation and social security	11,876	8,050
Other creditors and accruals	23,048	21,199
Deferred income (see below)	290,000	-
	<u>386,218</u>	<u>157,699</u>

Deferred income

	2024 £	2023 £
Balance at the beginning of the year	-	-
Grant income deferred in the year	290,000	-
	<u>290,000</u>	<u>-</u>

10. MOVEMENT IN FUNDS

CURRENT YEAR

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2024 £
Restricted funds					
COS Toolkit	-	302,616	(302,616)	-	-
Project Liberty	-	249,930	(249,930)	-	-
Total restricted funds	-	552,546	(552,546)	-	-
Designed unrestricted funds					
Policy and Advocacy	333,000	-	-	-	333,000
General unrestricted funds	535,768	1,480,719	(826,987)	-	1,189,500
	<u>868,768</u>	<u>2,033,265</u>	<u>(1,379,533)</u>	<u>-</u>	<u>1,522,500</u>

5RIGHTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

10. MOVEMENT IN FUNDS (Continued)

PRIOR YEAR

	<i>Balance at 1 April 2022 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers £</i>	<i>Balance at 31 March 2023 £</i>
<i>Restricted funds</i>					
<i>Child Online Protection</i>	<u>34,056</u>	<u>130,226</u>	<u>(153,535)</u>	<u>(10,747)</u>	<u>-</u>
<i>Total restricted funds</i>	<u>34,056</u>	<u>130,226</u>	<u>(153,535)</u>	<u>(10,747)</u>	<u>-</u>
<i>Designed unrestricted funds</i>					
<i>Policy and Advocacy</i>	562,000	-	(562,000)	333,000	333,000
<i>General unrestricted funds</i>	598,765	1,339,714	(1,080,458)	(322,253)	535,768
	<u>1,194,821</u>	<u>1,469,940</u>	<u>(1,795,993)</u>	<u>-</u>	<u>868,768</u>

Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances held on trust to be applied for specific purposes.

Designated funds

Policy and Advocacy - Funds designated by the trustees to support future work in the areas of policy and advocacy.

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

As at 31 March 2024	Unrestricted Funds £	Restricted Funds £	Total Funds £
Net current assets	1,522,500	-	1,522,500
Net assets at the end of the year	<u>1,522,500</u>	<u>-</u>	<u>1,522,500</u>
 As at 31 March 2023	 <i>Unrestricted Funds £</i>	 <i>Restricted Funds £</i>	 <i>Total Funds £</i>
Net current assets	868,768	-	868,768
Net assets at the end of the year	<u>868,768</u>	<u>-</u>	<u>868,768</u>

12. RELATED PARTY TRANSACTIONS

Other than as those disclosed within Note 7, there were no further transactions with related parties.

5RIGHTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

13. FINANCIAL COMMITMENTS

At 31st March 2024, the charity had committed to pay £19,404 in relation to website development work to take place after the year end.

14. STATEMENT OF FINANCIAL ACTIVITIES - PRIOR YEAR

	<i>Unrestricted Funds 2023 £</i>	<i>Restricted Funds 2023 £</i>	<i>Total Funds 2023 £</i>
INCOME			
Income from:			
Grants and donations	1,338,290	130,226	1,468,516
Investment income: bank interest	1,424	-	1,424
TOTAL INCOME	1,339,714	130,226	1,469,940
EXPENDITURE			
Expenditure on:			
Charitable Activities	1,642,458	153,535	1,795,993
TOTAL EXPENDITURE	1,642,458	153,535	1,795,993
<i>Net (expenditure) before transfers</i>	<i>(302,744)</i>	<i>(23,309)</i>	<i>(326,053)</i>
<i>Transfers between funds</i>	<i>10,747</i>	<i>(10,747)</i>	<i>-</i>
NET MOVEMENT IN FUNDS	(291,997)	(34,056)	(326,053)
<i>Balances brought forward</i>	<i>1,160,765</i>	<i>34,056</i>	<i>1,194,821</i>
<i>Balances carried forward</i>	<i>868,768</i>	<i>-</i>	<i>868,768</i>

Accounts



5Rights Foundation

**ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED**

31 MARCH 2023

Company Registration Number
011271356 (England and Wales)

Charity Registration Number
1178581

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Trustees

Dr Amani Abou-Zeid
 Anna Maria Corazza Bildt (Appointed – 24 July 2023)
 Manuel Costescu – Honorary Treasurer
 Elizabeth Denham CBE
 Baroness Helena Kennedy QC *
 Baroness Beeban Kidron OBE – Chair
 Dr Ansgar Koene
 Rhiannon Lawson (Resigned – 24 July 2023)
 Louise Macdonald OBE
 Dr Towela Nyirenda Jere – vice-Chair *
 (Resigned – 24 July 2023)
 Sir Peter Wanless CB *
 Shoshana Zuboff

*Members of Governance and Remuneration Committee

Registered office

14 Fowler Road
 London
 N1 2EP

Charity registration number (England and Wales)
 1178581

Company registration number
 11271356

Auditor

Buzzacott LLP
 130 Wood Street
 London
 EC2V 6DL

Bankers

Lloyds Bank
 7 Carter Street
 Uttoxeter
 Staffordshire
 ST14 8HD

Introduction

The trustees present their statutory report together with the financial statements of 5Rights Foundation for the year ended 31 March 2023.

The report, which constitutes a trustees' report for the purposes of charity legislation and a directors' report for the purposes of company legislation, complies with Charity's constitution, and has been prepared in accordance with Part 8 of the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice.

The financial statements have been prepared in accordance with the accounting policies set out on pages 13 to 15 of the attached financial statements and comply with the Charity's Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom (FRS 102).

Objects and public benefit

The Charity's objectives are set out in its Articles of Association, for which the organisation is established and supports the Charity's mission to make the digital environment fit for children and childhood.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit and advice for charities of an appropriate size when reviewing Charity's objectives and in planning its activities. To further 5Rights' charitable objects for public benefit, all work is directed towards understanding and promoting the well-being of children and young people, by working with others to ensure that the digital environment observes the rights and privileges of childhood.

5Rights Foundation achieves public benefit for the population as a whole by advocating for fair legislation, regulation, standards and technical controls that uphold children's rights in the digital world.

Our achievements in the year

We achieved remarkable milestones during the year 2022/23 while navigating the ever-evolving challenges of the post-Covid landscape. The foundation has streamlined its efforts, focusing on its core pillars: Advocacy, Research, and Accountability.

Advocacy

Within the UK, our advocacy efforts were driven by our mission of building the digital environment children deserve, we brought together an alliance of 39 charities, endorsed by prominent faith leaders. This coalition generated extensive public awareness and media attention, fostering a valuable dialogue around the Online Safety Bill. Consequently, our steadfast advocacy influenced the bill's provisions, securing a priority for children's safety and welfare.

The Molly Russell inquest ruling underscored our campaigning to ensure children's online safety, shedding light on the harmful effects of online content on children's mental health. Responding to this, we developed a comprehensive Child Safety Duties Code of Practice.

We were delighted that our advocacy reached the European Union which decided to adopt the 5Rights-inspired IEEE 2089 Standard as an EU Standard and the inclusion of the "children's clause" in the Digital Services Act. Equally exciting was the invitation to support the African Union to draft its policy and action plan for child online safety, in the light of our much loved and universally applicable Child Online Safety Toolkit.

Youth engagement

Central to the ethos of 5Rights Foundation is a key principle: Engagement with children and young people. Recognising that the perspectives of the young are instrumental in shaping the digital world, we consider them not merely as passive users but as proactive stakeholders. This approach allows us to gather authentic experiences and viewpoints of children and young people, and transform them into powerful influencers for advocacy and policy development.

Our partnership with the Gifted Young Generation on Safer Internet Day in February 2023 facilitated a global conversation series. This initiative empowered young voices to express their experiences, challenges, and recommendations regarding online safety and enriched the overall discourse with first-hand perspectives. Nowhere was this more evident in our collaboration with the Digital Futures Commission, we involved children and young people in the co-design of Playful by Design®, a tool intended to redefine digital play opportunities for children. Their involvement ensured the tool's relevance, effectively mirroring children's preferences, needs, and rights.

Research

Building on the 2021 Pathways report, we conducted an in-depth follow-up study to investigate the dangers children face due to inadequately designed digital services. The insights derived from this research have significantly enriched our efforts to socialise the need for safety by design reinforcing our arguments with powerful evidence.

Our fruitful three-year research collaboration with the London School of Economics, and the Digital Futures Commission, concluded on 31 March 2023, culminating in significant successes. Our work, aligned with the United Nations Convention on the Rights of the Child (UNCRC), concentrated on three key themes: free play in a digital world, beneficial uses of education data, and designing for children's rights. This comprehensive approach has yielded invaluable insights and practical tools for navigating today's intricate digital landscape the results of which are on the DFC website.

Accountability

We have achieved significant milestones in our accountability work. Firstly, we successfully influenced the ICO's interpretation of 'likely to be accessed' in relation to adult-only sites. By challenging the exclusionary definition that overlooked children's unrestricted access to these sites, we emphasised the need for action. The ICO acknowledged this issue through a clarifying press release, recognising that adult sites are indeed likely to be accessed. Consequently, active supervision under the Age-Appropriate Design Code (AADC) was established. This achievement holds global implications, as other jurisdictions have started adopting the UK AADC's definition.

While we undertake to research efforts at compliance and report where we see systemic failures our key interest is in developing up-stream safety by design. We have pursued direct engagements with companies to address issues in their products. We have been surprised and pleased that a number of companies have chosen to engage and we are looking forward to a series of announcements before the year end.

Plans for 2023/24

Next year, our commitment to delivering impactful changes remains steadfast as we work collaboratively across our three areas of interest, advocacy, accountability, and research initiatives. All of which will be informed by and integral to the work we do with young people. With the changes predicted by AI and the spread of legislative and regulatory initiatives, we will once again focus on supporting NGO's, regulators, governments and international institutions in their efforts to make a more supportive and welcoming digital world for children.

In particular, we see continuing work with the African Union, the spread of data protection regimes, working with investors and advertisers and the launch of our second three-year project in collaboration with the LSE as key pillars of our work. We also intend to build with GYG a more global group of young advisors so we can anticipate the needs of children coming online from varied contexts.

In all our work Our aim is to promote collective understanding, exchange best practices, and foster effective governance frameworks that comprehensively address the ethical and societal implications of AI.

Results and financial position

A summary of the period's results can be found on page 10 of the accounts.

The year's total income reached £1,469,940, a marked rise from £1,153,555 in 2022. This income was largely driven by donations and grants, supplemented slightly by bank interest.

Our yearly expenditure amounted to £1,795,993, an increase from £1,476,524 in 2022. This entire amount was directed towards supporting the charitable operations of 5Rights Foundation.

It should be highlighted that, owing to our funding framework, significant funds were received in prior years to support activities in the year concluding on 31 March 2023. These funds have been used as planned, thereby resulting in a fiscal deficit for this year.

At the conclusion of the year, we have designated £333,000 for committed activities in advocacy, research, and accountability.

Funding

All our funding is received as grants or donations. We do not engage in direct fundraising activities with the public and are not registered with the Fundraising Regulator. We follow best practices in data protection when processing donations, never sharing data with external organisations. We also ensure our supporters and donors have the flexibility to adjust their communication preferences at any point. We handle our fundraising internally without the use of professional fundraisers. We are committed to addressing and investigating any concerns about our fundraising practices, aiming to learn from each experience to enhance our performance. In the fiscal year 2022/23, we did not receive any complaints regarding our fundraising methods.

We closely monitor a range of factors that could influence our financial future. These encompass macro considerations like the overall economic, political, and social landscape, as well as micro considerations like our ability and preparedness to raise funds.

Reserves policy

Our trustees have evaluated the sum that 5Rights Foundation needs to maintain in reserve to assure financial sustainability. In developing our reserves policy, we took into account the necessity for reserves, the possible effects of external factors beyond our control, the level of reserves deemed necessary by the trustees, the strategy for reaching the desired level of reserves, and the approach to monitor and review both the policy and actual reserves.

The Foundation requires reserves to ensure operational continuity during times of economic and social volatility, to manage the ebbs and flows of funding cycles, and to sustain primary activities as we transition between projects. Whenever feasible, a surplus of reserves allows the Foundation to invest in new strategic initiatives.

We are carrying forward a general reserve fund of £535,768 into the following year (a decrease from £598,765 in 2022). Given the prevailing uncertain circumstances, the trustees have opted to continue a prudent approach and have approved the reserves policy to retain three months of operating costs (excluding funds already allocated for funded commitments and designated funds for ongoing work) until at least the end of the current financial year. The operational costs for three months in the year 2023/24 are estimated to be £530,000. This policy will undergo regular reviews.

Risk management

At the 5Rights Foundation, we underpin our operations with strategic risk management, enabling us to navigate the challenges we face as a charity. Our trustees, conscientiously fulfilling their responsibilities, engage in the continuous identification and assessment of strategic and operational risks. Through structured risk assessment practices and regular bi-annual risk reviews, we focus on significant categories: governance, external, financial, and operational risks. Our proactive approach ensures the effectiveness of our strategies and systems, enabling us to control and minimise significant risks.

Principal risks and mitigations

- **Governance Risks:** With a commitment to mitigate risks associated with governance, we've made considerable headway by diversifying our board through the recruitment of new trustees and the appointment

of a Vice-Chair. This strategic reinforcement of our governance structure, coupled with the creation of a governance committee, allows us to address any potential conflicts of interest among trustees and ensures a thorough risk management process.

- **Operational Risks:** We've pinpointed two operational risks that could potentially impact our productivity - potential misuse of funds or excessive spending, and increased staff turnover. We've devised strategic interventions to prevent these risks from impeding our operations, ensuring the continuity and efficacy of our work.
- **Financial Sustainability:** The financial sustainability of our operations remains a primary focus of our risk mitigation efforts. We've cultivated strong relationships with our current funders, allowing us to optimise our budget. However, to safeguard our operations and facilitate positive change on a global scale, diversifying our funding sources is a strategic imperative. With the guidance of our Chair, we're formulating an efficient funding plan aimed at securing new, sustainable sources of funding.

Structure, governance and management

The Charity and Company is governed by Articles of Association, was incorporated as a company limited by guarantee on 22 March 2018, and registered as a charity on 31 May 2018.

The governance of 5Rights Foundation is overseen by the board of trustees. New trustees are invited onto the board by the Chair and trustees and on recommendation from industry, NGO and other contacts. They are generally individuals who bring specific high-level skills and contacts to complement, support and advise. New trustees undergo a comprehensive induction programme to ensure they can contribute effectively to their roles as trustees.

The board meets four times each year and guides the strategic direction of the Charity. 5Rights vice-chair leads the Governance and Remuneration Committee makes recommendations to the board on matters of governance and HR; recruitment and nomination of trustees; reviews governance arrangements and policies; resolve disputes or complaints; remuneration decisions for senior staff and advise on matters relating to human resources.

Decisions made by staff are made according to the levels of delegated authority defined in the organisation's policies and procedures and according to role descriptions and commensurate levels of authority. Senior Management Team currently (from April 2023) comprises the Director of Policy, the Director of International Advocacy, and the Director of Operations.

The trustees receive no remuneration for their services as trustees but are reimbursed for appropriate travel and expenses in the performance of the work of the Charity. The pay of all staff is reviewed annually by the board of trustees and is based on comparisons with similar organisations using industry-standard benchmarking.

Statement of trustees' responsibilities

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards. Company law requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Charity of the income and expenditure of the Charity 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 Account and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable United Kingdom Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with

**5RIGHTS FOUNDATION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that

- So far as the trustee is aware, there is no relevant audit information of which the charity's auditor is unaware
- Each trustee has taken all of the steps they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the board of trustees on 24 July 2023 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'MANUEL COSTESCU', with a stylized, cursive script.

MANUEL COSTESCU

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 5RIGHTS FOUNDATION

Opinion

We have audited the financial statements of 5Rights Foundation for the year ended 31 March 2023, which comprise the statement of financial activities, the balance sheet and statements of cash flows, the principal accounting policies and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of the income and expenditure for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 the charitable company'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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 5RIGHTS FOUNDATION (CONTINUED)

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, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, 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' 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 by the charitable company; or
- ◆ the charitable company financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees 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 is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006).

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 5RIGHTS FOUNDATION (CONTINUED)

Auditor's responsibilities for the audit of the financial statements (continued)

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to the presence of any actual or potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 20 September 2023

5RIGHTS FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023

	Note	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
INCOME					
Income from:					
Grants and donations	3	1,338,290	130,226	1,468,516	<i>1,151,682</i>
Investment income: bank interest		1,424	-	1,424	<i>1,873</i>
TOTAL INCOME		1,339,714	130,226	1,469,940	<i>1,153,555</i>
EXPENDITURE					
Expenditure on:					
Charitable Activities		1,642,458	153,535	1,795,993	<i>1,476,524</i>
TOTAL EXPENDITURE	4	1,642,458	153,535	1,795,993	<i>1,476,524</i>
Net (expenditure) before transfers		(302,744)	(23,309)	(326,053)	<i>(322,969)</i>
Transfers between funds	9	10,747	(10,747)	-	<i>-</i>
NET MOVEMENT IN FUNDS		(291,997)	(34,056)	(326,053)	<i>(322,969)</i>
Balances brought forward		1,160,765	34,056	1,194,821	<i>1,517,790</i>
Balances carried forward		868,768	-	868,768	<i>1,194,821</i>

There are no recognised gains or losses other than those shown in the Statement of Financial Activities.

All income and expenditure in each of the above two years derive from continuing activities.

5RIGHTS FOUNDATION (Registered Company No. 11271356)
BALANCE SHEET
AS AT 31 MARCH 2023

	Note	£	2023 £	£	2022 £
CURRENT ASSETS					
Debtors	7	75,965		30,648	
Cash at bank and in hand		<u>950,502</u>		<u>1,361,563</u>	
		1,026,467		1,392,211	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	8	(157,699)		(197,390)	
NET CURRENT ASSETS			868,768		1,194,821
NET ASSETS			<u>868,768</u>		<u>1,194,821</u>
FUNDS					
Restricted funds	9		-		34,056
Unrestricted funds					
Designated funds	9	333,000		562,000	
General fund	9	<u>535,768</u>		<u>598,765</u>	
			868,768		1,160,765
			<u>868,768</u>		<u>1,194,821</u>

Approved, and authorised for issue, by the directors on 24 July 2023 and signed on their behalf by:-



MANUEL COSTESCU

5RIGHTS FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	£	£
Cash (used in) operating activities		
Net movement in funds	(326,053)	(322,969)
(Increase) / decrease in debtors	(45,317)	12,752
(Decrease) / increase in creditors	<u>(39,691)</u>	<u>41,649</u>
Net cash (used in) operating activities	(411,061)	(268,568)
(Decrease) in cash and cash equivalents in the year	(411,061)	(268,568)
Cash and cash equivalents at the beginning of the year	1,361,563	1,630,131
Total cash and cash equivalents at the end of the year	950,502	1,361,563

Analysis of changes in net debt

	Balance at 1 April 2022 £	Cash flows £	Balance at 31 March 2023 £
Cash at bank and in hand	1,361,563	(411,061)	950,502
	1,361,563	(411,061)	950,502

The charity held no debt during the period, as such the above analysis of cash and cash equivalents serves as reconciliation of changes in net debt.

1. STATUTORY INFORMATION

5Rights Foundation is a charitable company limited by guarantee and is incorporated in England and Wales (Company no.011271356). The registered office address is 14 Fowler Road, London, England, N1 2EP.

2. ACCOUNTING POLICIES

Basis of preparation of financial statements

These accounts have been prepared for the year 31 March 2023 with comparative information for the period to 31 March 2022.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts 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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include the allocation of support costs between charitable expenditure categories; and the formulation of the reserve policy.

Assessment of going concern

The Trustees of 5Rights Foundation confirm that they have prepared the financial statements for the year ended 31 March 2023 on a going concern basis, having concluded that the Foundation has the resources to continue in business for the foreseeable future, a period of at least twelve months from the date of approval of these financial statements.

This confirmation is based on the Foundation's financial performance, budget, and cash flow projections, as well as its confirmed funding and expected income. As of 31 March 2023, the Foundation has a robust financial position, with sufficient reserves and a well-balanced portfolio of income sources.

The detailed budget and cash flow projection for the subsequent period, considering both routine operating costs and project-related costs, have been thoroughly reviewed and approved by the Trustees. The budget reflects a level of activity consistent with the previous year and a conservative estimate of income based on confirmed and expected funding sources.

5Rights Foundation has a substantial amount of funding confirmed for the next financial year. The Trustees are confident in the ability to secure additional funding based on ongoing relationships with existing donors, planned fundraising activities, and a consistent track record of support.

The Foundation demonstrated its resilience and adaptability in the face of global challenges, such as the COVID-19 pandemic, and continues to operate effectively amidst macroeconomic uncertainties.

Assessment of going concern (Continued)

While 5Rights Foundation's ability to continue as a going concern, like many charities, depends on ongoing donor support and the success of future fundraising efforts, the Trustees have determined that there are no material uncertainties casting significant doubt on the Foundation's ability to continue its operations.

However, the Trustees continue to monitor the Foundation's financial health, income streams, and the external environment. They are committed to taking necessary actions to ensure the sustainability of the Foundation. The Trustees acknowledge their responsibilities concerning the assessment of the Foundation's ability to continue to adopt the going concern basis of accounting and the obligations to report any significant doubts that might arise.

In conclusion, the Trustees have a reasonable expectation that the Foundation has adequate resources to continue its activities for the foreseeable future, thus they continue to adopt the going concern basis in preparing the annual financial statements.

Income recognition

Donations have been credited to the statement of financial activities on an accruals basis. Revenue grants are credited to the Statement of Financial Activities (SOFA) when the charity is considered to have entitlement to the assets, it is probable that the resources will be received, and the monetary value of income can be measured with sufficient reliability.

Grants have been included either as income from activities in furtherance of the charity's objectives where these amount to support for specific activities and services, or as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

Expenditure consists of the costs of charitable activities. This includes all costs associated with furthering the charitable purposes of the charity; direct and indirect expenditure on the charity's children's digital rights.

Allocation of support and governance costs

Support costs, represent indirect charitable expenditure. In order to carry out primary purposes of the charity it is necessary to provide support such as general management, information technology, communications, insurance and other office support as well as governance of the charity. These costs are allocated between activities they are supporting on the basis of staff numbers employed during the period and the effort and time required to support that activity.

Expenditure is allocated to each activity on a direct basis, or by allocation based on an estimate of the time spent, by each member of staff on each activity or on an estimate of the proportion of costs relating to that activity.

Foreign exchange differences

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the Statement of Financial Activities.

Taxation

The company is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly the company is exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of 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.

Pensions

The charity is part of an occupational pension scheme, which is a defined contribution scheme, the assets of which are held separately from those of the charity in an independently administered fund. The cost of contributions payable by the charity to the scheme is charged to the income and expenditure account as incurred.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

Fund structure

Unrestricted funds comprise those monies which may be used towards meeting the charitable objectives of the charity and which may be applied at the discretion of the trustees.

Restricted funds are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the funder/donor or when funds are raised for particular restricted purposes.

Financial instruments

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the charity and their measurement basis are as follows:

- Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.
- Cash at bank – classified as a basic financial instrument and is measured at face value.
- Financial liabilities – accruals and other creditors are financial instruments, and are measured at amortised cost.

3. INCOME FROM GRANTS AND DONATIONS

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Donations	1,000	-	1,000	16
Grants	1,337,290	130,226	1,467,516	1,151,666
	1,338,290	130,226	1,468,516	1,151,682

In the year to 31 March 2022, grants totalling £51,127 were restricted, with the balance of all other grants and donations being unrestricted.

4. EXPENDITURE

CURRENT YEAR

	Direct costs £	Support costs £	Total 2023 £
Staff costs	548,340	65,472	613,812
Staff related costs	12,951	187,294	200,245
Project costs	841,156	-	841,156
Office and administration	-	132,845	132,845
Governance costs - audit and other	-	7,935	7,935
	1,402,447	393,546	1,795,993

PRIOR YEAR

	Direct costs £	Support costs £	Total 2022 £
Staff costs	556,772	69,538	626,310
Staff related costs	11,623	35,123	46,746
Project costs	656,049	-	656,049
Office and administration	-	136,685	136,685
Governance costs - audit and other	-	10,734	10,734
	1,224,444	252,080	1,476,524

5. NET INCOME FOR THE YEAR

This is stated after charging:

	2023 £	2022 £
Auditor's remuneration (excluding VAT)	7,700	6,800
Operating lease charge	28,901	30,399

6. EMPLOYEE AND KEY MANAGEMENT PERSONNEL

The key management personnel of the Charity comprise the trustees ("Directors" for the purposes of the Companies Act) and Senior Management Team. The total amounts paid in respect of the key management personnel of the Charity (including employer's National Insurance contributions and employers pension contributions) were £234,168 (2022: £178,605).

None of the trustees (or any persons connected with them) received any remuneration during the year or the previous year. During the year, three trustees were reimbursed expenses totalling £17,378 (2022: £3,467 to two Trustees). Reimbursed costs included travel and accommodation incurred while performing direct activities on behalf of the Charity.

	2023 £	2022 £
The aggregate payroll costs were:		
Wages and salaries	542,131	556,124
Social security costs	53,105	48,122
Employer pension contributions	18,576	22,064
	<u>613,812</u>	<u>626,310</u>

The number of employees earning £60,000 in the year or more (exclusive of employer pensions and employer National Insurance contributions) was:

	2023 No.	2022 No.
£60,000- £70,000	-	1
£100,000- £110,000	<u>1</u>	<u>1</u>

Particulars of employees:

The average number of staff employed by the Charity during the financial year amounted to:

	2023 No.	2022 No.
	<u>11.0</u>	<u>11.3</u>

7. DEBTORS

	2023 £	2022 £
Prepayments	8,871	9,954
Accrued income	67,094	-
Other debtors	-	20,694
	<u>75,965</u>	<u>30,648</u>

5RIGHTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

8. CREDITORS: amounts falling due within one year	2023	2022
	£	£
Trade creditors	128,450	16,062
Taxation and social security	8,050	13,377
Other creditors and accruals	21,199	167,951
	157,699	197,390

9. MOVEMENT IN FUNDS

CURRENT YEAR

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2023 £
Restricted funds					
Child Online Protection	34,056	130,226	(153,535)	(10,747)	-
Total restricted funds	34,056	130,226	(153,535)	(10,747)	-
Designed unrestricted funds					
Policy and Advocacy	562,000	-	(562,000)	333,000	333,000
General unrestricted funds	598,765	1,339,714	(1,080,458)	(322,253)	535,768
	1,194,821	1,469,940	(1,795,993)	-	868,768

PRIOR YEAR

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2022 £
Restricted funds					
Child Online Protection	297,613	-	(235,796)	(27,761)	34,056
Children's Rights	-	33,424	(33,424)	-	-
Child Centred Design	2,700	17,703	(20,403)	-	-
Data and Privacy	505,593	-	(505,593)	-	-
Total restricted funds	805,906	51,127	(795,216)	(27,761)	34,056
Designed unrestricted funds					
Policy and Advocacy	375,000	-	(375,000)	562,000	562,000
General unrestricted funds	336,884	1,102,428	(306,308)	(534,239)	598,765
	1,517,790	1,153,555	(1,476,524)	-	1,194,821

9. MOVEMENT IN FUNDS (Continued)

Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances held on trust to be applied for specific purposes. The restricted funds held by the charity comprise:

Child Online Protection – Funds received for children's online protection.

Transfers from restricted to unrestricted funds represent contributions to general overhead costs of the charity, permitted under the terms of the respective grant agreements.

Designated funds

Policy and Advocacy - Funds designated by the trustees to support future work in the areas of policy and advocacy.

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

As at 31 March 2023	Unrestricted Funds £	Restricted Funds £	Total Funds £
Net current assets	868,768	-	868,768
Net assets at the end of the year	868,768	-	868,768

As at 31 March 2022	Unrestricted Funds £	Restricted Funds £	Total Funds £
Net current assets	1,160,765	-	1,160,765
Net assets at the end of the year	1,160,765	-	1,160,765

11. RELATED PARTY TRANSACTIONS

Other than as those disclosed within Note 6, there were no further transactions with related parties.

12. OPERATING LEASE COMMITMENTS

At the reporting end date the charity had the following future minimum lease payments under non-cancellable operating leases (all for property) which fall due as follows:

	2023 £	2022 £
Less than one year	-	31,041

13. STATEMENT OF FINANCIAL ACTIVITIES - PRIOR YEAR

	<i>Unrestricted Funds 2022 £</i>	<i>Restricted Funds 2022 £</i>	<i>Total Funds 2022 £</i>
<i>INCOME</i>			
<i>Income from:</i>			
<i>Grants and donations</i>	1,100,555	51,127	1,151,682
<i>Other income</i>	1,873	-	1,873
<i>TOTAL INCOME</i>	<u>1,102,428</u>	<u>51,127</u>	<u>1,153,555</u>
<i>EXPENDITURE</i>			
<i>Expenditure on:</i>			
<i>Charitable Activities</i>	681,308	795,216	1,476,524
<i>TOTAL EXPENDITURE</i>	<u>681,308</u>	<u>795,216</u>	<u>1,476,524</u>
<i>Net income / (expenditure) before transfers</i>	<u>421,120</u>	<u>(744,089)</u>	<u>(322,969)</u>
<i>Transfers between funds</i>	27,761	(27,761)	-
<i>NET MOVEMENT IN FUNDS</i>	<u>448,881</u>	<u>(771,850)</u>	<u>(322,969)</u>
<i>Balances brought forward</i>	711,884	805,906	1,517,790
<i>Balances carried forward</i>	<u>1,160,765</u>	<u>34,056</u>	<u>1,194,821</u>

Accounts



5Rights Foundation

Report and Financial Statements

31 March 2022

Company Registration Number
011271356 (England and Wales)

Charity Registration Number
1178581

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Reference and administrative details of the charity, its trustees and advisers

Trustees	Dr Amani Abou-Zeid Manuel Costescu – Honorary Treasurer Elizabeth Denham CBE (appointed January 2022) Baroness Helena Kennedy QC * Baroness Beeban Kidron OBE – Chair Dr Ansgar Koene Rhiannon Lawson Louise Macdonald OBE Dr Towela Nyirenda Jere – vice-Chair * Sir Peter Wanless CB * Shoshana Zuboff *Members of Governance and Remuneration Committee
Registered offices	Suite 6, Islington House 313-314 Upper Street London N1 2XQ
Company registration number	011271356
Charity registration number	1178581
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal bankers	Lloyds Bank 7 Carter Street Uttoxeter Staffordshire ST14 8HD

Introduction

The trustees present their statutory report together with the financial statements of 5Rights Foundation for the year ended 31 March 2022.

The report, which constitutes a trustees' report for the purposes of charity legislation and a directors' report for the purposes of company legislation, comply with the Charity's constitution, and has been prepared in accordance with Part 8 of the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice.

The financial statements have been prepared in accordance with the accounting policies set out on pages 16 to 19 of the attached financial statements and comply with the Charity's Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom (FRS 102).

Objects and Public Benefit

The Charity's objects are set out in its Articles of Association, for which the organisation is established and support the Charity's mission to make the digital environment fit for children and childhood.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit and advice for charities of an appropriate size when reviewing the Charity's objects and in planning its activities. To further 5Rights' charitable objects for public benefit, all work is directed towards understanding and promoting the well-being of children and young people, by working with others to ensure that the digital environment observes the rights and privileges of childhood.

5Rights Foundation achieves public benefit for the population as a whole by advocating for fair legislation, regulation, standards and technical controls that uphold children's rights in the digital world.

Summary of activities and achievements

Over this year, 5Rights Foundation's work has had impact for children in the UK and further afield, both directly on companies and policymakers, and indirectly on allies among civil society and litigators.

5Rights and our community have had an outsized impact on how the large tech companies operate: the priority they give to child safety and children's data privacy can be mapped against interventions that we and our partners have made over the years, particularly around the Age Appropriate Design Code (AADC) and its implementation.

This reinforces what executives at Snapchat, TikTok and Instagram said in recent appearances before the United States Senate, where they committed to expanding the protections the Code guarantees to UK children globally. We have supported the bipartisan California Age-Appropriate Design Code, given our previous role in support of the UK Code.

Through our engagement with policymakers and technical organisations, meanwhile, we have begun to establish key concepts and specific approaches globally. For instance, working with the Institute of Electrical and Electronics Engineers Standards Association (IEEE-SA), we have developed [IEEE 2089-2021 Standard for Age Appropriate Digital Service Framework](#), an international standard for child-centred design, which European and UK standards organisations are seeking to replicate.

In this reporting period we also launched the [Twisted Toys commercials](#). These provocative and humorous videos made abundantly clear that the harms that children face online are real, routine, dangerous—and are not accepted offline. Highlighting that the tech sector must be subject to the same rules and restrictions as all other sectors, the videos featured in [BBC Breakfast](#), [Washington Post](#), and were the basis of a [New York Times opinion videomaking](#) the case that the US should adopt an AADC.

The NYT video is an example of a trend we are increasingly seeing of our work being the basis for strategic litigation, regulatory action, policy and regulatory development – and seeing our publications, language and policy positions used for further action on new frontiers (see below for further examples on age assurance).

UK

Age Appropriate Design Code

We received a formal response from the Information Commissioner's Office (ICO) to our research into systemic breaches of the Age Appropriate Design Code. In our initial letter detailing these breaches, we urged the ICO to investigate three areas of concern as a priority: disparity in approaches to conformance; a lack of conformance in certain types of service, such as gaming platforms; and services interpreting the Code as a handful of safety measures rather than a holistic package. In their response, the ICO agreed to conduct their own research into these areas, which they said they will complete by Spring 2022.

Online Safety Bill

The [Joint Committee](#) for the Draft Online Safety Bill concluded its 12-week period of pre-legislative scrutiny in December 2021 and published a [report](#) with recommendations for how to strengthen the Bill. Informed by 5Rights written and verbal expert evidence, the recommendations reflected all of the key issues and amendments 5Rights put forward for the benefit of children, including the recommendation for Ofcom to produce a binding Code of Practice for Child Online Safety (see below).

When the revised Bill was brought to Parliament, on 17 March 2022, 5Rights welcomed the opportunity it presents to deliver systemic change on behalf of UK children. However, at that stage, the government had accepted fewer than half of the Joint Committee's recommendations and the Bill did not reflect the calls of the children's sector to provide children with holistic, binding and urgent protections.

In this year we developed, in consultation with experts and young people, a blueprint Child Online Safety Code of Practice (COSCOP), which is now nearing the final stages of completion. Highlighting the ideas and experiences of children, the COSCOP sets out the steps providers of services should take to ensure the development of services that are safe, private and rights-respecting, by design and default.

Age Assurance

Our work on privacy-preserving age assurance has shaped policy thinking in government, regulators, and civil society, in particular following our report [But How Do They Know It's a Child?](#) (first published in March 2021 and updated in October the same year). In the ICO's guidance on age assurance for the AADC, they [highlighted](#) that 'Processing of personal data for the purposes of age assurance must comply with the UK GDPR and DPA 2018, and respect the privacy of children during both the development and application of any technique.'

Secondly, in the revised Online Safety Bill, the Government included the [requirement](#) that pornography companies that are required to carry out age assurance must have 'regard to the importance of protecting United Kingdom users from a breach of any statutory provision or rule of law concerning privacy that is relevant to the use or operation of a regulated service (including, but not limited to, any such provision or rule concerning the processing of personal data).'

And finally, in civil society, as well as referencing their support for 5Rights' position on age assurance and actively advocating for it, *Clean Up the Internet* have [mirrored](#) our requirements for their user verification process: 'to set minimum standards for the verification process, and to require that these minimum standards cover areas including effectiveness, user privacy and security, accessibility (including for vulnerable users), and interoperability.'

Digital Futures Commission

A highlight from the work of the Commission as the November 2021 launch of the Playful by Design report. This was alongside a successful event with an audience of over 350 attendees. As part of our launch, we published a short video where children and young people share their thoughts on play. It can be seen [here](#). The Commission has also been developing guidance for innovators, and researching rights-protecting approaches to the use of education technology (EdTech).

Global Child Online Safety Toolkit

With the support of the End Violence Safe Online Fund, we have been developing a Child Online Safety toolkit, which will be launched in May 2022 (see future plans for more on this).

EU

Digital Services Act

Both the Council and Parliament introduced amendments beefing up provisions for children in the Digital Services Act. Parliament's position, adopted 20/01 was particularly strong and reflected our key priorities. Their whole text was also underpinned by UNCRC GC 25 and the principle of the best interests of the child. Negotiations on the Digital Services Act continued after the period of this grant.

General Product Safety Regulation

On the General Product Safety Regulation, we also received positive responses to our amendments submitted to MEPs and the current French and the upcoming Czech Presidencies.

Following our close work with the Irish Data Protection Authority, the Irish Data Protection Commission published its Fundamentals, which strongly align with the AADC.

Plans for the future

We continue our work across three goals: children's data privacy and data protection; safety by design for children; and children's rights.

Following last year's work on the Age Appropriate Design Code, the coming year we are now seeking to turn this into a sea-change in how companies proactively design their services to be safe for children by design and default. This work includes highlighting the positive impact for children of the Code, supporting enforcement of breaches, and encouraging the replication of the Code so that children in other jurisdictions have the same protections as in the UK.

On safety by design, we will be working in the UK and further afield to encourage the inclusion of safety by design in product design and regulation. This will include engaging with OFCOM, Parliamentarians, and civil society as part of the Online Safety Bill, and the publication of a model children's code of practice.

Finally, on children's rights, we will in May 2022 publish the Child Online Safety Toolkit, to help governments to fulfil their commitments under general comment 25 on the Convention on the Rights of the Child. This will be a milestone in continuing efforts to see children's rights embedded online.

Results and financial position

A summary of the period's results can be found on page 13 of the accounts.

Total income for the year amounted to **£1,153,555** (2021: £1,765,162) and was derived from donations and grants.

Expenditure in the year totalled **£1,476,521** (2021: £1,040,905) exclusively to support 5Rights' charitable activities.

In addition, due to the nature and timing of the charities funding patterns, significant funds were received in previous years, intended to fund activities in the year ended 31 March 2022. These funds have been used as intended, creating an in year deficit result.

Due to COVID some of our 2021 projects have taken a little longer, therefore we secured a no cost-extension on one project and have designated funds for the completion of other projects in 2022/23.

Funding

All funding received is in the form of grants or donations. The Charity does not fundraise directly with the general public and is not registered with the Fundraising Regulator. When donations are received, the Charity applies best practice to protect personal data and never sells data to other organisations and ensures that supporters' and donors' communications preferences can be changed at any time. The Charity manages its own fundraising activities and does not employ the services of professional fundraisers. The Charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During 2021/22, the Charity received no complaints about its fundraising activities.

The Charity takes a number of factors into account which could affect its future financial performance. Macro factors such as the general economic, political and social situation, and micro factors such as capability and capacity to raise funds.

Reserves policy

Trustees have considered the amount that 5Rights Foundation needs to hold in reserve to ensure financial sustainability. In developing its Reserves Policy the trustees have considered:

The reasons why the Charity needs reserves

- Potential impacts of external factors outside the Charity's control
- The level of reserves the trustees believe the Charity needs
- How the Charity is going to establish the level of reserves required
- How the trustees monitor and review the policy and the actual reserves.

The Charity needs reserves in order to protect the continuity of operations during periods of economic and social uncertainty, through peaks and troughs of funding cycles and to maintain core activities as individual projects finish and new projects start. In addition to such operational reserves, where possible, a fund of accumulated reserves allows the Charity to invest appropriately in new strategic initiatives.

The general reserve fund carried forward into the next year, excluding restricted funds was £598,765 (2021: £336,884). The trustees have concluded that in the uncertain environment the Charity should continue to be cautious and have therefore approved a continuation of the reserve policy three months of operating costs (excluding restricted funds already set aside to complete funded commitments and designated funds to complete work already commenced) until at least the end of the current financial year. Three months' operational costs for the year 2022/23 is estimated to be £530,000. This policy will be reviewed regularly.

Risk Management

The trustees are mindful of their responsibility as charity trustees to identify both the strategic and operational risks the Charity faces, and to establish and implement systems and procedures to mitigate those risks identified. The major risks to which the organisation is exposed are consistently reviewed at the request of trustees and, where necessary,

amended and risk management policies, strategies, actions and procedures identified and implemented to minimise these risks.

A risk review was carried out in 2020/21 and was reviewed by the board of trustees in May 2021. This assessed strategic and operational risks under the five categories: governance, external, regulatory & compliance, financial and operational. The trustees confirm that they are satisfied that strategies, systems and controls are in all areas and as far as possible in place to mitigate any significant risks.

Risks are regularly reviewed at senior management meetings and at every Board meeting. At the Board meeting on 25th April 2022 no risks were identified and it was agreed for a full risk review to be carried out by the Ed and Head of Operations and HR for the October 2022 meeting.

Of all the potential risks posed to the Foundation during the year, COVID-19 continued the potential to be the greatest. However, the charitable work and day-to-day running of the Charity continued with relatively little disruption. The trustees are pleased to report that workplans and strategies are in place to ensure ongoing external relationships and funding of the Foundation.

Structure, governance and management

The Charity and Company is governed by Articles of Association, was incorporated as a company limited by guarantee on 22 March 2018, and registered as a charity on 31 May 2018.

The governance of 5Rights Foundation is overseen by the board of trustees. New trustees are invited onto the board by the Chair and trustees and on recommendation from industry, NGO and other contacts. They are generally individuals who bring specific high-level skills and contacts to complement, support and advise. New trustees undergo a comprehensive induction programme to ensure they can contribute effectively to their roles as trustees.

The board meets four times each year and guides the strategic direction of the Charity. 5Rights vice-chair leads the Governance and Remuneration Committee makes recommendations to the board on matters of governance and HR; recruitment and nomination of trustees; reviews governance arrangements and policies; resolve disputes or complaints; remuneration decisions for senior staff and advise on matters relating to human resources.

Decisions made by staff are made according to the levels of delegated authority defined in the organisation's policies and procedures and according to role descriptions and commensurate levels of authority. Senior Management Team currently (from April 2022) comprises of the Executive Director, Director of Policy, Director of International Advocacy, and the Head of Operations and HR who meet once a week.

The trustees receive no remuneration for their services as trustees but are reimbursed for appropriate travel and expenses in performance of the work of the Charity. The pay of all staff is reviewed annually by the board of trustees and is based on comparisons with similar organisations using industry standard benchmarking.

Statement of trustees' responsibilities

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards. Company law requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Charity of the income and expenditure of the Charity 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 Account and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable United Kingdom Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that

- So far as the trustee is aware, there is no relevant audit information of which the charity's auditor is unaware
- Each trustee has taken all of the steps they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.



Approved by the board of trustees on 15/09/2022 and signed on its behalf by



Independent auditor's report to the trustees of 5Rights Foundation

Opinion

We have audited the financial statements of 5Rights Foundation for the year ended 31 March 2022, which comprise the statement of financial activities, the balance sheet and statements of cash flows, the principal accounting policies and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of the income and expenditure for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 the charitable company'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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' 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' 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 by the charitable company; or
- ◆ the charitable company financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees 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 is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006).
- ◆ We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to the presence of any actual or potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP

Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

6 October 2022

Statement of financial activities Year to 31 March 2022

	Notes	Unrestricted funds £	Restricted funds £	Total year ended 31 March 2022 £	Unrestricted funds £	Restricted funds £	Total year ended 31 March 2021 £
Income from:							
Grants and donations		1,100,555	51,127	1,151,682	1,034,774	721,387	1,756,161
Other		1,873	—	1,873	9,000	—	9,000
Total income	1	1,102,428	51,127	1,153,555	1,043,774	721,387	1,765,161
Expenditure on:							
Charitable activities	2	681,308	795,216	1,476,524	548,712	492,194	1,040,906
Total expenditure		681,308	795,216	1,476,524	548,712	492,194	1,040,906
Net income (expenditure) for the period	3	421,120	(744,089)	(322,969)	495,062	229,193	724,255
Transfers between funds	9	27,761	(27,761)	—	8,258	(8,258)	—
Net movement in funds		448,881	(771,850)	(322,969)	503,320	220,935	724,255
Total fund brought forward		711,884	805,906	1,517,790	208,564	584,971	793,535
Total funds carried forward at 31 March							
. Restricted funds		—	34,056	34,056	—	805,906	805,906
. Designated funds		562,000	—	562,000	375,000	—	375,000
. General reserve fund		598,765	—	598,765	336,884	—	336,884
		1,160,765	34,056	1,194,821	711,884	805,906	1,517,790

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

Balance sheet 31 March 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Current assets					
Debtors	6	30,648		43,400	
Cash at bank and in hand		<u>1,361,563</u>		<u>1,630,131</u>	
		1,392,211		1,673,531	
Current liabilities					
Creditors: amounts falling due within one year	7	<u>(197,390)</u>		<u>(155,741)</u>	
Net current assets			1,194,821		1,517,790
Total net assets			1,194,821		1,517,790
Represented by:					
The funds of the charity	9				
Restricted funds			34,056		805,906
Unrestricted funds					
. Designated funds			562,000		375,000
. General reserve fund			<u>598,765</u>		<u>336,884</u>
			1,194,821		1,517,790

Approved by the trustees on 15/09/2022 and signed on their behalf by



Manuel Costescu

Company Registration Number 011271356 (England and Wales)

Statement of cash flows Year to 31 March 2022

	Notes	Year ended 31 March 2022 £	Year ended 31 March 2021 £
Cash flows from operating activities			
Net cash provided by operating activities	A	(268,568)	819,993
Change in cash and cash equivalents in the period		(268,568)	819,993
Cash and cash equivalents at 1 April 2021		1,630,131	810,138
Cash and cash equivalents at 31 March 2022	B	1,361,563	1,630,131

Notes to the statement of cash flows for the year to 31 March 2022

A Reconciliation of net movement in funds to net cash provided by operating activities

	Year ended 31 March 2022 £	Year ended 31 March 2021 £
Net movement in funds (as per the statement of financial activities)	(322,969)	724,255
Adjustments:		
Decrease (increase) in debtors	12,752	(25,237)
Increase in creditors	41,649	120,975
Net cash provided by operating activities	(268,568)	819,993

B Analysis of cash and cash equivalents and change in net debt

	At 1 April 2021 £	Movement in year £	At 31 March 2022 £
Cash at bank and in hand	1,630,131	(268,568)	1,361,563
Total cash and cash equivalents	1,630,131	(268,568)	1,361,563

The charity held no debt during the period, as such the above analysis of cash and cash equivalents serves as reconciliation of changes in net debt.

Principal accounting policies Year to 31 March 2022

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below:

Basis of preparation

These accounts have been prepared for the year 31 March 2022 with comparative information for the period to 31 March 2021.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts 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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include the allocation of support costs between charitable expenditure categories; and the formulation of the reserve policy.

Assessment of going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the Charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements.

The Trustees have considered the effect of micro and macro-economic factors on the organisation's work and objects. The Trustees consider that these factors have not, and are not likely to, cause disruption to the Charity's work and are confident that the Charity can continue as a going concern for a period of at least twelve months from the date of approval of these financial statements. The Trustees have a good expectation that the Charity has adequate resources to continue in operation for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

Assessment of going concern (continued)

The senior management team has been planning different scenarios, have put contingency measures and plans in place to make sure the Foundation remains as functional and focused as possible, considering human, project and operational factors. This planning has provided a high level of confidence over maintaining the delivery of commitments.

5Rights have confirmed funding in place for key projects over the coming financial years, due to the nature of these projects, should inflation mean that associated costs increase it is considered that the primary impact in the short to medium term will be on the impact the Foundation can achieve, rather than the underlying reserves of the Foundation. 5Rights have focussed on ensuring an appropriate skills mix within the team and the senior management team believe that these measures and the resulting strong team will continue successfully over the next 12 months.

The trustees of the Charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The trustees are of the opinion that the Charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 March 2023, the most significant areas that affect the carrying value of the assets held by the Charity are the delivery of grant funded activities and securing future funding for these activities.

Income recognition

Donations have been credited to the statement of financial activities on an accruals basis. Revenue grants are credited to the Statement of Financial Activities (SOFA) when the charity is considered to have entitlement to the assets, it is probable that the resources will be received, and the monetary value of income can be measured with sufficient reliability.

Grants have been included either as income from activities in furtherance of the charity's objectives where these amount to support for specific activities and services, or as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

Expenditure consists of the costs of charitable activities. This includes all costs associated with furthering the charitable purposes of the charity; direct and indirect expenditure on the charity's children's digital rights.

Allocation of support and governance costs

Support costs, represent indirect charitable expenditure. In order to carry out primary purposes of the charity it is necessary to provide support such as general management, information technology, communications, insurance and other office support as well as governance of the charity. These costs are allocated between activities they are supporting on the basis of staff numbers employed during the period and the effort and time required to support that activity.

Expenditure is allocated to each activity on a direct basis, or by allocation based on an estimate of the time spent, by each member of staff on each activity or on an estimate of the proportion of costs relating to that activity.

Foreign exchange differences

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the Statement of Financial Activities.

Taxation

The company is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly the company is exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of 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.

Pensions

The charity is part of an occupational pension scheme, which is a defined contribution scheme, the assets of which are held separately from those of the charity in an independently administered fund. The cost of contributions payable by the charity to the scheme is charged to the income and expenditure account as incurred.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

Fund structure

Unrestricted funds comprise those monies which may be used towards meeting the charitable objectives of the charity and which may be applied at the discretion of the trustees.

Restricted funds are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the funder/donor or when funds are raised for particular restricted purposes.

Financial instruments

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the charity and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank – classified as a basic financial instrument and is measured at face value.

Financial liabilities – accruals and other creditors are financial instruments, and are measured at amortised cost.

1 Income

	Unrestricted funds £	Restricted funds £	Total funds year ended 31 March 2022 £
Grants and donations			
. Donations	16	—	16
. Grants	1,100,539	51,127	1,151,666
Other	1,873	—	1,873
	<u>1,102,428</u>	<u>51,127</u>	<u>1,153,555</u>
	Unrestricted funds £	Restricted funds £	Total funds year ended 31 March 2021 £
Grants and donations			
. Donations	838	—	838
. Grants	1,033,936	721,387	1,755,323
Other	9,000	—	9,000
	<u>1,043,774</u>	<u>721,387</u>	<u>1,765,161</u>

2 Expenditure on: Charitable activities

	Direct costs £	Support costs £	Total funds year ended 31 March 2022 £
Staff costs	556,772	69,538	626,310
Staff related costs	11,623	35,123	46,746
Project costs	656,049	—	656,049
Office and administration	—	136,685	136,685
Governance costs			
. Audit and other	—	10,734	10,734
	<u>1,224,444</u>	<u>252,080</u>	<u>1,476,524</u>
Support costs	252,080	(252,080)	—
2022 total	<u>1,476,524</u>	<u>—</u>	<u>1,476,524</u>

2 Expenditure on: Charitable activities (continued)

	Direct costs £	Support costs £	Total funds year ended 31 March 2022 £
Staff costs	456,479	83,613	540,092
Staff related costs	29,530	276	29,806
Project costs	404,545	—	404,545
Office and administration	—	55,689	55,689
Governance costs	—	10,774	10,774
Audit and other	—	10,774	10,774
	890,554	150,352	1,040,906
Support costs	150,352	(150,352)	—
2021 total	1,040,906	—	1,040,906

3 Net income for the period

This is stated after charging:

	Year ended 31 March 2022 £	Year ended 31 March 2021 £
Auditor's remuneration (excluding VAT)	6,800	5,900
Operating lease charge	60,399	10,431

4 Staff costs and remuneration of key management personnel

Staff costs during the period were as follows:

	Year ended 31 March 2022 £	Year ended 31 March 2021 £
Wages and salaries	556,124	481,596
Social security costs	48,122	49,589
Pension costs	22,064	8,907
	626,310	540,092

Employees earning in excess of £60,000 per annum (including taxable benefits but excluding employer pension contributions) during the year are disclosed below, in bandings of £10,000.

	Year ended 31 March 2022 £	Year ended 31 March 2021 £
£60,001 - £70,000	1	1
£70,001 - £80,000	—	1
£100,001 - £110,000	1	—
£110,001 - £120,000	1	—

4 Staff costs and remuneration of key management personnel (continued)

During the year the average number of staff was 11.3 (2021: 10.6).

The trustees consider that the key management personnel of the charity comprise themselves and the Senior Management Team (SMT). The roles forming the SMT in the year were:

	Included in SMT from	Ceased role in SMT on
Executive Director	Nov. 2021	—
Director of Policy	Nov. 2021	—
Director of Operations	Jan. 2018	Mar. 2022
Director of External Engagement	May 2020	Nov. 2021
Director of Internal Advocacy	Jan. 2022	—

The total employee benefits (comprising gross salary, employers pension and national insurance contributions contributions) of the key management personnel was £178,605 (2021: £222,597)

No trustee received payment for acting as a trustee during the period (2021: none). Two trustees received reimbursements totalling £3,467 for travel and subsistence expenses in order to fulfil their role as a trustee during the year.

5 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

6 Debtors

	2022 £	2021 £
Prepayments	9,954	11,749
Other debtors	20,694	31,651
	30,648	43,400

7 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	16,062	63,644
Taxation and social security	13,377	13,980
Other creditors and accruals	167,951	78,117
	197,390	155,741

8 Analysis of net assets between funds

	General funds £	Designated funds £	Restricted funds £	Total funds 2022 £
Bank	688,883	562,000	110,680	1,361,563
Debtors	30,648	—	—	30,648
Creditors	(120,766)	—	(76,624)	(197,390)
	598,765	562,000	34,056	1,194,821

	General funds £	Designated funds £	Restricted funds £	<i>Total funds 2021 £</i>
<i>Bank</i>	<i>449,225</i>	<i>375,000</i>	<i>805,906</i>	<i>1,630,131</i>
<i>Debtors</i>	<i>43,400</i>	<i>—</i>	<i>—</i>	<i>43,400</i>
<i>Creditors</i>	<i>(79,117)</i>	<i>—</i>	<i>(76,624)</i>	<i>(155,741)</i>
	<i>336,884</i>	<i>375,000</i>	<i>805,906</i>	<i>1,517,790</i>

9 Movement in funds**Year ended 31 March 2022**

	As at 1 April 2021 £	Income £	Expenditure £	Transfers and new designations £	As at 31 March 2022 £
Restricted funds:					
. Child Online Protection	297,613	—	(235,796)	(27,761)	34,056
. Children's Rights	—	33,424	(33,424)	—	—
. Child Centred Design	2,700	17,703	(20,403)	—	—
. Data and Privacy	505,593	—	(505,593)	—	—
Total restricted funds	805,906	51,127	(795,216)	(27,761)	34,056
Designed unrestricted funds					
. Policy and Advocacy	375,000	—	(375,000)	562,000	562,000
General unrestricted funds	336,884	1,102,428	(306,308)	(534,239)	598,765
	1,517,790	1,153,555	(1,476,524)	—	1,194,821

Year to 31 March 2021

	As at 1 April 2020 £	Income £	Expenditure £	Transfers and new designations £	As at 31 March 2021 £
Restricted funds:					
. Child Online Protection	459,878	—	(162,265)	—	297,613
. Children's Rights	—	124,371	(116,113)	(8,258)	—
. Child Centred Design	125,093	—	(122,393)	—	2,700
. Data and Privacy	—	597,016	(91,423)	—	505,593
Total restricted funds	584,971	721,387	(492,194)	(8,258)	805,906
Designed unrestricted funds					
. Policy and Advocacy	—	—	—	375,000	375,000
General unrestricted funds	208,564	1,043,774	(548,712)	(366,742)	336,884
	793,535	1,765,161	(1,040,906)	—	1,517,790

Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances held on trust to be applied for specific purposes. The restricted funds held by the charity comprise:

- ◆ Child Online Protection – Funds received for children's online protection.
- ◆ Children's Rights – Funds received for General Comment on the UN Convention on the Rights of the Child.
- ◆ Child Centred Design – Funds received for research of the relationship between the current norms of digital design and their impact on children.
- ◆ Data and Privacy – Funds received to address the use of digital technologies optimised to gather data for profit.

Transfers from restricted to unrestricted funds represent contributions to general overhead costs of the charity, permitted under the terms of the respective grant agreements.

9 Movement in funds (continued)

Designated funds

- ◆ Policy and Advocacy - Funds designated by the trustees to support future work in the areas of policy and advocacy.

10 Related party transactions

During the prior year the charity operated from premises owned by a trustee and director of the charity up until December 2020. No charge was made to the charity, no gift in kind was recognised as the value was deemed to be immaterial to the financial statements and could not be reliably measured without cost to the charity. There was no such arrangement in the year ended 31 March 2022.

Apart from those disclosed within note 4 to the financial statements, there were no further transactions with related parties.

11 Commitments Under Operating Leases

At 31 March the charity had future minimum commitments under non-cancellable operating leases as set out below:

Land and buildings Payments which fall due:	2022 £	2021 £
Within one year	31,041	41,388
Between one and two years	—	34,489
	31,041	75,877

Accounts

5Rights Foundation

Report and Financial Statements

31 March 2021

Company Registration Number
11271356 (England and Wales)

Charity Registration Number
1178581

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Reference and administrative details of the charity, its trustees and advisers

Trustees	Dr Amani Abou-Zeid Manuel Costescu – Honorary Treasurer Baroness Helena Kennedy QC * Baroness Beeban Kidron OBE – Chair Dr Ansgar Koene Rhiannon Lawson (appointed October 2020) Louise Macdonald OBE Stephanie Nguyen (appointed October 2020) Dr Towela Nyirenda Jere – vice-Chair * Sir Peter Wanless CB * Shoshana Zuboff (appointed July 2020) *Members of Governance and Remuneration Committee
Registered offices	Suite 6, Islington House 313-314 Upper Street London N1 2XQ
Company registration number	1178581
Charity registration number	11271356
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal bankers	Lloyds Bank 7 Carter Street Uttoxeter Staffordshire ST14 8HD

Chair's statement Year ended 31 March 2021

5Rights Foundation has worked hard over the past year to fulfil our mission of building the digital world children deserve. We have made significant progress against each of our key areas of interest; data protection, child centred design and children's rights.

Our team has doubled in size to support the additional work we are undertaking. We have enriched our board of directors to enhance its skills and experience in service design, technology standards and human-computer interaction design and research. A vice-Chair has been appointed, and we have instituted a governance and remuneration committee. We conducted our first independent data protection audit and have reviewed and updated our safeguarding and research ethics protocols.

COVID-19 has been a strain for both our team and the children we serve. We worked remotely successfully since March 2020 and the whole team is to be commended for their commitment and the seamless way they adapted. Despite the difficulties we have faced, the team has worked brilliantly to build the charity's reputation for pragmatic policy and principled interventions that impact on children's lived experience.

Introduction

The trustees present their statutory report together with the financial statements of 5Rights Foundation for the year ended 31 March 2021.

The report, which constitutes a trustees' report for the purposes of charity legislation and a directors' report for the purposes of company legislation, comply with the Charity's constitution, and has been prepared in accordance with Part 8 of the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice.

The financial statements have been prepared in accordance with the accounting policies set out on pages 16 to 19 of the attached financial statements and comply with the Charity's Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom (FRS 102).

Objects and Public Benefit

The Charity's objects are set out in its Articles of Association, for which the organisation is established and support the Charity's mission to make the digital environment fit for children and childhood.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit and advice for charities of an appropriate size when reviewing the Charity's objects and in planning its activities. To further 5Rights' charitable objects for public benefit, all work is directed towards understanding and promoting the well-being of children and young people, by working with others to ensure that the digital environment observes the rights and privileges of childhood.

5Rights Foundation achieves public benefit for the population as a whole by advocating for fair legislation, regulation, standards and technical controls that uphold children's rights in the digital world.

Summary of activities and achievements

All activities support 5Rights' charitable objects and are designed to focus on long-term, systemic change for children using digital services.

Data and privacy: The Age Appropriate Design Code, which the charity's Chair introduced as an amendment to the Data Protection Act 2018, passed into UK law in September 2020. It is a matter of great pride to the entire team that the code is increasingly cited as best practice in legislation, regulation and policy documents in the UK and around the globe.

Child-centred design: For the past two years we have been driving a programme of work with IEEE, the international association of electrical engineers to create a child centred design standard. The standard establishes a set of processes by which organisations can make their products and services age appropriate. This standard will help organisations ask the right questions to identify risks and opportunities by which to make their services age appropriate, it also encourages them to mitigate risks and embed beneficial systems that support age-appropriate engagement.

The Digital Futures Commission is an exciting research collaboration of unique organisations that invites innovators, policy makers, regulators, academics and civil society, that seeks to unlock digital innovation in the best interests of children and young people. We have started to see the fruits of its work, and over the last year have seen the publication of several highly regarded reports and enjoyed the benefits of remote meetings that allow contributions from experts all over the world.

Children's rights: In many parts of the world the United Nations Convention on the Rights of the Child (UNCRC) is the primary document from which child protection flows. We were delighted to be the consultants to the Committee on the Rights of the Child in drafting the General comment 25 children's rights in relation to the digital world. In March the GC was formally adopted by the UNCRC as the authoritative document on how children's rights apply to the digital world. It has since been widely welcomed by states and international organisations.

We have been compiling a **Global Child Online Protection handbook/toolkit** to offer the necessary road maps, signposts, and exemplars of good practice in a single volume/entity. Working closely with the international community an online consultation ran in six countries in five languages in late 2020.

Monitoring and evaluation continue to be central to the charity's ability to review the effectiveness and success of its activities over the long-term.

Documents published for public benefit during the year included *'Freedom Security Privacy: The Future of Childhood in the Digital World'* (July 2020) *'Building the Digital World that Young People Deserve: Priorities for the Online Harms Bill'* (October 2020) *'UNCRC General comment No. 25: Explanatory Notes'* (March 2021) *'Our Rights in a Digital World: A Snapshot of children's views from around the world'* (March 2021) *'In Our Own Words: Young People's version of general comment No. 25'* (March 2021) *'Know your rights! general comment No. 25 Poster for Schools'* (March 2021) *'But how do they know it is a child?' Age Assurance in the Digital World'* (March 2021).

The Charity contributed to consultations in the UK and abroad, and have been successful in inserting children's data privacy, child centred design and children's rights in a large number of high-profile legislative, treaty and policy documents. We continue to build awareness of children as any person under the age of 18, and work with a large number of organisations and legislators in the UK and beyond, to support their efforts to build the digital world young people deserve.

5Rights grew from six full-time employees at the beginning of the year to 11 by year end by investing in our operations, policy and advocacy teams.

Covid-19 was the dominant external factor outside the Charity's control which had the potential to impact 5Rights' work and operation. The team successfully worked remotely from March 2020, adjusting quickly and effectively and has delivered exceptional results and no staff were furloughed.

In all our work, we are careful to consult with children and to support their desire for a digital world that is rights respecting and age appropriate.

Plans for the future

Our plans include the publication of a child risk assessment tool for online services, and the continued advocacy and development of our three core areas, data privacy, child centred design and children's rights – being mandatory. The Charity has designated funds to continue this work and deliver against its commitments and promises.

Results and financial position

A summary of the period's results can be found on page 13 of the accounts.

Total income for the year amounted to £1,765,161 (2020: £1,114,603) and was derived from donations and grants.

Expenditure in the year totalled £1,040,906 (2020: £592,996) exclusively to support 5Rights' charitable activities.

Due to COVID some of our 2020 projects have taken a little longer, the underspend from this year is scheduled to be spent in the next 12-months.

Funding

All funding received is in the form of grants or donations. The Charity does not fundraise directly with the general public and is not registered with the Fundraising Regulator. When donations are received, the Charity applies best practice to protect personal data and never sells data to other organisations and ensures that supporters' and donors' communications preferences can be changed at any time. The Charity manages its own fundraising activities and does not employ the services of professional fundraisers. The Charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During 2020/21, the Charity received no complaints about its fundraising activities.

The Charity takes a number of factors into account which could affect its future financial performance. Macro factors such as the general economic, political and social situation, and micro factors such as capability and capacity to raise funds.

Reserves policy

Trustees have considered the amount that 5Rights Foundation needs to hold in reserve to ensure financial sustainability. In developing its Reserves Policy the trustees have considered:

- The reasons why the Charity needs reserves
- Potential impacts of external factors outside the Charity's control
- The level of reserves the trustees believe the Charity needs
- How the Charity is going to establish the level of reserves required
- How the trustees monitor and review the policy and the actual reserves.

Reserves policy (continued)

The Charity needs reserves in order to protect the continuity of operations during periods of economic and social uncertainty, through peaks and troughs of funding cycles and to maintain core activities as individual projects finish and new projects start. In addition to such operational reserves, where possible, a fund of accumulated reserves allows the Charity to invest appropriately in new strategic initiatives.

The general reserve fund carried forward into the next year, excluding restricted and designated funds was £336,884 (2020: £208,564). The trustees have concluded that the Charity can now revert to its original reserve policy of three months of operating costs, excluding restricted funds of £805,906 (2020: £584,971) already set aside to complete funded commitments; and designated funds of £375,000 (2020: £nil) to complete work already commenced. The trustees have reviewed funds available and are confident that the general reserves fund will comply with the policy in 2022. This policy will be reviewed regularly.

Risk Management

The trustees are mindful of their responsibility as charity trustees to identify both the strategic and operational risks the Charity faces, and to establish and implement systems and procedures to mitigate those risks identified. The major risks to which the organisation is exposed are consistently reviewed at the request of trustees and, where necessary, amended and risk management policies, strategies, actions and procedures identified and implemented to minimise these risks.

A risk review was carried out in 2020/21 and was reviewed by the board of trustees in May 2021. This assessed strategic and operational risks under the five categories: governance, external, regulatory & compliance, financial and operational. The trustees confirm that they are satisfied that strategies, systems and controls are in all areas and as far as possible in place to mitigate any significant risks.

Of all the potential risks posed to the Foundation during the year, COVID-19 had the potential to be the greatest. However, the charitable work and day-to-day running of the Charity continued with as little disruption as possible. The trustees are pleased to report that workplans and strategies are in place to ensure ongoing external relationships and funding of the Foundation.

Risk Management (continued)

Structure, governance and management

The governance of 5Rights Foundation is overseen by the board of trustees. New trustees are invited onto the board by the Chair and trustees and on recommendation from industry, NGO and other contacts. They are generally individuals who bring specific high-level skills and contacts to complement, support and advise. New trustees undergo a comprehensive induction programme to ensure they can contribute effectively to their roles as trustees.

The board meets four times each year and guides the strategic direction of the Charity. 5Rights vice-chair leads the Governance and Remuneration Committee makes recommendations to the board on matters of governance and HR; recruitment and nomination of trustees; reviews governance arrangements and policies; resolve disputes or complaints; remuneration decisions for senior staff and advise on matters relating to human resources.

Decisions made by staff are made according to the levels of delegated authority defined in the organisation's policies and procedures and according to role descriptions and commensurate levels of authority. Senior Management Team currently comprises of the Director of Operations and Director of External Engagement who meet twice weekly.

The Charity and Company is governed by Articles of Association was incorporated as a company limited by guarantee on 22 March 2018 and registered as a charity on 31 May 2018.

The trustees receive no remuneration for their services as trustees but are reimbursed for appropriate travel and expenses in performance of the work of the Charity. The pay of all staff is reviewed annually by the board of trustees and is based on comparisons with similar organisations using industry standard benchmarking.

Statement of trustees' responsibilities

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards. Company law requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Charity of the income and expenditure of the Charity 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 Account and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable United Kingdom Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that

- So far as the trustee is aware, there is no relevant audit information of which the charity's auditor is unaware
- Each trustee has taken all of the steps they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the board of trustees on 2 August 2021 and signed on its behalf by

Manuel Costescu

Manuel Costescu

Independent auditor's report to the trustees of 5Rights Foundation

Opinion

We have audited the financial statements of 5Rights Foundation for the year ended 31 March 2021, which comprise the statement of financial activities, the balance sheet and statements of cash flows, the principal accounting policies and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of the income and expenditure for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 the charitable company'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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' 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' 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 by the charitable company; or
- ◆ the charitable company financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees 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 is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006).
- ◆ We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to the presence of any actual or potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

 14.9.2021

Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Statement of financial activities Year to 31 March 2021

	Notes	Unrestricted funds £	Restricted funds £	Total year ended 31 March 2021 £	Unrestricted funds £	Restricted funds £	Total year ended 31 March 2020 £
Income from:							
Grants and donations	1	1,034,774	721,387	1,756,161	435,540	679,063	1,114,603
Other		9,000	—	9,000	—	—	—
Total income		1,043,774	721,387	1,765,161	435,540	679,063	1,114,603
Expenditure on:							
Charitable activities	2	548,712	492,194	1,040,906	482,284	110,712	592,996
Total expenditure		548,712	492,194	1,040,906	482,284	110,712	592,996
Net income (expenditure) for the period	3	495,062	229,193	724,255	(46,744)	568,351	521,607
Transfers between funds		8,258	(8,258)	—	—	—	—
Net movement in funds		503,320	220,935	724,255	—	—	—
Total fund brought forward		208,564	584,971	793,535	255,308	16,620	271,928
Total funds carried forward at 31 March							
. Restricted funds		—	805,906	805,906	—	584,971	584,971
. Designated funds		375,000	—	375,000	—	—	—
. General reserve fund		336,884	—	336,884	208,564	—	208,564
		711,884	805,906	1,517,790	208,564	584,971	793,535

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

Balance sheet 31 March 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Current assets					
Debtors	6	43,400		18,163	
Cash at bank and in hand		1,630,131		810,138	
		1,673,531		828,301	
Current liabilities					
Creditors: amounts falling due within one year	7	(155,741)		(34,766)	
Net current assets			1,517,790		793,535
Total net assets			1,517,790		793,535
Represented by:					
The funds of the charity					
Restricted funds	9		805,906		584,971
Unrestricted funds					
. Designated funds			375,000		—
. General reserve fund			336,884		208,564
			1,517,790		793,535

Approved by the trustees on 2 August 2021 and signed on their behalf by

Manuel Costescu

Manuel Costescu

Company Registration Number 11271356 (England and Wales)

Statement of cash flows Year to 31 March 2021

	Notes	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Cash flows from operating activities			
Net cash provided by operating activities	A	819,993	544,367
Change in cash and cash equivalents in the period		819,993	544,367
Cash and cash equivalents at 1 April 2020		810,138	265,771
Cash and cash equivalents at 31 March 2021	B	1,630,131	810,138

Notes to the statement of cash flows for the year to 31 March 2021

A Reconciliation of net movement in funds to net cash provided by operating activities

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Net movement in funds (as per the statement of financial activities)	724,255	521,607
Adjustments:		
(Increase) decrease in debtors	(25,237)	45,007
Increase (decrease) in creditors	120,975	(22,247)
Net cash provided by operating activities	819,993	544,367

B Analysis of cash and cash equivalents and change in net debt

	At 1 April 2020 £	Movement in year £	At 31 March 2021 £
Cash at bank and in hand	810,138	819,993	1,630,131
Total cash and cash equivalents	810,138	819,993	1,630,131

The charity held no debt during the period, as such the above analysis of cash and cash equivalents serves as reconciliation of changes in net debt.

Principal accounting policies Year to 31 March 2021

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below:

Basis of preparation

These accounts have been prepared for the year 31 March 2021 with comparative information for the year to 31 March 2020.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts 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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) effective 1 January 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include the allocation of support costs between charitable expenditure categories; and the formulation of the reserve policy.

Assessment of going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the Charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements.

The Trustees have considered the effect of COVID-19 on the organisation's work and objects. The Trustees consider that the pandemic has not, and is not, likely to cause disruption to the Charity's work and are confident that the Charity can continue as a going concern for a period of at least twelve months from the date of approval of these financial statements. The Trustees have a good expectation that the Charity has adequate resources to continue in operation for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

Assessment of going concern (continued)

The senior management team has been planning different scenarios, have put contingency measures and plans in place to make sure the Foundation remains as functional and focused as possible, considering human, project and operational factors. This planning has provided a high level of confidence over maintaining the delivery of commitments.

5Rights have focussed on wellbeing and team building since staff started working from home due to COVID-19 and have put substantial efforts into staff health and safety, home working procedures and wellbeing initiatives. 5Rights is continuing with on-boarding new recruits while working remotely to maximise its ability to continue its work and take every opportunity presented by the current situation. The senior management team believe that these measures and the resulting strong team will continue successfully over the next 12 months.

The trustees of the Charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The trustees are of the opinion that the Charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 March 2022, the most significant areas that affect the carrying value of the assets held by the Charity are the delivery of grant funded activities and securing future funding for these activities.

Income recognition

Donations have been credited to the statement of financial activities on an accruals basis. Revenue grants are credited to the Statement of Financial Activities (SOFA) when the charity is considered to have entitlement to the assets, it is probable that the resources will be received, and the monetary value of income can be measured with sufficient reliability.

Grants have been included either as income from activities in furtherance of the charity's objectives where these amount to support for specific activities and services, or as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

Expenditure consists of the costs of charitable activities. This includes all costs associated with furthering the charitable purposes of the charity; direct and indirect expenditure on the charity's children's digital rights.

Allocation of support and governance costs

Support costs, represent indirect charitable expenditure. In order to carry out primary purposes of the charity it is necessary to provide support such as general management, information technology, communications, insurance and other office support as well as governance of the charity. These costs are allocated between activities they are supporting on the basis of staff numbers employed during the period and the effort and time required to support that activity.

Expenditure is allocated to each activity on a direct basis, or by allocation based on an estimate of the time spent, by each member of staff on each activity or on an estimate of the proportion of costs relating to that activity.

Foreign exchange differences

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the Statement of Financial Activities.

Taxation

The company is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly the company is exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of 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.

Pensions

The charity is part of an occupational pension scheme, which is a defined contribution scheme, the assets of which are held separately from those of the charity in an independently administered fund. The cost of contributions payable by the charity to the scheme is charged to the income and expenditure account as incurred.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

Fund structure

The charity has various types of funds for which it is responsible, and which required separate disclosure. These are as follows:

Unrestricted funds

There general reserve funds comprise those monies which may be used towards meeting the charitable objectives of the charity and which may be applied at the discretion of the trustees.

Designated funds and funds which are set aside as part of the charity's unrestricted funds for particular purposes in the future.

Restricted funds

Restricted funds are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the funder or when funds are raised for particular restricted purposes.

Financial instruments

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the charity and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank – classified as a basic financial instrument and is measured at face value.

Financial liabilities – accruals and other creditors are financial instruments, and are measured at amortised cost.

1 Income

	Unrestricted funds £	Restricted funds £	Total funds year ended 31 March 2021 £
Grants and donations			
. Donations	838	—	838
. Grants	1,033,936	721,387	1,755,323
Other	9,000	—	9,000
	<u>1,043,774</u>	<u>721,387</u>	<u>1,765,161</u>
	Unrestricted funds £	Restricted funds £	Total funds year ended 31 March 2020 £
Grants and donations			
. Donations	6,000	—	6,000
. Grants	429,540	679,063	1,108,603
	<u>435,540</u>	<u>679,063</u>	<u>1,114,603</u>

2 Expenditure on: Charitable activities

	Direct costs £	Support costs £	Total funds year ended 31 March 2021 £
Staff costs	456,479	83,613	540,092
Staff related costs	29,530	276	29,806
Project costs	404,545	—	404,545
Office and administration	—	55,689	55,689
Governance costs			
. Audit and year end accountancy fees	—	8,674	8,674
. Other professional fees	—	2,100	2,100
	<u>890,554</u>	<u>150,352</u>	<u>1,040,906</u>
Support costs	150,352	(150,352)	—
2021 total	<u>1,040,906</u>	<u>—</u>	<u>1,040,906</u>

2 Expenditure on: Charitable activities (continued)

	Direct costs £	Support costs £	Total funds year ended 31 March 2020 £
Staff costs	145,358	79,321	224,679
Staff related costs	27,830	2,515	30,345
Project costs	281,176	—	281,176
Office and administration	—	48,868	48,868
Governance costs	—	—	—
Audit and year end accountancy fees	—	7,928	7,928
	454,364	138,632	592,996
Support costs	138,632	(138,632)	—
2020 total	592,996	—	592,996

3 Net income for the period

This is stated after charging expenditure in respect of:

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Operating leases	8,261	—
Auditor's remuneration (excluding VAT)	5,900	5,700

4 Staff costs and remuneration of key management personnel

Staff costs during the period were as follows:

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Wages and salaries	481,596	202,393
Social security costs	49,589	18,780
Pension costs	8,907	3,506
	540,092	224,679

One employee earned between £60,000 and £70,000 per annum and one employee earned between £70,000 and £80,000 per annum (including taxable benefits but excluding employer pension contributions) during the year (2020: one employee earned between £60,000 and £70,000 per annum).

Key management personnel comprise the Director of Operations, Director of Projects (employed from January to 31 December 2020) and the Director of External Engagement (employed from May 2020). The total employee benefits (comprising gross salary, employers pension and national insurance contributions) of the key management personnel was £222,597 (2020: £68,917)

During the year the average number of staff was 10.6 (2020: 5.3).

4 Staff costs and remuneration of key management personnel (continued)

No trustee received payment for acting as a trustee during the period (2020: none). No trustee received reimbursement for expenses during the year (2020: two trustees received reimbursements for expenses amounting to £2,112 incurred in relation to their role as trustees).

5 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

6 Debtors

	2021 £	2020 £
Prepayments	11,749	—
Other debtors	31,651	18,163
	43,400	18,163

7 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	63,644	9,096
Taxation and social security	13,980	9,739
Other creditors and accruals	78,117	15,931
	155,741	34,766

8 Analysis of net assets between funds

	General funds £	Designated funds £	Restricted funds £	Total funds 2021 £
Bank	372,601	375,000	882,530	1,630,131
Debtors	43,400	—	—	43,400
Creditors	(79,117)	—	(76,624)	(155,741)
	336,884	375,000	805,906	1,517,790

	General funds £	Designated funds £	Restricted funds £	Total funds 2020 £
Bank	225,167	—	584,971	810,138
Debtors	18,163	—	—	18,163
Creditors	(34,766)	—	—	(34,766)
	208,564	—	584,971	793,535

9 Movement in funds**Year ended 31 March 2021**

	As at 1 April 2020 £	Income £	Expenditure £	Transfers and new designations £	As at 31 March 2021 £
Restricted funds:					
. Child Online Protection	459,878	—	(162,265)	—	297,613
. Children's Rights	—	124,371	(116,113)	(8,258)	—
. Child Centred Design	125,093	—	(122,393)	—	2,700
. Data and Privacy	—	597,016	(91,423)	—	505,593
Total restricted funds	584,971	721,387	(492,194)	(8,258)	805,906
Designed unrestricted funds					
. Policy and Advocacy	—	—	—	375,000	375,000
General unrestricted funds	208,564	1,043,774	(548,712)	(366,742)	336,884
	793,535	1,765,161	(1,040,906)	—	1,517,790

Year to 31 March 2020

	As at 1 April 2019 £	Income £	Expenditure £	Transfers and new designations £	As at 31 March 2020 £
Restricted funds:					
. Child Online Protection	11,620	482,991	(34,733)	—	459,878
. Children's Rights	5,000	40,277	(45,277)	—	—
. Child Centred Design	—	155,795	(30,702)	—	125,093
Total restricted funds	16,620	679,063	(110,712)	—	584,971
Designed unrestricted funds					
. Project work	195,732	—	(195,732)	—	—
General unrestricted funds	59,576	435,540	(286,552)	—	208,564
	271,928	1,114,603	(592,996)	—	793,535

Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances held on trust to be applied for specific purposes.

The restricted funds held by the charity comprise:

- ◆ Child Online Protection – Funds received for children's online protection.
- ◆ Children's Rights – Funds received for children's rights support and General Comment on the UN Convention on the Rights of the Child. Transfers made out of this fund to the general fund in the period represent overhead support costs incurred in previous years and chargeable under the terms of grant agreements, which had not been charged against the associated fund.
- ◆ Child Centred Design – Funds received for research of the relationship between the current norms of digital design and their impact on children.
- ◆ Data and Privacy – Funds received to address the use of digital technologies optimised to gather data for profit.

9 Movement in funds (continued)

Designated funds

- ♦ Policy and Advocacy - Funds designated by the trustees to support future work in the areas of policy and advocacy.
- ♦ Project work – Funds designated by the trustees to meet committed costs on unfunded projects currently underway.

10 Related party transactions

During the year ended 31 March 2021 the charity operated from premises owned by a trustee and director of the charity up until December 2020. No charge was made to the charity, no gift in kind has been recognised as the value is deemed to be immaterial to the financial statements and cannot be reliably measured without cost to the charity.

Apart from those disclosed within note 4 to the financial statements, there were no further transactions with related parties.

11 Commitments under operating leases

At 31 March the charity had future minimum commitments under non-cancellable operating leases as set out below:

Land and buildings	2021	2020
Payments which fall due:	£	£
Within one year	41,388	—
Between one and two years	34,489	—
	75,877	—