

Companies House



5Rights Foundation

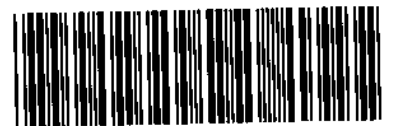
**ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED**

31 MARCH 2024

Company Registration Number
11271356 (England and Wales)

Charity Registration Number
1178581

WEDNESDAY



A22 *ADAYZ3QX* #216
COMPANIES HOUSE

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

Reference and administrative details	1
Trustees' Report	2
Independent Auditor's Report	7
Statement of Financial Activities	11
Balance Sheet	12
Statement of cash flows	13
Notes to the Financial Statements	14

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

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

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.

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

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			1,522,500		868,768
NET ASSETS			<u>1,522,500</u>		<u>868,768</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>1,522,500</u>		<u>868,768</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
	<u>950,502</u>	<u>604,552</u>	<u>1,555,054</u>

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>

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

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
	<u>-</u>	<u>28,901</u>

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	-
	<u>1</u>	<u>-</u>

Particulars of employees:

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

	2024	2023
	No.	No.
	10.2	11.0
	<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>	34,056	130,226	(153,535)	(10,747)	-
<i>Total restricted funds</i>	34,056	130,226	(153,535)	(10,747)	-
<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	Unrestricted Funds £	Restricted Funds £	Total Funds £
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			
<i>Income from:</i>			
<i>Grants and donations</i>	1,338,290	130,226	1,468,516
<i>Investment income: bank interest</i>	1,424	-	1,424
TOTAL INCOME	<u>1,339,714</u>	<u>130,226</u>	<u>1,469,940</u>
EXPENDITURE			
<i>Expenditure on:</i>			
<i>Charitable Activities</i>	1,642,458	153,535	1,795,993
TOTAL EXPENDITURE	<u>1,642,458</u>	<u>153,535</u>	<u>1,795,993</u>
<i>Net (expenditure) before transfers</i>	<u>(302,744)</u>	<u>(23,309)</u>	<u>(326,053)</u>
<i>Transfers between funds</i>	10,747	(10,747)	-
NET MOVEMENT IN FUNDS	<u>(291,997)</u>	<u>(34,056)</u>	<u>(326,053)</u>
<i>Balances brought forward</i>	1,160,765	34,056	1,194,821
<i>Balances carried forward</i>	<u>868,768</u>	<u>-</u>	<u>868,768</u>